

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

OCT 14 2014

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
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.

RECEIVED

5. Lease Serial No.
NM-2512

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Apache Corporation

3a. Address
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705

3b. Phone No. (include area code)
432/818-1062

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

3050' FSL & 2595' FEL Sec 3 T21S R37E Unit 15

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

8. Well Name and No.
Northeast Drinkard Unit (NEDU) #242

9. API Well No.
30-025-37875

10. Field and Pool or Exploratory Area
Eunice; Bli-Tu-Dr, North (22900)

11. Country or Parish, State
Lea County, NM

12. CHECK THE 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Apache would like to TA this well, per the following:

1. MIRU SR. POOH w/ rods and pump. Install BOP. POOH w/ 2-7/8" tubing
2. PU & RIH w/ bit and casing scraper on 2-7/8" work string to +/-5600', POOH
3. MIRU WL, RIH w/CIPB to +/- 5600', set CIBP & POOH. RIH w/ dump bailer and dump bail 35' of cmt. on top of CIBP, POOH. WOC for 2 hrs & RIH w/ WL & tag TOC, POOH & RD WL
4. RIH w/ 2-7/8" work string, circulate well and P/T csg to 500 psi. Circulate wellbore w/ packer fluid & POOH. RDMO SR
5. Perform chart recorded MIT test for regulatory submission

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Reesa Fisher

Title Sr Staff Regulatory Analyst

Signature

Reesa Fisher

Date 05/15/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

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)

MSB/OCD 10/15/2014

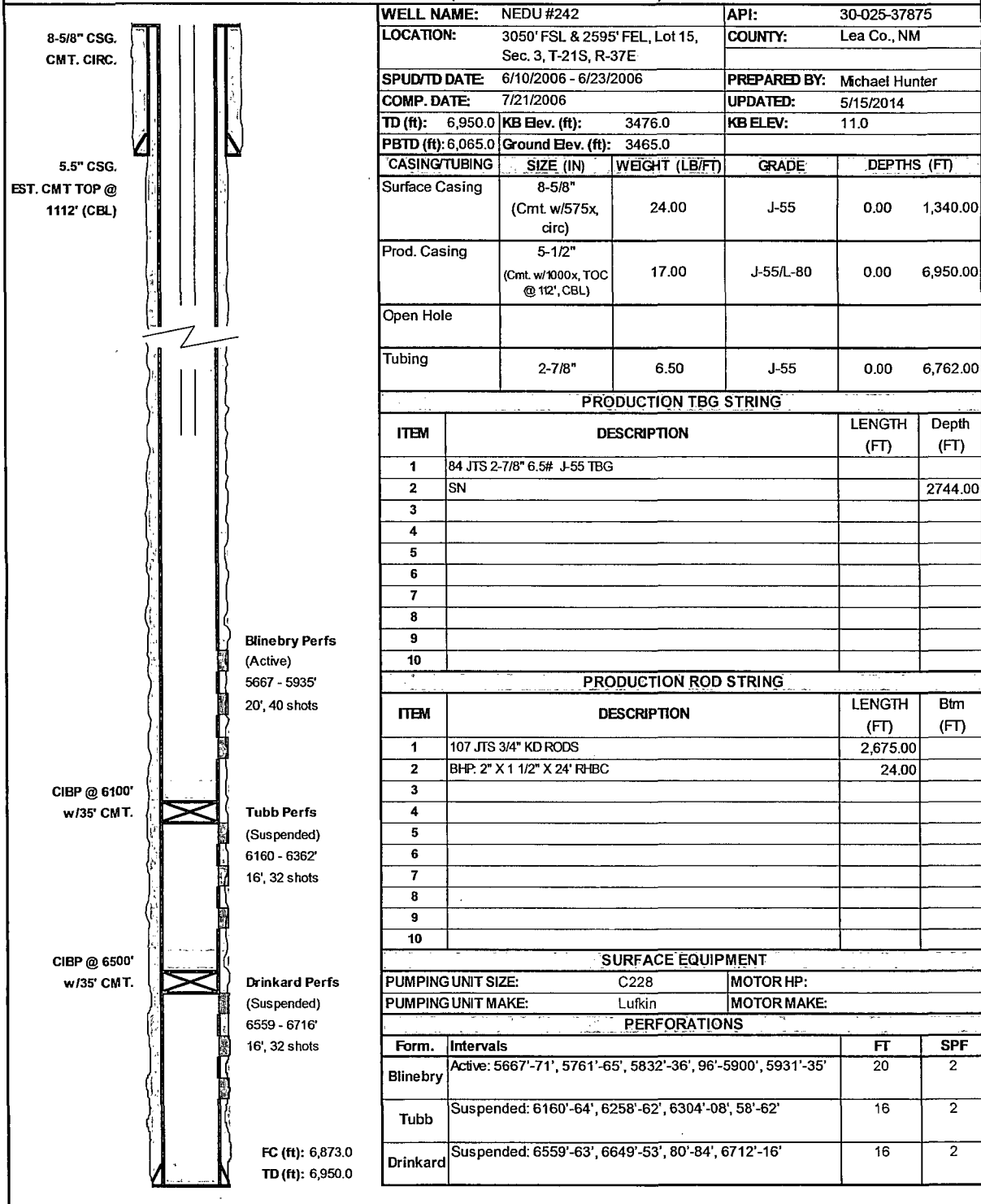
OCT 17 2014

Apache Corporation

NEDU #242



WELL DIAGRAM (CURRENT CONFIGURATION)

