

OCT 2008

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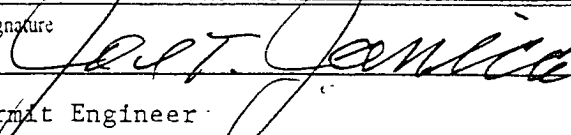
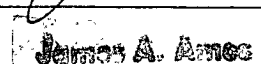
HUBB'S OIL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTERFORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-2512
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name -----
2. Name of Operator APACHE CORPORATION (LANA WILLIAMS 918-491-4980) <873>		7. If Unit or CA Agreement, Name and No. -----
3a. Address 6120 SOUTH YALE SUITE 1500 TULSA, OKLAHOMA 74136-4224		8. Lease Name and Well No. <24433> HAWK "B-3" # 30
3b. Phone No. (include area code) 918-491-4980		9. API Well No. 30-025-39281
4. Location of Well (Report location clearly and in accordance with any State requirements.) Lot 16 At surface 3630' FSL & 890' FEL SECTION 3 T21S-R37E LEA CO. At proposed prod. zone SAME Capitan Controlled Water Basin		10. Field and Pool, or Exploratory PENROSE SKELLY GRAYBURG ✓
14. Distance in miles and direction from nearest town or post office* Approximately 5 miles North Northeast of Eunice NM.		11. Sec., T. R. M. or Blk. and Survey or Area SECTION 3 T21S-R37E
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any) 890'	16. No. of acres in lease 709	12. County or Parish LEA CO.
17. Spacing Unit dedicated to this well 40 acres		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 330'±	19. Proposed Depth 4550'	20. BLM/BIA Bond No. on file BLM-CO-1463 NATION WIDE
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3475' GL.	22. Approximate date work will start* WHEN APPROVED	23. Estimated duration 10 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Joe T. Janica	Date 07/14/08
Title Permit Engineer		
Approved by (Signature) 	Name (Printed/Typed) James A. Ames	Date OCT - 8 2008
Title 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 TWO YEARS

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 APPROVALKZ
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39281	Pool Code 50350	Pool Name PENROSE SKELLY GRAYBURG
Property Code 24433	Property Name HAWK B-3	Well Number 30
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3475'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	3	21-S	37-E		3630	SOUTH	890	EAST	LEA

Bottom Hole Location If Different From Surface

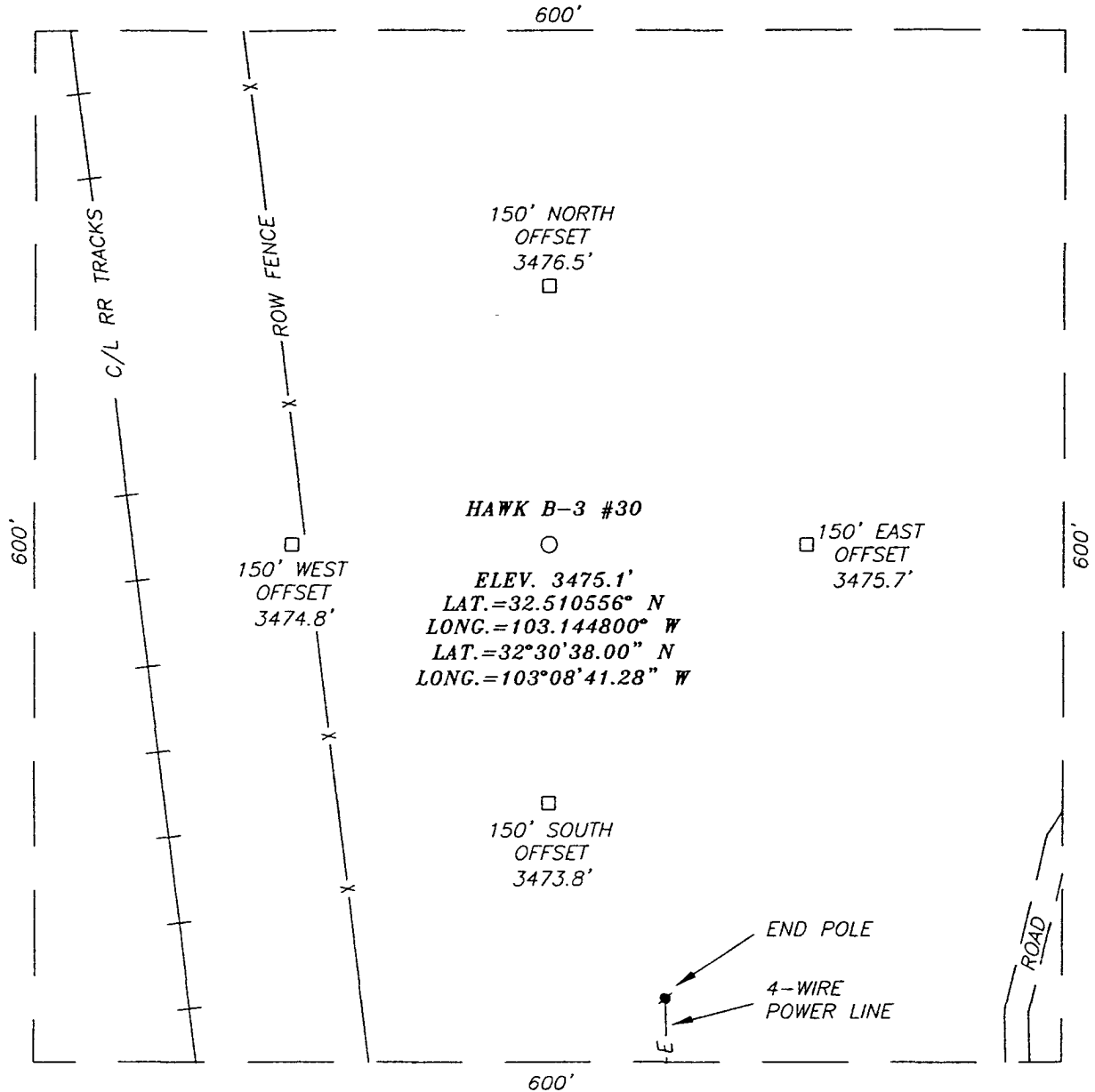
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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>The map shows a grid of 16 lots, each 40 acres. Lot 15 is highlighted with a dashed border. A well location is marked with a dot in Lot 15, 890 feet from the south line and 3630 feet from the west line. The map is labeled NM-2512.</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 Joe T. Janica 07/14/08 Printed Name</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>SEAL OF PROFESSIONAL SURVEYOR Date Surveyed: 5/20/08 Signature: <i>Ronald J. Eidson</i> Professional Surveyor: 3239 Date: 07/14/08 Certificate No.: 12641 Name: RONALD J. EIDSON Number: 3239</p>
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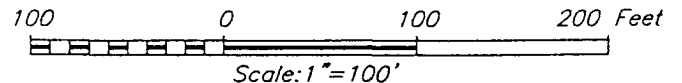
SCALE: 1"=2000'
GEODETIC COORDINATES
NAD 27 NME
Y=551495.6 N
X=866394.0 E
LAT.=32.510556" N
LONG.=103.144800" W
LAT.=32°30'38.00" N
LONG.=103°08'41.28" W

