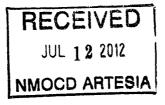
OCD-ARTESIA

Form 3160 -3 (April 2004)			OMB i	APPROVEI No. 1004-013 March 31, 20	7	
UNITED STATES DEPARTMENT OF THE INT BUREAU OF LAND MANAC			5. Lease Serial No. NMLC-02943		JO1	
APPLICATION FOR PERMIT TO DE			6. If Indian, Allote	e or Tribe	Name	
la. Type of work:			7 If Unit or CA Ag	reement, Na	me and N	lo.
lb. Type of Well: Onl Well Gas Well Other	Single Zone Multip	ple Zone	8. Lease Name and NFE FEDER		<308724	
2 Name of Operator APACHE CORPORATION			9. API Well No. 30-015-	409	169	7/13
3a Address 303 VETERANS AIRPARK LN #3000 MIDLAND, TX 79705	Phone No. (include area code) 432-818-1167		10. Field and Pool, or CEDAR LAR	Explorator	y JETA-Y	eso /96 83
4. Location of Well (Report location clearly and in accordance with any Sta	ate requirements *)		11. Sec., T. R. M. or	Blk. and Sur	vey or Ar	rea
At surface 2193' FNL & 220' FWL At proposed prod. zone 2193' FNL & 330' FEL			UL: E SEC	:8 T17S	R31E	
14. Distance in miles and direction from nearest town or post office* APPROX 6.6 MILES NORTHEAST OF LOCO HILLS, NM	I		12. County or Parish EDDY		13. State	NM
location to nearest	5. No. of acres in lease 1885 ACRES	17. Spacin	g Unit dedicated to this 160 ACRES	well		
to nearest well, drilling, completed,	9. Proposed Depth マロ: ~ 5030' ID: ~ 9453'		BIA Bond No. on file - CO - 1463 NATI	ONWIDE	<u> </u>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	Approximate date work will sta		23. Estimated durati ~ 25 DAYS	on		
	24. Attachments					
 The following, completed in accordance with the requirements of Onshore O Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System Lar SUPO shall be filed with the appropriate Forest Service Office). 	4. Bond to cover to Item 20 above). ds, the 5. Operator certification is the state of the state	he operatio	is form: ns unless covered by a primation and/or plans a			·
25. Signature . O []	Name (Printed/Typed)			Date ///	<u></u>	
Title SUPV OF DRILLING SERVICES	SORINA L FLORE	ES		1/1	1/12	<u> </u>
Approved by (Signature)	Name (Printed/Typed)	Jeme	s A. Arnos	DateJU	L 1 (0 2012
Title FIELD MANAGER	Office CARLSBA	D FIELD	OFFICE			
Application approval does not warrant or certify that the applicant holds le conduct operations thereon. Conditions of approval, if any, are attached.			•	entitle the a	pplicant to	0
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime States any false, fictitious or fraudulent statements or representations as to as	APPROVAL F e for any person knowingly and v ny matter within its jurisdiction.	UH IV willfully to m	AND A EAHS nake to any department	or agency	of the Un	ited

*(Instructions on page 2)

Approval Subject to General Requirements & Special Stipulations Attached

Roswell Controlled Water Basin



SEE ATTACHED FOR CONDITIONS OF APPROVAL

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 620 E. GREENE STREET CARLSBAD, NM 88220

OPERATOR CERTIFICATION

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

executed this 24 day of APRIL, 2012
Well: NFE FEDERAL 25H
Operator Name: APACHE CORPORATION
ignature: Terry West Printed Name: TERRY WEST
itle: Drilling Engineer Date: #=24-12
imail (optional):terry.west@apachecorp.com
treet or Box: 303 Veterans Airpark Ln., Ste. 3000
City, State, Zip Code: Midland, TX 79705
elephone: 432-818-1114
ield Representative (if not above signatory):
Address (if different from above):
elephone (if different from above):
mail (ontional):

Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

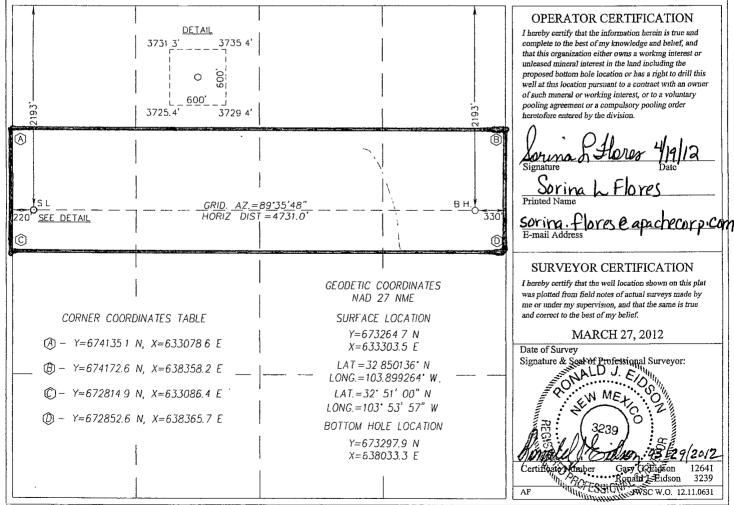
DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax (575) 748-9720 DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone. (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax. (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

		WEI	L LOCAT	ΓΙΟΝ A	ND ACREA	AGE DEDICA	ATION PLA	T	
30-015		469	968	001 Code 8 3 1		edar h	Pool Name	ieta - Yes	6
Property C]	Property Name NFE FEDER	e	,	We	ell Number 25H
OGRID 1 873				1 -	Elevation 3726'				
010		ľ			Surface Locati	on			
UL or lot No.	Section 8	Township 17-S	Range 31-E	Lot Idn	Feet from the 2193	North/South line NORTH	Feet from the 220	East/West line WEST	County EDDY
		,	В	Bottom Hol	e Location If Diffe	erent From Surface			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	17-S	31-E		2193	NORTH	330	EAST	EDDY
Dedicated Acres	Joint or		Consolidation Cod		er No.			9453 7/	
NO ALLOWABLE W	ILL BE ASSIGN	3731 3'	TAIL 3735 4'	IL ALL INTE	RESTS HAVE BEEN C	ONSOLIDATED OR A	OPER I hereby cer complete to that this org unleased mi proposed by	THAS BEEN APPROVI	CATION crein is true and and belief, and orking interest or ochiding the a right to drill this



DRILLING PLAN: BLM COMPLIANCE (Supplement to BLM 3160-3)

APACHE CORPORATION (OGRID: 873) NFE FEDERAL #25H

Lease #: NMLC-029435B Projected TVD: ~5030' MD: ~9453' GL: 3626' SHL: 2193' FNL & 220' FWL UL: E BHL: 2193' FNL & 330' FEL UL: H

SEC: 8 T17S R31E EDDY COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION: Eolian/Piedmond Alluvial Deposits

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Quaternary Aeolian	Surf	Queen	2412'
Rustler	421'	Grayburg	2819'
Salt Top	502'	San Andres	3136' (Oil)
Salt Bottom	1346'	Glorieta	4611'
Yates	1522'	Yeso (Paddock)	4675' (Oil)
Seven Rivers	1799'	TD	TVD: 5030' MD: 9453'

Avg Depth to Ground Water: ~91'

Fresh water & prospectively valuable minerals, as described by BLM, encountered during drilling, will be recorded by depth & adequately protected. All oil & gas shows within zones of correlative rights will be tested to determine commercial potential. Surface fresh water sands will be protected by setting 13-3/8" csg @ 450' & circ cmt back to surface. Hydrocarbon zones will be protected by setting 9-5/8" csg @ $^{\sim}$ 3500', if water flow is encountered, then 7" @ $^{\sim}$ 4500'; and a 4-1/2" liner from the 7" csg though the KOP @ $^{\sim}$ 4500'; the curve & on to TD @ $^{\sim}$ 9453' MD.

