

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

FORM APPROVED
OMB No 1004-0135
Expires January 31, 2004

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|---|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC029393B |
| 2. Name of Operator APACHE CORPORATION | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO BOX 1849, EUNICE NM 88231 | 3b. Phone No (include area code) 575-390-4186 | 7. If Unit or CA/Agreement, Name and/or No |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Kincaid Watson #1, NWNE 18, 18S, 31E, 330' FNL & 1908' F; Kincaid Watson #2, SESE 7, 18S, 31E, 827' FSL & 874 FEL; Kincaid Watson A, NWNE 18, 18S, 31E | | 8. Well Name and No. Kincaid Watson #1, #2 and A |
| | | 9. API Well No. 30-015-26225/30-015-6360 26360 |
| | | 10. Field and Pool, or Exploratory Area Shugart Bone Spring, North |
| | | 11. County or Parish, 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 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 Notice of Written Order |
| | <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 | |

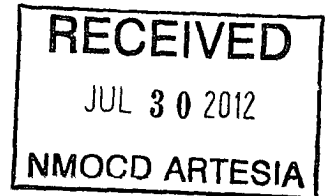
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 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 operator has determined that the site is ready for final inspection.)

This Sundry Notice, serves as an official document request in accordance to the Notice of Written Order 12JH12W dated 06/25/12.

The purpose of this Sundry Notice is to request an extension for removal of the Gunbarrel. Apache will have to utilize a crane to load the equipment. The empty barrels, tubing and miscellaneous equipment has been removed from the Kincaid Watson Battery.

Please respond back to me at natalie.gladden@apachecorp.com. You can reach me at 575-390-4186.

Added 8/3/12
Accepted for record
NMOCD



EXT. until AUG 8, 2012 As per Kent Caffall 7/26/12

| | | |
|---|------------------------|-------------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Natalie Gladden | | Title EHS Environmental Tech |
| Signature <i>Natalie Gladden</i> | Date 07/20/2012 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|-----------------|--|
| Approved by 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 | |
| Title 18 USC Section 1001 and Title 43 USC 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)

BUREAU OF LAND MANAGEMENT
OFFICE OF THE ATTORNEY GENERAL

WORKING FILE COPY

1 & E CFO

Number 12JH12W

Page of

☒ Certified Mail - Return
Receipt Requested
7011047000009534UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NOTICE OF WRITTEN ORDER

| IDENTIFICATION | |
|----------------|-------------|
| IID | |
| Lease | NMLC029393B |
| CA | |
| Unit | |
| PA | |

| | | | | | | | |
|--|------------------|-----------------|----------|--|----------|--------|-------|
| Bureau of Land Management Office | | | | Operator | | | |
| CARLSBAD FIELD OFFICE | | | | APACHE CORPORATION | | | |
| Address 620 E GREENE STREET CARLSBAD NM 88220 | | | | Address 303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND TX 79705 | | | |
| Telephone 575.234.5972 | | | | Attention | | | |
| Inspector HUGHES | | | | Attn Addr | | | |
| Site Name | Well or Facility | 1/4 1/4 Section | Township | Range | Meridian | County | State |
| KINCAID-WATSON | 1 | NWNE 18 | 18S | 31E | NMP | EDDY | NM |
| Site Name | Well or Facility | 1/4 1/4 Section | Township | Range | Meridian | County | State |
| KINCAID-WATSON | 2 | SESE 7 | 18S | 31E | NMP | EDDY | NM |
| Site Name | Well or Facility | 1/4 1/4 Section | Township | Range | Meridian | County | State |
| KINCAID-WATSON | A | NWNE 18 | 18S | 31E | NMP | EDDY | NM |

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

| Date | Time (24-hour clock) | Corrective Action to be Completed by | Date Corrected | Authority Reference |
|------------|-------------------------|---|-------------------|---------------------|
| 06/20/2012 | 09:30 | 07/23/2012 | | 43CFR 3162.5-1 |

Remarks:

Remove unused Gunbarrel and associated equipment from battery.
Remove debris (empty barrels, tubing, misc. parts) from battery.

Send responses to this office, ATTN: Jim Hughes no later than July 20, 2012.

When the Written Order is complied with, sign this notice and return to above address.

| | | |
|------------------------------|-----------|------|
| Company Representative Title | Signature | Date |
| Company Comments | | |

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

| | | |
|---|------|------|
| Signature of Bureau of Land Management Authorized Officer | Date | Time |
|---|------|------|

FOR OFFICE USE ONLY

| | | |
|----------|------|-----------------------|
| Number 2 | Date | Type of Inspection ES |
|----------|------|-----------------------|