

OCD-HOBBS

ATS-07-113

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
APACHE CORPORATION (LANA WILLIAMS 918-491-4980) **(873)**

3a. Address 6120 SOUTH YALE
SUITE 1500 TULSA OKLA. 74136

3b. Phone No. (include area code)
918-491-4980

4. Location of Well (Report location clearly and in accordance with any State requirements.) **Unit P**
At surface 1230' FSL & 990' FEL SECTION 14 T21S-R37E LEA CO. NM
At proposed prod. zone SAME **CAPTAN CONTROLLED WATER BASIN**

14. Distance in miles and direction from nearest town or post office*
Approximately 4 miles Northeast of Eunice New Mexico

12. County or Parish
LEA CO. 13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft. 990' ±
(Also to nearest drig. unit line, if any)

16. No. of acres in lease
1760

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 750 ±

19. Proposed Depth
6875'

20. BLM/BIA Bond No. on file
BLM CO-1463 NATION WIDE

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3412' GL.

22. Approximate date work will start*
WHEN APPROVED

23. Estimated duration
18 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Joe T. Janica*
Title Agent

Name (Printed/Typed)
Joe T. Janica

11/14/06

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date DEC 19 2006

Title ACTING FIELD MANAGER

Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOHES, NM 86240

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

1220 SOUTH ST. FRANCIS DR.

State Lease - 4 Copies

Santa Fe, New Mexico 87505

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87506

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38233		Pool Code 22900	Pool Name EUNICE-BLINEBRY, TUBB, DRINKARD-NORTH
Property Code 35023	Property Name EBDU		Well Number 62
OGRID No. 873	Operator Name APACHE CORPORATION		Elevation 3412'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	14	21-S	37-E		1230	SOUTH	990	EAST	LEA

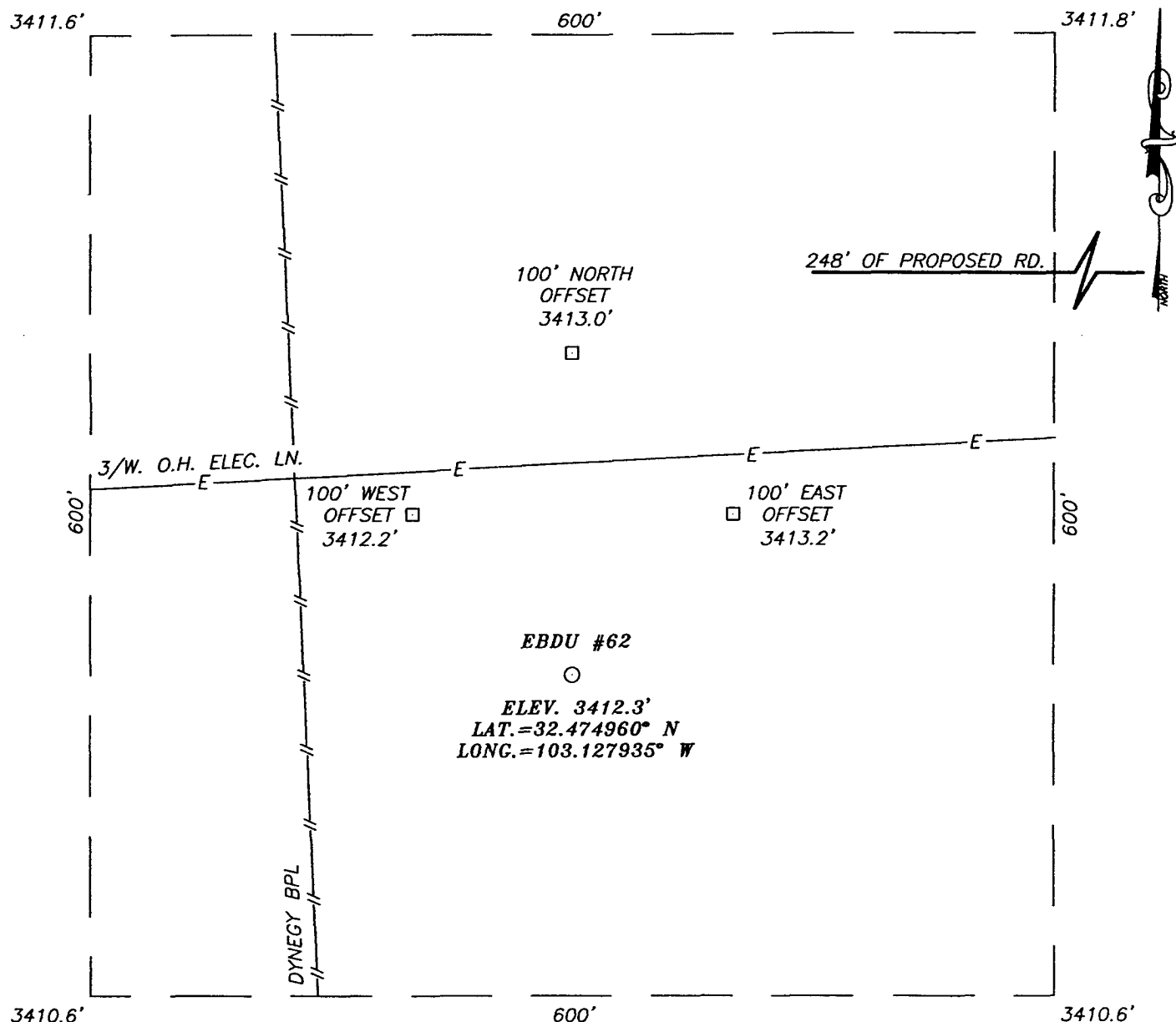
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

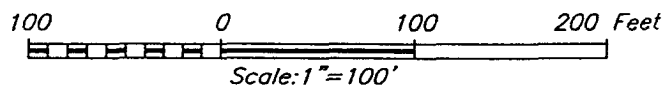
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=538603.3 N X=871739.7 E</p> <p>LAT.=32.474960° N LONG.=103.127935° W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Joe T. Janica</i> Signature Date 11/14/06 JOE T. JANICA Printed Name Agent</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 05, 2006</p> <p>Date Surveyed REV:08/31/06 Signature & Seal of Professional Surveyor MR <i>Gary A. Eidson</i> 8/31/06 06.11.0937</p>
		<p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>

SECTION 14, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

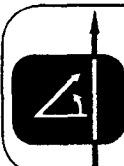
FROM THE INTERSECTION OF ST. 18 AND CO. RD. E-38 (JONES CITY RD.), GO NORTH ON ST. HWY. #18 APPROX. 0.7 MILES. TURN LEFT (THROUGH CATTLE GUARD) AND GO WEST APPROX. 0.1 MILES. TURN LEFT AND GO SOUTH APPROX. 0.4 MILES TO A BEGIN ROAD SURVEY. FOLLOW ROAD SURVEY WEST APPROX. 248 FEET. THIS LOCATION IS APPROX. 212 FEET SOUTHWEST.



