OCD Artesia FORM APPROVED Form 3160-3 OMB No. 1004-0137 Expires March 31, 2007 (April 2004) UNITED STATES Lease Serial No. DEPARTMENT OF THE INTERIOR NMLC - 029435A BUREAU OF LAND MANAGEMENT If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 2/13/2012 7. If Unit or CA Agreement, Name and No **V** DRILL REENTER la. Type of work: 8. Lease Name and Well No. Gas Well Multiple Zone lb. Type of Well: ✓ Oil Well ✓ Single Zone 9. API Well No. Name of Operator APACHE CORPORATION 30-015-3b. Phone No. (include area 10. Field and Pool, or Exploratory 3a. Address 303 VETERANS AIRPARK LN #3000 CEDAR LAKE; GLORIETA-YESO MIDLAND, TX 79705 432-818-1167 11. Sec., T. R. M. or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.\*) 662' FNL & 1000' FEL At surface SEC: 7 T17S R31E 662' FNL & 330' FWL At proposed prod. zone 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office\* 6.7 MILES EAST NORTHEAST FROM LOCO HILLS, NM **EDDY** NM Distance from proposed\* 17. Spacing Unit dedicated to this well 16. No. of acres in lease location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 606.92 ACRES 151.57 ACRES 18. Distance from proposed location\* to nearest well, drilling, completed, 19. Proposed Depth Max 5466 20. BLM/BIA Bond No. on file TVD ~5300' BLM - CO - 1463 NATIONWIDE / NMB000736 25' applied for, on this lease, ft. MD ~ 8910' 22 Approximate date work will start 23. Estimated duration 21. Elevations (Show whether DF, KDB, RT, GL, etc.) As Soon As Approve ~ 25 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. 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). Such other site specific information and/or plans as may be required by the authorized officer. Name (Printed/Typed) 25. Signature SORINA L. FLORES Title SUPV OF DRILLING SERVICES Approved by (Signature) Name (Printed/Typed) Dat DEC **7** 2012 /s/ Don Peterson Office Title FIELD MANAGER 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. APPROVAL FOR <u>TWO YEARS</u> Conditions of approval, if any, are attached. 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)

Roswell Controlled Water Basin

RECEIVED
DEC 1 1 2012

Approval Subject to General Requirements & Special Stipulations Attached

NMOCD ARTESIA

SEE ATTACHED FOR CONDITIONS OF APPROVAL

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

#### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□ AMENDED REPORT

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

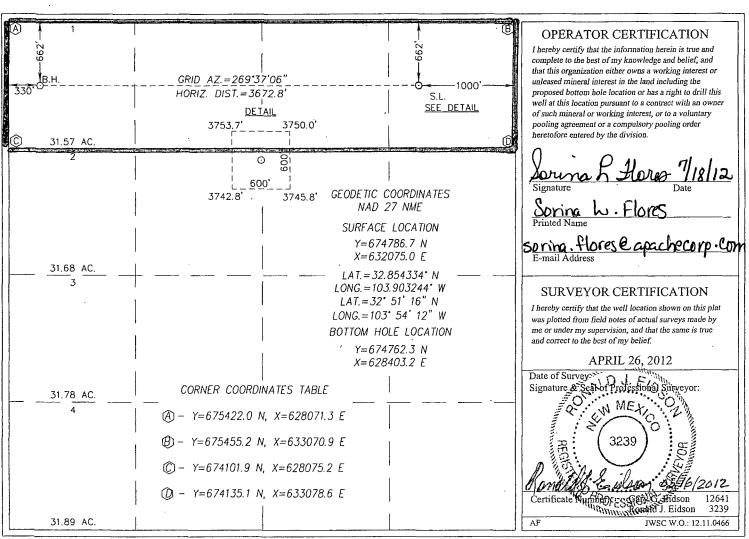
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015-	PI Number	914	96831 Cedar Lake; Glorieta - Yeso									
Property C	ode	<i>yy</i>	Property Name Well Number									
3933	0		RAVEN FEDERAL 17H									
OGRID 1	No.		Operator Name Elevation									
813		APACHE CORPORATION 3746'								3746'		
					Surface Locati	on						
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	West line	County		
A	7	17-S	31-E		662	NORTH	1000	E	EAST EDDY			
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		

17-S 662 NORTH 330 WEST **EDDY** 1 31-E Dedicated Acres Joint or Infill Consolidation Code Order No.

151.57

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



# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 620 E. GREENE STREET CARLSBAD, NM 88220

#### **OPERATOR CERTIFICATION**

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 24<sup>TH</sup> day of JULY, 2012

Well: RAVEN FEDERAL 17H	·					
Operator Name:APACHE CORP	ORATION					
Signature: Terry Viest	Printed Name: <u>TERRY WEST</u>					
Title: Drilling Engineer	Date:					
Email (optional):terry.west@a	apachecorp.com					
Street or Box: 303 Veterans	Airpark Ln., Ste. 3000					
City, State, Zip Code: Midland, TX	79705					
Telephone: <u>432</u> -	818-1114					
Field Representative (if not above signa	atory):					
Address (if different from above):						
Telephone (if different from above):						
Email (optional):						

Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

# DRILLING PLAN: BLM COMPLIANCE

(Supplement to BLM 3160-3)

#### APACHE CORPORATION (OGRID: 873) RAVEN FEDERAL #17H

Lease #: NMLC-029435A Projected TVD: ~5300' MD: ~8910 ' GL: 3746'

SHL: 662' FNL & 1000' FEL UL: A SEC: 7 BHL: 662' FNL & 330' FWL LOT: 1 SEC: 7

T17S R31E EDDY COUNTY, NM

#### 1. GEOLOGIC NAME OF SURFACE FORMATION: Eolian/Piedmond Alluvial Deposits

#### 2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Quaternary Aeolian	Surf	Queen	2445'		
Rustler	322'	Grayburg	2819'		
Salt Top	544'	San Andres	3170' (Oil)		
Salt Bottom	1391'	Glorieta	4638'		
Yates	1554'	Yeso (Paddock)	4684' (Oil)		
Seven Rivers 1799'		TVD / MD	~5300′ / ~8910		

Avg Depth to Ground Water: ~91'

Fresh water & prospectively valuable minerals, as described by BLM, encountered during drilling, will be recorded by depth & adequately protected. All oil & gas shows within zones of correlative rights will be tested to determine commercial potential. Surface FW sands will be protected by setting 13-3/8" csg @ 250 & circ cmt back to surface. Hydrocarbon zones will be protected by setting 9-5/8" csg @ ~3500', if water flow is encountered, then 7" @ ~5010'; 4-1/2" liner f/7" csg though build @ ~5018' TVD/MD holding at ~5630' MD.

#### **3. CASING PROGRAM:** All casing is new & API approved

STRING	HOLE SIZE	DEPTH	OD CSG	WEIGHT	COLLAR	GRADE	COLLAPSE	BURST	TENSION
Surface	17-1/2"	0'-350':405	13-3/8"	48#	STC	H-40	1.125	1.21	1.8
Intermediate *	12-1/4"	0' - 3500'	9-5/8"	36#	STC	J-55	1.125	1.21	1.8
Production	8-3/4"	0' - 5010'	7"	26#	LTC	J-55	1.125	1.21	1.8
Production Liner	6-1/8"	4910′ – 8910′	4.5"	11.6#	LTC	L-80	1.125	1.21	1.8

<sup>\*</sup>Contingency: 9-5/8" string will only be ran if water flows are encountered.

