

API No. <u>42-475-36021</u> Drilling Permit # <u>735147</u> SWR Exception Case/Docket No. _____		<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL &amp; GAS DIVISION</b> <b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b> <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				<b>FORM W-1</b> Permit Status: <b>Approved</b>	
1. RRC Operator No. <div style="text-align: center;">027200</div>		2. Operator's Name (as shown on form P-5, Organization Report) <div style="text-align: center;">APACHE CORPORATION</div>			3. Operator Address (include street, city, state, zip) ATTN JO SHIPMAN STE 3000 303 VETERANS AIRPARK LANE MIDLAND, TX 79705-0000		
4. Lease Name <div style="text-align: center;">STATE OF TEXAS FW</div>			5. Well No. <div style="text-align: center;">7H</div>				
<b>GENERAL INFORMATION</b>							
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input checked="" type="checkbox"/> New Drill</span> <span><input type="checkbox"/> Recompletion</span> <span><input type="checkbox"/> Reclass</span> <span><input type="checkbox"/> Field Transfer</span> <span><input type="checkbox"/> Re-Enter</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input checked="" type="checkbox"/> Amended</span> <span><input type="checkbox"/> Amended as Drilled (BHL)(Also File Form W-1D)</span> </div>							
7. Wellbore Profile (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input type="checkbox"/> Vertical</span> <span><input checked="" type="checkbox"/> Horizontal (Also File Form W-1H)</span> <span><input type="checkbox"/> Directional (Also File Form W-1D)</span> <span><input type="checkbox"/> Sidetrack</span> </div>							
8. Total Depth <div style="text-align: center;">11500</div>		9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>							
11. RRC District No. <div style="text-align: center;">08</div>		12. County <div style="text-align: center;">WARD</div>		13. Surface Location <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input checked="" type="checkbox"/> Land</span> <span><input type="checkbox"/> Bay/Estuary</span> <span><input type="checkbox"/> Inland Waterway</span> <span><input type="checkbox"/> Offshore</span> </div>			
14. This well is to be located <u>22.0</u> miles in a <u>W</u> direction from <u>MONAHANS</u> which is the nearest town in the county of the well site.							
15. Section <div style="text-align: center;">14</div>	16. Block <div style="text-align: center;">18</div>	17. Survey <div style="text-align: center;">UL</div>	18. Abstract No. <div style="text-align: center;">U93</div>	19. Distance to nearest lease line: <div style="text-align: center;">513.0 ft.</div>	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <div style="text-align: center;">320.0</div>		
21. Lease Perpendiculars: <u>440.0</u> ft. from the <u>W</u> line and <u>467.0</u> ft. from the <u>N</u> line. 22. Survey Perpendiculars: <u>467.0</u> ft. from the <u>NORTH</u> line and <u>440.0</u> ft. from the <u>WEST</u> line.							
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No: _____		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No			
<b>FIELD INFORMATION      List all fields of anticipated completion including Wildcat. List one zone per line.</b>							
26. RRC District No. <div style="text-align: center;">08</div>	27. Field No. <div style="text-align: center;">92100050</div>	28. Field Name (exactly as shown in RRC records) <div style="text-align: center;">TWO GEORGES (BONE SPRING)</div>	29. Well Type <div style="text-align: center;">Oil Well</div>	30. Completion Depth <div style="text-align: center;">11500</div>	31. Distance to Nearest Well in this Reservoir <div style="text-align: center;">0.0</div>	32. Number of Wells on this lease in this Reservoir <div style="text-align: center;">1</div>	
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS</b>							
<b>Remarks</b> <div style="height: 100px;"></div>				<b>Certificate:</b> I certify that information stated in this application is true and complete, to the best of my knowledge  <div style="display: flex; justify-content: space-between;"> <div>           RRC User _____            Name of filer _____            Phone _____         </div> <div>           12/19/2012 _____            Date Submitted _____            Email Address(OPTIONAL) _____         </div> </div>			
<b>RRC Use Only      Date Validation Time Stamp:      Fri, 1 Mar 2013 13:20:22</b>							

## RAILROAD COMMISSION OF TEXAS

## FORM W-1H

Permit Status: Approved

*The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.*

# OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-

*This facsimile W-1 was generated electronically from data submitted to the RRC.  
A certification of the automated data is available in the RRC's Austin office.*