SECTION 3, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #18
AND ST. HWY. #207, GO SOUTH ON ST. HWY.
#207 APPROX. 2.1 MILES. TURN RIGHT AT
CATTLEGUARD (COMBINATION 3311) AND GO
NORTH APPROX. 0.6 MILES. THIS LOCATION
IS APPROX. NORTHWEST 350 FEET.



APACHE CORPORATION

HAWK B-3 #30 WELL
LOCATED 3630 FEET FROM THE SOUTH LINE
AND 890 FEET FROM THE EAST LINE OF SECTION 3,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

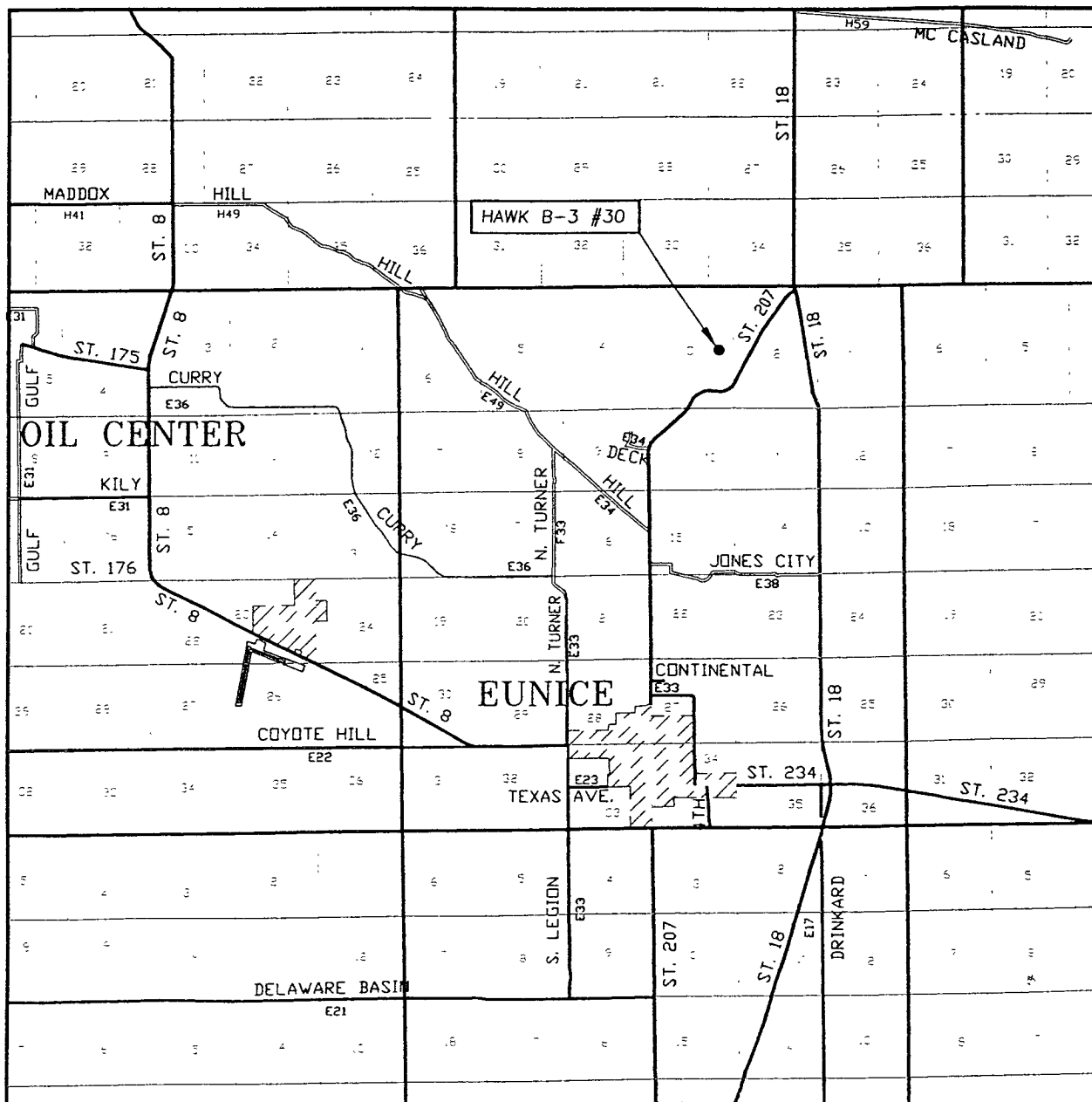
Survey Date: 01/25/08	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1755	Dr By: SW
Date: 01/29/08	07111755
	Scale: 1"=100'

PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY


412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

VICINITY MAP



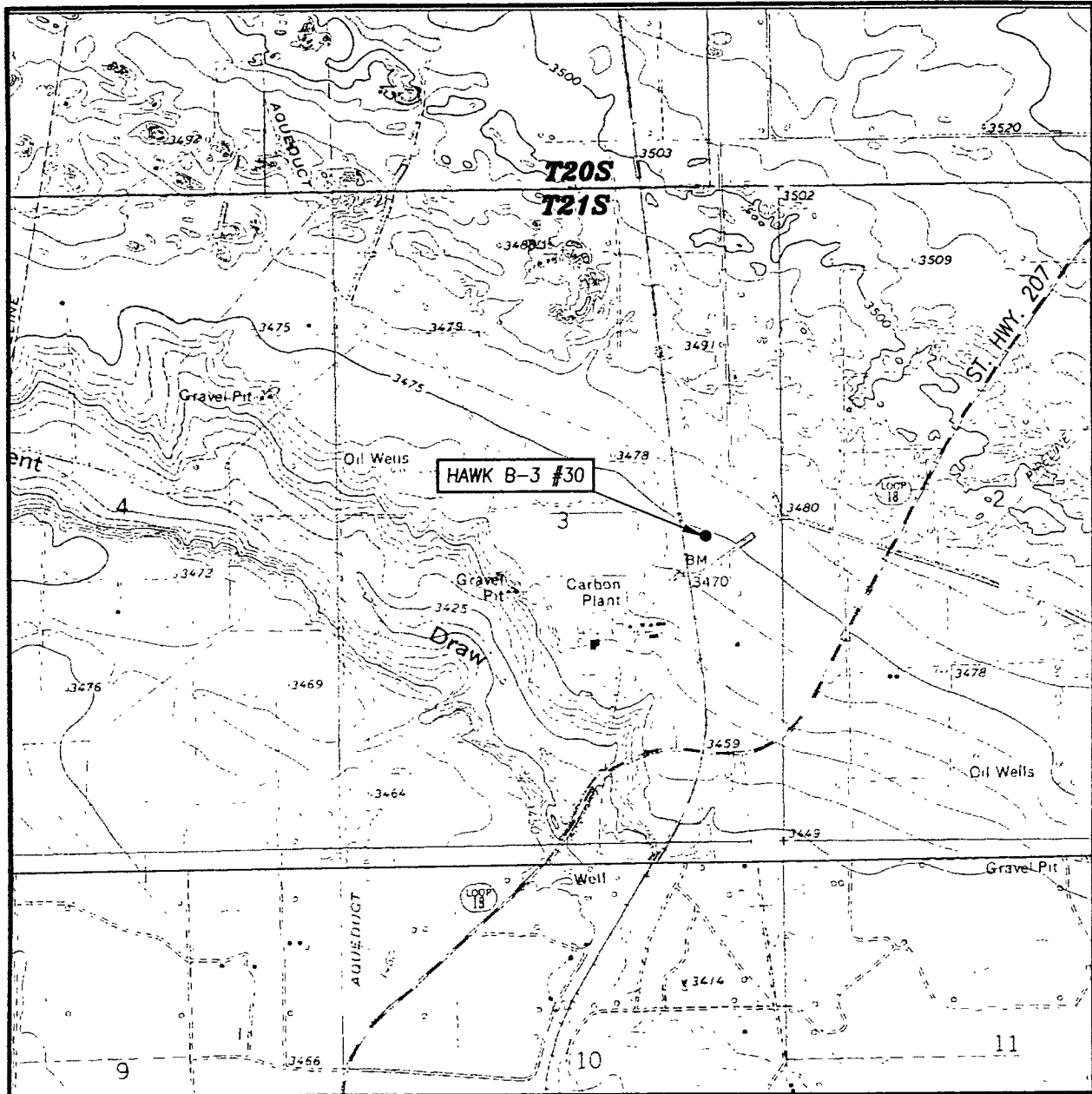
SCALE: 1" = 2 MILES

SEC. 3 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 3630' FSL & 890' FEL
 ELEVATION 3475'
 OPERATOR APACHE CORPORATION
 LEASE HAWK B-3



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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

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

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

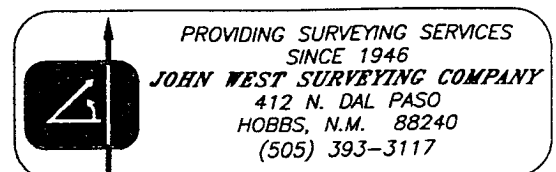
DESCRIPTION 3630' FSL & 890' FEL

ELEVATION 3475'

OPERATOR APACHE CORPORATION

LEASE HAWK B-3

U.S.G.S. TOPOGRAPHIC MAP
HOBBS SW, N.M.



APPLICATION TO DRILL

APACHE CORPORATION
HAWK "B-3" #30
LOT 16 SECTION 3
T21S-R37E LEA CO. NM

In response to questions asked under Section II of Bulliten NTL-6, the following information on the above will be provided.

1. LOCATION: 3630' FSL & 890' FEL SECTION 3 T21S-R37E LEA CO. NM
2. ELEVATION ABOVE SEA LEVEL: 3475' GL
3. GEOLOGICAL NAME OF SURFACE FORMATION: Quaternary Aeolian Deposits.
4. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. PROPOSED DRILLING DEPTH: 4550'

6. ESTIMATED TOPS OF GEOLOGICAL FORMATIONS:

Rustler Anhydrite	1315'	Grayburg	3796'
Yates	2666'	San Andres	4038'
Seven Rivers	2894'	TD	4550'
Queen	3465'		

7. POSSIBLE MINERAL BEARING FORMATIONS:

Grayburg	"A"	Oil
Grayburg	"B"	Oil
Grayburg	"C"	Oil

8. CASING PROGRAM:

HOLE SIZE	INTERVAL	OD OF CASING	WEIGHT	THREAD	COLLAR	GRADE	CONDITION
26"	0-40	20"	NA	NA	NA	Conductor	New
12 1/4"	0-1335'*	8 5/8"	24#	8-R	ST&C	J-55	New
7 7/8"	0-4550'	5 1/2"	17#	8-R	LT&C	J-55	New

* At least 20' into the Rustler Anhydrite

Design Factors:

Collapse	1.25	Burst	1.00	Body Yield	1.5	Joint Strength;	8-R	1.8
							buttress	1.6

APPLICATION TO DRILL

APACHE CORPORATION
HAWK "B-3" #30
LOT 16 SECTION 3
T21S-R37E LEA CO. NM

9. CASING CEMENTING & SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
8 5/8"	Surface	Set 1335' (20±' into the Rustler Anhydrite) 8 5/8" 24# J-55 ST&C casing. Cement with 500 Sx. of 35/65 Class "C" POZ + 2% CaCl ₂ + 0.25# Flocele/Sx, + 6% Bentonite, Yield 1.88, tail in with 200 Sx. of Class "C" cement + 2% CaCl ₂ + 0.125# Flocele/Sx. Yield 1.3 circulate cement to surface.
5½"	Production	Set 4550' of 5½" 17# J-55 LT&C casing. Cement with 500 Sx. of 50/50 Class "C" POZ, + 5% NaCl, + 0.125# Flocele/Sx. + 0.003 gps FP-6L, + 10% Bentonite Yield 2.66, tail in with 300 Sx. of 50/50 Class "C" POZ, + 5% NaCl, + 0.003gps FL-6L, Yield 1.84, circulate cement to surface.

