

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

RECEIVED

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

HOBBSD

WELL API NO. / 30-025-39700
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. NA
7. Lease Name or Unit Agreement Name Southland Royalty A
8. Well Number 034
9. OGRID Number 873
10. Pool name or Wildcat Penrose Skelly; Grayburg
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3476' GR

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)</p> <p>1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other:</p> <p>2. Name of Operator Apache Corporation</p> <p>3. Address of Operator 6120 S Yale Ave, Suite 1500, Tulsa, OK 74136-4224</p> <p>4. Well Location Unit Letter N : 940 feet from the South line and 2070 feet from the West line Section 4 Township 21S Range 37E NMPM County Lea</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3476' GR</p>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: Completion Procedure <input checked="" type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache completed this well via the following procedure:

4/06/2010 Perf Grayburg @ 3869, 71, 3900, 03, 18, 21, 23, 25, 28, 47, 49, 62, 65, 67, 70, 93, 97, 4001, 06, 17, 21', 2 SPF, 42 holes.  
4/07/2010 Acidized Grayburg fr/ 3869-4021' w/ 3K gals HCl.  
4/08/2010 Frac'd Grayburg fr/ 3869-4021' w/ 32K gals SS-3000 and 68K # SLC 16/30.  
4/09/2010 RIH w/ tubing to 4113'. RIH w/ pump and rods.  
4/12/2010 Set 320 pumping unit. Place on production Grayburg.

Spud Date:

03/14/2010

Rig Release Date:

03/20/2010

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE S. Mackay TITLE Engineering Technician DATE 05/04/2010

Type or print name Sophie Mackay E-mail address: sophie.mackay@apachecorp.com PHONE: 918-491-4864

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 13 2010

Conditions of Approval (if any):