

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT
MAR 1 2018
Artesia
RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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 page 2

| | | |
|---|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH | | 5. Lease Serial No. NMLC029435B |
| 2. Name of Operator APACHE CORPORATION Contact: ALICIA FULTON E-Mail: ALICIA.FULTON@APACHECORP.COM | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 303 VETERANS AIRPARK LANE MIDLAND, TX 79706 | 3b. Phone No. (include area code) Ph: 432-818-1088 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T17S R31E 330FSL 990FEL | | 8. Well Name and No. NFE FEDERAL 1 Cedar Lake 801 |
| | | 9. API Well No. |
| | | 10. Field and Pool or Exploratory Area CEDAR LAKE; GLORIETA-YESO |
| | | 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 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"/> Hydraulic Fracturing | <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 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.

APACHE IS REQUESTING PERMISSION TO FLARE 610 MCF A DAY FOR 90 DAYS FROM 02/25/2018-05/28/2018 ON THE BELOW LISTED WELLS DUE TO FRONTIER SHUTTING APACHE IN. GAS WILL BE MEASURED PRIOR TO FLARING.
NFE FEDERAL FLARE (16)
METER # T342 /GAS SALES # 6165017

Cedar Lake Federal CA 801 (NFE FEDERAL # 1) 30-015-37137
Cedar Lake Federal CA 802 (NFE FEDERAL # 2) 30-015-37354
Cedar Lake Federal CA 803 (NFE FEDERAL # 3) 30-015-37357
Cedar Lake Federal CA 806 (NFE FEDERAL # 6) 30-015-37361
Cedar Lake Federal CA 807 (NFE FEDERAL # 7) 30-015-37355
Cedar Lake Federal CA 809 (NFE FEDERAL # 9) 30-015-37358
Cedar Lake Federal CA 814 (NFE FEDERAL #10) 30-015-37360

FOR RECORDS ONLY

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #403990 verified by the BLM Well Information System For APACHE CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 02/28/2018 () | |
| Name (Printed/Typed) ALICIA FULTON | Title REG. TECH |
| Signature (Electronic Submission) | Date 02/09/2018 |
| 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 _____ | |

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #403990 that would not fit on the form

32. Additional remarks, continued

Cedar Lake Federal CA 813 (NFE FEDERAL #11) 30-015-37359
Cedar Lake Federal CA 815 (NFE FEDERAL #12) 30-015-39222
Cedar Lake Federal CA 614 (NFE FEDERAL #14) 30-015-40549
Cedar Lake Federal CA 515 (NFE FEDERAL #15) 30-015-40550
Cedar Lake Federal CA 516 (NFE FEDERAL #16) 30-015-40551

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

Condition of Approval to Flare Gas

1. Subject to like approval from NMOCD
2. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.
5. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. 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.
6. This approval does not authorize any additional surface disturbance.

43CFR §3162.7-1 Disposition of production.

(a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas, and sulphur produced from the leased land.

(d) The operator shall conduct operations in such a manner as to prevent avoidable loss of oil and gas. A operator shall be liable for royalty payments on oil or gas lost or wasted from a lease site, or allocated to a lease site, when such loss or waste is due to negligence on the part of the operator of such lease, or due to the failure of the operator to comply with any regulation, order or citation issued pursuant to this part.