#### 4. CEMENT PROGRAM:

#### A. Surface (TOC – Surface) \*\*100% excess cmt to surf\*\* Cmt with:

Lead: 180 sx Class C w/4% Gel + 2% CaCL2 + 0.125#/sx CF + 0.25#/sx Defoamer (13.5 wt, 1.75 yld)

Compressive Strengths: **12 hr** – 786 psi **24 hr** – 1213 psi

Tail: 200 sx Class C w/ 1% CaCL2 (14.8 wt, 1.33 vld)

Compressive Strengths: 12 hr - 1565 psi 24 hr - 2442 psi

#### B. <u>Intermediate (TOC - Surface) \*\*50% excess cmt to surf\*\*.</u> Cmt with:

<u>Lead</u>: 700 sx Class C w/4% Gel + 2% CaCL2 + 0.125 #/sx CF + 0.25 #/sx Defoamer (13.5 wt, 1.75 yld)

Compressive Strengths: 12 hr - 709 psi 24 hr - 1103 psi

Tail: 380 sx Class C w/ 1% Retarder (14.8 wt, 1.33 vld)

Compressive Strengths: 12 hr – 1654 psi 24 hr – 2256 psi

(May use a DVT & modify cmt program for a 2 stage job, if a strong water flow is encountered)

#### C. Production (TOC: Surface) \*\*35% excess cmt\*\* Cmt with:

<u>Lead</u>: 240 sx Class C 50/50 Poz w/5% Salt + 10% Gel + 3 #/sx KOLSeal + 0.25% Defoamer + 0.125 #/sx CF (11.9 wt, 2.46 yld)

Compressive Strengths: 12 hr – 156 psi 24 hr – 1081 psi

<u>Tail:</u> 360 sx PVL w/1.3% Salt + 5% Expanding cmt + 0.5% Gel suppressing agent + 0.1% antisetting agent + 0.25% Defoamer + 0.2% Retarder (13.0 wt, 1.48 yld)

Compressive Strengths: 12 hr – 642 psi 24 psi – 1016 psi

\*Contingency: If 9-5/8" string is not ran, the following cmt program will be used for the Production string & will bring cmt to surface using 35% excess:

<u>Lead</u>: 910 sx Class C 50/50 w/5% Salt + 10% Gel + 3 #/sx KOL Seal + 0.25% Defoamer + 0.125 #/sx CF (11.9 wt, 2.46 yld)

Compressive Strengths: 12 hr – 156 psi 24 hr – 1081 psi

<u>Tail:</u> 720 sx PVL w/1.3% Salt + 5% Expanding cmt + 0.5% Gel suppressing agent + 0.1% antisetting agent + 0.25% Defoamer + 0.2% Retarder (13.0 wt, 1.48 yld)

Compressive Strengths: 12 hr - 642 psi 24 psi 1016 psi

- D. Apache proposes to run a multiple packer system on the 4-1/2" production liner which will tie back into the 7" string (No Cmt). 9-5/8" string will only be ran if water flows are encountered. May have to use DVT & modify cmt program for a 2-stage job, if a strong water flow is encountered. Contingency cmt for production string will be used if intermediate string is not ran. Intermediate string will only be ran if water flows are encountered.
- \*\* The above cmt volumes could be revised pending caliper measurement from open hole logs. For Surface csg: If cmt does not circ to surface, the appropriate BLM office shall be notified. The TOC shall be determined as directed by the BLM for the specific set of circumstances. Cement will then be brought to surface via either 1" or ready mix operations, as specified by the BLM at that time.

#### 5. PROPOSED CONTROL EQUIPMENT

"EXHIBIT 3" shows a 13-5/8" 3M psi WP BOP consisting of at least annular bag type preventer. This BOP will be nippled up on the 13-3/8" surface csg head & tested to 70% of casing burst. After the 9-5/8" intermediate csg is set & cemented (or after the 7" string, if the 9-5/8" casing isn't ran), either a 13-5/8" or an 11" 3M BOP consisting of an annular bag type preventer, middle blind rams and bottom pipe rams will be installed in place of the original BOP & utilized continuously until TD is reached. The BOP will be tested at 2000 psi, maximum surface pressure is not expected to exceed 2M psi, BHP is calculated to be approximately 2171 psi. \*All BOP's & associated equipment will be tested as per BLM *Drilling Operations Order #2*. The BOP will be operated & checked each 24 hr period & blind rams will be operated & checked when the drill pipe is out of the hole. Functional tests will be documented on the daily driller's log. "EXHIBIT 3" also shows a 3M psi choke manifold with a 3" blow down line. Full opening stabbing valve & Kelly cock will be on derrick floor in case of need. No abnormal pressures of temperatures are expected in this well. No nearby wells have encountered any problems.

\* Contingency: Apache respectfully requests a variance for using a flex hose contingent on type of rig used due to rig scheduling. If a flex hose is utilized, the company man will have all proper certified paperwork for that hose available on location. Possible flex hose specifications listed below:

#### Flex Hose Variance Statement

Apache request a variance if Basic 44 is used to drill this well to use a co-flex line between the BOP & choke manifold.

Manufacturer: NRP Jones

Serial #: MJL001CK

Length: 26 Size: 3 Ends – Flanges / Clamps

WP rating: 10,000psi Anchors required by manufacturer – Yes / No

#### 6. AUXILIARY WELL CONTROL EQUIPMENT / MONITORING EQUIPMENT:

13-3/8" & 11" x 3000 psi Double BOP/Blind & pipe ram (3M BOP/BOPE to be used as 2M system) 4-1/2" x 3000 psi Kelly valve
13-3/8" & 11" 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" blow down line
Fill up line as per Onshore Order 2

#### 7. PROPOSED MUD CIRCULATION SYSTEM: (Closed Loop System)

INTERVAL	MW (ppg)	VISC (sec/qt)	FLUID LOSS (cc)	MUD TYPE
0'=350' 405	8.4 – 9.0	30 – 45	NC	FW
.250' to 3500' *	9.8 - 10.2	28 – 34	NC	Brine
3500' – 5010'	8.6 - 9.1	28 – 36	NC	FW/Brine
5010' – 8910'	8.6 - 9.1	28 – 40	15 - NC	FW/Brine

<sup>\*</sup> Contingency: If 9-5/8" string is not run, these mud properties will be continued to the next casing seat instead of those indicated on the next line.

#### 8. LOGGING, CORING & TESTING PROGRAM: See. COA

- A. OH logs: Dual Laterolog, MSFL, CNL, Litho-Density, Gamma Ray, Caliper & Sonic from TD back to last csg shoe.
- B. Run CNL, Gamma Ray from last csg shoe back to surface.
- **C.** No cores, DST's or mud logger are planned at this time.
- **D.** Additional testing will be initiated subsequent to setting the 5-1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows & drill stem tests.

#### 9. POTENTIAL HAZARDS:

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. There is known presence of  $H_2S$  in this area. If  $H_2S$  is encountered the operator will comply with the provisions of *Onshore Oil & 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: 2171 psi and estimated BHT: 115°.

#### 10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location construction will begin after BLM has approved APD. Anticipated spud date will be after BLM approval and as soon as rig is available. Move in operations and drilling is expected to take  $\sim 25 \, \text{days}$ . If production casing is run then an additional  $90 \, \text{days}$  will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

#### 11. OTHER FACETS OF OPERATION:

After running csg, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Cedar Lake; Glorieta-Yeso formation will be perforated and stimulated in order to establish production. The well will be swab tested & potentialed as an oil well.

<sup>\*\*</sup> The necessary mud products for weight addition and fluid loss control will be on location at all times. In order to run open hole logs & casing, the above mud properties may have to be altered to meet these needs.



