

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

HOBBS OCD
JUL 28 2015
RECEIVED

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-08928
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A-2614
7. Lease Name or Unit Agreement Name McDonald State AC 1 / 306613
8. Well Number 008
9. OGRID Number 873
10. Pool name or Wildcat Eunice; 7 Rivers-Queen, South (24130)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Apache Corporation

3. Address of Operator:
303 Veterans Airpark Lane, Suite 1000 Midland, TX 79705

4. Well Location
Unit Letter M : 660 feet from the South line and 660 feet from the West line
Section 16 Township 22S Range 36E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3533' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER: SQUEEZE LEAK

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Due to pressure found on the production and intermediate casing, the leak will be located and repaired as noted in the attached procedure. Verbal approval to proceed while RU was obtained from Hobbs OCD 7/28/2015.

Spud Date: 7/28/1937

Rig Release Date: 8/22/1937

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Reesa Fisher TITLE Sr. Staff Regulatory Analyst DATE 7/28/2015

Type or print name Reesa Fisher E-mail address: Reesa.Fisher@apachecorp.com PHONE: (432) 818-1062

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 08/17/15
Conditions of Approval (if any):

AUG 20 2015

AM

McDonald State AC 1 #8

API: 30-025-08928

Summary: Set CIBP above perms, Squeeze casing leak.

Day 1/2: MIRU SU. POOH with rods and pump. ND WH. NU BOP. POOH with tubing. PU and RIH with 2-7/8" tubing, 6-1/8" bit and scraper. Circulate and clean to PBTD. POOH with tubing, bit and scraper.

MIRU wireline. RIH with CIBP on wireline and set same at $\pm 3,476'$. POOH. RIH and dump 35' cement on top of CIBP. POOH. WOC.

Day 3: RIH with wireline and run GR/CCL/CBL from $\pm 3,400'$ to TOC. RD wireline. RIH with 2-7/8" tubing and packer. Test casing and isolate location of casing leak. POOH. RIH with cement retainer and set same $\pm 50'$ above top of casing leak. Sting into cement retainer. Squeeze casing leak as dictated by injection rate. Sting out of cement retainer and POOH with tubing. WOC.

Day 4: RIH with 6-1/8" bit and drill out cement retainer and cement to $\pm 3,400'$. POOH. Load and test casing to 500 psi for 30 minutes on chart. NOTE: If casing fails to test, additional squeezes may be required. Procedure for these squeezes will be the same as in Day 3.

If casing tests good, RD SU. Secure well.