10. PRESSURE CONTROL EQUIPMENT:

Exhibit "H" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, blind rams, and pipe rams. This B.O.P. will be nipped up on the 8 5/8" surface casing and tested to 2000 PSI by a third party before drilling out the surface casing plug. The B.O.P. will be worked at least once in each 24 Hour period and the blind rams will be worked when the drill pipe is out of the hole on trips. Full opening stabbing valve and upper kelly cock will be available in case of need. Exhibit "E" also shows a 3000 PSI choke manifold with dual adjustable chokes with a 3" blow down line. No abnormal pressures or abnormal temperatures while drilling of this well.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-1335'±	8.6-9.2	32-36	NC	Fresh water Spud Mud add paper to control seepage.
1335'-4000'	10.0-10.5	32-38	NC	Drill out Brine water use paper to contril seepage & high viscosity sweeps to clean hole.
4000-TD	10.0-10.4	34-38	15-20 cc or less	Same as above, use Caustic Soda to maintain pH @ 9-10. Mix Starch to control water Loss,,use high viscosity sweeps to clean hole.

APACHE CORPORATION WILL USE A CLOSED LOOP MUD SYSTEM.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run logs, casing, DST's or cores the program may have to be altered or adjusted in order to meet these needs.

APPLICATION TO DRILL

APACHE CORPORATION
HAWK "B-3" #30
LOT 16 SECTION 3
T21S-R37E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, MSFL, CNL, LDT, NGT, Sonic, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe. CNL, Gamma Ray from 8 5/8" casing shoe back to surface.
- B. Rig up mud logger on hole at 3000±' and remain on hole to TD.
- C. No DST's or cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H²S in this area. If H²S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 1550 PSI, and Estimated BHT 125°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 10 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Grayburg formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as an oil well.

HAWK B-3 # 30
DRILLING PROGRAM

The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

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Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
Quaternary alluvials	Surface
Rustler	1315'
Yates	2666'
Seven Rivers	2894'
Queen	3465'
Grayburg	3796'
San Andres	4038'
TD	4550'

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

<u>SUBSTANCE</u>	<u>DEPTH</u>
Oil	Grayburg A @ 3796'
	Grayburg B @ 3931'
	Grayburg C @ 4015'
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.

Proposed Casing Program:

<u>HOLE</u> <u>SIZE</u>	<u>CASING</u> <u>SIZE</u> OD / ID	<u>GRAD</u> <u>E</u>	<u>WEIGH</u> <u>T PER</u> <u>FOOT</u>	<u>DEPTH</u>	<u>SACKS</u> <u>CEMENT</u> <u>T</u>	<u>ESTIMATED TOC -</u> <u>REMARKS</u>
12 1/4"	8 5/8" 8.097"	J55 STC	24#	1300'±	700	TOC - Surface 8.9 ppg Water-based Mud; 89 ° F Est. Static Temp; 83 ° F Est. Circ. Temp.
7 7/8"	5 1/2" 4.892"	J55 LTC	17#	4,550	800	TOC - Surface Float Collar set @ 4500' / 10.10 ppg Brine Mud; 123 ° F Est. Static Temp; 104 ° F Est. Circ. Temp.

Proposed Cement Program:

<u>CASING</u>	<u>LEAD SLURRY</u>	<u>TAIL SLURRY</u>	<u>DISPLACEMENT</u>
8 5/8"	500 sacks 35:65 Poz:Class C Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 6% bwoc Bentonite gel 940 Vol. Cu Ft 1.8 Vol. Factor Slurry Weight (ppg) 12.7 Slurry Yield (cf/sack) 1.88 Amount of Mix Water (gps) 10.7; <u>Estimated Pumping</u> <u>Time - 70 BC</u> <u>(HH:MM)-5:00;</u>	200 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water 270 Vol. Cu Ft 1.3 Vol. Factor Slurry Weight (ppg) 14.8 Slurry Yield (cf/sack) 1.35 Amount of Mix Water (gps)6.35 Estimated Pumping Time - 70 BC (HH:MM)-3:15;	80.3 bbls Fresh Water @ 8.33 ppg

8 5/8" Casing: Volume Calculations:

1,300 ft	x	0.4127 cf/ft	with 100% excess	=	1,072.5 cf
40 ft	x	0.3576 cf/ft	with 0% excess	=	14.3 cf (inside pipe)
TOTAL SLURRY VOLUME				=	1,086.8 cf
				=	193.6 bbls

Spacer 20.0 bbls Water @ 8.33 ppg

<u>CASIN</u>	<u>LEAD SLURRY</u>	<u>TAIL SLURRY</u>	<u>DISPLACEMENT</u>
<u>G</u>			
5 1/2"	500 sacks (50:50) Poz (Fly Ash): Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.003 gps FP-6L + 10% bwoc Bentonite 1,270 Vol. Cu Ft 2.66 Vol. Factor Slurry Weight (ppg) 11.8 Slurry Yield (cf/sack) 2.54 Amount of Mix Water (gps) 14.72; Amount of Mix Fluid (gps) 14.72 <u>Estimated Pumping Time –</u> 70 BC (HH:MM)-4:00;	300 sacks (50:50) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride +0.003 gps FP-6L 405 Vol. Cu Ft 1.84 Vol. Factor Slurry Weight (ppg) 14.2 Slurry Yield (cf/sack) 1.35 Amount of Mix Water (gps) 6.34; Amount of Mix Fluid(gps) 6.34; Estimated Pumping Time – 70 BC (HH:MM)-3:00;	102.5 bbls 2% Kcl Water @ 8.43 ppg

5 1/2" Casing: Volume Calculations:

1,300 ft	x	0.1926 cf/ft	with 0% excess	=	250.3 cf
2,100 ft	x	0.1733 cf/ft	with 120% excess	=	800.0 cf
1,050 ft	x	0.1733 cf/ft	with 80% excess	=	327.3 cf
40 ft	x	0.1305 cf/ft	with 0% excess	=	5.2 cf(inside pipe)
TOTAL SLURRY VOLUME				=	1,382.8 cf
				=	246.3 bbls

All slurries will be tested prior to loading to confirm thickening times and a lab report furnished to Apache. Fluid loss will be tested and reported on slurries with fluid loss additives. Lab test report will be furnished prior to pumping cement.

