

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

FORBBS BOB
AUG 28 2012
RECEIVED

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM-01135
2. Name of Operator APACHE CORPORATION <873>		6. If Indian, Allottee or Tribe Name
3. Address 303 VETERANS AIRPARK LN, #3000 MIDLAND, TX 79705	3b. Phone No. (include area Code) 432-818-1167 / 432-818-1193	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FNL & 1715' FWL / UL: C SEC: 34 T19S R32E		8. Well Name and No. LUSK 34 FEDERAL #2H <39355>
		9. API Well No. 30-025-40693
		10. Field and Pool or Exploratory Area LUSK; BONESPRING, SOUTH <41460>
		11. County 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 checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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 directional or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attached 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 recompletion 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.

Bond No: **BLM-CO-1463 NATIONWIDE / NMB000736**

Apache Corporation anticipates that fluid losses may occur while drlg the 12-1/4" hole thru Capitan Reef formation (est. top at 3247'). If such losses occur & are severe, we would like to aerate mud that is in the approved APD for the rest of this hole interval dw to the next csg point @ 4500'. The mud would be aerated with up to 2700 cfm. Actual amt will be the min. needed to establish & maintain circ & will be circ through a mud gas separator w/the assistance of a rotating head on top of the BOP stack. This aeration will help minimize fluid losses into Capitan Reef formation while aiding w/hole cleaning & cmtg of the 9-5/8" csg string. Also based on the severity of the losses, we may need to cmt this 9-5/8" csg string in 2 stages /DVT & possibly an ECP set right below it. They would be set a few feet above the btm of the 13-3/8" csg which will be set at approx 3200'. In this case, the string would be cmtd as follows: *below*

See COA

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed) **SORINA L. FLORES** Title **SUPV OF DRILLING SERVICES**

Signature *Sorina L Flores* Date **8/9/12**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title **Petroleum Engineer** Date **AUG 20 2012**
Office _____ Date **8/9/12**
APPROVED
IS/Chris Walls
BUREAU OF LAND MANAGEMENT
CARI SBAD 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.

(Instructions on page 2)

AUG 28 2012

Intermediate2:

1st Stage (TOC @3200', 50% excess):

Lead: 170 sx 35/65 P/C w/ 5% Salt, 6% Gel Extender, 0.125#/sk Celloflake, 0.25#/sk Defoamer (12.6 wt, 2.07 yld) *Comp*
Strengths: 12 hr – 610psi 24 hr – 980 psi
Tail: 200 sx Class C w/ 0.2% Retarder (14.8 wt, 1.33 yld) *Comp Strengths: 12 hr – 1193 psi 24 hr – 1640 psi*

2nd Stage (TOC @2700', 10% excess):

Lead: 40 sx 35/65 P/C w/ 5% Salt, 6% Gel Extender, 0.125#/sk Celloflake, 0.25#/sk Defoamer (12.6 wt, 2.07 yld) *Comp*
Strengths: 12 hr – 610psi 24 hr – 980 psi
Tail: 100 sx Class C w/ 0.2% Retarder (14.8 wt, 1.33 yld) *Comp Strengths: 12 hr – 1193 psi 24 hr – 1640 psi*

Note that these are min. cmt volumes. 1st stage volumes may be increased based on fluid caliper results. 2nd stage lead may be increased even to the point of bringing cmt back to surf as a means of providing verification of the TOC (APD stipulation).

Conditions of Approval
Lusk 34 Federal 2H
30-025-40693
Apache Corporation

The minimum required fill of cement behind the **9-5/8** inch second intermediate casing is:
DV tool shall be set a minimum of 50' below previous shoe

a. First stage to DV tool:

- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool:

- Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

CRW 082012