

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMLC029426B

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
CROW FEDERAL 23H2. Name of Operator
APACHE CORPORATIONContact: SORINA L FLORES
E-Mail: sorina.flores@apachecorp.com9. API Well No.
30-015-411673a. Address
303 VETERANS AIRPARK LN #3000
MIDLAND, TX 797053b. Phone No. (include area code)
Ph: 432-818-1167
Fx: 432-818-119310. Field and Pool, or Exploratory
FREN; GLOREITA YESO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 9 T17S R31E 1650FNL 10FWL

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BOND#: BLM-CO-1463 / NMB000736

Apache proposes to change the following csg/cmt/BOP program:

Surf - no chg to csg/cmt - Change safety factor: Collapse 1.125 Burst 1.0

Hole	Depth	Csg	Grade	Collapse	Burst
Interm	- 11"	0-3500'	8-5/8" 32#	STC J-55	1.125 1.0
Prod	- 7-7/8"	0-10400'	5-1/2" 17#	LTC J-55	1.125 1.0

Surf (TOC) 100% excess cmt to surf. Cmt w/single slurry 550sx CI C w/1% CACL2(14.8wt, 1.33yld)
Comp strengths: 12hrs - 1565psi; 24hrs-2442psiAccepted for record
NMOCD
10/9/2013
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

SEP 09 2013

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #218565 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by JOHNNY DICKERSON on 08/29/2013 ()

Name (Printed/Typed) SORINA L FLORES

Title SUPV DRLG SERVICES

Signature (Electronic Submission)

Date 08/29/2013

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

9/4/13

Additional data for EC transaction #218565 that would not fit on the form

32. Additional remarks, continued

Interm - TOC surf - 50% excess cmt to surf. Cmt w/Lead 620sx 35/65 Poz C w/6% gel + 5% Salt (12.4wt, 2.10yld) Comp strengths: 12hr-589psi; 24hr-947psi. Tail w/160sx CI C (14.8wt, 1.34yld) Comp strengths: 12hr-813psi; 24hr-1205psi

Prod - TOC ~2500' from surf - 35% excess cmt. Cmt w/Lead 120sx 35/65 Poz C w/6% gel + 5% salt (12.4wt, 2.10yld) Comp strengths: 12hr-589psi; 24hr-947psi.
Tail w/1110sx PVL w/1.3% salt +0.6 retarder (13.0wt, 1.47yld) Comp strengths 12hr-800psi; 24hr-1000psi.

13-5/8" 3M psi WP BOP consisting of annular bag type preventer. This BOP will be nipped up on the 13-3/8" surf csg head & tested to 2000psi. After the 8-5/8" Interm csg is set & cmted, an 11" 3M BOP consisting of an annular bag type preventer, middle blind rams & bottom pipe rams will be installed & utilized continuously until TD is reached. BOP will be tested @ 2000psi. All BOP's & associated equip will be tested as per BLM Drilling Operations Order #2.

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	APACHE CORPORATION
LEASE NO.:	NMLC-029426b
WELL NAME & NO.:	Crow Federal 23H
SURFACE HOLE FOOTAGE:	1650' FNL & 0010' FWL
BOTTOM HOLE FOOTAGE	1650' FNL & 0330' FEL Sec 9, T. 17 S., R 31 E.
LOCATION:	Section 9, T. 17 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico
API:	30-015-41167

The original COAs still stand with the following drilling modifications:

I. 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 (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ **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. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.

4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on 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 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. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. 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 Artesia and Salado Groups
Possibility of lost circulation in the Grayburg and San Andres formations**

1. The **13-3/8** inch surface casing shall be set at approximately **510** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**
 - 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.

2. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

☒ Cement as proposed by operator. Operator shall provide method of verification.

4. 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. These documents shall be posted in the company man's trailer and on the rig floor.** 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. **In the case where the only BOP installed is an annular preventer, it shall be tested to a minimum of 2000 psi (which may require upgrading to 3M or 5M annular).**
4. 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 (Operator installing 3M BOP system and testing as a 2M).**
5. 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, 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.**
 - c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOPE. on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock.
 - d. The results of the test shall be reported to the appropriate BLM office.
 - e. 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.**
 - f. 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. This test shall be performed prior to the test at full stack pressure.

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.

JAM 083013