

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

OCT 13 2010

HOBBSOCD

<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>WELL API NO. 30-025-39827 ✓</p>
<p>1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other: ✓</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Apache Corporation ✓</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705</p>		<p>7. Lease Name or Unit Agreement Name Mark Owen ✓</p>
<p>4. Well Location Unit Letter M : 990 feet from the South line and 330 feet from the West line Section 35 Township 21S Range 37E NMPM County Lea ✓</p>		<p>8. Well Number 020 ✓</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3380' GL</p>		<p>9. OGRID Number 873 ✓</p>
<p>10. Pool name or Wildcat Penrose Skelly; Grayburg (50350) ✓</p>		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: COMPLETION ☒

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 in the Penrose Skelly; Grayburg, per the following:

9/20/2010 Run logs. TOC @ 81'. Perf Grayburg @ 3655', 61', 67', 74', 84', 3703', 08', 28', 31', 34', 37', 45', 47', 53', 60', 68', 72', 84', 87', 90', 95', 3808', 15', 33', 39', 44', 3848' w/4 SPF, 108 holes.

9/21/2010 Acidize Grayburg w/5000 gal 15% NEFE. Frac Grayburg w/45,066 gal SS-25 w/121,692# 20/40 sand, flush w/3444 gal linear gel.

9/22/2010 No Activity - WO PU

9/24/2010 CO to PBTD @ 4352'

9/27/2010 RIH w/prod equip

9/28/2010 Set 456 Pumping Unit; producing Grayburg.

Spud Date:

08/26/2010

Rig Release Date:

08/30/2010

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

SIGNATURE

Reesa Holland

TITLE Sr. Engr Tech

DATE 09/30/2010

Type or print name Reesa Holland

E-mail address: Reesa.Holland@apachecorp.com

PHONE: 432/818-1062

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

FEB 21 2011

Conditions of Approval (if any):