Inergy, Minerals and Natural Resources Department exico

Susana Martinez

Governor

Brett F. Woods, Ph.D. Acting Cabinet Secretary

Daniel Sanchez Acting Division Director Oil Conservation Division



February 28, 2011

Apache Corp ATT: Ressa Holland 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705

RE: CANCELLATION OF INTENT TO DRILL

See Attached List

RECEIVED

MAR 02 2011 HOBBSUCD

Gentlemen:

Twenty-four months or more have elapsed since Division Form C-101, Notice of Intent to Drill the Subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has now expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drilling has been done, please file subsequent reports of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

Larry Hill

District I Supervisor

CC:

OCD /Santa Fe

OCD/Hobbs

BLM

State Land Office

Cancel 30-025-39042

February 28, 2011 Page 2

Apache Corp

Northeast Drinkard Unit #855-E, 22-21s-37e, 30-025-38901
Owens #3-D, 14-21s-37e, 30-025-39016
W W Weatherly #11-G, 17-21s-37e, 30-025-39017
Northeast Drinkard Unit #148-C, 2-21s-37e, 30-025-39039
Northeast Drinkard Unit #249-G, 2-21s-37e, 30-025-39040
Northeast Drinkard Unit #254-E, 2-21s-37e, 30-025-39041
Northeast Drinkard Unit #426-E, 10-21s-37e, #0-025-39042
Northeast Drinkard Unit #724-M, 15-21s-37e, 30-025-39043
Northeast Drinkard Unit #938-M, 23-21s-37e, 30-025-39044
State C Tract 2 #26-C, 16-21s-37e, 30-025-39056
North Monument GB/SA Unit #378-G, 32-19s-37E, 30-025-39070
Northeast Drinkard Unit #152-H, 4-21s-37e, 30-025-39288