

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.  
**NMLC-029548A**

6. If Indian, Allottee or Tribe Name  
*1/14/2013*

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
**COFFEE FEDERAL #16 <308710>**

9. API Well No.  
**30-015- 40960**

10. Field and Pool, or Exploratory  
**CEDAR LAKE; GLORIETA-YESO <96831>**

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator  
**APACHE CORPORATION**

3a. Address **303 VETERANS AIRPARK LN #3000  
MIDLAND, TX 79705**

3b. Phone No. (include area code)  
**432-818-1167**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **1535' FNL & 1655' FEL**  
At proposed prod. zone **SAME**

11. Sec., T. R. M. or Blk. and Survey or Area  
**UL: G SEC: 18 T17S R31E**

14. Distance in miles and direction from nearest town or post office\*  
**APPROX 5.5 MILES EAST OF LOCO HILLS, NM**

12. County or Parish  
**EDDY**

13. State  
**NM**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
**1535'**

16. No. of acres in lease  
**224.09**

17. Spacing Unit dedicated to this well  
**40 ACRES**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **~100'**

19. Proposed Depth  
**6500'**

20. BLM/BIA Bond No. on file  
**BLM-CO -1463 NATIONWIDE / NMB-000736**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**3723' GL**

22. Approximate date work will start\*  
**As Soon As Approved**

23. Estimated duration  
**~ 10 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.  | 4. 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Sorina L Flores</i>	Name (Printed/Typed) <b>SORINA L. FLORES</b>	Date <b>10/30/12</b>
Title <b>SUPV OF DRILLING SERVICES</b>		

Approved by (Signature) <i>/s/ James A. Amos</i>	Name (Printed/Typed) <b>JAMES A. AMOS</b>	Date <b>JAN 9 2013</b>
Title <b>FIELD MANAGER</b>		
Office <b>CARLSBAD FIELD OFFICE</b>		

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.  
Conditions of approval, if any, are attached.

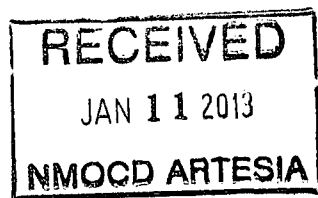
**APPROVAL FOR TWO YEARS**

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

Approval Subject to General Requirements  
& Special Stipulations Attached



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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015- 40960</b>	Pool Code <b>96831</b>	Pool Name <b>Cedar Lake; Glorieta - Yeso</b>
Property Code <b>308710</b>	Property Name <b>COFFEE FEDERAL</b>	Well Number <b>16</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3723'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	18	17-S	31-E		1535	NORTH	1655	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

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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

<p>LOT 1</p> <p>31.99 AC. LOT 2</p> <p>32.10 AC. LOT 3</p> <p>32.20 AC. LOT 4</p> <p>32.31 AC.</p> <p>DETAIL</p> <p>SEE DETAIL</p> <p>1535'</p> <p>1655'</p> <p>3715.9'</p> <p>3713.7'</p> <p>600'</p> <p>600'</p> <p>3720.6'</p> <p>3720.9'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=668629.8 N X=631455.7 E LAT.=32.837417° N LONG.=103.905342° W LAT.=32° 50' 15" N LONG.=103° 54' 19" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Sorina L. Flores</i> 10/24/12 Signature Date</p> <p>Sorina L. Flores Printed Name</p> <p>sorina.flores@apachecorp.com E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 7, 2011</p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 12/19/2011 Certificate Number Gary C. Eidson 12641 Ronald J. Eidson 3239</p> <p>AF</p>
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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE  
620 E. GREENE STREET  
CARLSBAD, NM 88220

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: APACHE CORPORATION  
Street or Box: 303 VETERANS AIRPARK LANE, STE. 3000  
City, State: Midland, TX  
Zip Code: 79705

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: NMLC-029548A COFFEE FEDERAL #16

Legal Description of Land: 1535' FNL & 1655' FEL

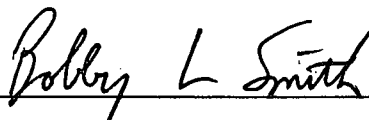
UL: G Section: 18 Township: 17S Range: 31E

County: EDDY State: NM

Bond Coverage: \$150,000

Statewide Oil and Gas Surety Bond, APACHE CORPORATION.

