

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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.*5. Lease Serial No.
NMLC029435B

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
NFE FEDERAL 32H2. Name of Operator
APACHE CORPORATIONContact: SORINA FLORES
E-Mail: sorina.flores@apachecorp.com9. API Well No.
30-015-41672-00-X13a. Address
303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND, TX 797053b. Phone No. (include area code)
Ph: 432-818-116710. Field and Pool, or Exploratory
CEDAR LAKE

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

Sec 7 T17S R31E NESE 1495FSL 432FEL

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operation has determined that the site is ready for final inspection.)

BLM-CO-1463 NATIONWIDE / NMB000736

Apache proposes to change the csg/cmt for the NFE Federal #32H as follows:

CSG PROGRAM:

HOLE DEPTH OD CSG WT GRADE COLLAR DESIGN COLLAPSE BURST TENSION

MW	Rating/SF	Rating/SF	Rating/SF	STC	8.8ppg	770psi	1730psi	322000lbs
17-1/2"	0-400'	13-3/8"	48# H40	STC	8.8ppg	770psi	1730psi	322000lbs
3.592	5.49	17.22						
12-1/4"	0-3500'	9-5/8"	36# J55	STC	9.8ppg	2020psi	3520psi	394000lbs
1.134	1.45	3.68						
8-3/4"	0-5018'	7"	29# L80	LTC	9.3ppg	7020psi	8160psi	587000lbs

Denied
Accepted 1/6/2015
8/20 NMLC029435B

need directional
plan - requested it
months ago.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #251849 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER MASON on 10/24/2014 (15JAM0050SE)

Name (Printed/Typed) SORINA FLORES

Title SUBMITTING CONTACT

Signature (Electronic Submission)

Date 07/07/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

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

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #251849 that would not fit on the form

32. Additional remarks, continued

(vert)	2.89	3.32	4.03
8-3/4" 5018-5612' 5-1/2" 20# L80 LTC	9.3ppg	8464psi	9190psi 416000lbs
(curve) (5400 TVD)	3.12	3.39	4.15
7-7/8" 5612-10618' 5-1/2" 20# L80 LTC	9.3ppg	8794psi	9190psi 416000lbs
(lat.) (5480' TVD)	1.74	1.79	1.96

*Calculated Safety Factors based on:

Burst: Full evacuation of annulus & csg filled with mud

Collapse: Mud in annulus & full evacuation of csg

Tension: Annulus & csg filled with mud

Production csg will be a tapered string w/7" csg f/surf to KOP(cmt'd through a stage tool f/ KOP to 2500'), uncemented 5-1/2" csg f/ KOP to LP, & uncemented 5-1/2" csg with packers & sleeves f/ LP to TD to isolate San Andres & Glorieta formations, two hydraulic-set open hole packers will be placed in 5-1/2" csg & set 50' above & 50' below the top of Glorieta formation.

CMT PROGRAM:

Surf (TOC-Surf) 100% excess cmt; cmt with:

Single Slurry: 520sx CL c w/2% CaCL₂(14.8wt, 1.34yld, 6.31 gal wtr/sk)

Comp Strengths: 12hr - 1270psi 24hr - 2029psi

*If lost circ is encountered while drig 17-1/2" hole, operator may pmp 200sx

CI C Thixotropic cmt(14.4wt, 1.55yld, 6.65 gal wtr/sk) ahead of cmt slurry

shown above. If cmt does not circ to surf, appropriate BLM office shall be

notified. The TOC shall be determined by a method approved by BLM.

Operator will propose a remediation method & request BLM approval

Interm (TOC-surf) 50% excess cmt; cmt with:

Lead: 700sx 35/65 Poz C w/6% gel+5% Salt (12.9wt, 1.92yld, 9.92 gal wtr/sk)

Comp Strengths: 12hr - 820psi 24hr - 1189psi

Tail: 290sx CI C(14.8wt, 1.33yld, 6.31 gal wtr/sk)

Comp Strengths: 12hr - 1120psi 24hr - 2106psi

*If water flow is encountered, operator may use a DVT in 9-5/8" Interm csg

& operator may place an ECP below DVT. Operator may also set csg slips

before cmtg. Assuming DVT is set at 1800', the following cmt would be used:

1st stage: 630sx CI C(14.8wt, 1.33yld, 6.31 gal wtr/sk) 50% excess cmt

2nd stage: 670sx CI C (14.8wt, 1.33yld, 6.31 gal wtr/sk) 50% excess cmt. If a DVT is set at a different depth, cmt volumes will be adjusted accordingly.