# **Apache Corporation**

Eddy County, NM (Nad27) NFE Federal Raven Federal 17H Wellbore #1

Plan: Plan#1 071912

# Apache

19 July, 2012





Apache



Local Co-ordinate Reference: Well Raven Federal 17H Company: Apache Corporation WELL @ 3770.00usft (Original Well Elev) Project: Eddy County, NM (Nad27) TVD Reference: WELL @ 3770.00usft (Original Well Elev) MD Reference: Site: NFE Federal Grid Raven Federal 17H North Reference: Well: Wellbore #1 **Survey Calculation Method:** Minimum Curvature Wellbore: GCR DB v5000 Plan#1 071912 Database: Design: Eddy County, NM (Nad27) Project Mean Sea Level Map System: US State Plane 1927 (Exact solution) System Datum: NAD 1927 (NADCON CONUS) Geo Datum: New Mexico East 3001 Map Zone: NFE Federal 1Site Northing: 673,264.70 usft 32° 51' 0.4904 N Latitude: Site Position: 103° 53' 57.3497 W 633,303.50 usft Longitude: From: Мар Easting: 0.24° Position Uncertainty: 0.00 usft Slot Radius: 13-3/16 " **Grid Convergence:** Well Raven Federal 17H +N/-S 0.00 usft 674.786.70 usft Latitude: 32° 51' 15.6004 N Well Position Northing: 103° 54' 11.6777 W +E/-W 0.00 usft Easting: 632,075.00 usft Longitude: Ground Level: 3,745.00 usft **Position Uncertainty** 0.00 usft Wellhead Elevation: Wellbore #1 Wellbore Field Strength .... Model Name Sample Date Dip Angle Magnetics Declination: (nT) <sup>2</sup> (°): (°) IGRF2010 14 07/19/12 7.65 60.68 48,847 Design Plan#1 071912 **Audit Notes:** 0.00 Version: Phase: PLAN Tie On Depth: Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (°): (usft) (usft) (usft) 269.62 0.00 0.00 0.00 Survey Tool Program Date 07/19/12 From -To Tool Name (usft) (usft) Survey (Wellbore) Description 8,909.81 Plan#1 071912 (Wellbore #1) 0.00 MWD MWD - Standard



Apache



Company: Project:

Wellbore:

Design:

Apache Corporation

Eddy County, NM (Nad27)

Site: Well:

NFE Federal Raven Federal 17H

Wellbore #1 Plan#1 071912 Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method: Database:

Well Raven Federal 17H

WELL @ 3770.00usft (Original Well Elev) WELL @ 3770.00usft (Original Well Elev) .

Grid

Minimum Curvature GCR DB v5000

Planned Survey

riailled Sulvey	<del>,</del>	<del></del>	<del></del>			<del></del>				<del> </del>
MD (usft)	inc	Azi (azimuth)	TVDSS (usft)	TVD (usft)	N/S (usft)	E/W V S	ec ft) (°/	DLeg 100usft)	Northing (usft)	Easting (usft)
0.00	0.00	0.00	-3,770.00	0.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
100.00	0.00	0.00	-3,670.00	100.00	0.00	0.00	0:00	0.00	674,786.70	632,075.00
200.00	0.00	0.00	-3,570.00	200.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
300.00	0.00	0.00	-3,470.00	300.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
322.00	0.00	0.00	<b>-</b> 3,448.00	322.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
Rustler										
400.00	0.00	0.00	-3,370.00	400.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
500.00	0.00	0.00	-3,270.00	500.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
544.00	0.00	0.00	-3,226.00	544.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
T/Salt										
600.00	0.00	0.00	-3,170.00	600.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
700.00	0.00	0.00	-3,070.00	700.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
800.00	0.00	0.00	-2,970.00	800.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
900.00	0.00	0.00	-2,870.00	900.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,000.00	0.00	0.00	-2,770.00	1,000.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,100.00	0.00	0.00	-2,670.00	1,100.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,200.00	0.00	0.00	-2,570.00	1,200.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,300.00	0.00	0.00	-2,470.00	1,300.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,391.00	0.00	0.00	-2,379.00	1,391.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
B/Salt										
1,400.00	0.00	0.00	-2,370.00	1,400.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,500.00	0.00	0.00	-2,270.00	1,500.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,554.00	0.00	0.00	-2,216.00	1,554.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
Yates										
1,600.00	0.00	0.00	-2,170.00	1,600.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,700.00	0.00	0.00	-2,070.00	1,700.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,800.00	0.00	0.00	-1,970.00	1,800.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
1,900.00	0.00	0.00	-1,870.00	1,900.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00



Apache



Company: Project:

Apache Corporation

Eddy County, NM (Nad27)

Well:

NFE Federal Raven Federal 17H

Wellbore: Design: --

Wellbore #1 Flan#1.071912 Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Database:

Well Raven Federal 17H

WELL @ 3770.00usft (Original Well Elev) WELL @ 3770.00usft (Original Well Elev)

Grid

Minimum Curvature GCR DB v5000

Planned Survey

	<del> </del>									
MD Inc. (usft)		Azi (azimuth)	TVDSS (usft)°	TVD (usft)				DLeg 100usft)	Northing (usft)	Easting ( (usft)
2,000.00	0.00	0.00	-1,770.00	2,000.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,100.00	0.00	0.00	-1,670.00	2,100.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,200.00	0.00	0.00	-1,570.00	2,200.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,300.00	0.00	0.00	-1,470.00	2,300.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,400.00	0.00	0.00	-1,370.00	2,400.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,445.00	0.00	0.00	-1,325.00	2,445.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
Queen										
2,500.00	0.00	0.00	-1,270.00	2,500.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,600.00	0.00	0.00	-1,170.00	2,600.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,700.00	0.00	0.00	-1,070.00	2,700.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,800.00	0.00	0.00	-970.00	2,800.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
2,900.00	0.00	0.00	-870.00	2,900.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,000.00	0.00	0.00	-770.00	3,000.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,100.00	0.00	0.00	-670.00	3,100.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,170.00	0.00	0.00	-600.00	3,170.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
San Andres		0.00	# <b>#</b> 0.00	0.000.00	0.00	2.22	0.00	0.00	074 700 70	000 075 00
3,200.00	0.00	0.00	-570.00	3,200.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,300.00	0.00	0.00	-470.00	3,300.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,400.00	0.00	0.00	-370.00	3,400.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,500.00	0.00	0.00	-270.00	3,500.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,600.00	0.00	0.00	-170.00	3,600.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,700.00	0.00	0.00	-70.00	3,700.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,800.00	0.00	0.00	30.00	3,800.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
3,900.00	0.00	0.00	130.00	3,900.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,000.00	0.00	0.00	230.00	4,000.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,100.00	0.00	0.00	330.00	4,100.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,200.00	0.00	0.00	430.00	4,200.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00



Apache



Company:

Apache Corporation

Eddy County, NM (Nad27)

Site:

NFE Federal Raven Federal 17H

Wellbore: Wellbore #1
Design: Plan#1 071912

Local Co-ordinate Reference:

TVD Reference:

North Reference:

Survey Calculation Method:

Database:

Well Raven Federal 17H

WELL @ 3770.00usft (Original Well Elev)
WELL @ 3770.00usft (Original Well Elev)