A. Proposed Mud Program

<u>DEPTH</u>	<u>MUD PROPERTIES</u>	<u>REMARKS</u>
	Weight: 8.6 – 9.2 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.
4,000'	Weight: 9.0 – 10.4 ppg Viscosity: 32 – 34 sec/qt pH: NC 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. Mix one gallon of New-55 at flowline every 250 feet drilled to promote solids settling. Sweep hole with 3-ppb of Super Sweep every 500 feet.
4,000' – TD	Weight: 10.0 – 10.4 ppg Viscosity: 34 – 36 sec/qt pH: 9-10 Filtrate: 15-20 cm/30 min	From 3,900' 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 bacterial degradation of organic materials. Mix Starch (yellow) to control API filtrate at <15cc-20cc.

Proposed Control Equipment:

Will install on the 8 5/8" surface casing a 9" x 3000 psi WP Double Ram BOP and will test using a 3rd party tester before drilling out of surface casing.

Auxiliary Equipment:

9" x 3000 psi double BOP/blind & pipe ram
4 1/2" 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

Logging Program:

The following logs may be run:

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

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Mudlogging Program:

It is planned for mud loggers to catch samples from 3,000' to TD.

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 1,550 psi.

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Bottom Hole Pressure Calculations

Since January 1, 2003, Apache has drilled 80 Graybug wells in the Eunice Area. Data gained from those wells have demonstrated that:

1. All the wells have been completed as pumping oil wells.
2. The environment of deposition of the reservoir carbonate facies was extremely variable. Compartmentalized reservoirs are expected. Every wellbore will contain some pay zones that are at, or near, original pressure and some that are drawn down to various extents.
3. Pressures obtained from wireline tests conducted in wells drilled in 2003 and 2004 were not as expected. Pay zones expected to be drawn down often were not and those expected to be at original pressure often were not.
4. Continuity of pay zones determined from log analysis and correlation of those pay zones is much less than 50%.

Apache estimates bottom hole pressure by multiplying the median depth of perforations in the Grayburg by 0.44, then subtracting a few hundred pounds based upon number of and cumulative production from nearby offsets.

For example:

Hawk A-34

Expected median depth of perforations: $3950 \times 0.44 = 1750$

Reduction due to offset production: 200

Expected bottom hole pressure: 1550

Hydrogen Sulfide Drilling Operations Plan

No H₂S is anticipated.

Surface Location

of Section 3, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
3630' FSL & 890' FEL SEC.3 T21S-R37E

Bottom Hole Location

Lot 16 of Section 3, Township 21 South, Range 37 East, N.M.P.M.
Lea County, New Mexico

Leases Issued: NM-2512

Operating Rights

Apache Corporation	50%
BP America	25%
Chevron USA	25%

Acres in Lease

Township 21 South, Range 37 East, NMPM

Section 3: N2SE, SESE;

Section 3: LOT 1-4, 8, 12, 15, 16

Section 4: LOT 1

Section 10: W2NE, SENE, E2NW;

Total Acres: 708.67

Acres Dedicated to Well:

There are 40.00 acres dedicated to this well, which takes in the Lot Lot 16 T21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