Prod (TOC: ~2500' f/surf) 35% excess cmt; cmt with:

Lead: 110sx 35/65 Poz C W/6% Gel+5% Salt (12.6wt, 2.06yld, 10.95 gal wtr/sk)

Comp Strengths: 12hr - 317psi 24hr - 500psi

Tail: 220sx TXI Lightweight w/1.3% Salt+0.3% Retarder(13.0wt, 1.48yld, 7.58

gal wtr/sk) Comp Strengths: 12hr - 1100psi 24hr - 1755psi

*If operator chooses to run fluid caliper, above cmt volumes may be revised

based on fluid caliper measurement.

**** PLEASE SEE ATTACHMENT FOR ADDITIONAL SUNDRY INFORMATION; ADDITIONAL INFORMATION DID NOT FIT ONLINE*****

DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

APACHE CORPORATION (OGRID: 873) NFE FEDERAL #32H

Lease #: NMLC-029435B Projected TVD: ~5480' MD: ~10618' GL: 3718'
SL: 1495' FSL & 432' FEL UL: I SEC: 7 BHL: 1495' FSL & 330' FWL UL: I SEC: 8
T17S R31E EDDY COUNTY, NEW MEXICO

1. GEOLOGIC NAME OF SURFACE FORMATION: Eolian/Piedmond Alluvial Deposits

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Quaternary Aeolian	Surf	Grayburg	2786'
Rustler	256'	San Andres	3096'
Top of Salt	496'	Glorieta	4589'
Base of Salt	1316'	Yeso (Paddock)	4647' (Oil)
Yates	1501'	Yeso (U. Blinbry)	5135'
Queen	2397'	TD	TVD: 5480' MD: 10618'

Avg Depth to Ground Water: ~91'

All fresh water and prospectively valuable minerals, as described by BLM, encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows within zones of correlative rights will be tested to determine commercial potential. The surface fresh water sands will be protected by setting 13-3/8" surface casing at 400' and circulating cement to surface. All intervals will be isolated by setting a 7" and 5-1/2" tapered production casing string at TD and cementing as shown below.

3. CASING PROGRAM: All casing is new & API approved

HOLE SIZE	DEPTH	OD CASING	WEIGHT	GRADE	COLLAR	DESIGN MW	COLLAPSE Rating/SF*	BURST Rating/SF*	TENSION Rating/SF*
17-1/2"	0' - 400'	13-3/8"	48#	H-40	STC	8.8 ppg	770 psi 3.592	1730 psi 5.49	322000 lbs 17.22
12-1/4"	0' - 3500'	9-5/8"	36#	J-55	STC	9.8 ppg	2020 psi 1.134	3520 psi 1.45	394000 lbs 3.68
8-3/4" (vertical)	0' - 5018' (5018' TVD)	7"	29#	L-80	LTC	9.3 ppg	7020 psi 2.89	8160 psi 3.32	587000 lbs 4.03
8-3/4" (curve)	5018' - 5612' (5400' TVD)	5-1/2"	20#	L-80	LTC	9.3 ppg	8464 psi 3.12	9190 psi 3.39	416000 lbs 4.15
7-7/8" (lateral)	5612' - 10618' (5480' TVD)	5-1/2"	20#	L-80	LTC	9.3 ppg	8794 psi 1.74	9190 psi 1.79	416000 lbs 1.96

*Calculated Safety Factors based on:

Burst: Full evacuation of annulus and casing filled with mud

Collapse: Mud in annulus and full evacuation of casing

Tension: Annulus and casing filled with mud

Production casing will be a tapered string with 7" casing from surface to KOP (cemented through a stage tool from KOP to 2500'), uncemented 5-1/2" casing from KOP to LP, and uncemented 5-1/2" casing with packers and sleeves from LP to TD. To isolate the San Andres and Glorieta formations, two hydraulic-set open hole packers will be placed in the 5-1/2" casing and set 50' above and 50' below the top of the Glorieta formation.

4. CEMENT PROGRAM:

A. Surface (TOC - Surface) **100% excess cmt Cmt with:**

Single Slurry: 520 sx Class C w/2% CaCl₂ (14.8 wt, 1.34 yld, 6.31 gal wtr/sk)

Compressive Strengths: 12 hr - 1270 psi 24 hr - 2029 psi

If lost circulation is encountered while drilling the 17-1/2" hole, operator may pump 200 sx Class C thixotropic cement (14.4 wt, 1.55 yld, 6.65 gal wtr/sk) ahead of the cement slurry shown above.

If cmt does not circulate to surface, the appropriate BLM office shall be notified. The TOC shall be determined by a method approved by BLM. Operator will propose a remediation method and request BLM approval.