BLM Bond File No.: BLM-CO-1463 NATIONWIDE / NMB-000736

Signature:  Printed Name: BOBBY L. SMITH

Title: DRILLING MANAGER, PERMIAN REGION

Date: 10/30/12

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

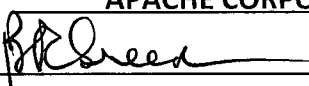
OPERATOR CERTIFICATION

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 30 day of October 2012

Well: COFFEE FEDERAL #16

Operator Name: APACHE CORPORATION

Signature:  Printed Name: BARRY GREEN

Title: Drilling Engineer Date: 10/30/2012

Email (optional): barry.green@apachecorp.com

Street or Box: 303 Veterans Airpark Ln., Ste. 3000

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1059

Field Representative (if not above signatory): \_\_\_\_\_

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) COFFEE FEDERAL #16

Lease #: NMLC-029548A Projected TD: 6500' GL: 3723'  
1535' FNL & 1655' FEL UL: G Sec: 18 T17S R31E EDDY COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION: Quaternary Aeolian Deposits
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Quaternary Aeolian	Surface	Queen	2377' (Oil)
Rustler	267'	Grayburg	2762' (Oil)
Salt Top	549'	San Andres	3101' (Oil)
Salt Bottom	1323'	Glorieta	4580'
Yates	1461'	Yeso	4656' (Oil)
Seven Rivers	1770' (Oil)	TD	6500'

Depth to Ground Water: 91'

All fresh water & prospectively valuable minerals, as described by BLM, encountered during drilling, will be recorded by depth and adequately protected. All oil & gas shows within zones of correlative rights will be tested to determine commercial potential. The surface fresh water sands will be protected by setting 13-3/8" csg @ 325' & circ cmt back to surface. All intervals will be isolated by setting 5-1/2" csg to TD & circ cmt above the base of 8-5/8" csg.

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

HOLE SIZE	DEPTH	OD CSG	WEIGHT	COLLAR	GRADE	COLLAPSE	BURST	TENSION
17-1/2"	0' - <del>325'</del> 350'	13-3/8"	48#	STC	H-40	1.125	1.0	1.8
11"	0'-3500'	8-5/8"	32#	STC	J-55	1.125	1.0	1.8
7-7/8"	0'-6500'	5-1/2"	17#	LTC	J-55	1.125	1.0	1.8

4. CEMENT PROGRAM:

A. 13-3/8" Surface (100% excess cmt to surf):

Lead: 390 sx Class C w/ 1% CaCl<sub>2</sub> + 0.25% R38 (14.8 wt, 1.34 yld)

Comp Strengths: 12 hr - 813 psi 24 hr - 1205 psi

B. 8-5/8" Intermediate (100% excess cmt to surface):

Lead: 800 sx (35:65) Poz C w/ 6% Bentonite + 5% Salt + 0.25% R38 (12.4wt, 2.1 yld)

Compressive Strengths: 12 hr - 589 psi 24 hr - 947 psi

Tail: 210 sx Class C w/0.25% R38 (14.8 wt, 1.34 yld)

Compressive Strengths: 12 hr - 813 psi 24 hr - 1205 psi

C. 5-1/2" Production (TOC ~ 500' from surface / 30% excess cmt):

Lead: 330 sx (35:65) Poz C w/ 5% Salt + 0.25% R38 + 6% Bentonite (12.4 wt, 2.1 yld)

Compressive Strengths: 12 hr - 589 psi 24 hr - 947 psi

Tail: 540 sx (50:50) Poz C w/ 5% Salt + 0.25% R38 + 2% Bentonite (14.2 wt, 1.28 yld)

Compressive Strengths: 12 hr - 1379 psi 24 psi - 2332 psi

*See COA*  
\*\* 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 & TOC shall be determined as directed by the BLM for the specific set of circumstances. If depth is greater than 100' or water is standing in the annulus, remedial cementing will be done. If no water & TOC tag is less than 100', when 100% excess cmt of the annulus volume is run on the primary job, ready-mix will be used to bring cmt to surface.