3000psi -
BOPE

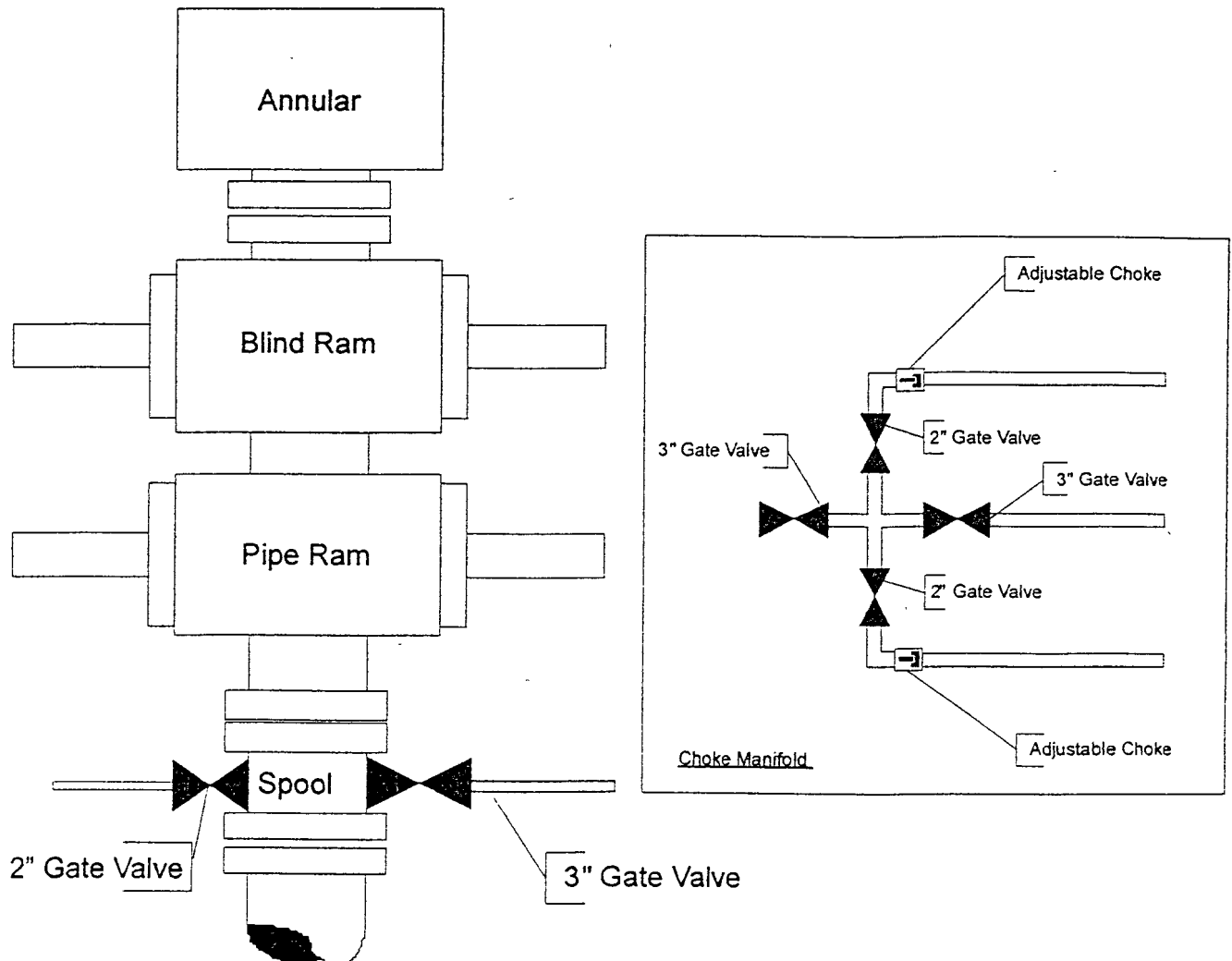


EXHIBIT "H"
SKETCH OF BOP & CHOKE MANIFOLD

APACHE CORPORATION
HAWK "B-3" #30
LOT 16 SECTION 3
T21S-R37E LEA CO. NM

WELL CONTROL EMERGENCY RESPONSE PLAN

I. GENERAL PHILOSOPHY

Our objective is to ensure that during an emergency, a predetermined procedure is followed so that prompt decisions can be made based on accurate information.

The best way to handle an emergency is with an experienced organization set up for the sole purpose of solving the problem. The Well Control Emergency Response Team was organized to handle dangerous and expensive well control problems. The team is structured such that each individual can contribute the most from his area of expertise. Key decision-makers are determined prior to an emergency to avoid confusion about who is in charge.

If the well is flowing uncontrolled at the surface or subsurface, the Emergency Response Team will be mobilized. The Team is customized for the people currently on the Apache staff. Staff changes may require a change in the plan.

II. EMERGENCY PROCEDURE ON DRILLING OR COMPLETION OPERATIONS

- A. In event of an emergency the Drilling Foreman or Tool-pusher will immediately contact only one of the following starting with the first name listed.

	<u>Office</u>	<u>Home</u>	<u>Mobile</u>
Danny Chaney	(405) 222-5040		(405) 574-2107
Ross Murphy	(918) 491-4834	(918) 749-9454	(918) 691-9493
Tom Voytovich	(918) 491-4901	(918) 299-8820	(918) 381-0882

Emergency Telephone Conference Room: (888) 896-4185 and input code: 344855

This one phone call will free the Drilling Foreman to devote his full time to securing the safety of personnel and equipment. This call will initiate the process to mobilize the Well Control Emergency Response Team. Apache maintains an Emergency Telephone Conference Room in the Houston office. This room is available for use by the Mid-Continent Region. The room has 50 separate telephone lines.

- B. The Apache employee contacted by the Drilling Foreman will begin contacting the rest of the team. If Ross Murphy is out of contact, Tom Voytovich will be notified.
- C. If a member of the Emergency Response Team is away from the job, he must be available for call back. Telephone numbers should be left with secretaries or a key decision-maker.
- D. Apache's reporting procedure for spills or releases of oil or hazardous materials will be implemented when spills or releases have occurred or are probable.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I. Hydrogen Sulfide Training

- All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H_2S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H_2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H_2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H_2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H_2S Safety Equipment and Systems

1. Well Control Equipment that will be available and installed if H_2S is encountered:
 - A. Flare line with electronic igniter or continuous pilot.
 - B. Choke manifold with a minimum of one remote choke.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include annular preventer, mud-gas separator, rotating head, and flare gun with flares.
2. Protective equipment for essential personnel:
 - A. Mark II Surviveair 30-minute units located in the dog house and at briefing areas.
3. H_2S detection and monitoring equipment:
 - A. Two portable H_2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H_2S levels of 20 ppm are reached.
 - B. One portable SO_2 monitor positioned near flare line.
4. Visual warning systems:
 - A. Wind direction indicators.
 - B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate.
5. Mud program:
 - A. The mud program has been designed to minimize the volume of H_2S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H_2S scavengers will minimize hazards when penetrating H_2S -bearing zones.
 - B. A mud-gas separator and an H_2S gas buster will be utilized if H_2S is encountered.
6. Metallurgy:
 - A. All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H_2S service.
 - B. All elastomers used for packing and seals shall be H_2S trim.
7. Communication:
 - A. Radio communications in company vehicles including cellular telephone and 2-way radio.

EMERGENCY RESPONSE NUMBERS:

State Police	Eddy County	505-748-9718
State Police	Lea County	505-392-5588
Sheriff	Eddy County	505-746-2701
Sheriff	Lea County	
Emergency Medical Service (Ambulance)	Eddy County	911 or 505-746-2701
	Lea County	911 or 505-394-3258
	Eunice	
Emergency Response	Eddy County SERC	505-476-9620
	Lea County	
Artesia Police Dept		505-746-5001
Artesia Fire Dept		505-746-5001
Carlsbad Police Dept		505-885-2111
Carlsbad Fire Dept		505-885-3125
Loco Hills Police Dept		505-677-2349
Jal Police Dept		505-395-2501
Jal Fire Dept		505-395-2221
Jal Ambulance		505-395-2221
Eunice Police Dept		505-394-0112
Eunice Fire Dept		505-394-3258
Eunice Ambulance		505-394-3258
Hobbs Police Dept		505-397-3365
Hobbs Fire Dept		505-397-9308
NMOCD	District 1 (Lea, Roosevelt, Curry)	505-393-6161
	District 2 (Eddy, Chavez)	505-748-1283
Lea County Information		505-393-8203
Callaway Safety	Eddy/Lea Counties	505-392-2973
BJ Services	Artesia	505-746-3140
	Hobbs	505-392-5556
Halliburton	Artesia	1-800-523-2482
	Hobbs	1-800-523-2482
Wild Well Control	Midland	432-550-6202
	Mobile	432-553-1166