APACHE CORPORATION

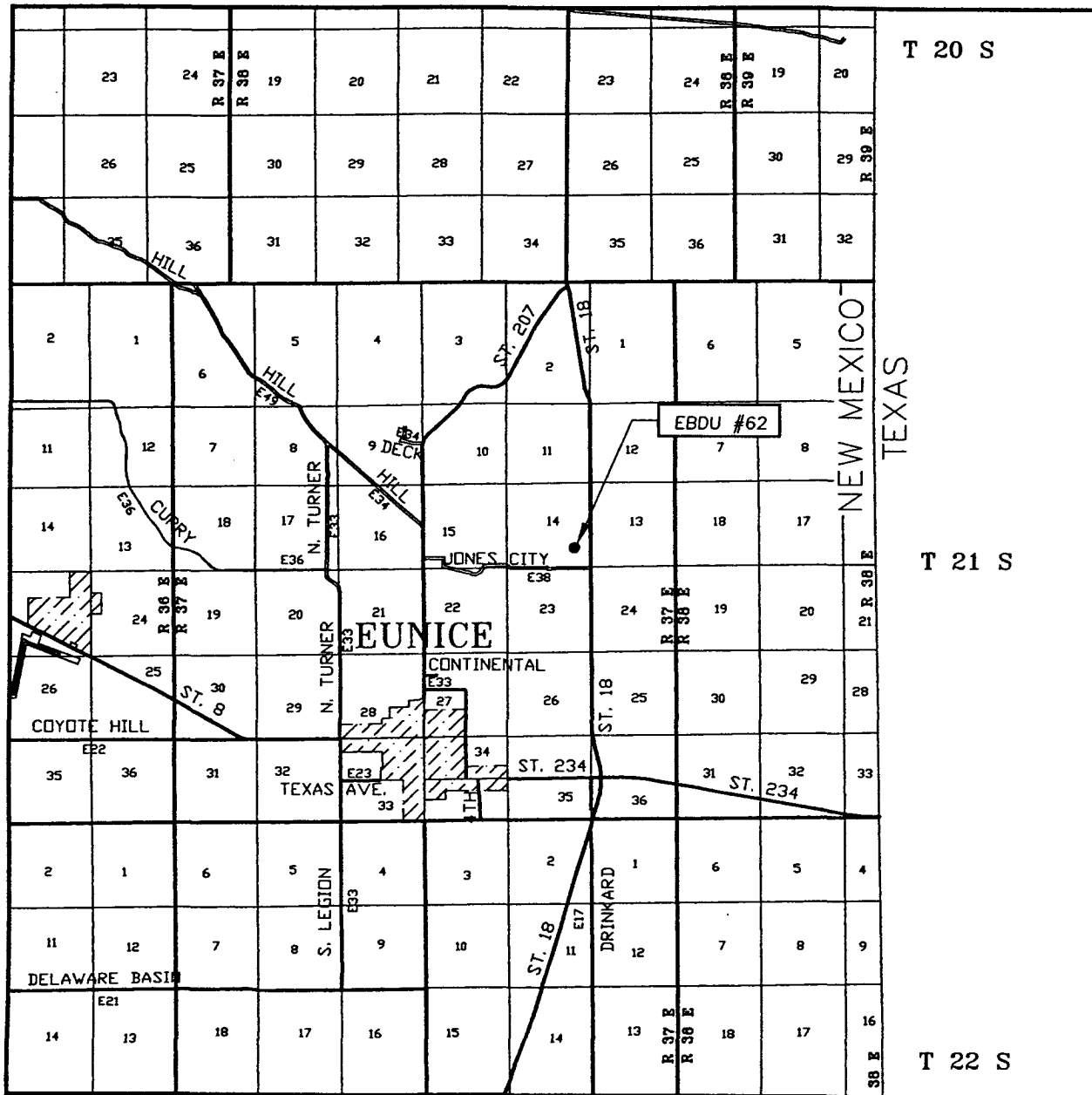
EBDU #62
 LOCATED 1230 FEET FROM THE SOUTH LINE
 AND 990 FEET FROM THE EAST LINE OF SECTION 14,
 TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 06/05/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0937	Dr By: M.R.
Date: 06/16/06	Disk: CD#6
06110937	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 3 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

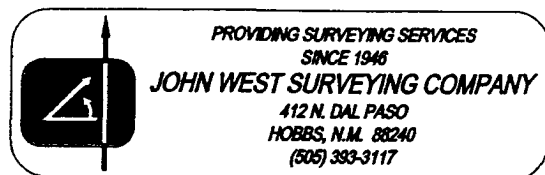
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1230' FSL & 990' FEL

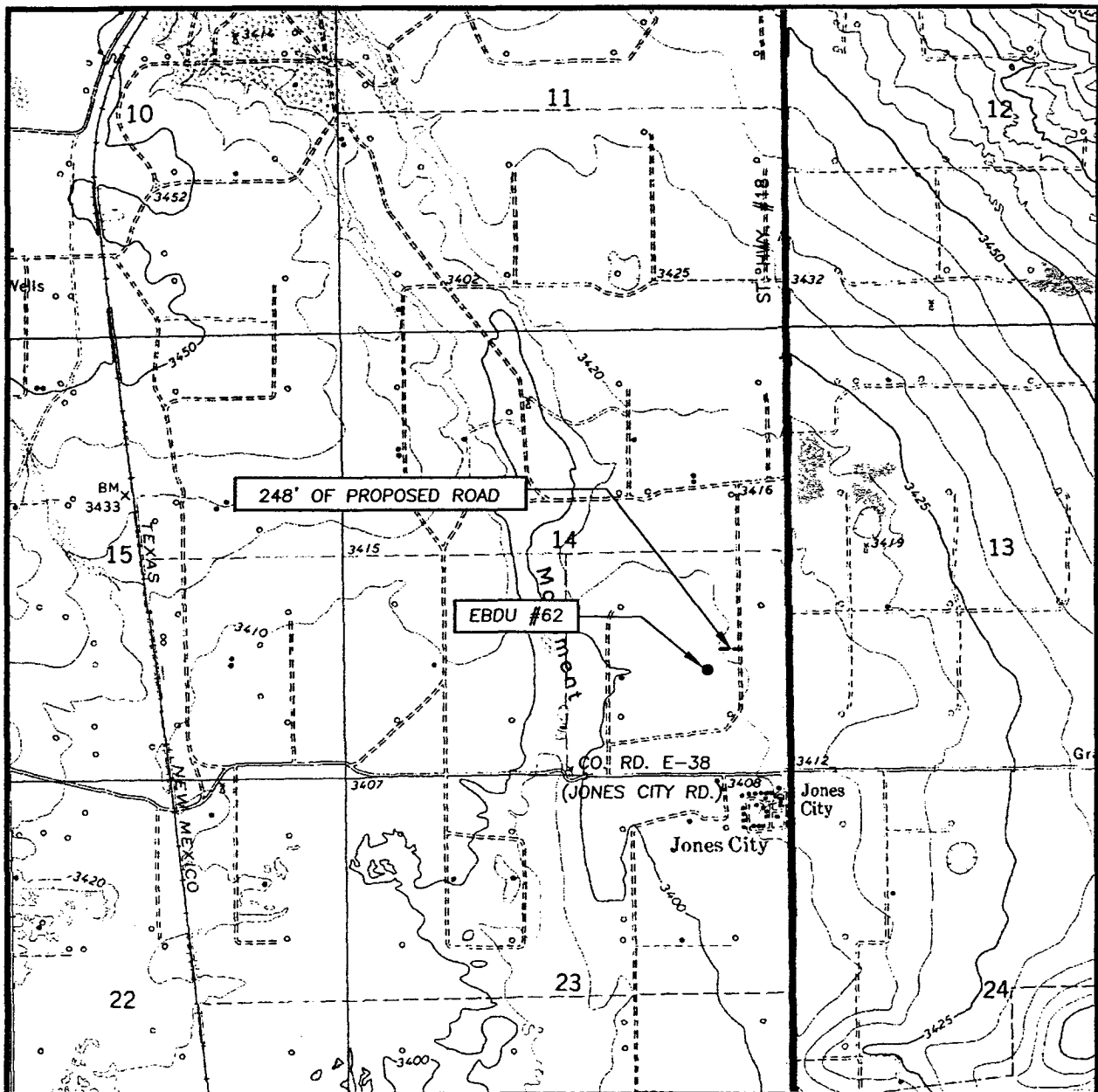
ELEVATION 3412'