## Supplemental Horizontal Well Information

Permit # 735147

Approved Date: 12/28/2012

1. RRC Operator No. 027200	2. Operator's Name (as shown on form P-5, Organization Report) APACHE CORPORATION	3. Lease Name STATE OF TEXAS FW	4 Well No. 7H
<b>Lateral Drainhole Location Information</b>			
5. Field as shown on Form W-1 TWO GEORGES (BONE SPRING) ( Field # 92100050, RRC District 08 )			
6. Section 14	7. Block 18	8. Survey UNIVERSITY LANDS	9. Abstract
		10. County of BHL WARD	
11. Terminus Lease Line Perpendiculars 506.0 ft. from the W line and 1796.0 ft. from the S line			
12. Terminus Survey Line Perpendiculars 506.0 ft. from the W line and 1796.0 ft. from the S line			
13. Penetration Point Lease Line Perpendiculars 443.0 ft. from the W line and 457.0 ft. from the N line			

**RAILROAD COMMISSION OF TEXAS**  
**OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <b>735147</b>	DATE PERMIT ISSUED OR AMENDED (AMENDED) <b>Dec 28, 2012</b>	DISTRICT <b>* 08</b>		
API NUMBER <b>42-475-36021</b>	FORM W-1 RECEIVED <b>Dec 19, 2012</b>	COUNTY <b>WARD</b>		
TYPE OF OPERATION <b>NEW DRILL</b>	WELLBORE PROFILE(S) <b>Horizontal</b>	ACRES <b>320</b>		
OPERATOR <b>APACHE CORPORATION</b>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. <b>District Office Telephone No:</b> <b>(432) 684-5581</b>		
LEASE NAME <b>STATE OF TEXAS FW</b>		WELL NUMBER <b>7H</b>		
LOCATION <b>22 miles W direction from MONAHANS</b>		TOTAL DEPTH <b>11500</b>		
Section, Block and/or Survey SECTION <b>◀ 14</b> BLOCK <b>◀ 18</b> ABSTRACT <b>◀ U93</b> SURVEY <b>◀ UL</b>				
DISTANCE TO SURVEY LINES <b>467 ft. NORTH    440 ft. WEST</b>		DISTANCE TO NEAREST LEASE LINE <b>513 ft.</b>		
DISTANCE TO LEASE LINES <b>440 ft. W    467 ft. N</b>		DISTANCE TO NEAREST WELL ON LEASE <b>See FIELD(s) Below</b>		
FIELD(s) and LIMITATIONS: <p align="center"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></p>				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE		
	WELL # NEAREST WE	DIST		
<b>TWO GEORGES (BONE SPRING)</b>	<b>320.00</b>	<b>11,500</b>	<b>7H</b>	<b>08</b>
<b>STATE OF TEXAS FW</b>	<b>513</b>	<b>0</b>		
<b>WELLBORE PROFILE(s) FOR FIELD: Horizontal</b>				
<b>RESTRICTIONS:</b> This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.				
Lateral: TH1 Penetration Point Location Lease Lines:            443.0 F W L 457.0 F N L Terminus Location BH County: WARD Section: 14                      Block: 18                      Abstract: Survey: UNIVERSITY LANDS Lease Lines:                506.0 F W L 1796.0 F S L Survey Lines:              506.0 F W L 1796.0 F S L				
<b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b>				

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PERMIT NUMBER 735147	DATE PERMIT ISSUED OR AMENDED (AMENDED) Dec 28, 2012	DISTRICT * 08
API NUMBER 42-475-36021	FORM W-1 RECEIVED Dec 19, 2012	COUNTY WARD
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 320
OPERATOR APACHE CORPORATION 027200		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME STATE OF TEXAS FW		WELL NUMBER 7H
LOCATION 22 miles W direction from MONAHANS		TOTAL DEPTH 11500
Section, Block and/or Survey SECTION ◀ 14 BLOCK ◀ 18 ABSTRACT ◀ U93 SURVEY ◀ UL		
DISTANCE TO SURVEY LINES 467 ft. NORTH 440 ft. WEST		DISTANCE TO NEAREST LEASE LINE 513 ft.
DISTANCE TO LEASE LINES 440 ft. W 467 ft. N		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
<p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p>		