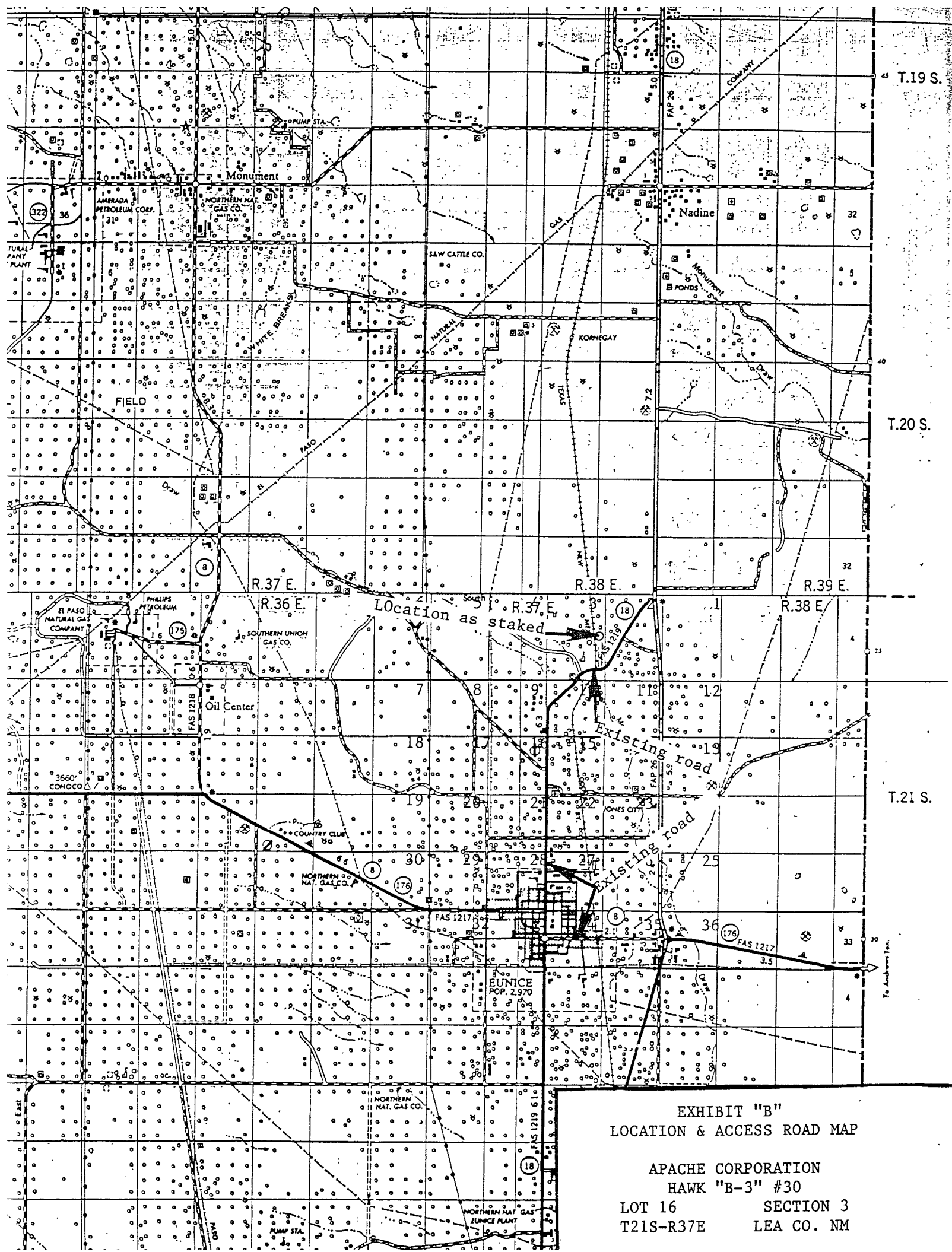
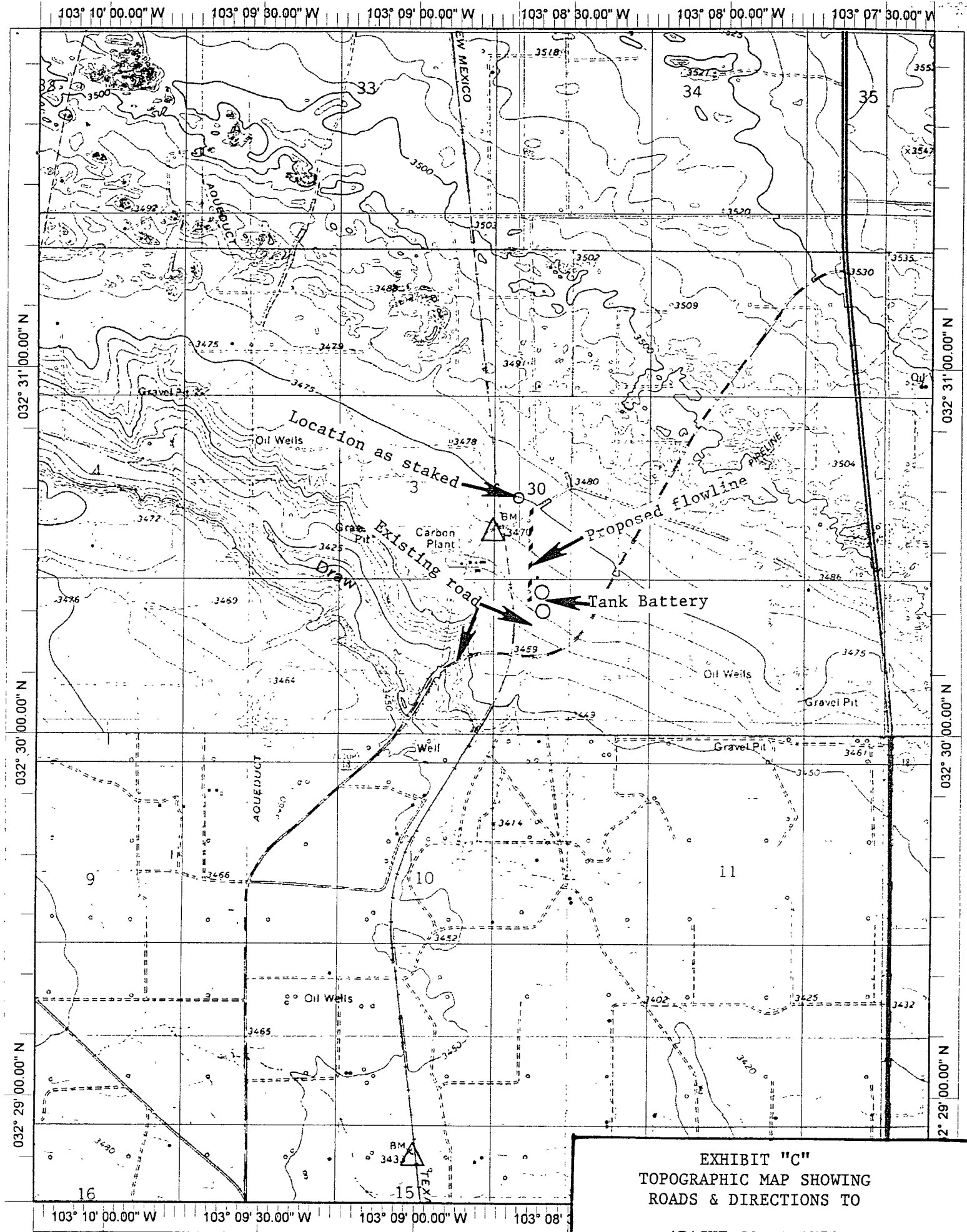