OPERATOR APACHE CORPORATION

LEASE EBDU



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
EUNICE, N.M. - 10'
EUNICE NE, N.M. - 5'

SEC. 14 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

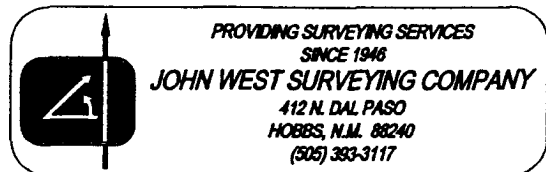
DESCRIPTION 1230' FSL & 990' FEL

ELEVATION 3412'

OPERATOR APACHE CORPORATION

LEASE EBDU

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.



SURFACE DAMAGE RELEASE

STATE OF NEW MEXICO §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF LEA §

THAT, Mr. WILLIAM STEPHENS whose address is P.O. Box 115 Eunice, NM 88231, (hereinafter referred to as "OWNER"), is the current surface owner of the privately owned lands herein described below which are located in the Eunice Area in Lea County, New Mexico. For and in consideration of the sum of Twenty Thousand Dollars and no/100 (\$20,000.00) (which is a payment of \$10,000.00 per well) for each of the two Subject Wells described below, to be paid by Apache Corporation of 6120 Yale St. # Two Warren Place, Suite 1500, Tulsa Ok. 74136 (hereinafter referred to as "OPERATOR"), the receipt and sufficiency of which are hereby acknowledged, LESSEE does hereby RELEASE and DISCHARGE OPERATOR, its employees, agents, contractors, successors and assigns, from any and all claims, demands and causes of action for detriment, injuries, damages and losses of whatsoever nature that have been caused or will be caused to the surface of the Subject Property (provided that such future damages are of a typical nature caused by normal operations of the Subject Wells) in any way arising from, incident to or in connection with the drilling or operation of the following well (hereinafter called "Subject Wells").

EBDU # 61
2370' FSL & 990' FEL
Section 14-T21S-R37E
Lea County New Mexico

EBDU # 62
1330' FSL & 990' FEL
Section 14-T21S-R37E
Lea County New Mexico

The above wells are located in South ½ of Section 14-T21S-R37E, Lea County, New Mexico.

In addition to the above listed damage payments Operator agrees to pay \$1600.00 for building 1056 feet (64 rods @ \$25.00 per rod) of new access road to the above described wells.

IT IS UNDERSTOOD AND AGREED UPON THAT THIS PAYMENT OF \$10,000.00 FOR EACH OF THE WELLS LISTED ABOVE DOES INCLUDE BUT NOT LIMITED TO DAMAGE PAYMENT FOR ANY PIPELINE, INJECTION LINE, AND POWER-LINE RIGHT OF WAY.

This Release is intended to cover all disruption of ranch operations due to surface disruption, including but not limited to, all crops, timber and grass damaged or destroyed in connection with the above described activities.

OPERATOR shall conduct all operations in a good and workman like manner and shall use all precautions to prevent any damages to said land over and above the damages contemplated herein. OPERATOR agrees to restore the surface as close as reasonably possible to its condition prior to commencement of drilling operations.

LESSEE agrees to account to any other party (including the surface tenant) who may be entitled to receive any portion of the aforementioned sum, and to indemnify and hold harmless OPERATOR, its successors and assigns from any claim by any other party for damages to the above described lands and improvements, crops or other things situated thereon. LESSEE agrees to keep all of the terms and conditions of this damage settlement confidential.

OWNER, FOR ITSELF, ITS SUCCESSORS, ASSIGNS, EMPLOYEES, AGENTS, PRINCIPLES, SERVANTS, HEIRS, EXECUTORS, PERSONAL REPRESENTATIVES AND ADMINISTRATORS, HEREBY RELEASES AND FOREVER DISCHARGES APACHE AND ALL WORKING INTEREST OWNERS AND THEIR RESPECTIVE

PARENT CORPORATIONS, SUBSIDIARY CORPORATIONS, ASSOCIATED AND AFFILIATED CORPORATIONS AND/OR ENTITIES, AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, PRINCIPALS, SERVANTS, SUCCESSORS, ASSIGNS, HEIRS, ATTORNEYS, EXECUTORS AND ADMINISTRATORS FROM EVERY CLAIM, DAMAGE, ATTORNEYS FEES, EXPENSES, COSTS, DEMANDS, RIGHTS, AND/OR CAUSE OF ACTION OF ANY KIND FOR SURFACE DAMAGES RELATING TO THE DRILLING AND COMPLETION OF THE SUBJECT WELLS ON THE SUBJECT PROPERTY.

This agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.

AGREED TO AND ACCEPTED this 27 day of August, 2006

APACHE CORPORATION

By: Harold Surin

William Stephens

William Stephens

SS # 525-76-0402

EXHIBIT "A"
 22 EAST BLINEBRY DRINKARD UNIT # 62
DRILLING PROGRAM

- I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.
 II. Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
Quaternary alluvials	Surface
Rustler	1313'
Yates	2615'
Queen	3418'
Grayburg	3755'
San Andres	3989'
Glorieta	5208'
Blinebry	5646'
Tubb	6121'
Drinkard	6467'
Abo	6714'
TD	6900'

- III. Estimated depths at which water, oil, gas, or other mineral-bearing formations are expected to be encountered:

<u>SUBSTANCE</u>	<u>DEPTH</u>
Oil	Blinebry@5646' Tubb@6121' Drinkard@ 6467'
Gas	None anticipated
Fresh Water	None anticipated

All fresh water and prospectively valuable minerals (as described by BLM) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows within zones of correlative rights will be tested to determine commercial potential.

- IV. A. Proposed Casing Program:

<u>HOLE</u>	<u>CASING</u>		<u>WEIGHT</u>			<u>ESTIMATED TOC -</u>
<u>SIZE</u>	<u>SIZE</u>	<u>GRADE</u>	<u>PER</u>	<u>DEPTH</u>	<u>SACKS</u>	<u>REMARKS</u>
	OD / ID		FOOT		CEMENT	
12 1/4"	8 5/8"	J55 STC	24#	1300'	600	TOC - Surface
	8.097"					8.9 ppg Water-based Mud; 89 ° F Est. Static Temp; 83 ° F Est. Circ. Temp.
7 7/8"	5 1/2"	J55 LTC	17#	6900'	1,400	TOC - Surface
	4.892"					Float Collar set @ 6855' / 10.10 ppg Brine Mud; 141 ° F Est. Static Temp; 117 ° F Est. Circ. Temp.