\*\*\* **Known water flow in the area.** If water flow is encountered, Apache may 2-stage Intermediate csg. A DVT may be used in the 8-5/8" Intermediate csg. An ECP may be placed below DVT. TD of the 11" hole at +/- 3500'. Assuming DVT set at +/- 1800', the following cmt will be used: **Cmt 1<sup>st</sup> Stage** w/ +/- 670 sx CI C (14.8#, 1.33 yld) **Cmt 2<sup>nd</sup> Stage** w/ +/- 800sx CI C (14.8#, 1.33 yld)

If DVT is set at a different depth, cmt volumes will be adjusted accordingly.

## 5. PROPOSED CONTROL EQUIPMENT

"EXHIBIT 3" shows an 11" 3M psi WP BOP consisting of an annular bag type preventer, middle blind rams, bottom pipe rams. The BOP will be nipped up on the 13-3/8" surface csg and tested to 70% of casing burst. After intermediate casing is set & cemented an 11" 3M spool & BOP will be installed on the 8 5/8" casing & 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 2860 psi. \*All BOP's and associated equipment will be tested as per BLM *Drilling Operations Order #2*. The BOP will be operated and checked each 24 hr period & the 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 or temperatures are expected in this well. No nearby wells have encountered any well control problems.

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

See COA

INTERVAL	MW (ppg)	VISC (sec/qt)	FLUID LOSS (cc)	MUD TYPE
0' - 325' <b>350'</b>	8.4	29	NC	Fresh Water
<b>350'</b> 325' to 3500'	9.8 - 10.0	29	NC	Brine
3500' - 6500'	8.9 - 9.0	29	NC	Cut Brine

\*\* 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.

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

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  
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

## 8. LOGGING, CORING & TESTING PROGRAM:

- OH logs: Dual Laterolog, MSFL, CNL, Litho-Density, Gamma Ray, Caliper & Sonic from TD back to 8-5/8" csg shoe.
- Run CNL, Gamma Ray from 8-5/8" csg shoe back to surface.
- No cores, DST's or mud logger are planned at this time.
- 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:

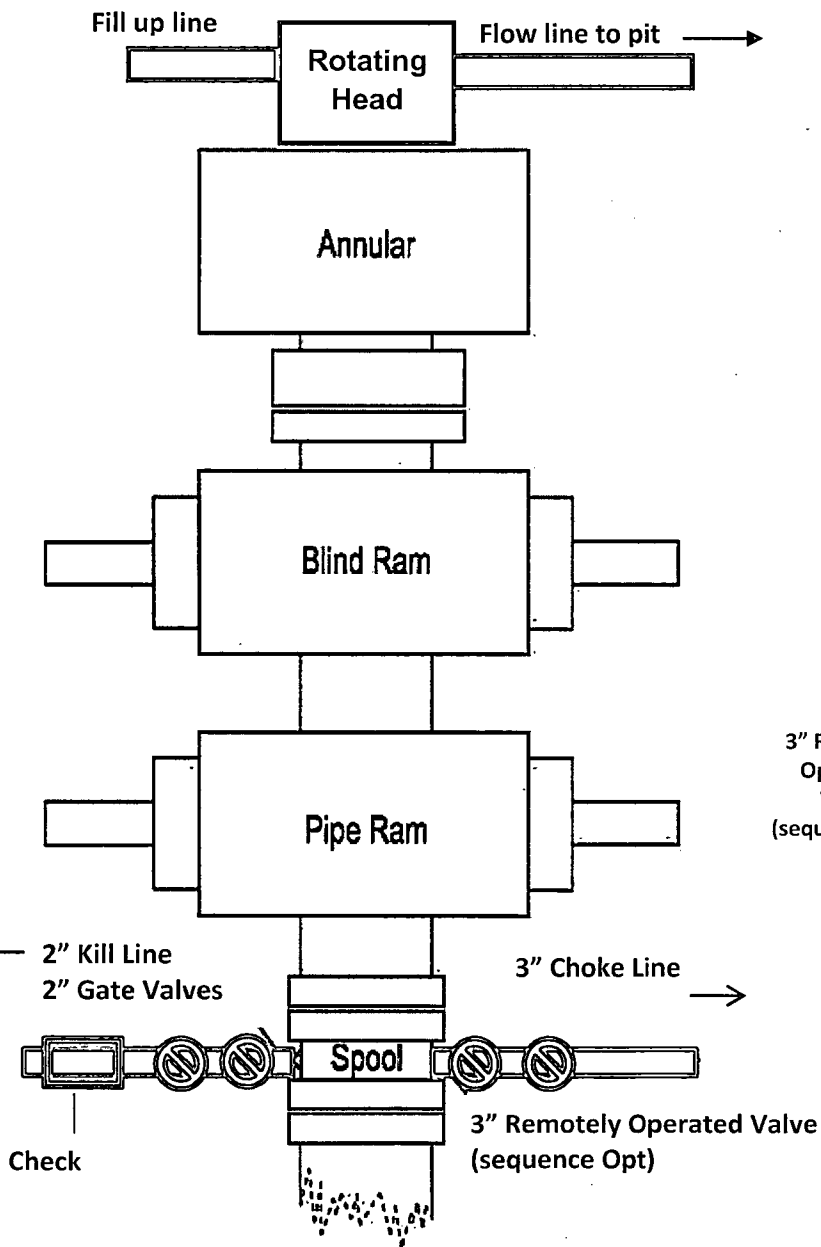
No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. There is known presence of H<sub>2</sub>S in this area. If H<sub>2</sub>S is encountered the operator will comply with the provisions of *Onshore Oil & Gas Order No. 6*. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 2860 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 as soon after BLM approval and as soon as rig will be available. Move in operations and drilling is expected to take approx 10 days. If production casing is run then an additional 90 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

