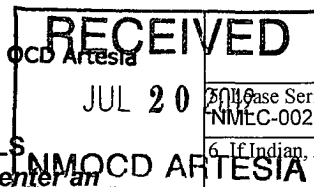


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Apache Corporation (873)

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

3b. Phone No. (include area code)
(432) 818-1015

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1700' FNL & 460' FWL UL. E, Sec 20, T 17S, R 31E

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

8. Well Name and No.
Lee Federal #041 (308720)

9. API Well No.
30-015-39611

10. Field and Pool or Exploratory Area
Cedar Lake; Glorieta-Yeso (96831)

11. Country or Parish, State
Eddy 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 checked="" type="checkbox"/> Other <i>Drilling Operation</i>
	<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 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 intends to complete steps 1-3 and follow steps 4-7 as needed per Mr. Wesley Ingram's instructions.

1. Apache will fill the annulus above the ECP with packer fluid of sufficient weight to displace the fluid in the annulus. Apache will monitor this annulus for flow and/or pressure.
2. Apache will perform a casing inspection log prior to placing the well on production.
3. Within 12 months or when the well equipment is pulled for repair or replacement, whichever is earlier, Apache will run another casing inspection log.
4. Apache will perform an analysis on the results of these two inspection logs in conjunction with a reservoir review to determine the productive life of the well.
5. If the productive life of the well is determined to be longer than the casing life, Apache will install a liner at that time. If we wait until a hole develops, the cement for the liner will be suspect as the water flow will not enable the liner to be cemented adequately.
6. Immediately prior to installing a liner, Apache will perforate above the DV tool and squeeze sufficient cement to obtain a top of cement at the base of the water flow. In addition, we will perforate 50' below the intermediate shoe and directly below the ECP and perform a suicide squeeze to obtain cement across the intermediate casing shoe. Finally, we will perforate above the ECP and circulate cement to surface. The results of the cement remediation shall be confirmed with a CBL.
7. Apache can then install a 4" flush joint liner and circulate cement to surface. The 4 5" FJ cannot be installed as the required standoff of 0.422" will not be met. Apache will run a CBL on this if requested.

Accepted for record SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

Fatima Vasquez

Title Regulatory Tech

Signature

Date 07/10/2012

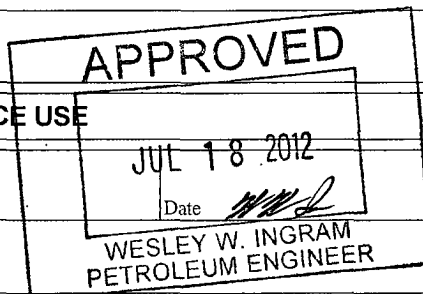
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.

**Lee Federal 41
30-015-39611
Apache Corporation
July 18, 2012
Conditions of Approval**

- 1. Operator to review the two casing inspection logs and submit copies of both with their analysis to the BLM for review. If there is no change in the casing thickness, operator shall run periodic inspection logs within 12-18 months of the previous inspection date.**
- 2. Steps 4-7 were not to be considered as optional in the email sent to the operator on July 9, 2012.**
- 3. When a change is noted in the casing, operator shall complete step 4 and present their analysis to the BLM for review.**
- 4. If the analysis indicates that the well will produce beyond the life of the casing, the operator shall install the liner at that time (steps 5-7).**

WWI 071812