

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 and
Abandoned well. Use Form 3160-3 (APD) for such proposals*

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
APACHE CORPORATION <873>

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1115' FNL & 1455' FWL, UL: C, SEC 19, T17S, R31E

5. Lease Serial No.
NMLC-0029395A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
TONY FEDERAL #39 <308738>

9. API Well No.
30-015-40172

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

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 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	DRILLING OPS:
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	INTERMEDIATE CSG
				JOB

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 recompleat 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 recompleat 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

While drilling Apache Corporation's Tony Federal #39 (API no. 30-015-40172), lost circulation was encountered at 337' (9' below the 13-3/8" surface casing shoe set at 328'). LCM pills have not succeeded in restoring circulation, and the well is being dry drilled to the intermediate casing point at 3500'. Apache plans to run 8-5/8" casing at 3500' and cement it per the approved APD (with an increase of the lead slurry volume from 710 sx to 1370 sx and an increase of the tail slurry volume from 225 sx to 280 sx), but we believe it is likely that cement will not be raised (in the 8-5/8" casing x 11" hole annulus) past the lost circulation zone at 337'. We therefore propose and seek your approval to conduct a remedial cement job as follows:

REPORT CONTINUED ON PAGE 2.

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

Title DRILLING TECH

Signature

Vicki Brown

Date 7/26/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

APPROVED

JUL 26 2012
Date /s/ Chris Walls

BUREAU OF LAND MANAGEMENT
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)

1. Wait on cement for six hours (after plug down time on the primary cement job).
2. Establish injection through the bradenhead valve using the cement pump truck (if injection is established, we will know the annulus is uncemented above the lost circulation zone at 337').
3. Set the 8-5/8" casing slips in the 13-3/8" SOW x 13-5/8" 3K casing head.
4. Pump 200 sx thixotropic cement (weight 14.4 ppg, yield 1.56 cuft/sk) through the bradenhead valve.
5. Pump up to 300 sx Class C cement with 1% calcium chloride (weight 14.8 ppg, yield 1.34 cuft/sk) through the bradenhead valve (continue pumping until a low pressure squeeze is obtained; if a squeeze is not obtained, pump the entire 300 sx cement).
6. Close the bradenhead valve.
7. Wait on cement for six hours before cutting the 8-5/8" casing and nipping up BOPE.

*Run temp survey if
Cement doesn't circulate*