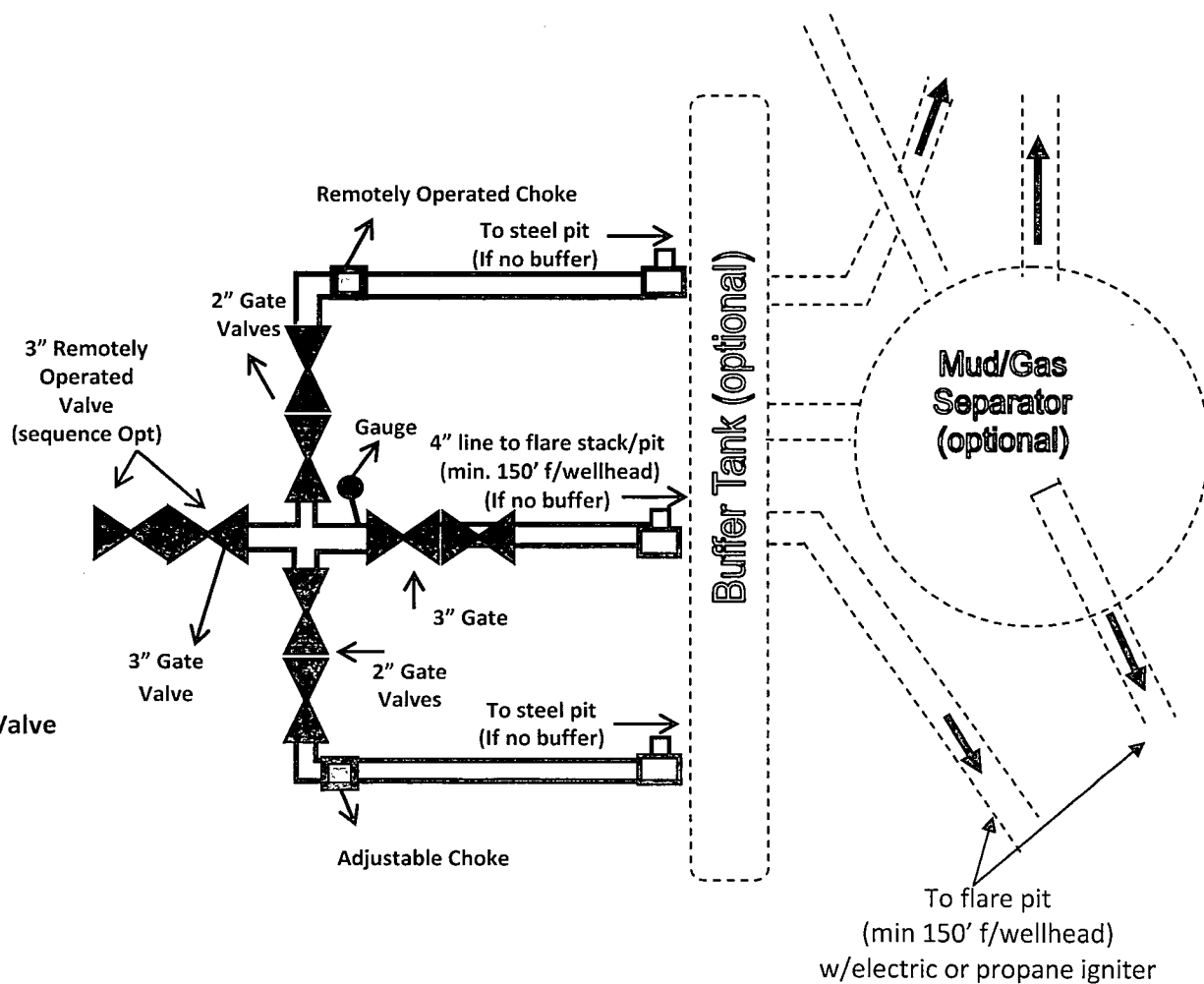
## 11. OTHER FACETS OF OPERATION:

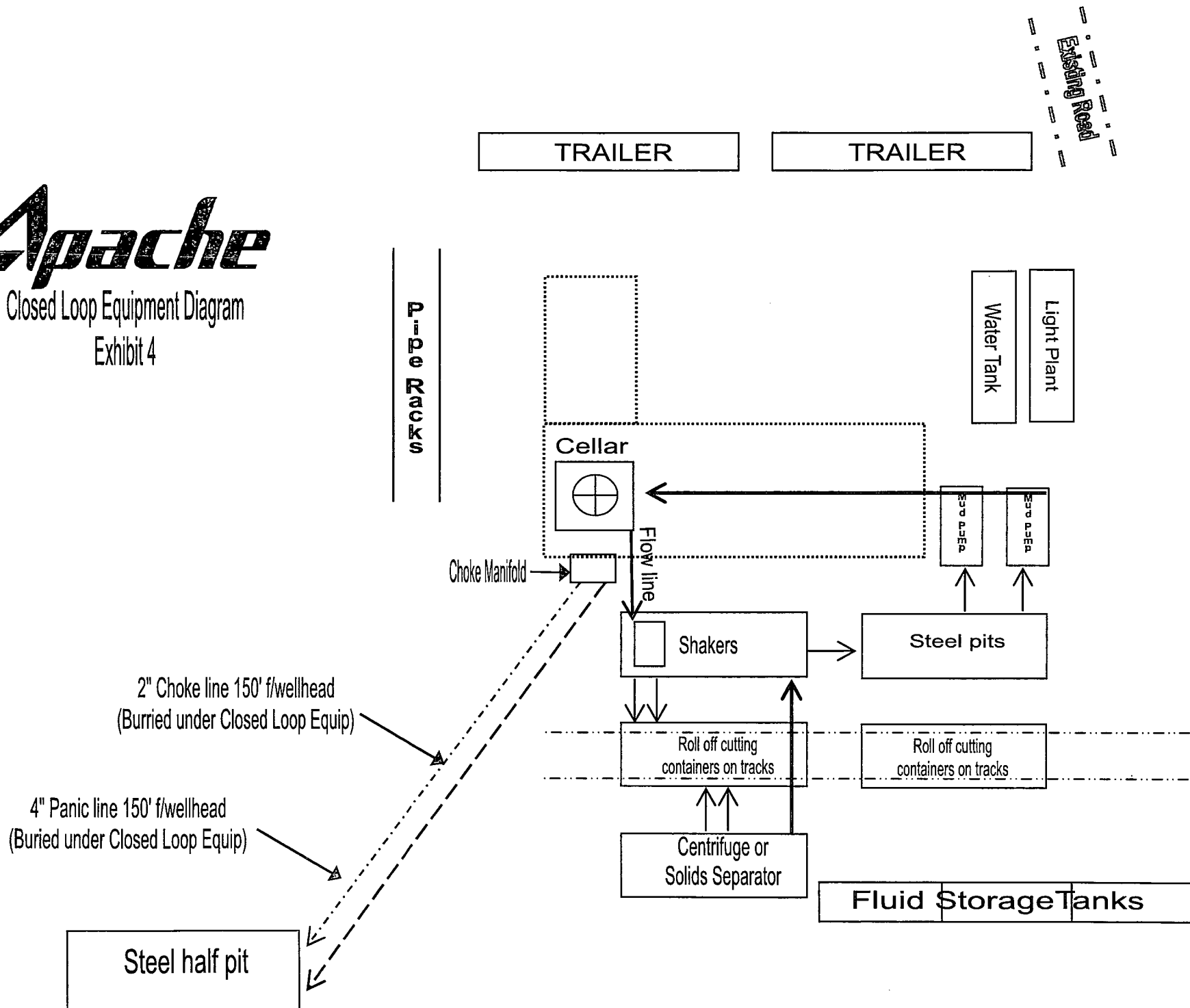
After running csg, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Cedar Lake; Glorieta-Yeso formation will be perforated and stimulated in order to establish production. The well will be swab tested & potentialized as an oil well.