V. A. Proposed Mud Program

<u>DEPTH</u>	<u>MUD PROPERTIES</u>	<u>REMARKS</u>
0 – 1,300'	Weight: 8.6 – 9.6 ppg Viscosity: 34 – 36 sec/qt pH: NC Filtrate: NC	Spud with a Conventional New Gel/Lime "Spud mud". Use NewGel and native solids to maintain a sufficient viscosity to keep the hole clean. Mix Paper one-two sacks every 100 feet drilled to minimize wall cake build up on water sands and to control seepage loss. At TD of interval, mix in pre-mix pit, 100 barrels of system fluid, NewGel viscosity of 60 sec/100cc, add 0.25 ppb of Super Sweep.
1300' – 5600'	Weight: 9.9 – 10.1 ppg Viscosity: 28 – 29 sec/qt pH: 9-10 Filtrate: NC	Drill out from under the surface casing with Brine Water. Paper should be added at 2 bags after every 100' drilled to control seepage losses. Use Lime to maintain pH at 9-10. Mix one gallon of New-55 at flowline every 250 feet drilled to promote solids settling. Sweep hole with 5-ppb of Super Sweep every 500 feet.
5600' – TD	Weight: 9.9 – 10.1 ppg Viscosity: 30 – 40 sec/qt pH: 9-10 Filtrate: 8-15 cm/30 min	From 5600' to Total Depth, it is recommended the system be restricted to the working pits. Adjust and maintain pH with Caustic Soda. Treat system with Newcide to prevent dacterial degradation of organic materials. Mix Starch (yellow) to control API filtrate at <15cc.

VI. Proposed Control Equipment:

Will install on the 8 5/8" surface casing a 9" x 3000 psi WP Double Ram BOP and will test before drilling out of surface casing. **As expected pressures will not exceed 2000 psi, we request a waiver of the remote control requirement on the accumulator of the 3M BOP and a variance to run a 2M BOP, if available.** See Exhibit "H" for BOP layout.

VII. Auxiliary Equipment:

- 9" x 3000 psi double BOP/blind & pipe ram (**2M BOP if available**)
- 41/2" x 3000 psi Kelly valve
- 9" x 3000 psi mud cross – H₂S detector on production hole
- Gate-type safety valve 3" choke line from BOP to manifold
- 2" adjustable chokes – 3" blowdown line

VIII A. Testing Program: None planned

B. Logging Program: The following logs may be run:

- CNL, LDT, GR, CAL, DLL, MSFL, NGT, Sonic from TD-1300'
- CNL, GR from TD-Surface

C. Coring Program: None planned

D. Mudlogging Program: None planned

- IX. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. The estimated maximum bottom hole pressure is 2000 psi.

EXHIBIT "B"
EAST BLINEBRY DRINKARD UNIT # 62

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

No H₂S is anticipated.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN
CULTURAL RESOURCES SURVEY
APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: EAST BLINEBRY DRINKARD UNIT # 62
OPERATOR: APACHE CORPORATION

LOCATION: SE¼ OF SECTION 14, T21S-R37E, N.M.P.M.
LEA COUNTY, NEW MEXICO
SUBMITTED TO:

UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 EAST GREENE STREET
CARLSBAD, NEW MEXICO 88220-6292
TELEPHONE 505-234-5972

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, if other than the United States of America, as well as the Roswell District Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1:

1) Surface Location:
SE ¼ of Section 14, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
1230' FSL, 990' FEL, Lot No. I

2) Bottom Hole Location:
SE ¼ of Section 14, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
1230' FSL, 990' FEL, Lot No. I

3) Leases Issued: LC-032096-B

4) Record Lessee:
Apache Corporation 75%
Chevron USA 25%

5) Acres in Lease:
Township 21 South, Range 37 East, NMPM

SEC	12	N/2	320
	13	S/N, S/2	480
	14	E/E	160
	24	E/2	320
	11	E/2	320
	35	NE/4	<u>160</u>

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN
CULTURAL RESOURCES SURVEY
APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: EAST BLINEBRY DRINKARD UNIT # 62
OPERATOR: APACHE CORPORATION

LOCATION: SE¼ OF SECTION 14, T21S-R37E, N.M.P.M.
LEA COUNTY, NEW MEXICO
SUBMITTED TO:

UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 EAST GREENE STREET
CARLSBAD, NEW MEXICO 88220-6292
TELEPHONE 505-234-5972

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PART #1:

1) Surface Location:

SE ¼ of Section 14, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
1230' FSL, 990' FEL, Lot No. 1

2) Bottom Hole Location:

SE ¼ of Section 14, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
1230' FSL, 990' FEL, Lot No. 1

3) Leases Issued: LC-032096-B

4) Record Lessee:

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Township 21 South, Range 37 East, NMPM

SEC	12	N/2	320
	13	S/N, S/2	480
	14	E/E	160
	24	E/2	320
	11	E/2	320
	35	NE/4	<u>160</u>

6) Acres Dedicated to Well:

There are 40.00 acres dedicated to this well, which takes in the UL 1 of Section 14, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

PART #2:

- 1) Existing Roads: From the Jct. of Hwy. 18 & Hwy. 234, on the East side of Eunice New Mexico, go 3.2 miles North on Hwy. 18, turn West at entrance #30, cross cattle guard, and go 0.1 mile West, 0.4 mile South, and 0.1 mile West into location.
- 2) Planned Access:
 - A. Length and Width: Existing lease/access roads will be used into the well site. Application for a buried pipeline will be made if it becomes necessary.
 - B. Construction: The existing roads will be lightly graded and topped with compacted caliche as needed.
 - C. Turnouts: None required.
 - D. Culverts: None required.
 - E. Cuts and Fills: As needed.
 - F. Gates and Cattleguards: None required.
- 3) Location of Existing Wells:

Exhibit "F" shows existing wells within a 1-mile radius of the proposed well.
- 4) Location of Existing and/or Proposed Facilities:
 - A. There are production facilities within the area of the Lockhart Lease.
 - B. If the oil well proves to be commercial, any necessary production facilities will be installed on the drilling pad, and flow lines will be installed along the proposed and existing roads to the production facilities and storage tanks. See Exhibit "E-3" for flow-line route.
- 5) Location and Type of Water Supply:

Apache Corporation plans to drill the proposed well with fresh and brine water which will be transported by truck over proposed and existing access roads.
- 6) Source of Construction Materials:

Caliche for surfacing access roads and the wellsite pad will be obtained from the location itself or from BLM pits in the area.
- 7) Method of Handling Waste Material:
 - A. Drill cuttings will be disposed of in the reserve pits.
 - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
 - C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
 - D. Water produced during operations will be collected in tanks until hauled to an approved disposal system.
 - E. Oil produced during operation will be stored in tanks until sold.
 - F. Apache Corporation will comply with current laws and regulations pertaining to the disposal of human waste.
 - G. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.
- 8) Ancillary Facilities: None planned.
- 9) Well Site Layout:
 - A. Exhibit "G" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area have been staked and flagged.
 - B. Mat Size: 150' x 210' plus reserve pits as shown on Exhibit "G".
 - C. Cut & Fill: Only minor leveling of the drilling site is anticipated.
 - D. The surface will be topped with compacted caliche and the reserve pits will be lined with 20 mil plastic.