Grid

Minimum Curvature GCR DB v5000

Planned Survey

				* * *						
MD (usft)	Inc	Azi (azimuth) (°)	* TVDSS (usft)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Northing (usft)	Easting (usft)
4,300.00	0.00	0.00	530.00	4,300.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,400.00	0.00	0.00	630.00	4,400.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,500.00	0.00	0.00	730.00	4,500.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,600.00	0.00	0.00	830.00	4,600.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,638.00	0.00	0.00	868.00	4,638.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
Glorieta 4,684.00	0.00	0.00	914.00	4,684.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
Paddock	****			1,					•	,
4,700.00	0.00	0.00	930.00	4,700.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,800.00	0.00	0.00	1,030.00	4,800.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
4,900.00	0.00	0.00	1,130.00	4,900.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
5,000.00	0.00	0.00	1,230.00	5,000.00	0.00	0.00	0.00	0.00	674,786.70	632,075.00
5,018.37	0.00	0.00	1,248.37	5,018.37	0.00	0.00	0.00	0.00	674,786.70	632,075.00
Start Build 15.00										
5,100.00	12.25	269.62	1,329.38	5,099.38	-0.06	-8.69	8.69	15.00	674,786.64	632,066.31
5,165.62	22.09	269.62	1,392.00	5,162.00	-0.19	-28.03	28.03	15.00	674,786.51	632,046.97
Upper Blinebry									* .	
5,200.00	27.25	269.62	1,423.23	5,193.23	-0.28	-42.38	42.38	15.00	674,786.42	632,032.62
5,300.00	42.25	269.62	1,505.17	5,275.17	-0.66	-99.21	99.21	15.00	674,786.04	631,975.79
5,400.00	57.25	269.62	1,569.60	5,339.60	-1.16	-175.30	175.31	. 15.00	674,785.54	631,899.70
5,500.00	72.25	269.62	1,612.14	5,382.14	-1.76	-265.49	265.49	15.00	674,784.94	631,809.51
5,600.00	87.25	269.62	1,629.90	5,399.90	-2.42	-363.61	363.61	15.00	674,784.28	631,711.39
5,630.03	91.75	269.62	1,630.16	5,400.16	-2.62	-393.63	393.64	15.00	674,784.08	631,681.37
Start 3279.77 hold										
5,700.00	91.75	269.62	1,628.02	5,398.02	-3.08	-463.56	463.57	0.00	674,783.62	631,611.44
5,800.00	91.75	269.62	1,624.97	5,394.97	-3.74	-563.51	563.53	0.00	674,782.96	631,511.49
5,900.00	91.75	269.62	1,621.92	5,391.92	-4.41	-663.46	663.48	0.00	674,782.29	631,411.54
6,000.00	91.75	269.62	1,618.86	5,388.86	-5.07	-763.41	763.43	0.00	674,781.63	631,311.59



Apache



Сотрапу:

Apache Corporation

Project:

Eddy County, NM (Nad27)

Site: Well: NFE Federal Raven Federal 17H Wellbore #1

Wellbore: Design:

Plan#1 071912

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method: Database:

Well Raven Federal 17H

WELL @ 3770.00usft (Original Well Elev)
WELL @ 3770.00usft (Original Well Elev)

Grid

Minimum Curvature GCR DB v5000

Planned Si	urvey
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							, ,			
MD (usft)	Inc (°)	Azi (azimuth) (°)	TVDSS (usft)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usft)	Northing (usft)	Easting (usft)
6,100.00	91.75	269.62	1,615.81	5,385.81	-5.74	-863.37	863.39	0.00	674,780.96	631,211.63
6,200.00	91.75	269.62	1,612.75	5,382.75	-6.40	-963.32	963.34	0.00	674,780.30	631,111.68
6,300.00	91.75	269.62	1,609.70	5,379.70	-7.07	-1,063.27	1,063.29	0.00	674,779.63	631,011.73
6,400.00	91.75	269.62	1,606.65	5,376.65	-7.73	-1,163.22	1,163.25	0.00	674,778.97	630,911.78
6,500.00	91.75	269.62	1,603.59	5,373.59	-8.39	-1,263.17	1,263.20	0.00	674,778.31	630,811.83
6,600.00	91.75	269.62	1,600.54	5,370.54	-9.06	-1,363.12	1,363.15	0.00	674,777.64	630,711.88
6,700.00	91.75	269.62	1,597.48	5,367.48	-9.72	-1,463.07	1,463.11	0.00	674,776.98	630,611.93
6,800.00	91.75	269.62	1,594.43	5,364.43	-10.39	-1,563.02	1,563.06	0.00	674,776.31	630,511.98
6,900.00	91.75	269.62	1,591.38	5,361.38	-11.05	-1,662.98	1,663.01	0.00	674,775.65	630,412.02
7,000.00	91.75	269.62	1,588.32	5,358.32	-11.72	-1,762.93	1,762.97	0.00	674,774.98	630,312.07
7,100.00	91.75	269.62	1,585.27	5,355.27	-12.38	-1,862.88	1,862.92	0.00	674,774.32	630,212.12
7,200.00	91.75	269.62	1,582.21	5,352.21	-13.04	-1,962.83	1,962.87	0.00	674,773.66	630,112.17
7,300.00	91.75	269.62	1,579.16	5,349.16	-13.71	-2,062.78	2,062.83	0.00	674,772.99	630,012.22
7,400.00	91.75	269.62	1,576.11	5,346.11	-14.37	-2,162.73	2,162.78	0.00	674,772.33	629,912.27
7,500.00	91.75	269.62	1,573.05	5,343.05	-15.04	-2,262.68	2,262.73	0.00	674,771.66	629,812.32
7,600.00	91.75	269.62	1,570.00	5,340.00	-15.70	-2,362.63	2,362.69	0.00	674,771.00	629,712.37
7,700.00	91.75	269.62	1,566.95	5,336.95	-16.36	-2,462.58	2,462.64	0.00	674,770.34	629,612.42
7,800.00	91.75	269.62	1,563.89	5,333.89	-17.03	-2,562.54	2,562.59	0.00	674,769.67	629,512.46
7,900.00	91.75	269.62	1,560.84	5,330.84	-17.69	-2,662.49	2,662.55	0.00	674,769.01	629,412.51
8,000.00	91.75	269.62	1,557.78	5,327.78	-18.36	-2,762.44	2,762.50	0.00	674,768.34	629,312.56
8,100.00	91.75	269.62	1,554.73	5,324.73	-19.02	-2,862.39	2,862.45	0.00	674,767.68	629,212.61
8,200.00	91.75	269.62	1,551.68	5,321.68	-19.69	-2,962.34	2,962.41	0.00	674,767.01	629,112.66
8,300.00	91.75	269.62	1,548.62	5,318.62	-20.35	-3,062.29	3,062.36	0.00	674,766.35	629,012.71
8,400.00	91.75	269.62	1,545.57	5,315.57	-21.01	-3,162.24	3,162.31	0.00	674,765.69	628,912.76
8,500.00	91.75	269.62	1,542.51	5,312.51	-21.68	-3,262.19	3,262.27	0.00	674,765.02	628,812.81
8,600.00	91.75	269.62	1,539.46	5,309.46	-22.34	-3,362.14	3,362.22	0.00	674,764.36	628,712.86
8,700.00	91.75	269.62	1,536.41	5,306.41	-23.01	-3,462.10	3,462.17	0.00	674,763.69	628,612.90



Apache



Project: Site: Well: Wellbore:	Apache Corporation Eddy County, NM (Nad NFE Federal Raven Federal 17H Wellbore #1 Plan#1 071912		TVD Reference: W MD Reference: W North Reference: G Survey Calculation Method: M					Well Raven Federal 17H WELL @ 3770.00usft (Original Well Elev) WELL @ 3770.00usft (Original Well Elev) Grid Minimum Curvature GCR DB v5000		
Planned Survey  MD  (usft)	lńc:	Azi (azimuth)	TVDSS (usft)	TVD (usft)	N/S (úsft)	E/W (usft)	V. Sec (usft)	DLeg (°/100usit)	Northing (usft)	Easting (usft)
8,800.0	0 91.75	269.62	1,533.35	5,303.35	-23.67	-3,562.05	3,562.13	0.00	674,763.03	628,512.95
8,900.0	0 91.75	269.62	1,530.30	5,300.30	-24.33	-3,662.00	3,662.08	0.00	674,762.37	628,413.00
8,909.8	1 91.75	269.62	1,530.00	5,300.00	-24.40	-3,671.80	3,671.88	0.00	674,762.30	628,403.20
TD at 8909	9.81		-							