3. CASING PROGRAM: All casing is new & API approved

STRING	HOLE SIZE	DEPTH	OD CSG	WEIGHT	COLLAR	GRADE	COLLAPSE	BURST	TENSION
Surface	17-1/2"	0' – 450'	13-3/8"	48#	STC	H-40	1.125	1.0	1.8
Intermediate *	12-1/4"	0'-3500'	9-5/8"	36#	STC	J-55	1.125	1.21	1.8
Production	8-3/4"	0'-4500'	7"	26#	LTC	J-55	1.125	1.21	1.8
Production Liner	6-1/8"	4400′ – 9453′	4.5"	11.6#	LTC	L-80	1.125	1.21	1.8

^{*}Contingency: 9-5/8" string will only be ran if water flows are encountered.

4. CEMENT PROGRAM:

Surface (TOC - Surface) **100% excess cmt to surf** Cmt with:

<u>Lead</u>: 170 sx Class H 50/50 w/10% Gel + 0.5# Star Seal + 0.25% De-foamer + 3% Salt (11.9 wt, 2.31 yld)

Compressive Strengths: 12 hr – 589 psi 24 hr – 947 psi

<u>Tail:</u> 250 sx Class C w/ 0.25% De-foamer (14.8 wt, 1.33 yld) *Compressive Strengths:* **12** *hr* – 813 *psi* **24** *hr* – 1205 *psi*

B. <u>Intermediate (TOC – Surface) **50% excess cmt to surf**. Cmt with:</u>

<u>Lead</u>: 550 sx Class H 50/50 w/10% Gel + 2# Star Seal + 0.25% De-foamer (11.9 wt, 2.24 yld)

Compressive Strengths: **12** hr - 540 psi **24** hr - 866 psi <u>Tail:</u> 380 sx Class C w/ 0.25% De-foamer (14.8 wt, 1.34 yld) Compressive Strengths: **12** hr - 813 psi **24** hr - 1205 psi

(May use a DVT & modify cmt program for a 2 stage job, if strong water flow is encountered) Not approved for DV Tool

C. Production (TOC: ~500' from surface) **35% excess cmt** Cmt with:

<u>Lead</u>: 270 sx Class H 50/50 w/10% Gel + 2# Star Seal + 0.25% Defoamer (11.9 wt, 2.24 yld)

Compressive Strengths: **12** hr – 540 psi **24** hr – 866 psi

<u>Tail:</u> 320 sx Class C w/1% CaCL + 0.25% De-foamer (14.8 wt, 1.34 yld)

Compressive Strengths: 12 hr - 813 psi 24 psi - 1205 psi

*Contingency: If 9-5/8" string is not ran, the following cmt program will be used for the Production string & will bring cmt to surface using 35% excess:

<u>Lead</u>: 1167 sx Class H 50/50 w/10% Gel + 2# Star Seal + 0.25% Defoamer (11.9 wt, 2.24 yld) <u>Compressive Strengths</u>: **12 hr** - 540 psi **24 hr** - 866 psi

<u>Tail:</u> 200 sx Class C w/1% CaCL + 0.25% De-foamer (14.8 wt, 1.34 yld) Compressive Strenaths: **12 hr** – 813 psi **24 psi** – 1205 psi

- D. Apache proposes to run a multiple packer system on the 4-1/2" production liner which will tie back into the 7" string (No cmt will be used). An isolation packer will be set on either side of the Glorieta top & no ports will be placed between this isolation packer & the liner top packer.
- ** The above cmt volumes could be revised pending caliper measurement from open hole logs. For Surface csg: If cmt does not circ to surface, the appropriate BLM office shall be notified. The top of cement shall be determined by either a temperature survey or by tagging, as directed by the BLM for the specific set of circumstances. Cement will then be brought to surface via either 1" or ready mix operations, as specified by the BLM at that time. 520 COA

5. PROPOSED CONTROL EQUIPMENT

"EXHIBIT 3" shows a 13-5/8" 3M psi WP BOP consisting of at least annular bag type preventer. This BOP will be nippled up on the 13-3/8" surface csg head & tested to 70% of casing burst. After the 9-5/8" intermediate csg is set & cemented (or after the 7" string, if the 9-5/8" casing isn't ran), either a 13-5/8" or an 11" 3M BOP consisting of an annular bag type preventer, middle blind rams and bottom pipe rams will be installed in place of the original BOP & utilized continuously until TD is reached. The BOP will be tested at 2000 psi, maximum surface pressure is not expected to exceed 2M psi, BHP is calculated to be approximately 2376 psi. *All BOP's & associated equipment will be tested as per BLM Drilling Operations Order #2. The BOP will be operated & checked each 24 hr period & blind rams will be operated & checked when the drill pipe is out of the hole. Functional tests will be documented on the daily driller's log. "EXHIBIT 3" also shows a 3M psi choke manifold with a 3" blow down line. Full opening stabbing valve & Kelly cock will be on derrick floor in case of need. No abnormal pressures of temperatures are expected in this well. No nearby wells have encountered any problems.

6. PROPOSED MUD CIRCULATION SYSTEM: (Closed Loop System)

INTERVAL	MW (ppg)	VISC (sec/qt)	FLUID LOSS (cc)	MUD TYPE
0' -450'	8.6 - 8.8	28 – 30	NC	FW
450' to 3500'*	9.8 – 10.0	28 – 34	NC	Brine
3500' – 4500'	8.6 - 9.1	28 – 36	NC	FW/Brine
4500' – 9453'	8.6 – 9.1	28 – 40	15 - NC	FW/Brine

^{*} Contingency: If 9-5/8" string is not run, these mud properties will be continued to the next casing seat instead of those indicated on the next line..