10) Plans for Restoration of the Surface:

- A. After completion of drilling and/or completion operations, all equipment and other material, not needed for operations, will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, Apache Corporation will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11) Other Information:

- A. Topography: The wellsite and access road are located in the Querecho Plains and are relatively flat.
- B. Soil: The proposed location, access road and production facilities consist of sandy soil. Slope in the proposed area ranges from zero (0) to five (5) degrees.
- C. Flora and Fauna: Vegetation is one of a grassland environment and a scrub-grass, scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: There are no ponds, lakes, streams or feeder creeks in the immediate area.
- E. Residences and Other Structures: There are no occupied residences or other structures on or near the proposed location.
- F. Land Use: The land is used for grazing cattle.
- G. Surface Ownership: The surface is owned by Eva Mae Tousaint c/o Williams Stephens, agent, P O Box 115, Eunice, NM 88231.
- H. Archaeological, Historical, and Other Cultural Sites:

Don Clifton, Archaeological Consultant, of Pep, New Mexico, will be conducting an archaeological survey of the proposed well which covers the drilling location, production facilities, and access road, including a corridor along said access road for power and flow lines. His report will be filed under separate cover.

I. Senior Representative (Manager, Engineering & Production):

Ross Murphy
Apache Corporation
Suite 1500 – Two Warren Place
6120 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 491-4834

Project (Operations Engineer):

Kevin Mayes
Apache Corporation
Suite 1500 – Two Warren Place
6120 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 491-4972

Drilling Operations (Operations Engineer):

Terry Gilbert
Apache Corporation
Suite 1500 – Two Warren Place
6120 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 491-4801

CERTIFICATION:

Before construction:

TIERRA EXPLORATION, INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
JOE T. JANICA
OFFICE PH. 505-391-8503
CELL PH. 505-390-1598

During and after construction:

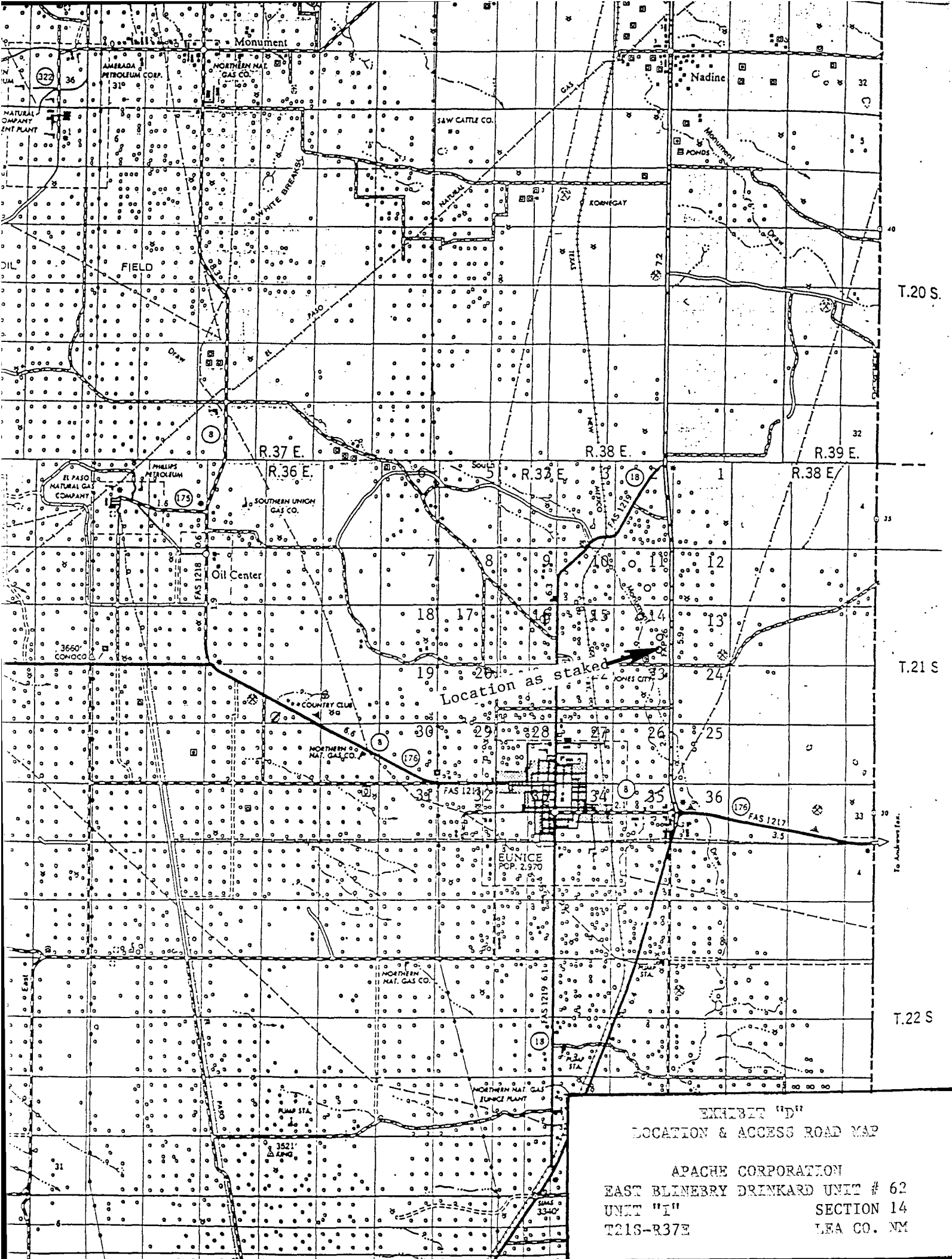
APACHE CORPORATION
6120 SOUTH YALE
SUITE 1500
TULAS, OKLAHOMA 74136-4224
LANA WILLIAMS
OFFICE PH 918-491-4980

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge are true and correct, and that the work associated with the operations proposed herein will be performed by APACHE CORPORATION it's contractors/subcontractors is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME : Joe T. Janica

