

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

OCD Artesia

5. Lease Serial No.
NMLC029548A

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.

8. Well Name and No.
COFFEE FEDERAL 11

9. API Well No.
30-015-39226-00-X1

10. Field and Pool, or Exploratory
CEDAR LAKE

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **APACHE CORPORATION** Contact **SORINA L FLORES**

3a. Address **303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND, TX 79705**
3b. Phone No. (include area code) **Ph: 432.818.1167**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T17S R31E NENW Lot C 1120FNL 1650FWL

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 Drilling Operations
	<input 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 directionally or recomplate 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

NOTICE OF INTENT

Apache Corp proposes to set Intermediate csg @1500' if 5th cmt plug does not heal loss circ zone. If cmt plug heals then Apache Corp will continue with previous approved sundry.

Proposed cmt for Intermediate & Production if cmt plug does not heal circ.loss:

Intermediate: (11" hole, 8-5/8" csg, TD @1500'
440sx CI C w/4% Bentonite, 1% CaCL2, 0.25% R38 (wt: 13.5, yld: 1.73)
100% excess

RECEIVED
OCT 20 2011
NMOCD ARTESIA
ADade 11/16/11

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

**Electronic Submission #120239 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 10/14/2011 (12DLM0065SE)**

Name (Printed/Typed) SORINA L FLORES	Title SUPERVISOR - DRILLING SERVICES
Signature (Electronic Submission)	Date 10/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By TED MORGAN	Title PETROLEUM ENGINEER	Date 10/14/2011
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 Carlsbad		

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.

Additional data for EC transaction #120239 that would not fit on the form

32. Additional remarks, continued

Production: (7-7/8" hole, 5-1/2" csg, 6400' TD, DVT @ 3500')
1st stage Lead - 530 sx Cl C w/2% Bentonite, 0.3% C12, 0.25% R38, 5% Salt
(Wt: 14.2, yld: 1.3) 35% excess

2nd stage Lead - 325sx Cl C 35/65 w/6% Bentonite, 0.25% R38, 5% Salt
(wt: 12.4, yld: 2.1) 50% excess
2nd stage Tail - 175sx Cl C 50/50 w/2% Bentonite, 0.25% R38, 5% Salt
(wt: 14.2, yld: 1.3) 50% excess

Coffee Federal #1
Apache Corporation
30-015-39226
Oct 14, 2011
Conditions of Approval

WELL STATUS:

14 Oct 2011. Drilling in Progress. Estimated formation tops are:

Top Rustler at 302'		Top Grayburg at 2748'	Oil H2S
Top Salt at 450'		Top San Andres at 3101'	Oil
Bottom Salt at 1100'		Top Glorieta at 4591'	
Top Yates at 1475'		Top Yeso at 4663'	Oil
Top Seven Rivers at 1756'	Oil	Top Blinebry at 5173'	
Top Queen at 2367'	Oil	Top Tubb at 6146'	
		TD at 6500'	

Oct 8, 2011 Spud Notice Filed along with sundry to set 8-5/8" casing at 4500' instead of 1450' in the original APD.

REQUESTS:

14 Oct 2011 Apache is concerned the severe losses now occurring at 353'-389' will not be curable. In that event they would like to have the option to set the casing at the depth originally approved (1500') as part of the APD submittal.

Apache previously advised that this deeper casing point for the intermediate casing is intended to place 2 cemented strings of pipe across the Grayburg – San Andres formations that are water flooded in the area; which over the long term is proving to be corrosive to wells in the sweep zone.

CONDITIONS OF APPROVAL:

Original COA is still applicable. The Cement Design revision for the 8-5/8" Intermediate Casing and 5-1/2" Production Casing are approved with the following Conditions:

1. 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.
2. The 5-1/2 inch production casing TOC for the 2 stage job with DVT at approximately 3500' shall be:
 - at least 1000' above the previous shoe.
3. It is agreed this is an option to be utilized if the losses now occurring cannot be controlled.

TMM 10/14/2011