7. AUXILIARY WELL CONTROL EQUIPMENT / MONITORING EQUIPMENT:

11" x 3000 psi Double BOP/Blind & pipe ram (3M BOP/BOPE to be used as 2M system)

4-1/2" x 3000 psi Kelly valve

11" x 3000 psi mud cross - H2S detector on production hole

Gate-type safety valve 3" choke line from BOP to manifold

2" adjustable chokes - 3" blow down line

Fill up line as per Onshore Order 2

8. LOGGING, CORING & TESTING PROGRAM:

- A. OH logs: Dual Laterolog, MSFL, CNL, Litho-Density, Gamma Ray, Caliper & Sonic from TD back to last csg shoe.
- **B.** Run CNL, Gamma Ray from 8-5/8" csg shoe back to surface.
- **C.** No cores, DST's or mud logger are planned at this time.
- **D.** Additional testing will be initiated subsequent to setting the 5-1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows & drill stem tests.

^{**} The necessary mud products for weight addition and fluid loss control will be on location at all times. In order to run open hole logs & casing, the above mud properties may have to be altered to meet these needs.

9. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. There is known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of *Onshore Oil & Gas Order No. 6*. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 2213 psi and estimated BHT: 115°.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location construction will begin after BLM has approved APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as rig will be available. Move in operations and drilling is expected to take ~ 10 days. If production casing is run then an additional 90 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

11. OTHER FACETS OF OPERATION:

After running csg, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Cedar Lake; Glorieta-Yeso formation will be perforated and stimulated in order to establish production. The well will be swab tested & potentialed as an oil well.



Apache Corporation

Eddy County, NM NFE Federal 25H Job # 1210327

Wellbore #1

Plan: Plan #2 041812

Standard Survey Report

18 April, 2012





Phoenix Technology Services

Survey Report



Well Job # 1210327 Apache Corporation Local Co-ordinate Reference: Company: Eddy County, NM WELL @ 3740 00usft (Original Well Elev) Project: WELL @ 3740.00usft (Original Well Elev) NFE Federal 25H MD Reference: Site: Well: Job # 1210327 North Reference: Survey Calculation Method: Wellhore #1 Minimum Curvature Wellbore: GCR DB v5000 Design: Plan #2 041812 Database:

Project Eddy County, NM

Map System: US State Plane 1927 (Exact solution) System Datum: Mean Sea Level
Geo Datum: NAD 1927 (NADCON CONUS)
Map Zone: New Mexico East 3001

NFE Federal 25H Site 673,264.70 usft Northing: Latitude: 32° 51' 0.4904 N Site Position: Easting: 633,303.50 usft Longitude: 103° 53' 57.3497 W From: Мар **Position Uncertainty:** 0.00 usft Slot Radius: 13-3/16 " **Grid Convergence:** 0.24 °

Well Job # 1210327 32° 51' 0.4904 N 673,264.70 usft Well Position +N/-S 0.00 usft Northing: Latitude: +E/-W 0.00 usft 633,303.50 usft Longitude: 103° 53' 57 3497 W Easting: **Position Uncertainty** 0.00 usft Wellhead Elevation: 14.00 usft Ground Level: 3,726 00 usft

 Wellbore
 Wellbore #1

 Magnetics
 Model Name
 Sample Date
 Declination (°)
 Dip Angle (°)
 Field Strength (nT)

 IGRF2010_14
 04/17/12
 7.68
 60.69
 48,871

Plan #2 041812 Design **Audit Notes:** Version: Phase: PLAN Tie On Depth: 0 00 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (usft) (usft) (usft) (°) 0.00 0 00 0.00 89.60

Planned Survey Vertical Vertical Dogleg Build Measured Turn Depth Depth Section Rate Inclination Azimuth +N/-S +E/-W (usft) (usft) (usft) (°/100usft) (°/100usft) (°/100usft) (usft) (usft) 0.00 0.00 0.00 0.00 0 00 0.00 0.00 0.00 0.00 0.00 100.00 0.00 0.00 100.00 0.00 0.00 0.00 0.00 0.00 0.00 200.00 0.00 200.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 300.00 0.00 0.00 300.00 0.00 0.00 0.00 0.00 0.00 0.00 400.00 0.00 0.00 400.00 0 00 0.00 0 00 0.00 0.00 0.00 421.00 0.00 0.00 421.00 0.00 0.00 0.00 0.00 0 00 0 00 Rustler 500.00 0.00 0.00 500.00 0.00 0.00 0.00 0.00 0.00 0.00 502 00 0 00 0.00 502 00 0.00 0 00 0.00 0.00 0.00 0.00 T/Salt



Project:

Site:

Well:

Phoenix Technology Services

Survey Report



Company: Apache Corporation

Eddy County, NM NFE Federal 25H Job # 1210327

Wellbore: Wellbore #1
Design: Plan #2 041812

Local Co-ordinate Reference:

TVD Reference: MD Réference:

North Reference:

Survey Calculation Method: Database: Well Job # 1210327

WELL @ 3740.00usft (Original Well Elev)
WELL @ 3740.00usft (Original Well Elev)

Grid

Minimum Curvature GCR DB v5000

lanned Survey	-[
Measured Depth (usft)	Inclination	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn , Rate (°/100usit)
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0 00	0.00
700.00	0.00	0.00	700 00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0 00	0.00	700 00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0 00	0.00	800.00	0.00	0.00	0 00	0.00	0.00	0.00
900 00	0.00	0 00	900.00	0.00	0 00	0.00	0.00	0.00	0.00
1,000 00	0.00	0.00	1,000.00	0 00	0.00	0.00	0 00	0.00	0.00
1,100.00	0.00	0.00	1,100 00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200 00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0 00	0 00	0.00	0.00	0.00
1,346 00	0.00	0.00	1,346.00	0.00	0.00	0.00	0 00	0.00	0 00
B/Salt									
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0 00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,522.00	0 00	0.00	1,522.00	0.00	0.00	0.00	0.00	0.00	0 00
Yates									
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,799.00	0 00	0 00	1,799.00	0.00	0.00	0.00	0 00	0.00	0.00
Seven River	rs								
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0 00	0.00	0.00	0 00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0 00	2,000 00	0.00	0.00	0.00	0.00	0.00	0 00
2,100.00	0.00	0 00	2,100.00	0.00	0 00	0.00	0 00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0 00	0.00	0 00	0.00	0 00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0 00	0.00	0.00	0 00	0.00
2,400 00	0 00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0 00
2,412.00	0 00	0 00	2,412.00	0.00	0.00	0.00	0.00	0.00	0.00
Queen									
2,500.00	0 00	0.00	2,500.00	0 00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0 00	2,600.00	0.00	0.00	0.00	0.00	0.00	0 00
2,700 00	0.00	0.00	2,700 00	0.00	0.00	0 00	0.00	0.00	0 00
2,800.00	0.00	0.00	2,800.00	0.00	0 00	0.00	0.00	0.00	0 00
2,819.00	0 00	0.00	2,819.00	0 00	0.00	0.00	0.00	0.00	0.00
Grayburg									
2,900.00	0.00	0.00	2,900.00	0.00	0 00	0.00	0.00	0.00	0 00
3,000.00	0.00	0.00	3,000 00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0 00
3,136 00	0.00	0.00	3,136.00	0.00	0.00	0.00	0.00	0.00	0 00
San Andres									
3,200.00	0.00	0.00	3,200 00	0.00	0 00	0.00	0.00	0.00	0.00
3,300.00	0 00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0 00	0.00	3,400.00	0.00	0.00	0.00	0 00	0.00	0.00
3,500.00	0.00	0.00	3,500 00	0.00	0 00	0.00	0.00	0 00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0 00	0.00	0.00	0 00
3,700 00	0.00	0.00	3,700 00	0.00	0.00	0.00	0.00	0 00	0.00



