

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 and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address		² OGRID Number
		³ API Number
⁴ Property Code	⁵ Property Name	⁶ Well No.

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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⁹ Pool Information

Pool Name	Pool Code
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Additional Well Information

¹¹ Work Type	¹² Well Type	¹³ Cable/Rotary	¹⁴ Lease Type	¹⁵ Ground Level Elevation
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☐ We will be using a closed-loop system in lieu of lined pits

²¹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

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²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>alicia fulton</i>		OIL CONSERVATION DIVISION	
Printed name:		Approved By: <i>[Signature]</i>	
Title:		Title:	
E-mail Address:		Approved Date: 09/16/2020	Expiration Date: 09/16/2022
Date:	Phone:	Conditions of Approval Attached	

Submit a Copy To Appropriate District
Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	
8. Well Number	
9. OGRID Number	
10. Pool name or Wildcat	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> 2. Name of Operator 3. Address of Operator 4. Well Location Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM _____ County _____ 11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE alicia fulton TITLE _____ DATE _____

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: [Signature] TITLE _____ DATE 09/16/2020

Conditions of Approval (if any): _____

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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 8/24/2020

☒ Original Operator & OGRID No.: Apache Corporation #873
☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
State T	025-04055	Sec 25 T19S R36E	1980 FNL 1980 FWL	20	Flared	Emergency only

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa and will be connected to Targa's LOW pressure gathering system located in LEA County, New Mexico. It will require 0 ' of pipeline to connect the facility to LOW pressure gathering system. Apache provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Apache and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 36, Twn. 19S, Rng. 36E, LEA County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Targa system at that time. Based on current information, it is Apache's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

August 17th, 2020

STATE T #003

API # 30-025-04055

Lea County, NM

Production Casing: 6-5/8" 20#

Intermediate Casing: 8-5/8" 52#

Surface Casing: 12-1/2" 40#

Objective: Drill out CIBP, squeeze existing perms, DO and deepen, Acidize, RTP

Procedure:

1. MIRU WO Unit, PU workstring
2. RIH and DO CIBP and cement @3300', POOH
3. RIH with cement retainer, set @ 3290', establish injection rate
4. Sqz w/ 300 sxs, flush, sting out, POOH
5. RIH with drill collar and bit, drill out retainer and cement, test to 500#
6. Continue to DO remaining CIBP @3810'
7. Complete cleanout run to 4,030', continue to DO formation to 4,130', circulate clean
8. POOH
1. RD WL, RIH and set packer at ~3,800'
2. Acidize Grayburg with 5,000 gals 15% HCL
3. Release packer, POOH, LD workstring
4. Swab test
5. RIH with tubing, RIH with rods and pump, RD WO Unit
6. Set pumping unit, RTP

Elevation: 3664'
Spud: 11/29/36

Apache Corporation - STATE T #003

Wellbore Diagram – Current

Date : 8/17/2020
M. Heyen

API: 30-025-04055

Surface Location



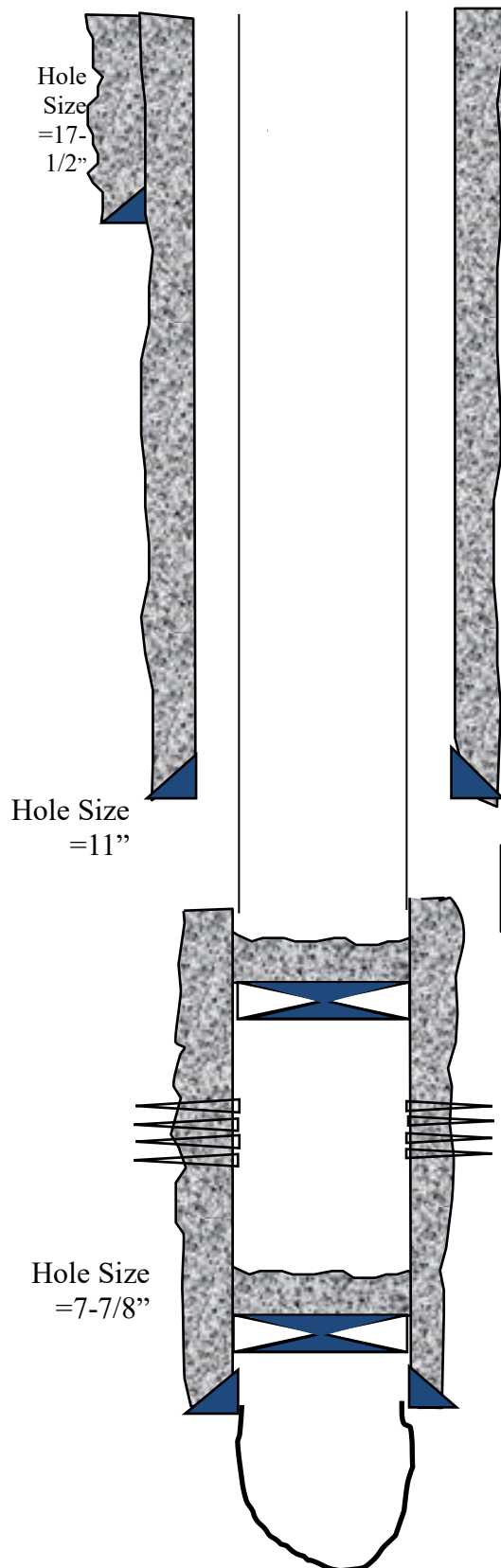
1980' FNL & 1980' FWL, Unit F
Sec 25, T19S, R36E, Lea County, NM

Surface Casing

12-1/2", 40# @ 196' w/ 200 sxs

Intermediate Casing

8-5/8", 52# @ 2550' w/ 500 sxs



5/16: Fished tbg & set CIBP @ 3300' w/ 35' cmt on top. Status changed to TA'd.

10/03: Ran CBL, TOC @ 3256', perf 3340'-3361, acidize, perf 3711'-3775'

2/52: CIBP set @ 3810' dumped cement to 3804', Perf 3413'-3488' w/ 4JSPF, acidize and swab dry, perf 3527'-3605' w/ 4JSPF, acidize and swab with heavy gas returns, perf 3625'-3675' w/ 4JSPF, acidize and swab dry, 4350+ MCFD

Production Casing

6-5/8", 20# @ 3,819' w/ 100 sxs TOC @ 3256'

PBTD = '
TD = 4,030'

Elevation: 3664'
Spud: 11/29/36

Apache Corporation - STATE T #003

Wellbore Diagram – PROPOSED

API: 30-025-04055

Date : 8/17/2020
M. Heyen

Surface Location



1980' FNL & 1980' FWL, Unit F
Sec 25, T19S, R36E, Lea County, NM

Surface Casing

12-1/2", 40# @ 196' w/ 200 sxs

Intermediate Casing

8-5/8", 52# @ 2550' w/ 500 sxs

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9/20: DO CIBP @ 3300', set cmt retainer and sqz existing perfs, DO to CIBP @ 3810', test, DO CIBP, cleanout to TD of 4,030', continue drilling formation to 4,130', acidize, RTP

Production Casing

6-5/8", 20# @ 3,819' w/ 100 sxs TOC @ 3256'

Hole Size
=17-1/2"

Hole Size
=11"

Hole Size
=7-7/8"

TD 4130