Formations	
Measured Depth	Vertical Dip Depih Dip Direction
(usft)	- (usft): Name Lithology (°)
1,554.00	1,554.00 Yates
5,165.62	5,162.00 Upper Blinebry
3,170.00	3,170.00 San Andres
322.00	322.00 Rustler
544.00	544.00 T/Salt
1,391.00	1,391.00 B/Salt
4,638.00	4,638.00 Glorieta
2,445.00	2,445.00 Queen
4,684.00	4,684.00 Paddock

Plan Annotations.	
· [청소리 집에 높았으면] 이번원인 경우하면 하다 하는데 하는데 하다 하는데 하는데 하는데 다시다.	
Measured Vertical Local Coordinates	
Depth +N/-S +E/-W	
(usft) (usft) (usft) Comment;	
5,018.37 5,018.37 0.00 0.00 Start Build 15.00	
5,630.03 5,400.16 -2.62 -393.63 Start 3279.77 hold at 5630.03 MD	
8,909.81 5,300.00 -24.40 -3,671.80 TD at 8909.81	

Checked By:		Approved By:		Date:	
Officence by.		Apploved by.		Date.	
	 		market and the second s	 1 14 4 1	
	 The state of the s			 	ACTOR OF TAXABLE AND ACTOR OF THE PART OF

PROJECT DETAILS: Eddy County, NM (Nad27)

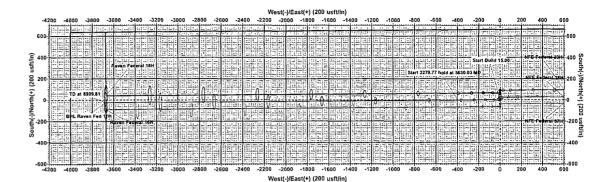
Geodetic System: US State Plane 1927 (Exact solution Datum: NAD 1927 (NADCON CONUS) Ellipsoid: Clarke 1866 Zone: New Mexico East 3001 System Datum: Mean Sea Level

Location North: Grid

Project: Eddy County, NM (Nad27) Site: NFE Federal Well: Raven Federal 17H

Wellbore: Wellbore #1 Plan: Plan#1 071912

Rig:

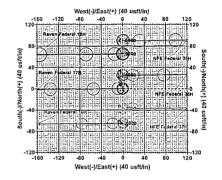


WELL DETAILS: Raven Federal 17H

Ground Level: 3745.00 Easting Lalittude Longitude 632075,0032\* 51' 15.6004 103\* 54' 11.6777 W

WELLBORE TARGET	DETAILS:	MAP I	COLORDINATES

Name TVD BHL Raven Fed 17H 5300.00



SECTION DETAILS									
MD 0.00 5018.37 5630.03	0.00 0.00 91.75	Azi 0,00 0.00 269,62	TVD 0.00 5018.37 5400.16	+N/-S 0.00 0.00 -2.62	+E/-W 0.00 0.00 -393.63	Dleg 0.00 0.00 15.00	TFace 0.00 0.00 269.62	VSect 0.00 . 0.00 393.64	
8909.81	91.75	269.62	5300.00			0.00		3671:88	BHL Raven Fed 17H

#### FORMATION TOP DETAILS

322.00 544.00 1391.00 1554.00 2445.00 3170.00 4638.00	322.00 544.00 1391.00 1554.00 2445.00 3170.00 4638.00	Formation Rustler T/Salt B/Salt Yates Queen San Andres Glorieta
4638.00 4684.00	4638.00 4684.00	
	322.00 544.00 1391.00 1554.00 2445.00 3170.00 4638.00 4684.00	TVDPath MDPath 322.00 322.00 544.00 544.00 1391.00 1391.00 1554.00 1554.00 2445.00 2445.00 3170.00 3170.00 4638.00 4688.00 5162.00 5165.62

#### **ANNOTATIONS**

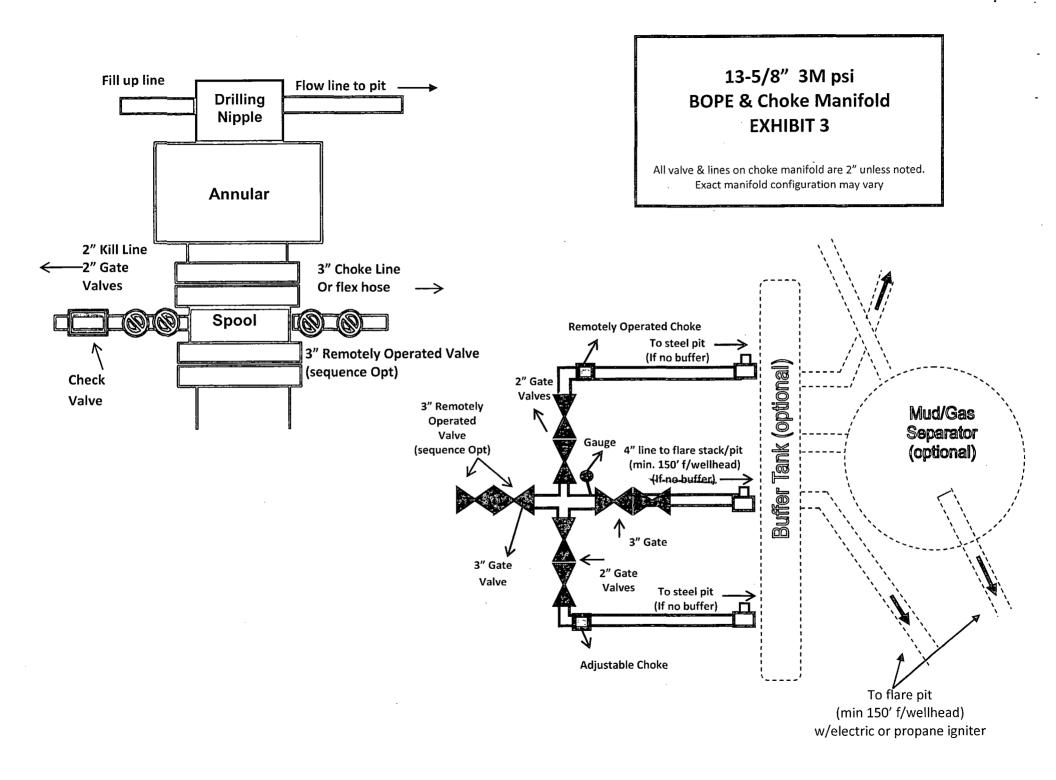
TVD MD 5018.37 5018.37 5400.16 5630.03 5300.00 8909.81	Annotation Start Build 15.00 Start 3279.77 hold at 5630.03 MD TD at 8909.81	
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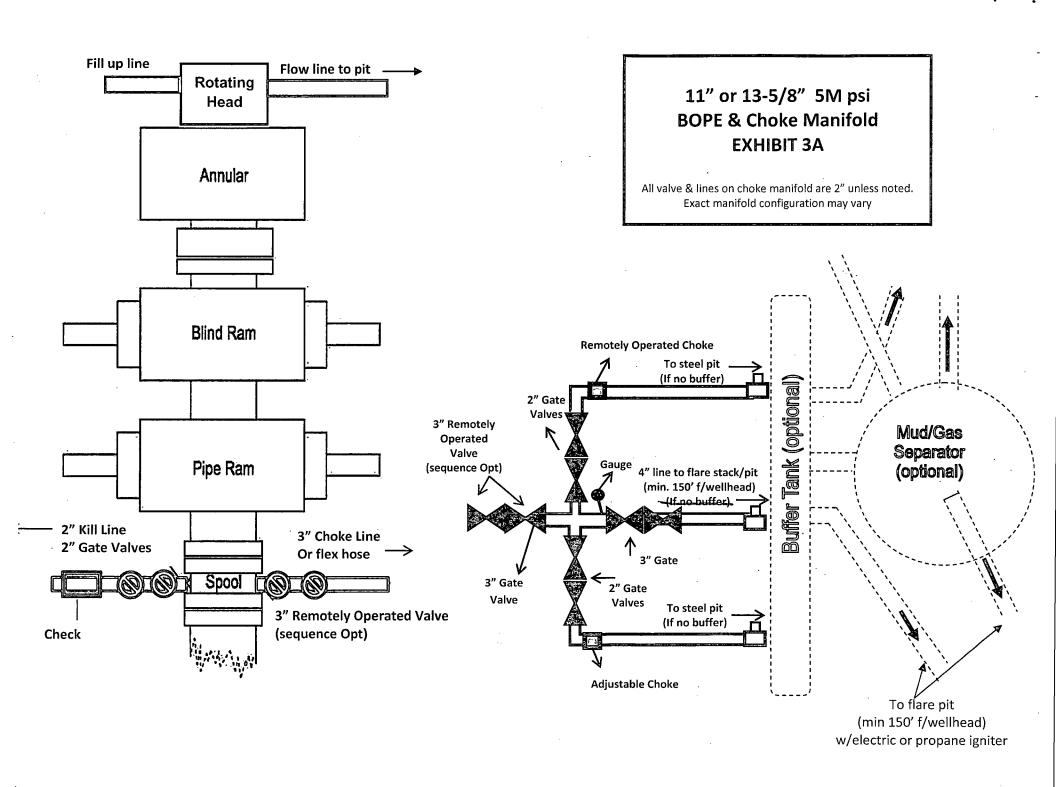
PHOENIX