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

APACHE CORPORATION
HAWK "B-3" #30
LOT 16 SECTION 3
T21S-R37E LEA CO. NM

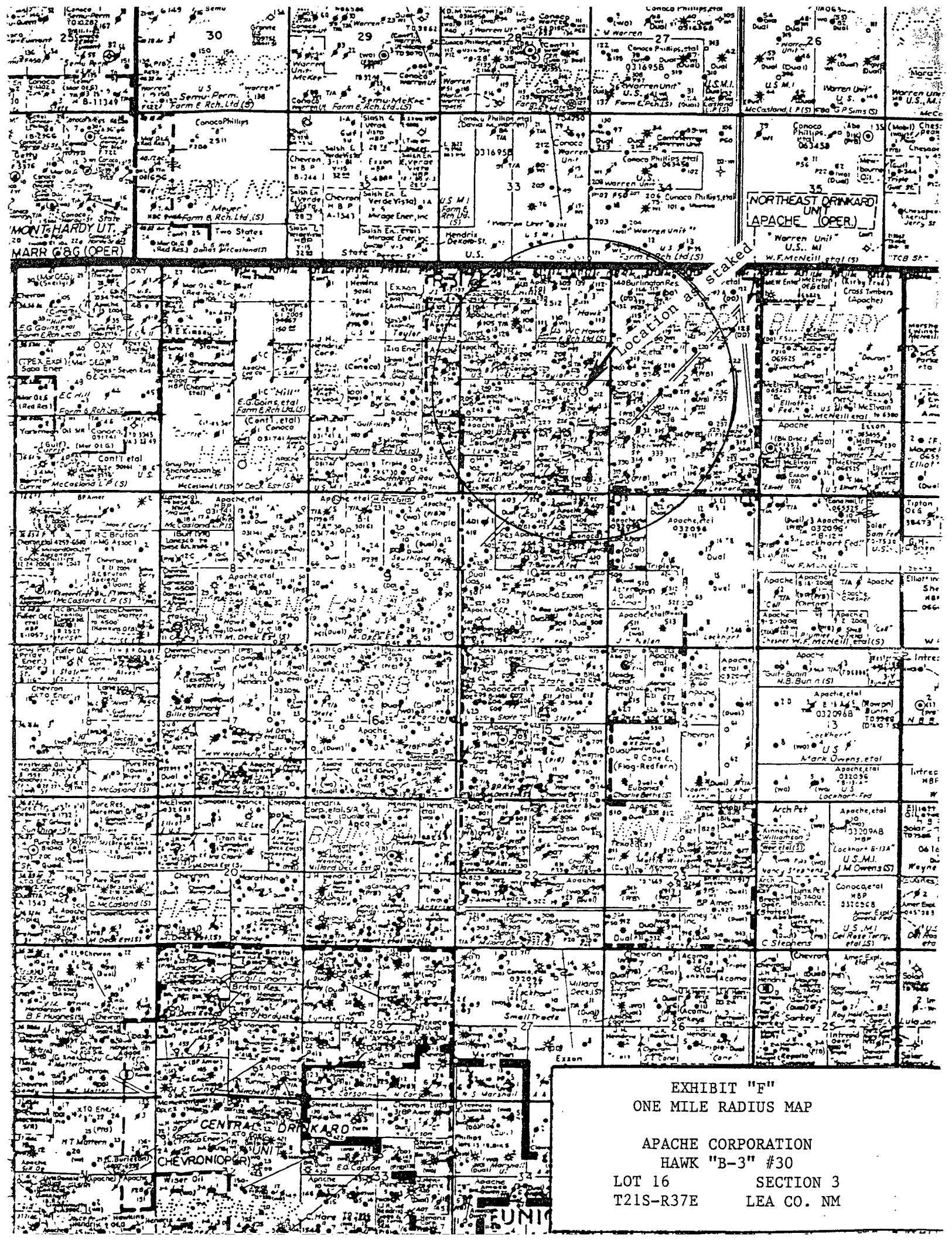


Datum. NAD27

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EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

APACHE CORPORATION
HAWK "B-3" #30
LOT 16 SECTION 3
T21S-R37E LEA CO. NM



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	APACHE CORPORATION
LEASE NO.:	NM2512
WELL NAME & NO.:	HAWK B-3 #30
SURFACE HOLE FOOTAGE:	3630' FSL & 890' FEL
BOTTOM HOLE FOOTAGE	
LOCATION:	Section 3, T. 21 S., R 37 E., NMPM
COUNTY:	Lea County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☐ **Special Requirements**
- ☒ **Construction**
 - Notification
 - Topsoil
 - Reserve Pit – Closed-loop mud system
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
- ☐ **Production (Post Drilling)**
 - Pipelines
- ☐ **Reserve Pit Closure/Interim Reclamation**
- ☐ **Final Abandonment/Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Hobbs Field Station at (575) 393-3612 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

There is no measurable soil on this well pad to stockpile. No topsoil stockpile is required.

C. RESERVE PITS

The operator has applied for a closed-loop system. The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

V. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Lea County**

**Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612**

1. **Hydrogen Sulfide has been reported in the section in a deeper horizon. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the San Andres and Glorieta Formations

1. The 8-5/8 inch surface casing shall be set at approximately 1335 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.

- b. The results of the test shall be reported to the appropriate BLM office.
- c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

LB 8/26/08

VI. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color
Shale Green, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the APD and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 25 feet.
7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.
8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.
9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
15. Any cultural and/or paleontological resource (historic or prehistoric site or object)

discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

(March 1989)

VII. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed



X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.