TITLE : Agent

DATE : 11/14/06



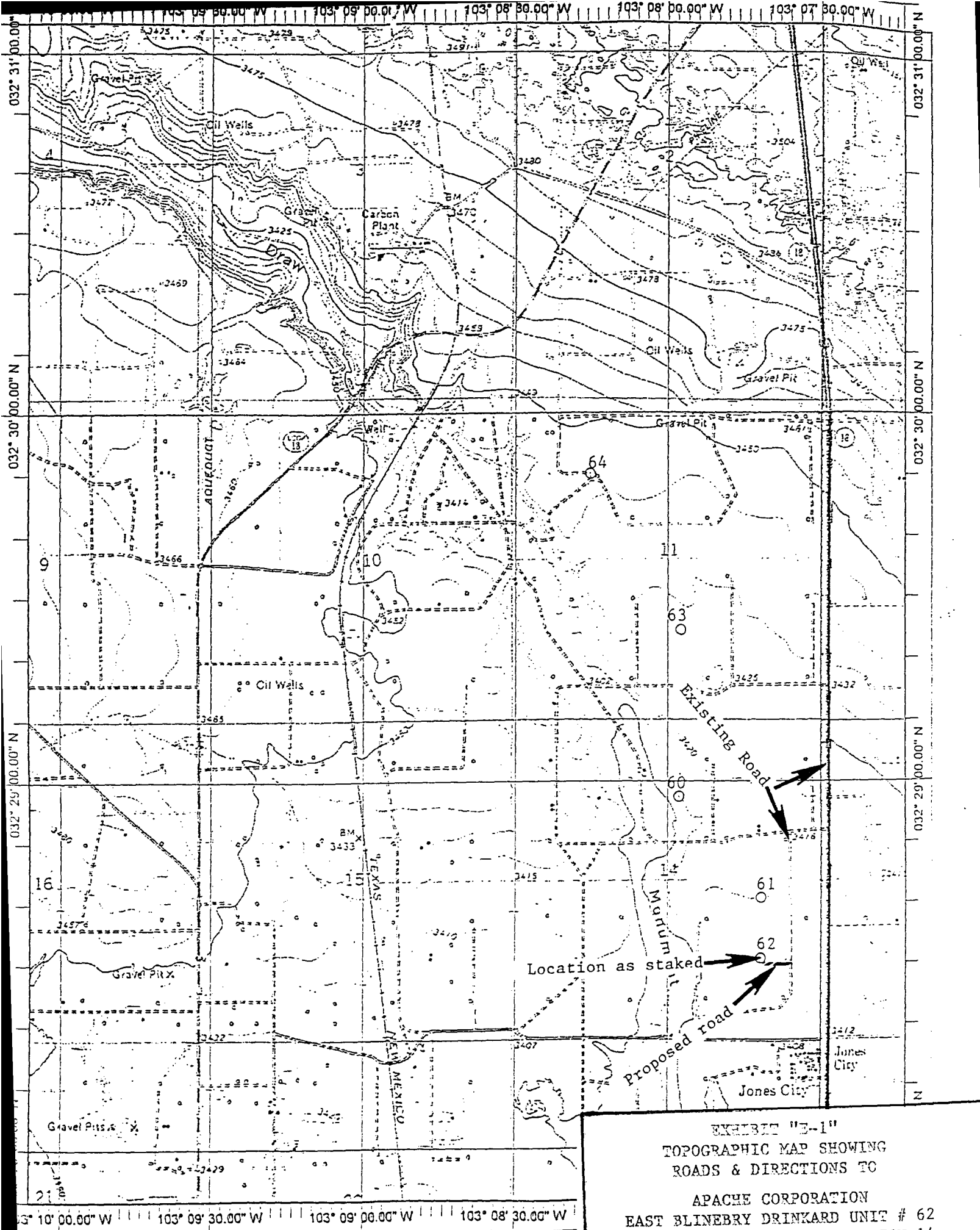


EXHIBIT "E-1"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

APACHE CORPORATION
EAST BLINEBRY DRINKARD UNIT # 62
