

NM OIL CONSERVATION

ARTESIA DISTRICT

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January 8, 2015

Energy, Minerals & Natural Resources Department Oil Conservation Division Attention: Phillip Goetze, P.G. 1220 South St. Francis Drive Santa Fe. New Mexico 87505

Re: Administrative Order SWD-1379-A **Apache Corporation** Barnsdall Federal SWD Well# 1 (API 30-015-42468) Unit B, Section 27, Township 17 South, Range 29 East. Eddy County, New Mexico

Dear Mr. Goetze,

As you requested during our meeting on December 18, 2014, this letter is to confirm of Apache Corporation's change in wellbore completion for Order SWD 1379-A due to complications encountered while drilling. Originally your office approved injection through perforations in the 7" casing into the Wolfcamp and Cisco formations from 7700'-9500'; however, while drilling this well a water flow was encountered at 9490' raising concern of the difficulty in obtaining an adequate cement job. Therefore, Apache set and cemented the 7" casing at 8370', and drilled a 6 1/8" hole to 9556'. Apache will utilize the open hole section from 8370' to 9556' for disposal.

Thank you for your assistance, and if you need additional information please contact me via email at: dean.gaines@apachecorp.com or direct at: (432) 818-1803.

Sincerely,

Dean Gaines

UIC Coordinator