

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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 and
Abandoned well. Use Form 3160-3 (APD) for such proposals

5. Lease Serial No.

NMNM-007724

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

BOQUILLAS 18 FEDERAL #1

2. Name of Operator

APACHE CORPORATION <873>

9. API Well No.

30-015-40266

3. Address

303 VETERANS AIRPARK LN, #3000
MIDLAND, TX 79705

3b. Phone No. (include area Code)

432-818-1167 / 432-818-1193

10. Field and Pool or Exploratory Area

LOCO HILLS;GLORIETA-YESO <96718>

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 330' FEL UL: H SEC: 18 T16S R30E

11. County 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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☒ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other

pool change

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 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.

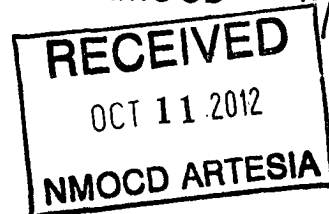
Bond No: BLM-CO-1463 NATIONWIDE / NMB000736

APACHE PROPOSING TO CHANGE FROM HORIZONTAL WELL TO VERTICAL; BELOW IS CHANGE IN CSG, CMT & MUD PROGRAM:

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

PROPOSED CSG:

HOLE	DEPTH	OD CSG	WT	COLLAR	GRADE	COLLAPSE	BURST	TENSION
17.5	0'-422'	13 3/8	48#	STC	H40	1.0	1.21	1.8
11	0'-2300'	8 5/8	24#	STC	J55	1.0	1.21	1.8
	2300'-2800'		28#	STC	HCK55			
7-7/8	0'-5600'	5.5	17#	STC	J55	1.0	1.21	1.8

Accepted for record
NMOCD14. 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 7/16/12

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.

APPROVED

JUL 21 2012

Date

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)

BOQUILLAS 18 FEDERAL #1 (api # 30-015-40266)

PROPOSED CMT PROGRAM:

13-3/8" SURFACE: (100% Excess, cmt to surf)

Lead: 230 sx Class H 50/50 w/10% Gel + 0.5# Star seal + 0.25% Defoamer + 3% Salt (13.5 wt, 1.75 yld)

Tail: 210 sx Class C W/0.25% Defoamer (14.8 wt, 1.33 yld)

Comp Strengths: 12hr – 813 psi 24hr – 1205 psi

8-5/8" INTERMEDIATE (50% Excess, cmt to surf)

Lead: 560 sx Class H 50/50 w/10% Gel + 2# Star seal + 0.25% Defoamer (13.5 wt, 1.75 yld)

Tail: 210 sx Class C w/ 1% CaCl + 0.25% Defoamer (14.8 wt, 1.34 yld)

Comp Strengths: 12hr – 813 psi 24hr – 1205 psi

5.5" PRODUCTION (35% Excess, TOC: 2000')

Lead: 80 sx Class H 50/50 w/10% Gel + 2# Star seal + 0.25% Defoamer (11.9 wt, 2.24 yld)

Tail: 310 sx Class C w/1% CaCL + 0.25% Defoamer (14.8 wt, 1.34 yld)

Comp Strengths: 12hr – 813 psi 24hr – 1205psi

PROPOSED MUD PROGRAM:

INTERVAL	MW (ppg)	VISC (Sec/qt)	FLUID LOSS (cc)	MUD TYPE
0'-422'	8.6 - 8.8	28 – 30	NC	Fresh Water
422' – 2800'	9.8 – 10.2	28 – 34	NC	Brine
2800' – 5600'	8.6 – 9.1	28 – 36	NC	Cut Brine

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

~~X~~ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 40266	Pool Code 96718	Pool Name Loco Hills; Glorieta - Yeso
Property Code 39216	Property Name BOQUILLAS 18 FEDERAL	Well Number 1
OGRID No 873	Operator Name APACHE CORPORATION	Elevation 3767'

Surface Location

UL or lot No. H	Section 18	Township 16-S	Range 30-E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1 36.35 AC.</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=699767.3 N X=601249.0 E</p> <p>LAT.=32.923301° N LONG.=104.003370° W LAT =32°55'24" N LONG =104°00'12" W</p> <p>LOT 2 36.38 AC</p> <p>LOT 3 36.40 AC</p> <p>LOT 4 36.43 AC</p>	<p>DETAIL</p> <p>3765.7' 3768.0'</p> <p>600'</p> <p>3765.9' 3770.0'</p> <p>600'</p> <p>S.L.</p> <p>330'</p> <p>SEE DETAIL</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Sorina L Flores</i> 7/17/12 Signature Date</p> <p><i>Sorina L. Flores</i> Printed Name</p> <p><i>Sorina.L.Flores@apachecorp.com</i> E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>July 15, 2011</p> <p>Date of Survey</p> <p>Signature of Registered Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 7/17/2012</p> <p>Certificate Number 3239</p> <p>DSR Rel.WO#11 11 1360 JWSC W O - 12.13 1299</p>
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**Boquillas 18 Federal 1
30-015-40266
Apache Corporation
July 21, 2012
Conditions of Approval**

Original Conditions of Approval are applicable except for changes noted in this document.

- 1. Operator to modify intermediate casing string as follows: Operator shall set approximately 2260' of J-55 to meet BLM collapse safety factor of 1.125 for collapse. Operator shall set approximately 540' of HCK-55.**
- 2. Production casing cement as presented results in a negative 8% excess. To achieve the 35% excess that the operator proposed, the lead cement volume will need to increase to 200 sacks with the tail volume remaining as proposed. Also, the lead cement composition is identical to that used for the surface and intermediate casing, but the weight and yield are considerably different. Is this the correct cement blend?**
- 3. BLM's safety factor minimums are: collapse = 1.125, burst = 1.0, tension = 1.8**

A. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the San Andres Formation.

1. The 13-3/8 inch surface casing shall be set at **approximately 422 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface. **If salt is encountered, operator shall set casing a minimum of 25 feet above the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. 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.
3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
☒ Cement as proposed. Operator shall provide method of verification.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

WWI 072112

*NMOCDS: Must be in compliance w/ Rule 5.9
prior to placing well on production*