

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.***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. NMLC029395B |
| 2. Name of Operator APACHE CORPORATION Contact: FATIMA VASQUEZ E-Mail: Fatima.Vasquez@apachecorp.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND, TX 79705 | 3b. Phone No. (include area code) Ph: 432-818-1015 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T17S R31E SWNW 1650FNL 990FWL | | 8. Well Name and No. LEE FEDERAL 2 |
| | | 9. API Well No. 30-015-30268-00-S1 |
| | | 10. Field and Pool, or Exploratory LOCO HILLS |
| | | 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 | Venting and/or Flaring |
| | <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.)

Apache is requesting permission to temporarily flare 4M mcf a day for 90 days on the wells listed below due to line capacity and over pressuring our vessels at the battery. Gas will be measured prior to flaring.

LEE FEDERAL #1 30-015-30243
LEE FEDERAL #2 30-015-30268
LEE FEDERAL #3 30-015-30269
LEE FEDERAL #5 30-015-33029
LEE FEDERAL #6 30-015-30424
LEE FEDERAL #8 30-015-30598
LEE FEDERAL #10 30-015-30511
LEE FEDERAL #11 30-015-32737

Accepted for record

NMOCD

R. Dade 6/10/13

**SUBJECT TO LIKE
APPROVAL BY STATE****RECEIVED**

JUN 10 2013

NMOCD ARTESIA**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #209740 verified by the BLM Well Information System For APACHE CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JERRY BLAKLEY on 06/06/2013 (13JDB0193SE) | |
| Name (Printed/Typed) FATIMA VASQUEZ | Title REGULATORY TECH |
| Signature (Electronic Submission) | Date 06/05/2013 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| APPROVED | |
| Approved By JERRY BLAKLEY <i>[Signature]</i> | Title LEAD PET |
| 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. | Date 06/06/2013 |
| Office Carlsbad | JUN - 6 2013 |
| 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | |
| BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE | |

Additional data for EC transaction #209740 that would not fit on the form

32. Additional remarks, continued

LEE FEDERAL #12 30-015-30508
LEE FEDERAL #13 30-015-30425
LEE FEDERAL #14 30-015-32072
LEE FEDERAL #15 30-015-32048
LEE FEDERAL #16 30-015-32049
LEE FEDERAL #17 30-015-32648
LEE FEDERAL #18 30-015-31952
LEE FEDERAL #19 30-015-31962
LEE FEDERAL #20Y 30-015-32087
LEE FEDERAL #21 30-015-32073
LEE FEDERAL #27 30-015-32321
LEE FEDERAL #29 30-015-32376
LEE FEDERAL #30 30-015-32296
LEE FEDERAL #31 30-015-32297
LEE FEDERAL #32 30-015-33214
LEE FEDERAL #34 30-015-32738
LEE FEDERAL #35 30-015-32744
LEE FEDERAL #36 30-015-32739
LEE FEDERAL #37 30-015-32769
LEE FEDERAL #39 30-015-32740
LEE FEDERAL #40 30-015-32745
LEE FEDERAL #41 30-015-39611
LEE FEDERAL #42 30-015-39223
LEE FEDERAL #44 30-015-40031
LEE FEDERAL #45 30-015-40032
LEE FEDERAL #46 30-015-39915
LEE FEDERAL #47 30-015-40033
LEE FEDERAL #48 30-015-39897
LEE FEDERAL #49 30-015-39916
LEE FEDERAL #50 30-015-39888
LEE FEDERAL #51 30-015-40034
LEE FEDERAL #52 30-015-39889
LEE FEDERAL #54 30-015-40100
LEE FEDERAL #56 30-015-40730
LEE FEDERAL #57 30-015-40174
LEE FEDERAL #58 30-015-40175
LEE FEDERAL #59 30-015-40176
LEE FEDERAL #60 30-015-40177
LEE FEDERAL #61 30-015-40293
LEE FEDERAL #62 30-015-40294
LEE FEDERAL #63 30-015-40295

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

6/6/2013

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

JDB652013