**11" 3M psi  
BOPE & Choke Manifold  
EXHIBIT 3A**

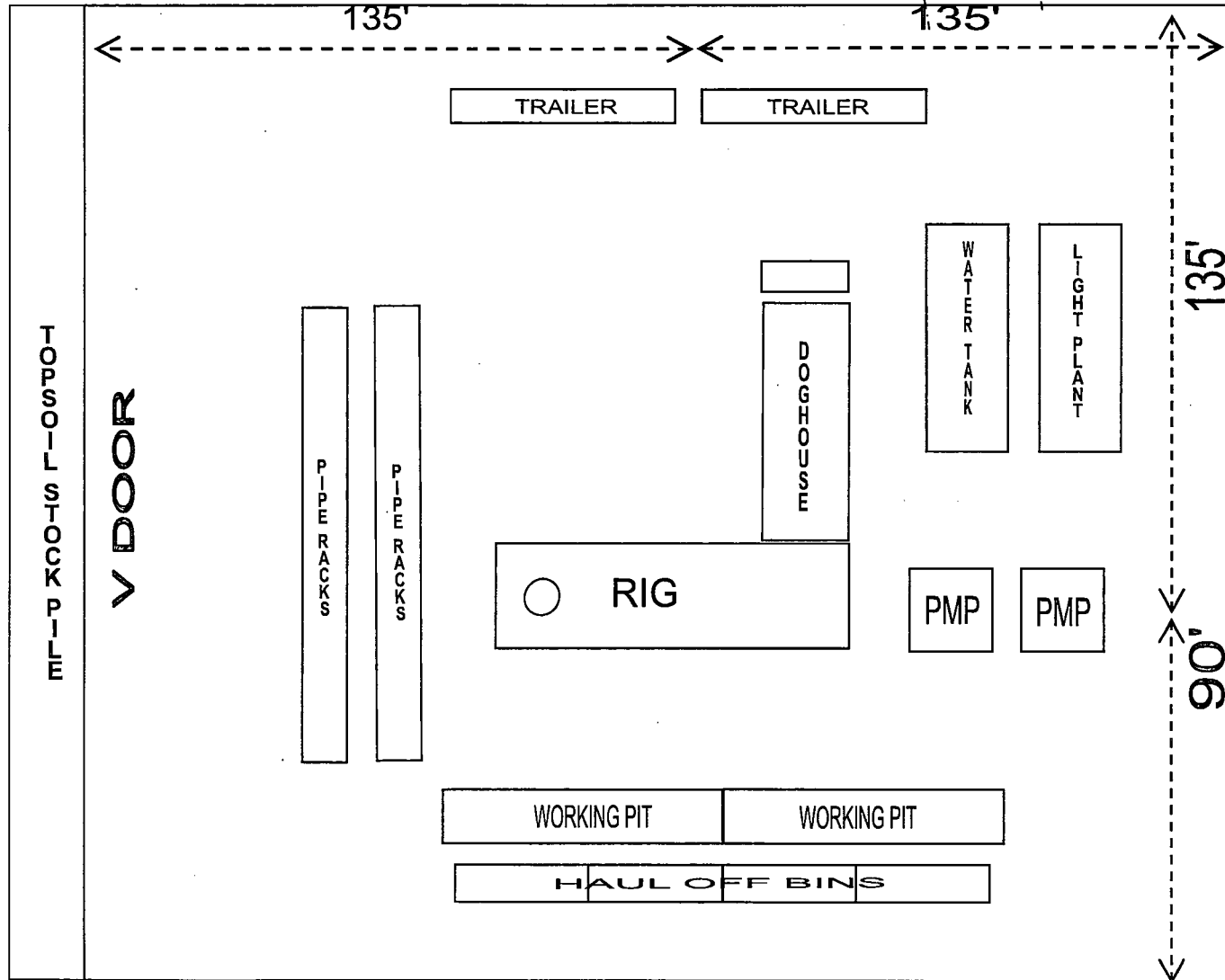
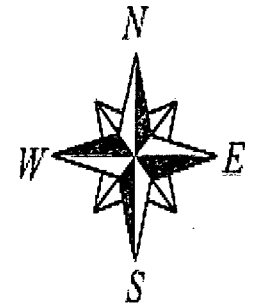
All valve & lines on choke manifold are 2" unless noted.  
Exact manifold configuration may vary