UNIT "I" SECTION 14
T21S-R37E LEA CO. NM

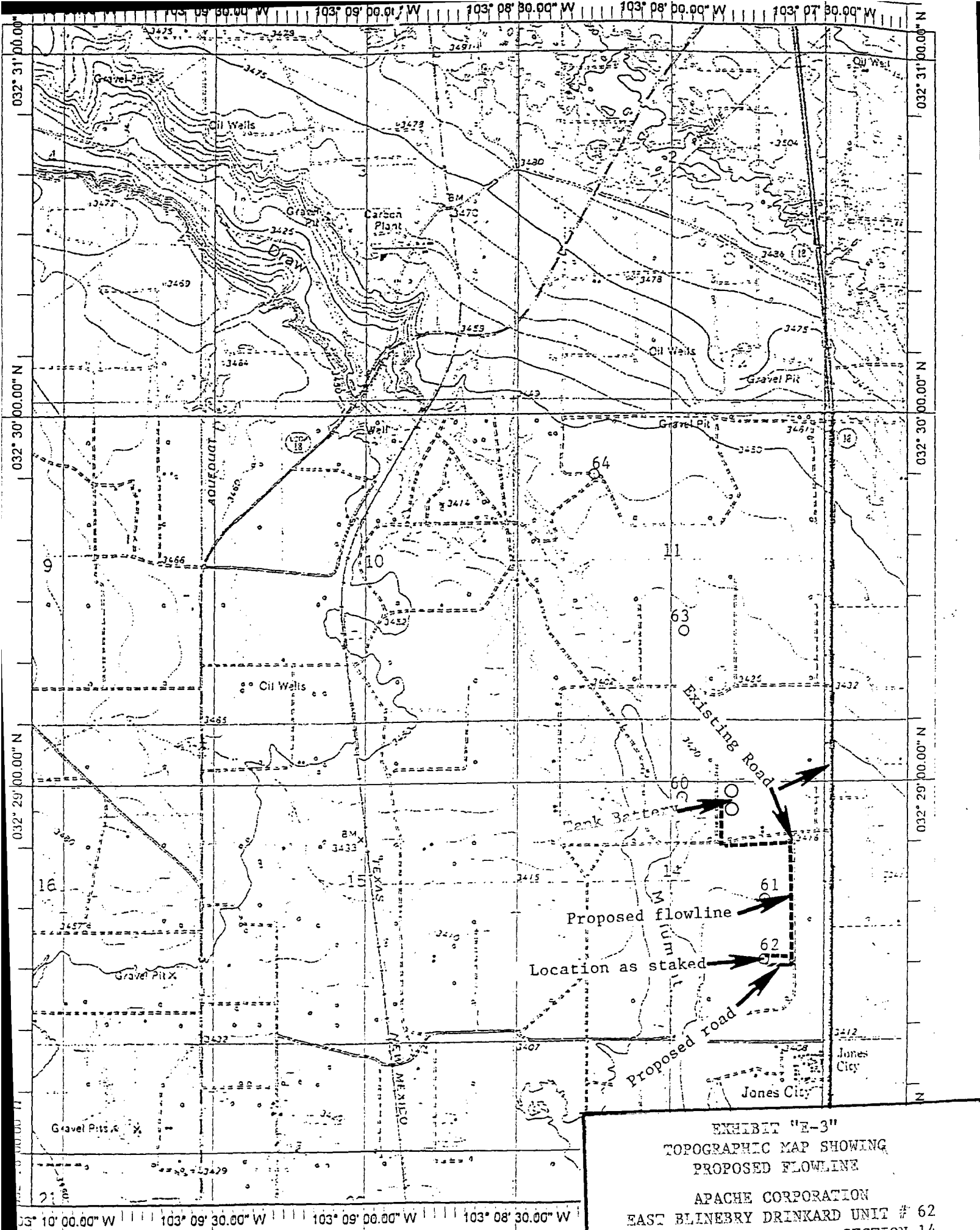
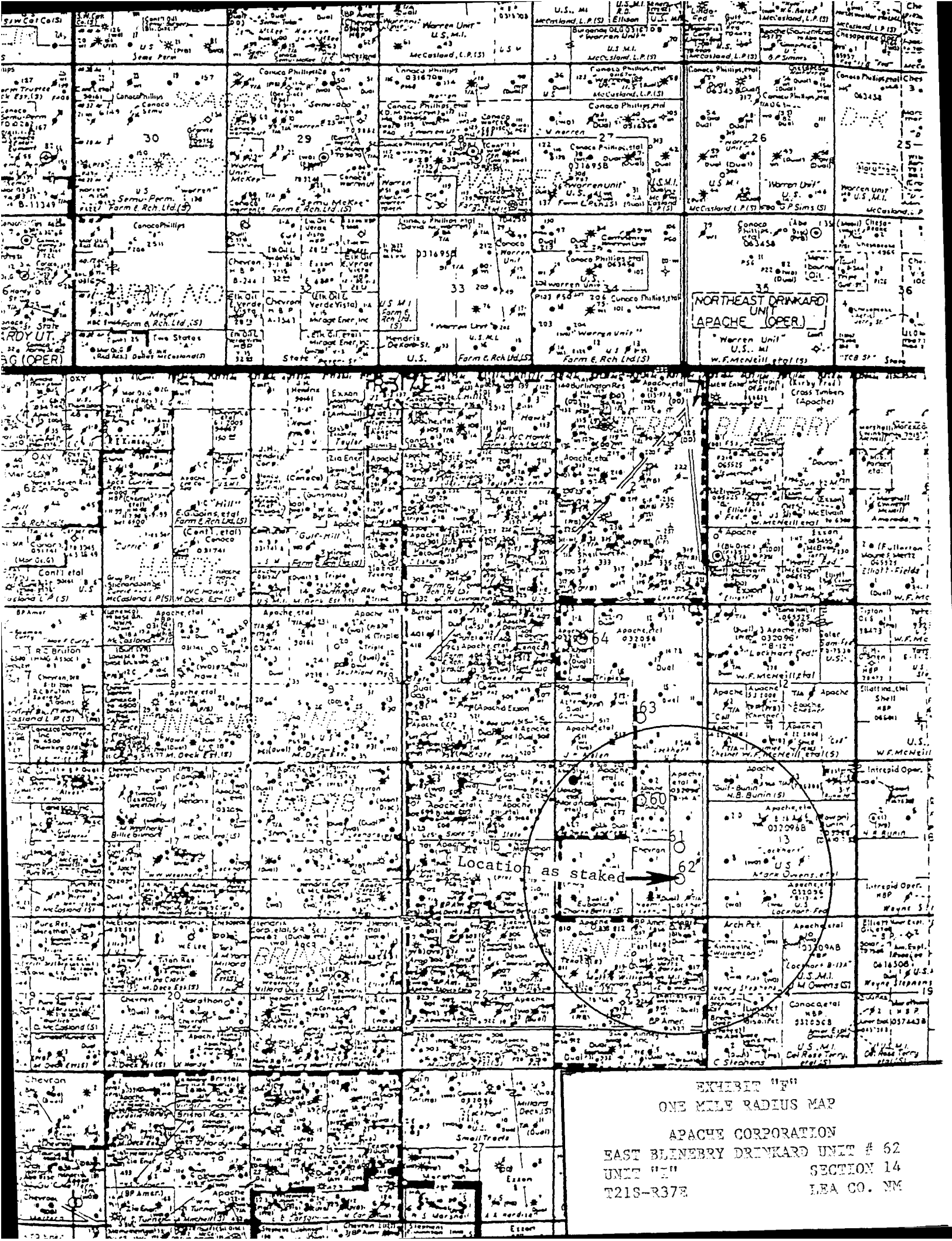
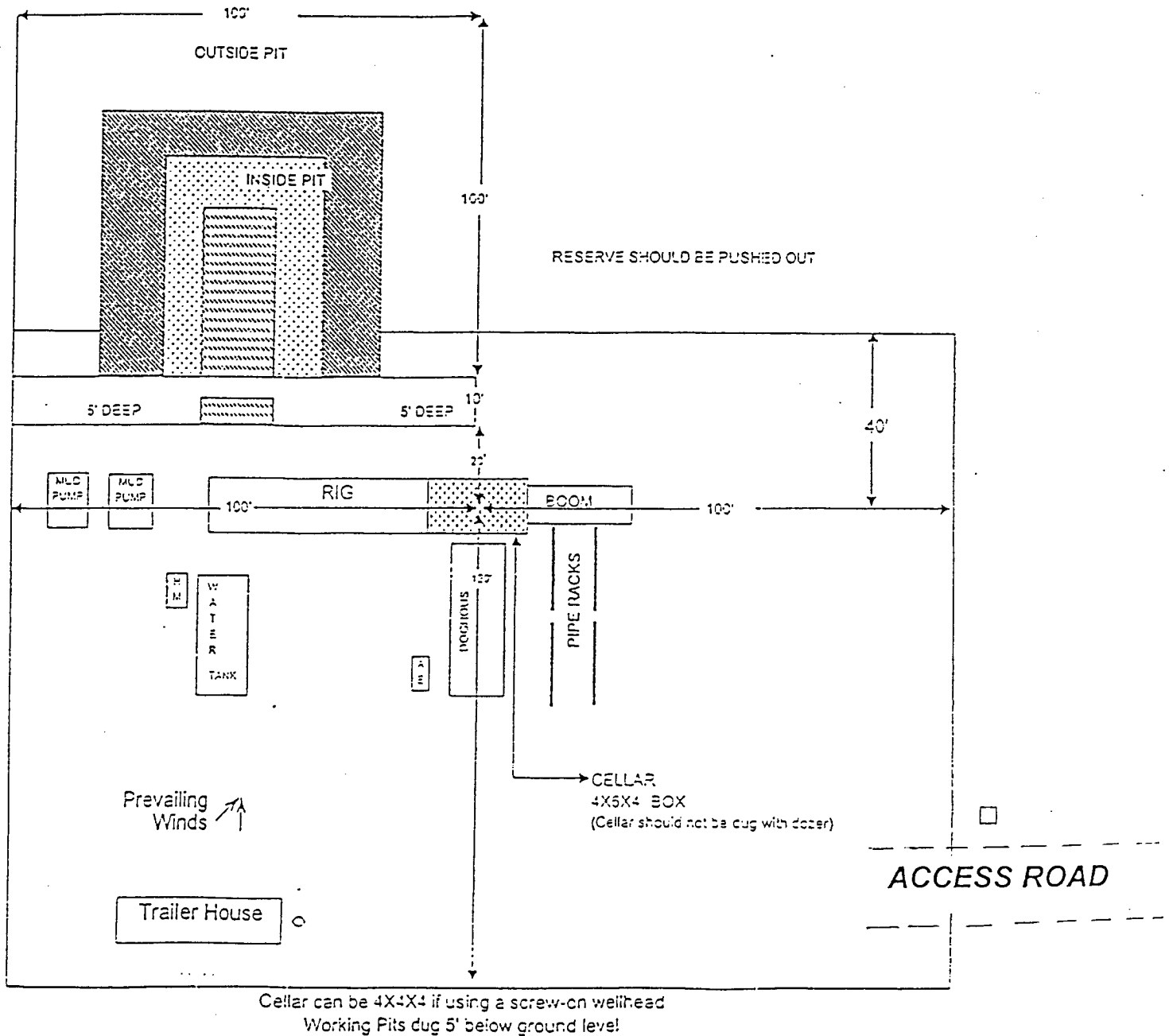