Site:

Well:

Wellbore:

Design:

Phoenix Technology Services

Survey Report



Company: Apache Corporation
Project: Eddy County, NM

Eddy County, NM NFE Federal 25H Job # 1210327

Wellbore #1 Plan #2 041812 Local Co-ordinate Reference:

TVD Reference:

MD Reference: North Reference:

Survey Calculation Method:

Datábasé:

Well Job # 1210327

WELL @ 3740.00usft (Original Well Elev)
WELL @ 3740.00usft (Original Well Elev)

Grid

Minimum Curvature

GCR DB v5000

Measured Depth	Inclination	Azimuth	Vértical Depth	+N/-S	+E/-W:	Vertical Section	Dogleg Rate	Build Rate	Turn Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)		(°/100usft)	(°/100usft)
3,800 00	0.00	0.00	3,800.00	0.00	0.00	0.00	0 00	0.00	0.00
3,900.00	0.00	0.00	3,900 00	0.00	0.00	0 00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0 00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0 00	0.00	0.00	0 00
4,200.00	0.00	0 00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0 00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0 00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0 00	0.00	0.00	0.00
4,503.58	0.00	0.00	4,503.58	0 00	0.00	0.00	0.00	0.00	0.00
KOP/Start Bui									
4,600.00	14.46	89.60	4,598.98	0.08	12.10	12.10	15.00	15.00	0.00
4,612.47	16.33	89.60	4,611.00	0.11	15.41	15.42	15.00	15.00	0.00
Glorieta			•						
4.681.35	26.66	89.60	4,675.00	0.29	40 62	40.62	15.00	15.00	0.00
Yeso(Paddocl			•						
4,700 00	29.46	89.60	4,691 46	0.35	49 40	49.40	15.00	15.00	0.00
4,800.00	44.46	89.60	4,771,13	0.77	109.35	109.36	15.00	15.00	0.00
4,000.00	77.70	00.00	4,111.10						
4,900.00	59.46	89.60	4,832.57	1.32	187.89	187.89	15.00	15.00	0 00
5,000.00	74.46	89.60	4,871.60	1.96	279.65	279.65	15.00	15.00	0.00
5,090 92	88.10	89.60	4,885 34	2.59	369.30	369.31	15.00	15.00	0 00
Land/Start 430	63.01 hold at 5	090.92 MD							
5,100.00	88.10	89.60	4,885.65	2.66	378.38	378.39	0.00	0.00	0 00
5,200 00	88.10	89.60	4,888 96	3.36	478.32	478.33	0.00	0.00	0.00
5,300.00	88.10	89.60	4,892 28	4.06	578.26	578.28	0.00	0.00	0.00
5,400.00	88.10	89.60	4,895.59	4.76	678.21	678 22	0.00	0.00	0.00
5,500.00	88.10	89.60	4,898.91	5.46	778.15	778.17	0.00	0.00	0.00
5,600.00	88.10	89.60	4,902.22	6.16	878.09	878.11	0.00	0.00	0.00
5,700.00	88.10	89 60	4,905 54	6.87	978.03	978.06	0.00	0.00	0.00
5,800.00	88.10	89.60	4,908.85	7.57	1,077.98	1,078.00	0.00	0.00	0.00
5,900 00	88.10	89.60	4,912.17	8.27	1,177.92	1,177.95	0.00	0.00	0 00
6,000 00	88.10	89.60	4,915.48	8.97	1,277.86	1,277.89	0.00	0.00	0 00
6,100.00	88.10	89.60	4,918.80	9.67	1,377.80	1,377 84	0.00	0.00	0 00
6,200.00	88 10	89.60	4,922.12	10.37	1,477.75	1,477.78	0.00	0.00	0.00
6,300.00	88.10	89.60	4,925.43	11 07	1,577.69	1,577.73	0.00	0.00	0.00
6,400.00	88.10	89.60	4,928.75	11.78	1,677.63	1,677.67	0.00	0.00	0.00
6,500.00	88.10	89 60	4,932.06	12.48	1,777.57	1,777.62	0.00	0.00	0.00
6,600.00	88 10	89.60	4,935.38	13.18	1,877.52	1,877.56	0.00	0.00	0.00
6,700.00	88.10	89.60	4,938.69	13 88	1,977.46	1,977.51	0.00	0.00	0.00
6,800.00	88.10	89.60	4,942.01	14.58	2,077.40	2,077.45	0.00	0.00	0.00
6,900.00	88 10	89.60	4,945.32	15.28	2,177.34	2,177.40	0.00	0.00	0 00
7,000.00	88.10	89.60	4,948.64	15.99	2,277.29	2,277.34	0.00	0.00	0.00
7,100.00	88.10	89.60	4,951.96	16.69	2,377.23	2,377.29	0.00	0.00	0.00
7,100.00	88.10	89.60	4,951.90	17 39	2,377.23 2,477.17	2,377.29	0.00	0.00	0.00
7,200.00	00.10	65.00	4,500.21	11 39	2,411.11	2,411.23	0.00	0.00	0.00
7,300.00	88.10	89.60	4,958.59	18 09	2,577.11	2,577.18	0.00	0.00	0.00



Phoenix Technology Services

Survey Report



Company: Project: Site:

Well:

Wellbore:

Apache Corporation

Eddy County, NM NFE Federal 25H Job # 1210327 Wellbore #1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method: Database: Well Job # 1210327

WELL @ 3740.00usft (Original Well Elev) WELL @ 3740.00usft (Original Well Elev)