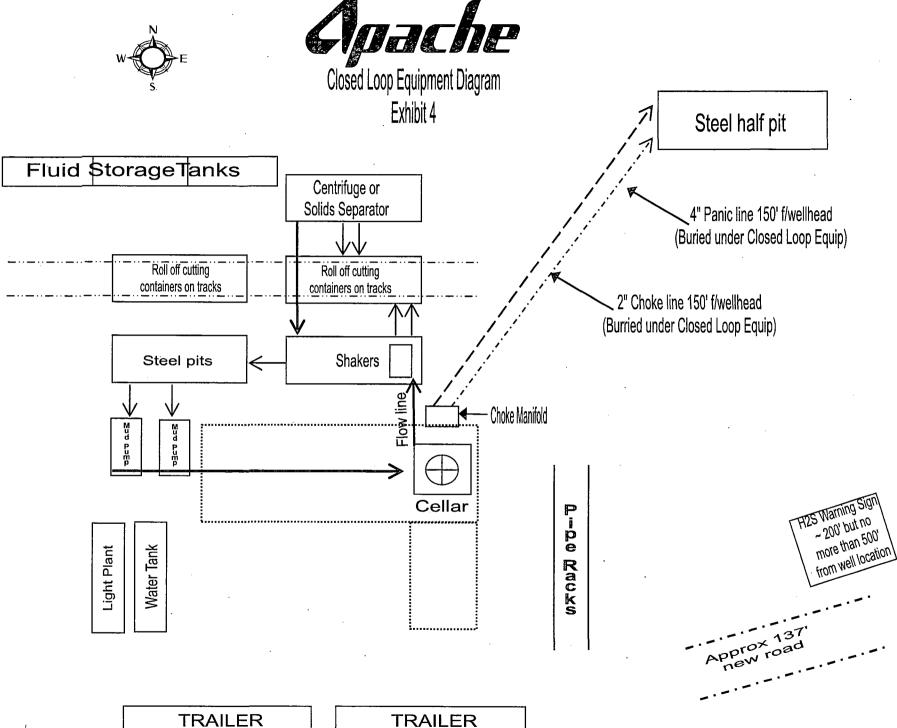














# DESIGN PLAN, OPERATING & MAINTENANCE PLAN, & CLOSURE PLAN FOR OCD FOR C-144

#### RAVEN FEDERAL #17H

#### **DESIGN PLAN**

Fluid & cuttings coming from drilling operations will pass over the Shale Shaker with the cuttings going to the Sundance Inc / CRI haul off bin and the cleaned fluid returning to the working steel pits.

#### Equipment includes:

- 2-500 bbl steel frac tanks (fresh water for drilling)
- 2 180 bbl steel working pits
- 3 75 bbl steel haul off bins
- 2 Pumps (6-1/2" x 10" PZ 10 or equivalent)
- 1 Shale shaker
- 1 Mud cleaner QMAX MudStripper

#### **OPERATING AND MAINTENANCE PLAN**

Inspection to occur every tour for proper operation of system and individual components. If any problems are found they will be repaired and/or corrected immediately.

#### **CLOSURE PLAN**

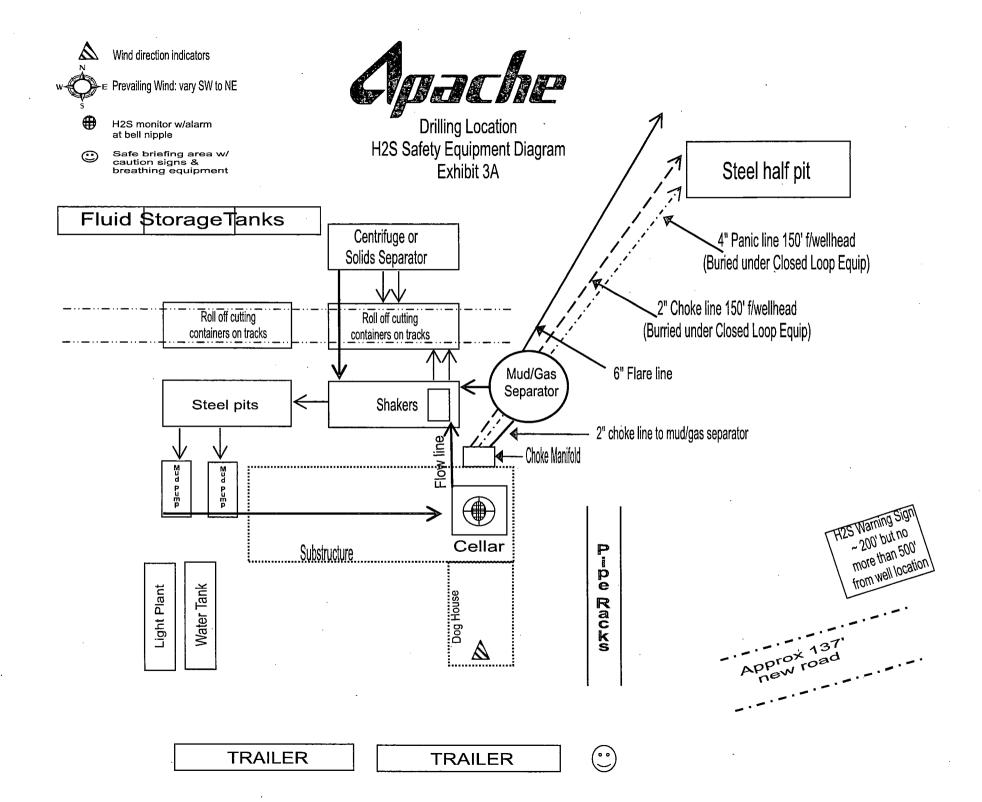
All haul bins containing cuttings will be removed from location and hauled to Sundance Incorporated (NM-01-0003) disposal site located 3 miles East of Eunice, NM on the Texas border / Controlled Recovery, Inc's (NM-01-0006) disposal site located near mile marker 66 on Highway 62/180.

