

UNITED STATES
DEPARTMENT OF THE INTERIOR **OC D Artesia**
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 and Abandoned well. Use Form 3160-3 (APD) for such proposals

5. Lease Serial No.
NMLC-0029395A
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.
TONY FEDERAL #37 <308738>

2. Name of Operator
APACHE CORPORATION <873>

9. API Well No.
30-015-40171

3. Address
**303 VETERANS AIRPARK LN, #3000
MIDLAND, TX 79705**

3b. Phone No. (include area Code)
432-818-1117 / 432-818-1198

10. Field and Pool or Exploratory Area
CEDAR LAKE; GLORIETA-YESO <96831>

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
460' FNL & 1625' FEL, UL: B, SEC 19, T17S, R31E

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			
<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 checked="" 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>DRILLING OPS:</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>INTERMEDIATE CASING</u>
				<u>JOB</u>

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 recomplete 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

Apache Corporation's Barry Green made the following request by telephone and e-mail and received verbal approval from BLM's Wesley Ingram on 7/13/2012:

Apache Corporation requests a revision to the intermediate hole water flow contingency plan contained in the approved APD for Tony Federal #37 (API No. 30-015-40171) located in Section 19, T17S, R31E, Eddy County, NM.

REPORT CONTINUED ON PAGE 2.

See requirements

RECEIVED
AUG 03 2012
NMOCD ARTESIA

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

Title **DRILLING TECH**

Accepted for record
NMOCD

Signature *Vicki Brown*

Date **7/25/2012**

Wesley Ingram

THIS SPACE FOR FEDERAL OR STATE OFFICE USE **APPROVED**

Approved by

Title

AUG 2 2012 Date

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
DISTRICT 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)

The contingency plan contained in the approved APD reads as follows: "If water flow is encountered, Apache will 2-stage Intermediate csg. A DVT will be used in the 8-5/8" Intermediate csg. TD of the 11" hole at +/- 3500', DVT will be set +/- 1800'. Cmt 1st Stage w/ +/- 450 sx CI C (14.8#, 1.33 yld) Cmt 2nd Stage w/ +/- 900 sx CI C (14.8#, 1.33 yld)."

Apache Corporation proposes to modify the contingency plan as follows:

1. Run DV tool in 8-5/8" casing string at 1650'
2. Run an external casing packer (ECP) immediately below the DV tool
3. Increase the 1st stage cement volume to 820 sx (same cement type, weight and yield)
4. Set casing slips before pumping 2nd stage
5. Replace the 2nd stage cement with 1200 sx lead slurry consisting of Class C 35:65 pozmix w/ 6% bentonite, 5% salt, and 0.25% R-38 (weight 12.4 ppg, yield 2.1 cuft/sk) followed by 300 sx tail slurry consisting of Class C w/ 0.25% R-38 (weight 14.8 ppg, yield 1.33 cuft/sk)

(Apache also proposes that a cement bond log will not be run on the intermediate casing if any 1st stage cement is circulated off the DV tool and if any 2nd stage cement circulates to surface.)

*Not discussed during verbal request
Did operator run CBL?
Submit all cement reports for
intermediate casing,*