Grid

Minimum Curvature GCR DB v5000

ign: F	Plan #2 041812			Database:			GCR DB v5000		
nned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
7,400.0	0 88.10	89.60	4,961.90	18.79	2,677.06	2,677.12	0.00	0.00	0.00
7,500 0	0 88.10	89.60	4,965.22	19.49	2,777.00	2,777 07	0.00	0.00	0.00
7,600.0	0 88.10	89.60	4,968.53	20 19	2,876.94	2,877.01	0.00	0.00	0.00
7,700.0	0 88.10	89.60	4,971 85	20.90	2,976.88	2,976.96	0.00	0.00	0.00
7,800.0	0 88.10	89.60	4,975.16	21.60	3,076.83	3,076.90	0.00	0.00	0.00
7,900 0	0 88.10	89.60	4,978.48	22.30	3,176.77	3,176.85	0.00	0.00	0 00
0.000,8	0 88.10	89.60	4,981.80	23.00	3,276.71	3,276.79	0.00	0.00	0 00
8,100.0	0 88.10	89.60	4,985.11	23.70	3,376.65	3,376.74	0.00	0.00	0.00
8,200.0	0 88.10	89.60	4,988.43	24.40	3,476 60	3,476.68	0.00	0.00	0.00
8,300.0	0 88.10	89.60	4,991.74	25.10	3,576.54	3,576.63	0.00	0.00	0.00
8,400.0	0 88.10	89 60	4,995.06	25 81	3,676.48	3,676.57	0.00	0.00	0.00
8,500.0	0 88.10	89.60	4,998.37	26.51	3,776.43	3,776 52	0.00	0 00	0.00
8,600.0	0 88.10	89 60	5,001.69	27.21	3,876.37	3,876.46	0.00	0 00	0.00
8,700.0	0 88.10	89.60	5,005.00	27.91	3,976.31	3,976.41	0.00	0 00	0.00
8,800.0	0 88.10	89.60	5,008.32	28.61	4,076.25	4,076.35	0.00	0 00	0.00
8,900.0	0 88.10	89.60	5,011.63	29 31	4,176.20	4,176.30	0 00	0.00	0.00
9,000.0	0 88.10	89.60	5,014.95	30 02	4,276.14	4,276.24	0.00	0.00	0.00
9,100.0	0 88.10	89.60	5,018.27	30.72	4,376.08	4,376.19	0.00	0.00	0.00
9,200.0	0 88 10	89 60	5,021 58	31.42	4,476 02	4,476.13	0.00	0.00	0.00
9,300.0	0 88.10	89.60	5,024 90	32.12	4,575.97	4,576.08	0.00	0.00	0 00
9,400.0	0 88.10	89.60	5,028.21	32.82	4,675.91	4,676.02	0.00	0.00	0.00
9,453 9	2 88.10	89 60	5,030.00	33.20	4,729.80	4,729 92	0.00	0 00	0.00
TD at 945	3.92								

Design Targets									4
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
NFE Federal 25H PE - plan hits target of point		0.00	5,030.00	33 20	4,729.80	673,297.90	638,033.30	32° 51' 0.6231 N	103° 53′ 1.9044 W



Phoenix Technology Services

Survey Report



Company: Well Job # 1210327 Apache Corporation Local Co-ordinate Reference: WELL @ 3740.00usft (Original Well Elev) Project: Eddy County, NM TVD Reference: Site: NFE Federal 25H MD Reference: WELL @ 3740.00usft (Original Well Elev) Well: Job # 1210327 North Reference: Grid Wellbore: Wellbore #1 Survey Calculation Method: Minimum Curvature GCR DB v5000 Plan #2 041812 Database: Design:

,	Measured Depth	Vertical Depth						Dip	Dip . Direction	,
	(usft)	(usft)	<u> </u>	Name	 ,	Lithology	, ,	(°).	(°)	1
	421.00	421.00	Rustler		 		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0.00		•
	502.00	502.00	T/Salt					0.00		
	1,346.00	1,346.00	B/Salt		•			0.00		
	1,522.00	1,522.00	Yates					0.00		
	1,799.00	1,799.00	Seven Rivers					0.00		
	2,412.00	2,412.00	Queen					0.00		
	2,819.00	2,819.00	Grayburg					0.00		
	3,136.00	3,136.00	San Andres					0.00		
	4,612.47	4,611.00	Glorieta					0.00		
	4,681.35	4,675.00	Yeso(Paddock)					0.00		

Plan Annotations		——————————————————————————————————————			
Measur Depth (usft)	ed Vertical Depth (usft)	Local Coor +N/-S (usft)	dinates +E/-W (usft)	Comment	
4	504 4504	0	0	KOP/Start Build 15.00	
5	091 4885	3	369	Land/Start 4363.01 hold at 5090.92 MD	
9-	154 5030	33	4730	TD at 9453.92	

0			L
Checked By:	Approved By:	Date:	ŀ
-	 		1



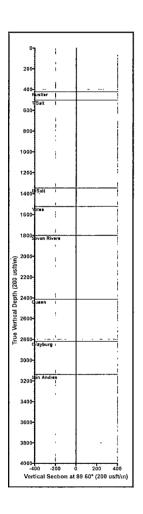
Apache Corporation

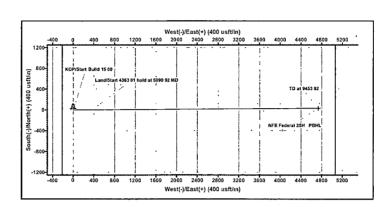
Project: Eddy County, NM Site: NFE Federal 25H Well: Job # 1210327 Wellbore: Wellbore #1 Plan: Plan #2 041812

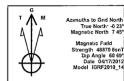
WELL DETAILS. Job # 1210327

| Ground Level: 3726 00 | Longitude | Congitude | Cong

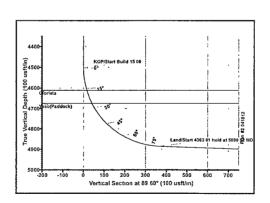
					SE	CTION D	ETAILS				
B.	AD.	Inc	Azı	TVD	+N/-S	+E/-W	Dieg	TFace	VSect		
0	00	0.00	0 00	0 00	0.00	0.00	0 00	0.00	0.00		
4503	58	0.00	0 00	4503 58	6 00	0.00	0 00	0.00	0 00		
5090	92	88 10	89 60	4885 34	2 59	369 30	15 00	89 60	369 31		
9453	92	88,10	89 60	5030 00	33 28	4729 80	0 00	0 00	4729 92	NFE Federal 25H	PBHL