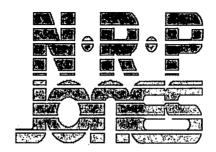
Sorina L. Flores Supv. of Drilling Services



# RIG ORIENTATION & LAYOUT RAVEN FEDERAL #16H #17H #18H NFE FEDERAL #37H #38H #39H EXHIBIT 5

	<		350'		·
		HAULO	FF BINS	]	
		WORKING PIT	Working Pit		1   1   1   1   1   1   1   1   1   1
TOPSOIL STOCK PILE	PMP		RIG DOGHOUSE	P-PE RACKS	400'
		TRAILER	TRAILER		Approx 137' New Road





# Certificate of Conformance

DATE	10-	-	12

SERIAL NO. MTKOO1CK PART NO. NA

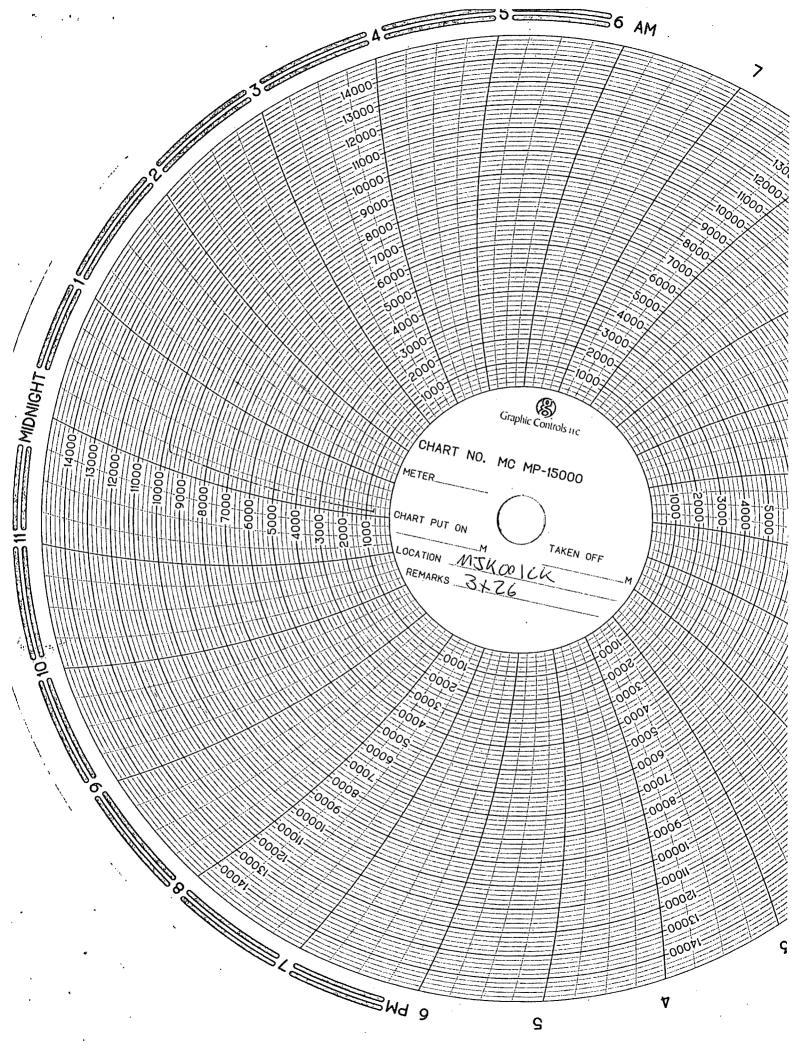
SIZE 3 LENGTH 26

HYDROSTATICALLY TESTED AT 10,000 #

BY Chet Sounders Q.A.

# NEPHI RUBBER PRODUCTS CORP.

Corporate Office: P.O. Box 310 • LaPorte, Indiana 46352 • (800)348-8868 • (219)362-9908 • Fax Number (219)324-0815 Manufacturing: 255 West 11th North • Nephi, Utah 84648 • (800)453-1480 • (435)623-1740 • Fax Number (435)623-2638



#### HYDROGEN SULFIDE (H2S) DRILLING OPERATIONS PLAN

#### **Hydrogen Sulfide Training:**

All regularly assigned personnel, contracted or employed by Apache Corporation will receive training from qualified instructor(s) in the following areas prior to commencing drilling possible hydrogen sulfide bearing formations in this well:

- The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S)
- The proper use and maintenance of personal protective equipment and life support systems.
- The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing area, evacuation procedures & prevailing winds.
- The proper techniques for first aid and rescue procedures.

#### Supervisory personnel will be trained in the following areas:

- The effects of H<sub>2</sub>S on metal components. If high tensile tubulars are to be utilized, personnel will be trained in their special maintenance requirements.
- Corrective action & shut-in procedures when drilling or reworking a well & blowout prevention / well control procedures.
- The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan

There will be an initial training session just prior to encountering a known or probable  $H_2S$  zone (within 3 days or 500') 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 proper training.

#### H<sub>2</sub>S SAFETY EQUIPMENT AND SYSTEMS:

#### Well Control Equipment that will be available & installed if H<sub>2</sub>S is encountered:

- Flare Line with electronic igniter or continuous pilot.
- Choke manifold with a minimum of one remote choke.
- Blind rams & pipe rams to accommodate all pipe sizes with properly sized closing unit.
- · Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head & flare gun with flares

#### **Protective Equipment for Essential Personnel:**

Mark II Survive-air 30 minute units located in dog house & at briefing areas, as indicated on wellsite diagram.

#### **H2S Dection and Monitoring Equipment:**

- Two portable H<sub>2</sub>S monitors positioned on location for best coverage & response. These units have warning lights & audible sirens when H<sub>2</sub>S levels of 20 ppm are reached.
- One portable H<sub>2</sub>S monitor positioned near flare line.

#### **H2S Visual Warning Systems:**

- Wind direction indicators are shown on wellsite diagram.
- 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. "EXHIBIT 7"

#### **Mud Program:**

- The Mud Program has been designed to minimize the volume of H<sub>2</sub>S circulated to the surface. Proper mud weights, safe
  drilling practices & the use of H<sub>2</sub>S scavengers will minimize hazards when penetrating H<sub>2</sub>S bearing zones.
- A mud-gas separator and H<sub>2</sub>S gas buster will be utilized as needed.

#### Metallurgy:

- All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold & lines, & valves will be suitable for H<sub>2</sub>S service.
- All elastomers used for packing & seals shall be H<sub>2</sub>S trim.

#### **Communication:**

• Cellular telephone and 2-way radio communications in company vehicles, rig floor and mud logging trailer.

### HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN

#### **Assumed 100 ppm ROE = 3000'**

100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.

#### **Emergency Procedures**

In the event of a release of gas containing H<sub>2</sub>S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H<sub>2</sub>S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operators and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the :
  - o Detection of H<sub>2</sub>S, and
  - o Measures for protection against the gas,
  - o Equipment used for protection and emergency response.

#### Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

#### Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H₂S	1.189 Air = I	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = I	2 ppm	N/A	1000 ppm

#### **Contacting Authorities**

Apache Corporation personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Apache's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

#### 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 and 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 & 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 the event of an emergency the *Drilling Foreman or Tool-Pusher* will immediately contact only one of the following starting with the first name listed:

Name	Office	Mobile	Home
Danny Laman – Drlg Superintendent	432-818-1022	432-634 <b>-</b> 0288	432-520-3528
Terry West – Drilling Engineer	432-818-1114	432-664-7254	
Bobby Smith – Drilling Manager	432-818-1020	432-556-7701	
Jeff Burt – EH&S Coordinator		432-631-9081	

<sup>\*\*</sup>This one phone call will free the Drilling Foreman to devote his full time to securing the safety of personnel & 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 us by the Permian 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 **Danny Laman** is out of contact, **Terry West** 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.