EXHIBIT "E-3"
TOPOGRAPHIC MAP SHOWING
PROPOSED FLOWLINE

APACHE CORPORATION
EAST BLINEBRY DRINKARD UNIT # 62
UNIT "I" SECTION 14
T21S-R37E LEA CO. NM



CapStar Drilling, Inc.
LOCATION SPECIFICATIONS AND RIG LAYOUT
FOR EARTH PITS



- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

Location Specs

EXHIBIT "G"
RIG LAY OUT PLAT

APACHE CORPORATION
EAST BLINBRY DRINKARD UNIT # 62
UNIT "I" SECTION 14
T21S-R37E LEA CO. NM

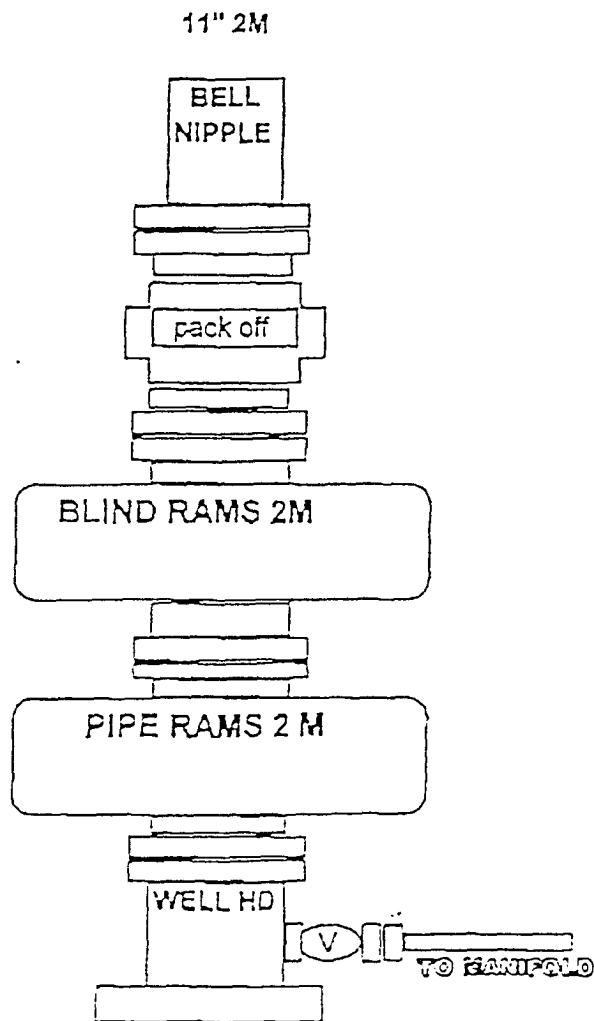


EXHIBIT "H"
 SKETCH OF B.O.P. TO BE USED ON

APACHE CORPORATION
 EAST BLINEBRY DRINKARD UNIT # 62
 UNIT "I" SECTION 14
 T21S-R37E LEA CO. NM

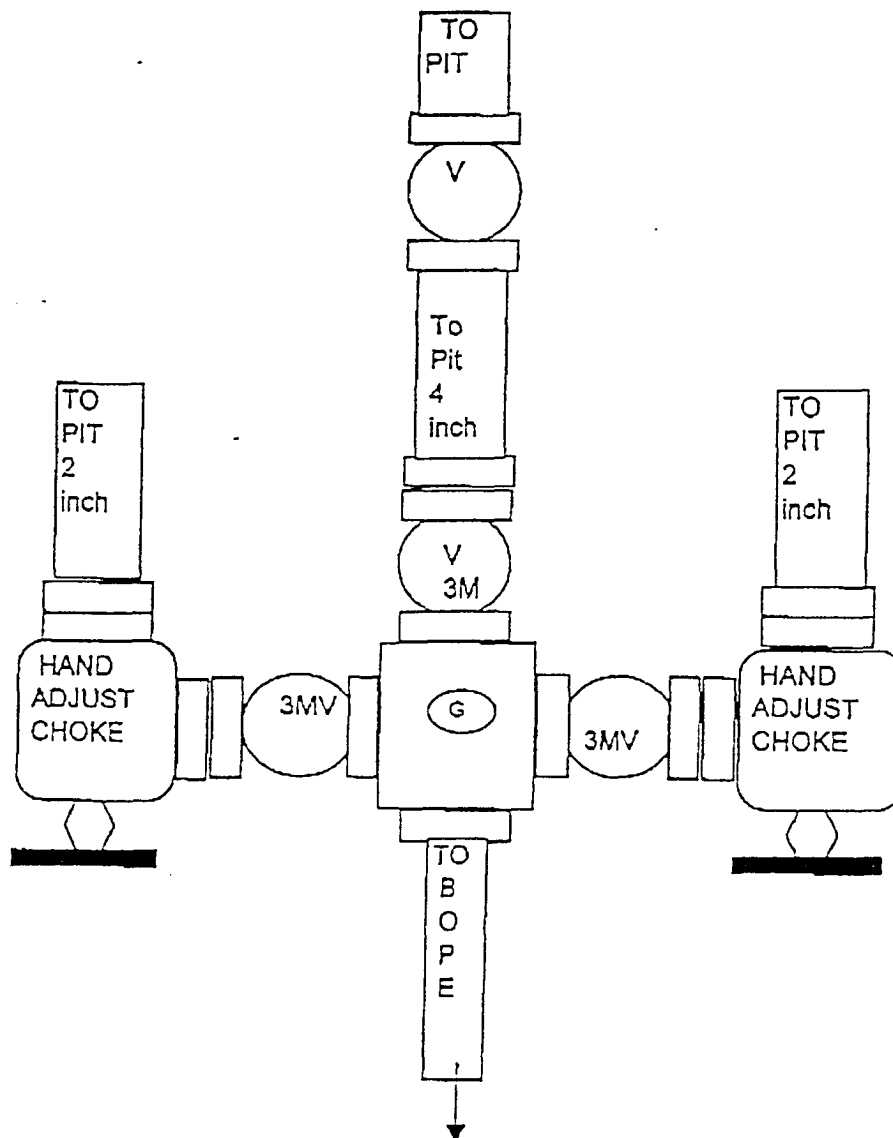


EXHIBIT "H-1"
CHOKE MANIFOLD

APACHE CORPORATION
EAST BLINERY DRINKARD UNIT # 62
UNIT "I" SECTION 14
T21S-R37E LEA CO. NM

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>APACHE CORPORATION</u> Telephone: <u>918-491-4980</u> e-mail address: <u>lana.williams@apachecorp.com</u>		
Address: <u>6120 S. YALE STE. 1500</u>		
Facility or well name: <u>EBDU # 62</u> API #: <u>30-025-38233</u> U/L or Qtr/Qtr <u>I</u> Sec <u>14</u> T <u>21S</u> R <u>37E</u>		
County: <u>LEA</u> Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/> Pit Volume _____ bbl CLOSED LOOP SYSTEM	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) 10 (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) 0
Ranking Score (Total Points)		10

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: WE WILL BE UTILIZING CLOSED LOOP SYSTEM CONSISTING OF STEEL PITS AND COMPLETE HAUL OFF OF ALL LIQUIDS AND AND SOLIDS.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/ will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 12/27/06

Printed Name/Title Lana Williams, Engr. Tech

Signature

Lana Williams

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title CARIS WILLIAMS / DIST. SUPV

Signature

Chris Williams

Date:

12/29/06