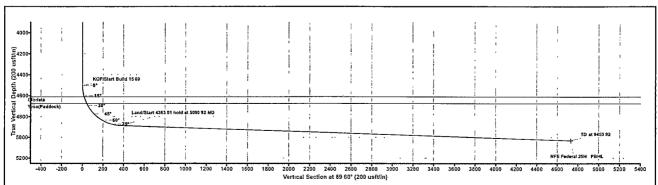


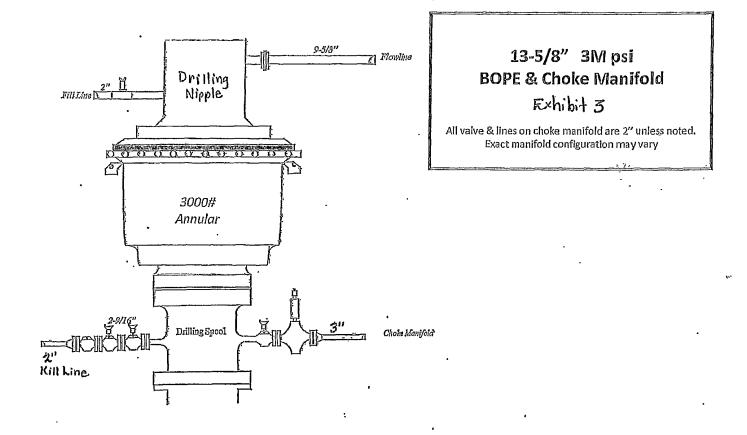


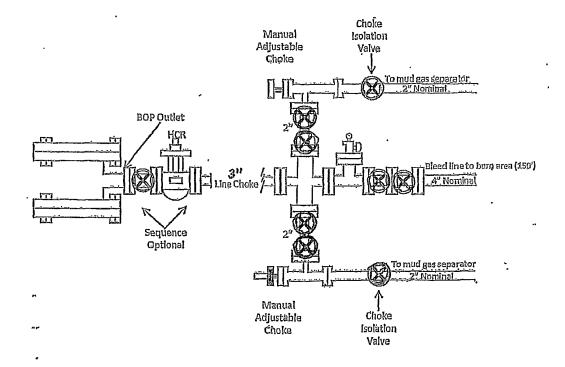
TOP DETAILS	DRMATION	F
 Formation	MDPath	TVDPath
Rustler	421 00	421 00
T/Salt	502 00	502 00
B/Satt	1346 00	1346 00
Yates	1522 00	1522 00
Seven Rivers	1799 00	1799 00
Queen	2412 00	2412 00
Grayburg	2819 00	2819 00
San Andres	3136 00	3136 00
Glorieta	4612 47	4511 00
(eso(Paddock)	4681 35 \	4675 00

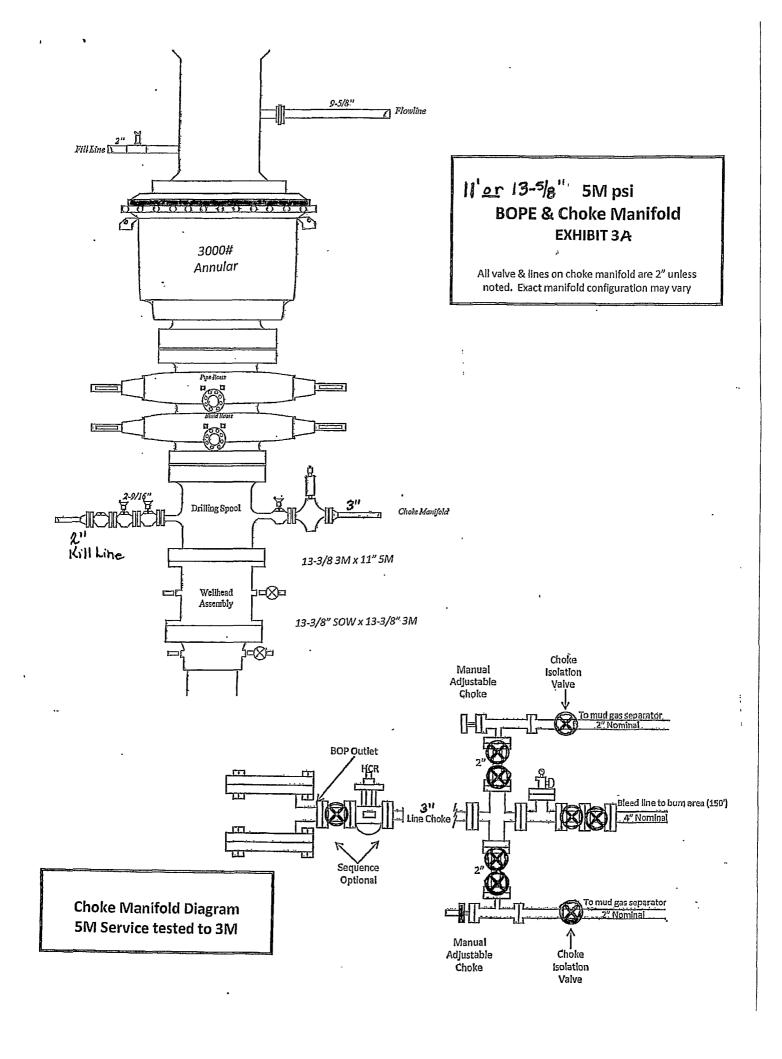


		A	ANNOTATIONS	
	TVD	MD	Annotation	
45	503 58	4503 58	KOP/Start Build 15 00	
48	85 34	5090 92	Land/Start 4363 01 hold at 5090 92 M	D
			TD at 9453,92	
				ı