#### **EMERGENCY RESPONSE NUMBERS:**

SHERIFF DEPARTMENT	
Eddy County	575-887-7551
Lea County	575-396-3611
FIRE DEPARTMENT	911
Artesia	575-746-5050
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359
HOSPITALS	911
Artesia Medical Emergency	575-746-5050
Carlsbad Medical Emergency	575-885-2111
Eunice Medical Emergency	575-394-2112
Hobbs Medical Emergency	·575-397-9308
Jal Medical Emergency	575-395-2221
Lovington Medical Emergency	575-396-2359
AGENT NOTIFICATIONS	
Bureau of Land Management	575-393-3612
New Mexico Oil Conservation Division	575-393-6161

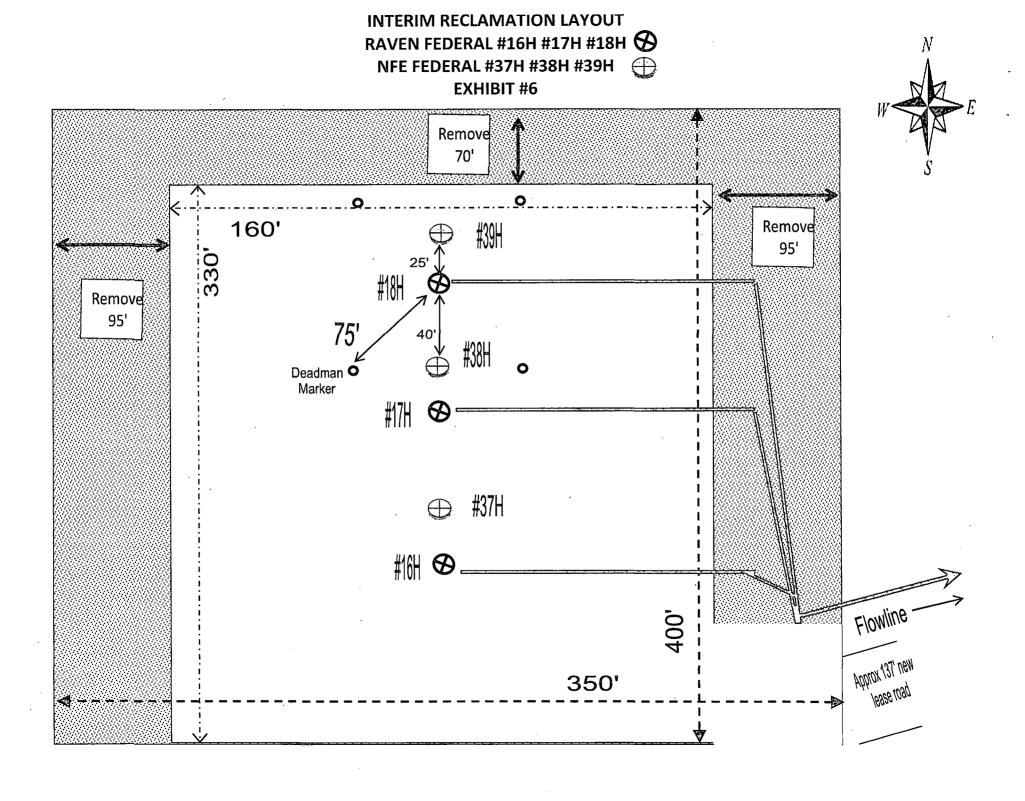
## EXHIBIT #7

# WARNING

# YOU ARE ENTERING AN H<sub>2</sub>S AREA AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CHECK WITH APACHE CORPORATION

APACHE CORPORATION
1-888-257-6840



# PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	APACHE CORPORATION
LEASE NO.:	LC029435A
WELL NAME & NO.:	17H-RAVEN FEDERAL
SURFACE HOLE FOOTAGE:	662'/N. & 1000'/E.
BOTTOM HOLE FOOTAGE	662'/N. & 330'/W.
LOCATION:	Section 7, T. 17 S., R. 31 E., NMPM
COUNTY:	Eddy County, New Mexico

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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
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<b>⊠</b> Special Requirements
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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.

#### V. SPECIAL REQUIREMENT(S)

#### Apply for flowline with ROW

#### Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

**Ground-level Abandoned Well Marker to avoid raptor perching**: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

#### VI. CONSTRUCTION

#### A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-6235 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

The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 4 inches in depth. The topsoil will be used for interim and final reclamation.

#### C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

#### D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. 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.

#### F. ON LEASE ACCESS ROADS

#### Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty (20) feet.

#### **Surfacing**

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

#### Crowning

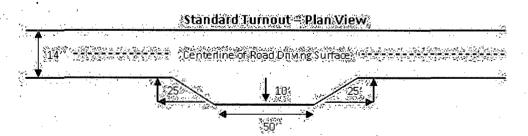
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

#### **Ditching**

Ditching shall be required on both sides of the road.

#### **Turnouts**

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

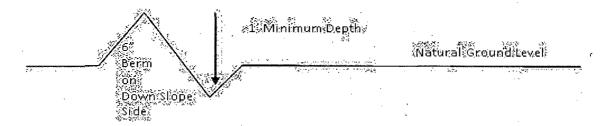


#### **Drainage**

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

#### **Cross Section of a Typical Lead-off Ditch**



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

#### Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: 
$$\frac{400'}{4\%}$$
 + 100' = 200' lead-off ditch interval

#### **Culvert Installations**

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

#### **Cattleguards**

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

#### **Fence Requirement**

Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

#### **Public Access**

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

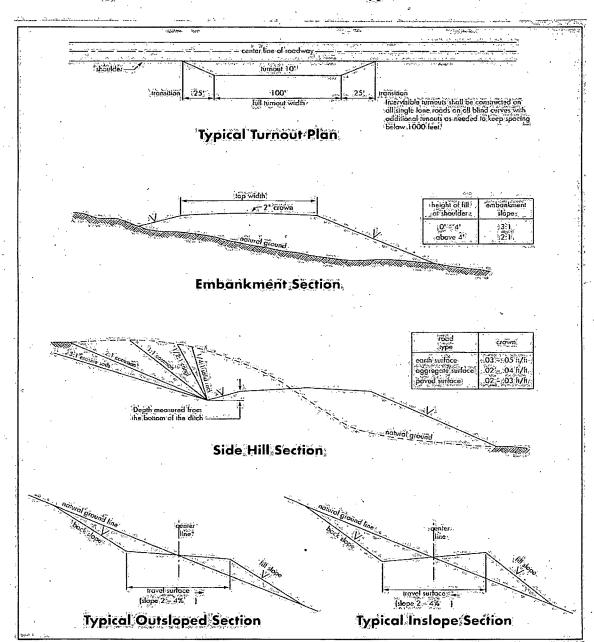


Figure 1 - Cross Sections and Plans For Typical Road Sections

#### VII. 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

#### **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. A Hydrogen Sulfide (H2S) Drilling Plan should be activated 500 feet prior to drilling into the Grayburg formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values 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. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface shall be submitted to the BLM office as well as all other logs run in the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

#### B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#).

Changes to the approved APD cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

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

Wait on cement (WOC) time prior to drilling out 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. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. 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 water and brine flows in the Salado and Artesia Groups. Possible lost circulation in the Grayburg and San Andres formations.

- 1. The 13-3/8 inch surface casing shall be set at approximately 405 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 surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - 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.

Contingency 9-5/8" intermediate Casing:			
2.	The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:		
-	☐ Cement to surface. If cement does not circulate see B.1.a, c-d above.		
3.	The minimum required fill of cement behind the 7 inch production casing is:		

Cement as proposed. Operator shall provide method of verification.

- 4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
  - Cement not required Packer system to be used
- 5. 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. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
  - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
- 4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips or where the float does not hold, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater.

- However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- c. The results of the test shall be reported to the appropriate BLM office.
- d. 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.
- e. 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.

#### E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

CRW 120512

#### VIII. 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 (not permitted)
- C. ELECTRIC LINES (not applied for in APD)

#### IX. 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.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation 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 that is free of contaminants 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.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

#### X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

#### Seed Mixture for LPC Sand/Shinnery 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 <u>no</u> 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 of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/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>	lb/acre
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A
· ·	

<sup>\*</sup>Pounds of pure live seed:

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