**RIG ORIENTATION & LAYOUT**  
**COFFE FEDERAL #16**  
**EXHIBIT 5**

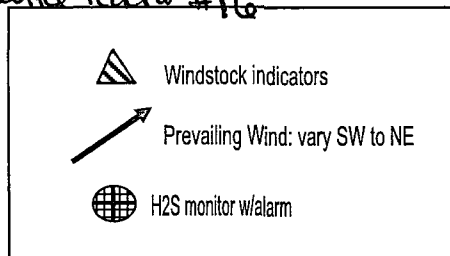


# Apache

## Drilling Location H2S Safety Equipment Diagram

Exhibit 3A

Coffee Federal #116



Briefing Area  
w/SCBA

Primary briefing  
area w/SCBA

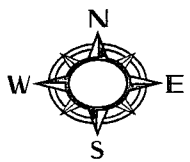


TRAILER

TRAILER

location  
Entry

H2S Warning Sign  
~ 200' but no  
more than 500'  
from well location



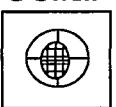
APACHE ROCKS



Dog House

Water Tank  
Light Plant

Cellar Substructure



Flow line

Choke Manifold

2" choke line to mud/gas separator

Mud/Gas Separator

6" Flare line

2" Choke line 150' f/wellhead  
(Buried under Closed Loop Equip)

4" Panic line 150' f/wellhead  
(Buried under Closed Loop Equip)

Steel half pit

Shakers

Steel pits

Roll off cutting  
containers on tracks

Roll off cutting  
containers on tracks

Centrifuge or  
Solids Separator

Fluid Storage Tanks

# **HYDROGEN SULFIDE (H<sub>2</sub>S) 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<sub>2</sub>S zone (within 3 days or 500') and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S 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.

### **H<sub>2</sub>S Detection 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.

### **H<sub>2</sub>S 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 (H<sub>2</sub>S) 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 :
  - Detection of H<sub>2</sub>S, and
  - Measures for protection against the gas,
  - 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	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	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 an 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	432-634-0288	432-520-3528
Barry Green – Drilling Engineer	432-818-1059	214-923-2528	
Bobby Smith – Drilling Manager	432-818-1020	432-556-7701	
Jeff Burt – EH&S Coordinator		432-631-9081	