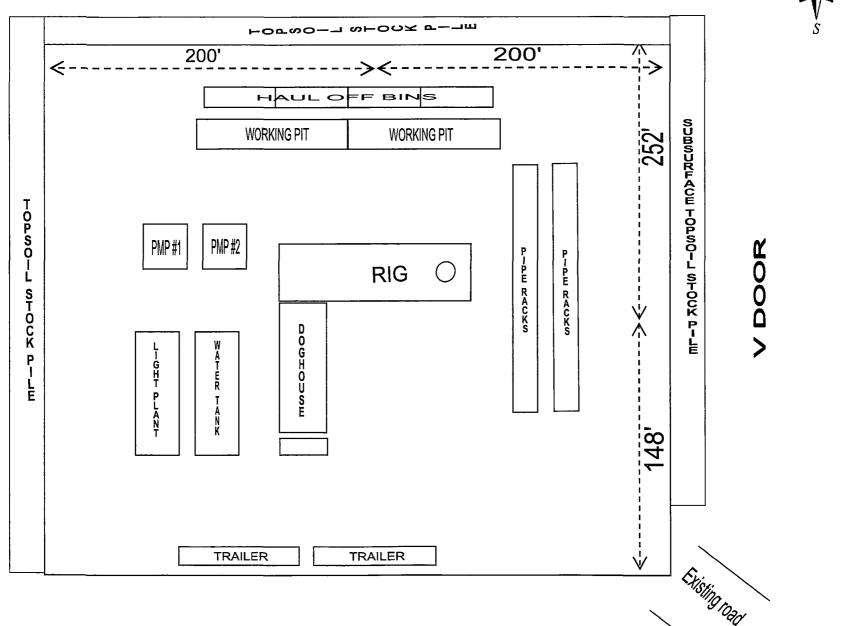


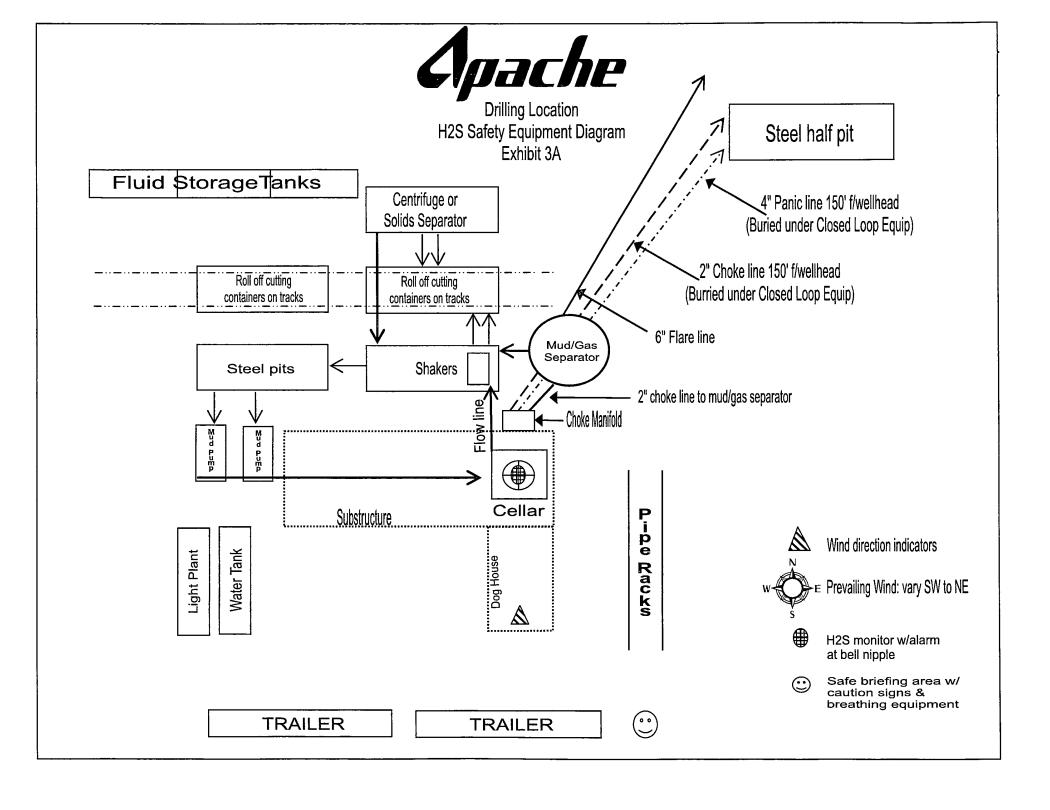




RIG ORIENTATION & LAYOUT NFE FEDERAL #25H EXHIBIT 5 (Revised)







HYDROGEN SULFIDE (H2S) DRILLING OPERATIONS PLAN

Hydrogen Sulfide Training:

All regularly assigned personnel, contracted or employed by Apache Corporation will receive training from qualified instructor(s) in the following areas prior to commencing drilling possible hydrogen sulfide bearing formations in this well:

- The hazards and characteristics of hydrogen sulfide (H₂S)
- The proper use and maintenance of personal protective equipment and life support systems.
- The proper use of H₂S detectors, alarms, warning systems, briefing area, evacuation procedures & prevailing winds.
- The proper techniques for first aid and rescue procedures.

Supervisory personnel will be trained in the following areas:

- The effects of H₂S on metal components. If high tensile tubulars are to be utilized, personnel will be trained in their special
 maintenance requirements.
- Corrective action & shut-in procedures when drilling or reworking a well & blowout prevention / well control procedures.
- The contents and requirements of the H₂S Drilling Operations Plan

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500') and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received proper training.

H₂S SAFETY EQUIPMENT AND SYSTEMS:

Well Control Equipment that will be available & installed if H₂S is encountered:

- Flare Line with electronic igniter or continuous pilot.
- Choke manifold with a minimum of one remote choke.
- Blind rams & pipe rams to accommodate all pipe sizes with properly sized closing unit.
- · Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head & flare gun with flares

Protective Equipment for Essential Personnel:

Mark II Survive-air 30 minute units located in dog house & at briefing areas, as indicated on wellsite diagram.

H2S Dection and Monitoring Equipment:

- Two portable H₂S monitors positioned on location for best coverage & response. These units have warning lights & audible sirens when H₂S levels of 20 ppm are reached.
- One portable H₂S monitor positioned near flare line.

H2S Visual Warning Systems:

- Wind direction indicators are shown on wellsite diagram.
- Caution / Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility
 yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual
 signs will be used when appropriate.

Mud Program:

- The Mud Program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weights, safe
 drilling practices & the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.
- A mud-gas separator and H₂S gas buster will be utilized as needed.

Metallurgy:

- All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold & lines, & valves will be suitable for H₂S service.
- All elastomers used for packing & seals shall be H₂S trim.

Communication:

Cellular telephone and 2-way radio communications in company vehicles, rig floor and mud logging trailer.

HYDROGEN SULFIDE (H2S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operators and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the :
 - o Detection of H₂S, and
 - o Measures for protection against the gas,
 - o Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = I	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = I	2 ppm	N/A	1000 ppm

Contacting Authorities

Apache Corporation personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Apache's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

WELL CONTROL EMERGENCY RESPONSE PLAN

I. GENERAL PHILOSOPHY

Our objective is to ensure that during an emergency, a predetermined procedure is followed so that prompt decisions can be made based on accurate information.

The best way to handle and emergency is with an experienced organization set up for the sole purpose of solving the problem. The *Well Control Emergency Response Team* was organized to handle dangerous & expensive well control problems. The *Team* is structured such that each individual can contribute the most from his area of expertise. Key decision-makers are determined prior to an emergency to avoid confusion about who is in charge.

If the well is flowing uncontrolled at the surface or subsurface, *The Emergency Response Team* will be mobilized. The *Team* is customized for the people currently on the Apache staff. Staff changes may require a change in the plan.

II. <u>EMERGENCY PROCEDURE ON DRILLING OR COMPLETION OPERATIONS</u>

A. In the event of an emergency the *Drilling Foreman or Tool-Pusher* will immediately contact only one of the following starting with the first name listed:

