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AUG 30 2012

NMOCD ARTESIA

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter and  
Abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on page 2.

|  |  |  |
|--|--|--|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |  | 7. If Unit of CA/Agreement, Name and/or No.                                |
| 2. Name of Operator<br>APACHE CORPORATION <873>  |  | 8. Well Name and No.<br>TONY FEDERAL #42 <308738>                          |
| 3. Address<br>303 VETERANS AIRPARK LN, #3000<br>MIDLAND, TX 79705  | 3b. Phone No. (include area Code)<br>432-818-1167 / 432-818-1193 | 9. API Well No.<br>30-015-40387  |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>2425' FSL & 2160' FWL UL: K SEC: 18 T17S R31E          |  | 10. Field and Pool or Exploratory Area<br>CEDAR LAKE; GLORIETA-YESO<96831> |
|  |  | 11. County or Parish, State<br>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 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 recompleat 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 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.

Bond No: BLM-CO-1463/NMB000736

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

8/19/2012 - 8-5/8" intermediate csg was set @ 3503' & cmt'd w/1500 sx Class C 35/65 pozmix w/ 6% bentonite, 5% salt, and 0.25% R-38 (Weight 12.4 ppg, Yield 2.10 cuft/sk) followed by 270 sx Class C w/ 0.25% R-38 (Weight 14.8 ppg, Yield 1.34 cuft/sk). There was no circ during cmt job, & a subsequent temp log showed TOC to be @ approx 1092'. Injection was established through bradenhead valve @ 5 barrels per minute. Then the back side of the 8-5/8" csg was cmt'd through bradenhead valve (w/csg slips already set) by pmpg 400 sx thixotropic cmt (Weight 14.4 ppg, Yield 1.56 cuft/sk) followed by 400 sx Class C (Weight 14.8 ppg, Yield 1.33 cuft/sk). There was no annulus pressure while cmtg. After WOC for 4 hrs an attempt to establish injection was made, & annulus pressured up to 1000 psi. A subsequent cmt bond log showed a void in the 8-5/8" x 13-3/8" annulus from surface to approx 250'.

Accepted for record

NMOCD

|  |  |  |
|--|--|--|
| 14. I hereby certify that the foregoing is true and correct.<br>Name (Printed/Typed) <b>SORINA L. FLORES</b> |  | Title <b>SUPV OF DRILLING SERVICES</b> |
| Signature <i>Sorina L. Flores</i>  |  | Date <b>8/20/12</b>                    |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|  |        |                    |
|--|--------|--------------------|
| Approved by  | Title  | Date               |
|  |        | <b>AUG 20 2012</b> |
| 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 |                    |

WESLEY W. INGRAM  
PETROLEUM ENGINEER

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)

**Tony Federal 42  
30-015-40387  
Apache Corporation  
August 20, 2012  
Conditions of Approval**

- 1. If the pressure test is successful, operator is approved to continue with the drilling program.**
- 2. Operator to provide a plan for the monitoring system for BLM approval.**
- 3. At final plugging and after wellhead is cutoff, operator shall tag the top of cement in the 8-5/8" x 13-3/8" annulus with one inch tubing and cement from that tag. Tag should be approximately 250'.**
- 4. Operator to review logs on this well to determine if surface casing set point should be changed to assist in the cementing of these lost circulation zones.**
- 5. Operator to consider 1" at these depths on future wells. One inch has been successful from deeper tops of cement and will provide a better cement job.**

**WWI 082012**