B. Intermediate (TOC - Surface) **50% excess cmt Cmt with:**

Lead: 700 sx 35/65 Poz C w/6% Gel + 5% Salt (12.9 wt, 1.92 yld, 9.92 gal wtr/sk)

Compressive Strengths: 12 hr - 820 psi 24 hr - 1189 psi

Tail: 290 sx Class C (14.8 wt, 1.33 yld, 6.31 gal wtr/sk)

Compressive Strengths: 12 hr - 1120 psi 24 hr - 2106 psi

If a water flow is encountered, operator may use a DV tool in the 9-5/8" intermediate casing and operator may place an ECP below the DV tool. Operator may also set casing slips before cementing. Assuming a DV tool is set at 1800', the following cement would be used: 1st Stage 630 sx Class C (14.8 wt, 1.33 yld, 6.31 gal wtr/sk) 50% excess cement 2nd Stage 670 sx Class C (14.8 wt, 1.33 yld, 6.31 gal wtr/sk) 50% excess cement If a DV tool is set at a different depth, cement volumes will be adjusted accordingly.

C. Production (TOC: ~2500' from Surface) **35% excess cmt Cmt with:**

Lead: 110 sx 35-65 Poz C w/6% Gel + 5% Salt (12.6 wt, 2.06 yld, 10.95 gal wtr/sk)

Compressive Strengths: 12 hr – 317 psi 24 hr – 500 psi

Tail: 220 sx TXI Lightweight w/1.3% Salt + 0.3% Retarder (13.0 wt, 1.48 yld, 7.58 gal wtr/sk)

Compressive Strengths: 12 hr – 1100 psi 24 hr – 1755 psi

If operator chooses to run a fluid caliper, the above cement volumes may be revised based on fluid caliper measurement.

5. PROPOSED CONTROL EQUIPMENT

"EXHIBIT 3" shows a 13-5/8" 3M psi WP BOP consisting of an annular bag type preventer. This BOP will be nipped up on the 13-3/8" surface casing head and tested to 2000psi using a test plug. After the 9-5/8" intermediate casing is set & cemented, an 11" 3M BOP consisting of an annular bag type preventer, middle pipe rams and bottom blind rams will be installed and utilized continuously until TD is reached ("EXHIBIT 3A"). That BOP will be tested at 2000 psi; maximum surface pressure is not expected to exceed 2000 psi. BHP is calculated to be approximately 2650 psi at TD & 2650 psi at the deepest point in the lateral. All BOPs and associated equipment will be tested per BLM *Drilling Operations Order #2*. The BOPs will be operated and checked each 24 hour period and blind rams will be operated and checked when the drill pipe is out of the hole. Function tests will be documented on the daily driller's log. "EXHIBIT 3 & 3A" also show a 3M psi choke manifold with a 3" blow down line. Full opening stabbing valve and kelly cock will be on the derrick floor in case of need. No abnormal pressures or temperatures are expected in this well. No nearby wells have encountered any well control problems.

6. AUXILIARY WELL CONTROL EQUIPMENT / MONITORING EQUIPMENT:

13-5/8" 3000 psi annular preventer (3M BOP/BOPE to be used as a 2M system)

11" 3000 psi double BOP (blind & pipe rams) and annular preventer (3M BOP/BOPE to be used as a 2M system)

4-1/2" x 3000 psi kelly valve

13-5/8" or 11" x 3000 psi mud cross – H2S detector on production hole

Gate-type safety valve – 3" choke line from BOP to manifold

2" adjustable chokes – 3" blow down line

Fill up line per BLM *Onshore Order #2*

7. PROPOSED MUD CIRCULATION SYSTEM: (CLOSED LOOP SYSTEM)

INTERVAL	MUD WEIGHT (ppg)	VISCOSITY (sec/qt)	FLUID LOSS (cc)	MUD TYPE
0' – 450'	8.3 – 8.8	28 – 36	NC	FW
450' – 3500'	9.6 – 9.8	28 – 29	NC	Brine
3500' – 5018'	9.0 – 9.8	28 – 29	NC	Brine/Cut Brine
5018' – 10618'	9.0 – 9.3	28 – 29	NC	Cut Brine

** Visual mud monitoring equipment shall be in place to detect volume changes. A mud test shall be performed every 24 hours after mudding up to determine density, viscosity, gel strength, filtration, and pH. The necessary mud products for weight addition and fluid loss control will be on location at all times.

8. LOGGING, CORING & TESTING PROGRAM:

A. No cores, DSTs, or open hole logs are planned at this time.

B. Mudloggers from 4200' to TD.

C. Additional testing will be initiated subsequent to setting the 7" and 5-1/2" tapered production casing string. Specific intervals will be targeted based on geological sample shows.

9. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud-weight. There is known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of BLM *Onshore Oil & Gas Order #6*. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated maximum BHP: 2650 psi and estimated BHT: 115° F.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location construction will begin after BLM has approved APD. Anticipated spud date will be after BLM approval and as soon as an appropriate rig is available. Move in operations and drilling is expected to take approximately 20 days. If production casing is run, an additional 90 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place the well on production.

11. OTHER FACETS OF OPERATION:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Cedar Lake; Glorieta-Yeso formation will be stimulated in order to establish production. The well will be tested and potentialed as an oil well.