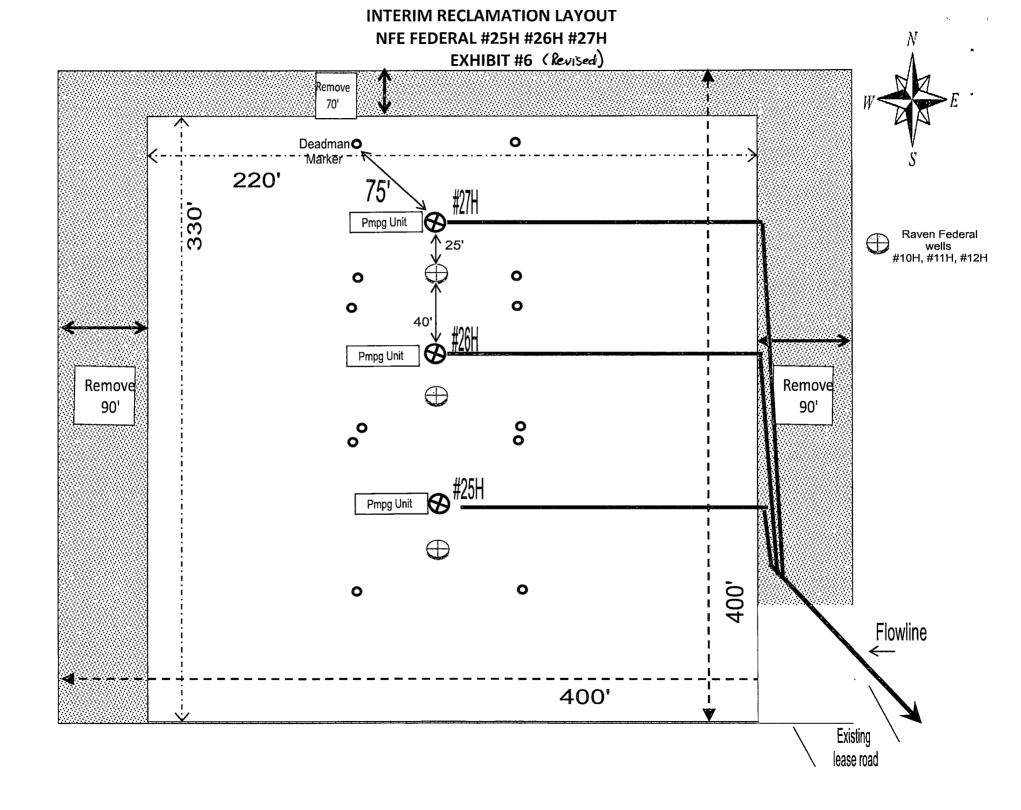
Name	Office	Mobile	Home
Danny Laman – Drlg Superintendent	432-818-1022	432-634-0288	432-520-3528
Terry West – Drilling Engineer	432-818-1114	432-664-7254	
Bobby Smith – Drilling Manager	432-818-1020	432-556-7701	
Jeff Burt – EH&S Coordinator	·	432-631-9081	

^{**}This one phone call will free the Drilling Foreman to devote his full time to securing the safety of personnel & equipment. This call will initiate the process to mobilize the Well Control Emergency Response Team. Apache maintains an Emergency Telephone Conference Room in the Houston office. This room is available for us by the Permian Region. The room has 50 separate telephone lines.

- B. The Apache employee contacted by the Drilling Foreman will begin contacting the rest of the *Team*. If **Danny Laman** is out of contact, **Bob Lange** will be notified.
- **C.** If a member of the *Emergency Response Team* is away from the job, he must be available for call back. Telephone numbers should be left with secretaries or a key decision-maker.
- **D.** Apache's reporting procedure for spills or releases of oil or hazardous materials will be implemented when spills or releases have occurred or are probable.

EMERGENCY RESPONSE NUMBERS:

SHERIFF DEPARTMENT	
Eddy County	575-887-7551
Lea County	575-396-3611
FIRE DEPARTMENT	911
Artesia	575-746-5050
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359
HOSPITALS	911
Artesia Medical Emergency	575-746-5050
Carlsbad Medical Emergency	575-885-2111
Eunice Medical Emergency	575-394-2112
Eunice Medical Emergency Hobbs Medical Emergency	575-394-2112 575-397-9308
Hobbs Medical Emergency	575-397-9308
Hobbs Medical Emergency Jal Medical Emergency	575-397-9308 575-395-2221
Hobbs Medical Emergency Jal Medical Emergency Lovington Medical Emergency	575-397-9308 575-395-2221



OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use)

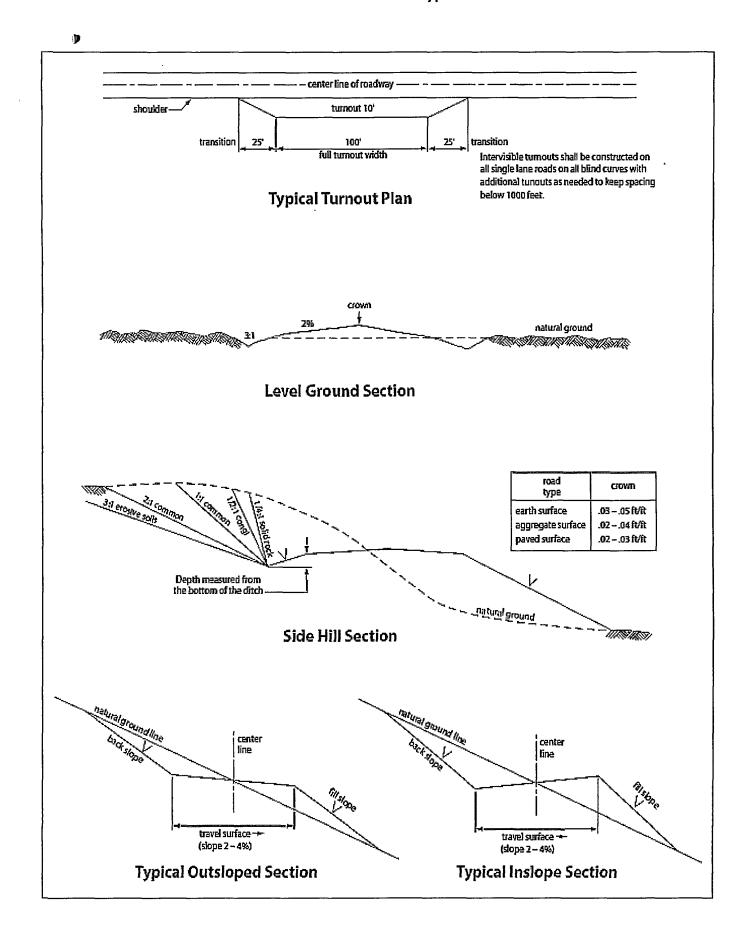
DRILLING

Danny Laman
Drilling Superintendent
303 Veterans Airpark Ln #3000
Midland, TX 79705
432-818-1022 - office
432-634-0288 - cell

PRODUCTION

Travis Carnes Sr. Production Foreman 2350 W. Marland Blvd Hobbs, NM 88240 575-393-2144 – w 432-425-2962 – c

Cross Sections and Plans for Typical Road Sections



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: APACHE CORPORATION

LEASE NO.: LC029435B

WELL NAME & NO.: 25H-NFE FEDERAL

SURFACE HOLE FOOTAGE: 2193'/N. & 220'/W.

BOTTOM HOLE FOOTAGE 2193'/N. & 330'/W.

LOCATION: Section 8, T. 17 S., R. 31 E., NMPM

COUNTY: Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

☐ General Provisions
☐ Permit Expiration
Archaeology, Paleontology, and Historical Site
☐ Noxious Weeds
Special Requirements
Well Pad Construction and Soil Stockpile
Interim Reclamation Requirement
Lesser Prairie-Chicken Timing Stipulations
Ground-level Abandoned Well Marker
◯ Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
□ Drilling
H ₂ S Requirements-Onshore Order #6
Logging Requirements
Waste Material and Fluids
☑ Production (Post Drilling)
Well Structures & Facilities
Pipelines
Interim Reclamation
Final Abandonment & Reclamation