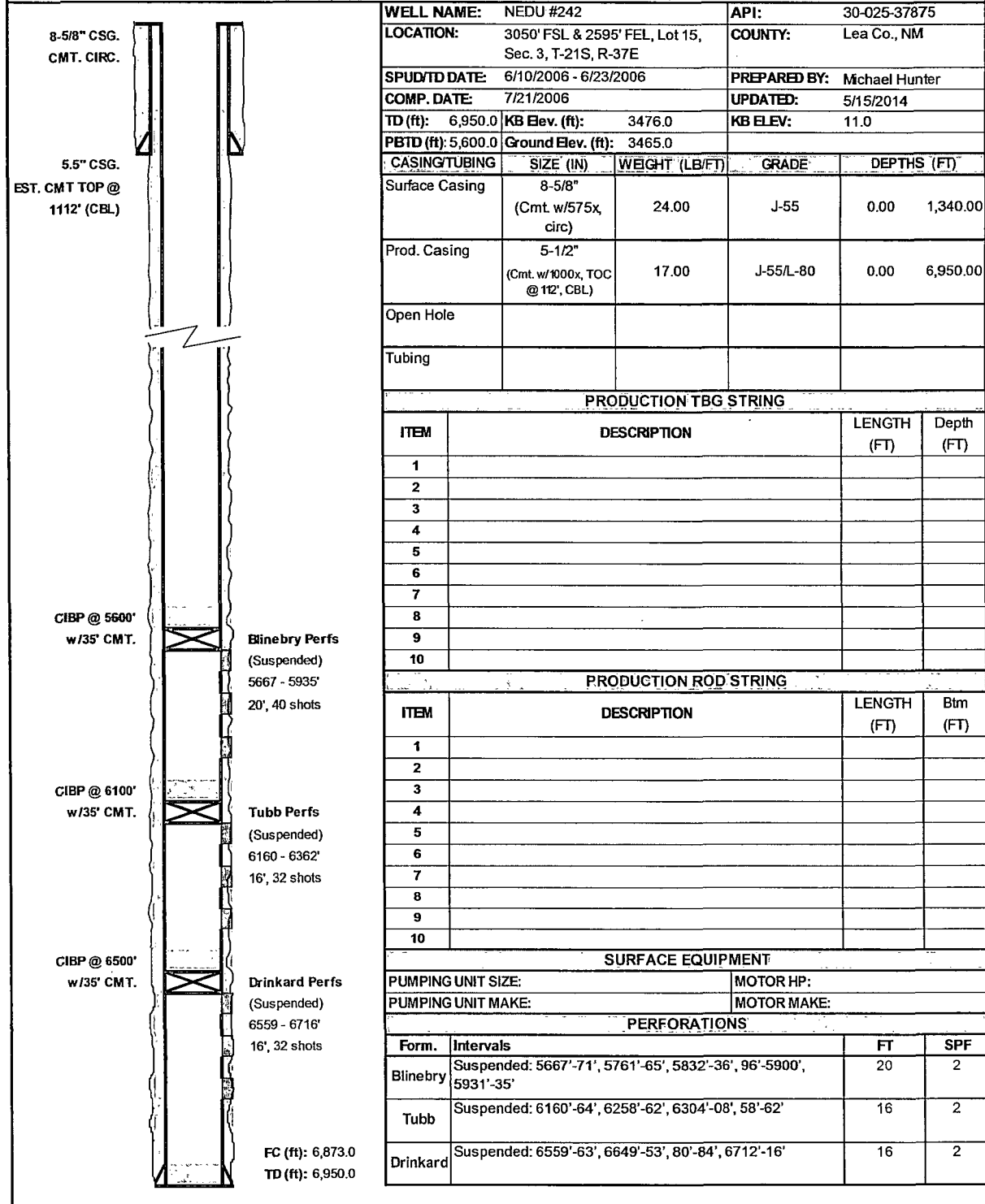


Apache Corporation

NEDU #242



WELL DIAGRAM (PROPOSED CONFIGURATION)



From: Hunter, Michael
Sent: Thursday, October 02, 2014 10:58 AM
To: Fisher, Reesa
Subject: NEDU 242

Due to the close proximity of the NEDU 242 to an existing injector (the NEDU 207W, which is injecting into the Blinbry, Tubb, and Drinkard formations presently), the well experienced issues with excessive water production due to water channeling from this offset injector, which resulted in low rates of oil and gas production, production problems due to excessive scale and corrosion, and meant the well was non-economic as a producing well.

However, the NEDU 242 is located in an ideal location relative to offset producers to serve as an injection well. Due to the multi-zone nature of the NEDU waterflood, where injection occurs into both the Blinbry and Drinkard formations over a fairly large gross interval, it is preferable wherever possible to have two injectors per waterflood pattern, each dedicated to one formation, in order to best manage injection into each zone. In this pattern, the proposal is that the NEDU 242 and the offsetting NEDU 207W would serve as dual injection wells in this manner.

Thus, we would like to temporarily abandon the NEDU 242 while we evaluate it and the NEDU 207W, first to define the work that needs to be performed on each well to re-configure them and to estimate project costs, estimate the incremental rates and reserve recovery associated with this project, and then evaluate the project economically to ensure that it is viable to proceed with. After this evaluation, we will then have to obtain the necessary internal, partner, and regulatory approvals for the project, and then perform the downhole and surface work on both wells. All of this can be expected to take several months. The regulatory approvals alone have been averaging 4 – 6 months for injection projects as of late.

Please see the map below for the proposed injection pattern.

Northeast Drinkard Unit 242
30-025-37875
Apache Corporation
October 03, 2014
Conditions of Approval

Approved for a period of 12 months ending 10/03/2014 subject to conditions of approval. JDB

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Northeast Drinkard Unit 242

1. Well may be approved to be TA/SI for a period of 12 months or until 10/03/2014 after successful MIT and subsequent report is submitted.
2. Must submit NOI to recomplete, inject, or NOI to P&A. Must be submitted by 10/03/2015

JAM 100314