*\*\*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**

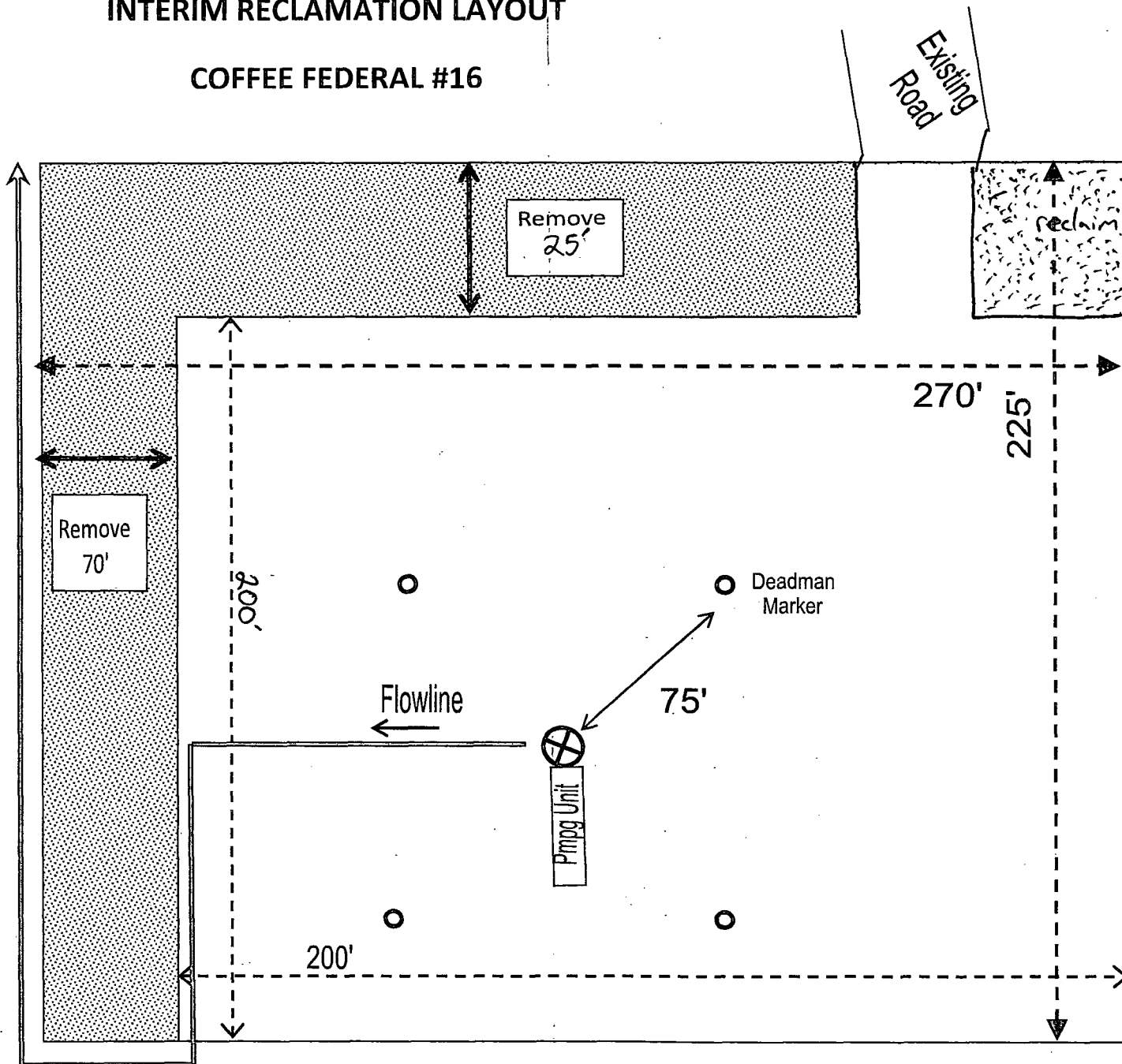
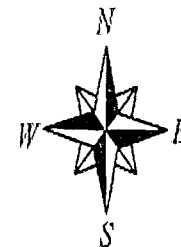
**YOU ARE ENTERING AN H2S AREA  
AUTHORIZED PERSONNEL ONLY**

- 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**

# INTERIM RECLAMATION LAYOUT

COFFEE FEDERAL #16



## PECOS DISTRICT CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>APACHE CORPORATION</b>
<b>LEASE NO.:</b>	<b>LC-029548A</b>
<b>WELL NAME &amp; NO.:</b>	<b>Coffee Federal 16</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>1535' FNL &amp; 1655' FEL</b>
<b>LOCATION:</b>	<b>Section 18, T. 17 S., R 31 E., NMPPM</b>
<b>COUNTY:</b>	<b>Eddy County, New Mexico</b>

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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**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
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- ☒ **Construction**
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- ☐ **Road Section Diagram**
- ☒ **Drilling**
  - H2S requirements
  - Logging Requirements
  - Waste Material and Fluids
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  - Well Structures & Facilities
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- ☐ **Interim Reclamation**
- ☒ **Final Abandonment & Reclamation**