

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 an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC029435B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
APACHE CORPORATION3a. Address
303 VETERANS AIRPARK LN, STE 3000
MIDLAND, TX 79705

3b. Phone No. (include area code)

432 818.1072

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC8, T17S, R31E & 2310' FNL, 330' FWL

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

8. Well Name and No.
NFE FEDERAL #89. API Well No.
30-015-3735610. Field and Pool or Exploratory Area
CEDAR LAKE; GLORIETA-YESO11. Country or Parish, State
EDDY, 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input 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 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 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.)

APACHE CORPORATION PROPOSES TO REPAIR A HOLE IN THE CASING & RWTP WITH THE FOLLOWING PROCEDURE:

1. MIRU UNIT. ND WH NU BOP.
2. POOH W/RODS & TBG. PU WS & RIH W/RBP & PKR. SET RBP JUST ABOVE PERFS. PUH 1 STD & PKR. PRESSURE TEST PKR & RBP TO 1000 PSI. ISOLATE HOLE IN CSG. DUMP 2 SX OF SAND ON TOP OF RBP & LET SETTLE ON.
3. PU & RIH W/CICR AND SET @ +50' ABOVE HOLES IN CSG. STING INTO CICR ON TBG & ESTABLISH PUMP RATE & PRESSURE FOR CMT DESIGN
4. REESTABLISH PUMP RATE & PRESSURE PRIOR TO SQUEEZE JOB.
5. SQUEEZE HOLES IN CASING AS PER RECOMMENDED DESIGN. HAVE 100% EXCESS ON LOCATION TO RE-SQUEEZE IF NECESSARY.
6. UNSTING FROM CICR & SPOT 2 SX CMT ON TOP OF CICR. PICK UP 1 JOINT OF TBG & REVERSE CIRCULATE 2 TUBING VOLUMES TO CO CMT FROM TBG & POOH.
7. RIG 2 1/4-3/4" BIT FOR 5-1/2" 17# CSG & DO CICR TO RBP & PRESSURE TEST CSG & SQZ'D PERFS TO 500 PSI. REVERSE CIRCULATE SAND OFF RBP & POOH RIH WITH RBP RETRIEVING TOOL & RETRIEVE RBP. RD TRIP W/BIT & SCRAPER TO PBTD & POOH.
8. RIH W/PRODUCTION TBG & RODS
9. RDMOPU. RETURN WELL TO PRODUCTION.

Approval Subject to General Requirements
& Special Stipulations AttachedJSA 10-4-11
Accepted for record - NMOCSEE ATTACHED FOR
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
MITCH MASON

Title ENG. TECH

Signature

Date 05/25/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

SEP 13 2011

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.

Title

Office

BLM-CARLSBAD FIELD 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.

(Instructions on page 2)

**NFE Federal #8
Apache Corporation
30-015-37356
Sep 13, 2011
Conditions of Approval**

WELL STATUS:

Jan 2010. Well drilled. First production 20 Feb 2010. 53 BOPD.

Top Grayburg at 2817' (possible lost circulation zone)

Top San Andres at 3134' (possible lost circulation zone)

Top Lovington at 3264'

Top Glorieta at 4604'

Jun 2010. Repaired hole in casing from 3224' – 3240'. Squeezed 200 sx, getting 3400 psi final squeeze pressure. Re-squeeze with 300 sx. Re-squeeze to 2000 psi. Good test. All squeezes done through CICR.

REQUESTS:

Apache intends to isolate the new casing leak in the 5-1/2" casing, and squeeze cement to restore wellbore integrity. Then place well back on pump.

CONDITIONS OF APPROVAL:

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

No surface disturbance beyond originally approved well pad.

A closed loop system is to be used.

H2S monitoring and protection equipment is to be on site. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**

2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

Subsequent Report Sundry (3160-5) to be submitted to BLM to provide details on work done.

This work to be initiated within 90 days of receipt of this approval.

TMM 09/12/2011