

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010**RECEIVED**

JUN 18 2012

NMOCD ARTESIA

## 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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br><b>NMLC-029435B</b>   |
| 2. Name of Operator<br><b>APACHE CORPORATION &lt;873&gt;</b>   |   | 6. If Indian, Allottee or Tribe Name   |
| 3. Address<br><b>303 VETERANS AIRPARK LN, #3000<br/>MIDLAND, TX 79705</b>  | 3b. Phone No. (include area Code)<br><b>432-818-1167 / 432-818-1194</b> | 7. If Unit of CA/Agreement, Name and/or No.  |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br><b>905' FNL &amp; 900' FWL UL: D SEC: 8 T17S R31E</b>  |   | 8. Well Name and No.<br><b>NFE FEDERAL #12 &lt;308724&gt;</b>                            |
|  |   | 9. API Well No.<br><b>30-015-39222</b>   |
|  |   | 10. Field and Pool or Exploratory Area<br><b>CEDAR LAKE; GLORIETA-YESO &lt;96831&gt;</b> |
|  |   | 11. County or Parish, State<br><b>EDDY COUNTY, NM</b>                                    |

## 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 type="checkbox"/> Casing Repair           | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other _____    |
|  | <input checked="" 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 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**

**5/12/12 @ 1:02am following phone conversation w/Mr. Fernandez, Apache proposed to conduct a remedial cmt job on the Intermediate csg as follows:**

- 600 sx Class C w/ 2% CaCl<sub>2</sub> and 0.25% R-38 (Wt 14.8 ppg, Yld 1.35 cuft/sk) blended & available on location.
- Establish injection down 8-5/8" x 13-3/8" annulus & pmp cmt until either the entire 600 sx has been pumped or until a squeeze pressure of 500 psi is obtained.

As approved in e-mail message from Mr. Fernandez on 5/10/12, Apache conducted the primary cmt job on Intermediate csg on 5/11/2012. DVT set at 1594' & ECP was immediately below it. Csg shoe at 3530'. First stage was completed successfully & there was no water flow after cmtg, but cmt did not circ to surf on second stage (even though we pumped 100 sx more than the 100% excess volume we had proposed). Per request of Mr. Fernandez, Apache ran a temp survey & found TOC @ 994'. Apache has conducted an injectivity test & found we were able to pump into the 8-5/8" x 13-3/8" annulus @ 4.7bbl/min @ 125psi. The proposed 600 sx cmt volume is more than 200% of the calc annular volume between the 8-5/8" & 13-3/8" casings & between the 8-5/8" casing & 11" hole f/surf to TOC.

*Follow-up To verbal*

|  |  |
|--|--|
| 14. I hereby certify that the foregoing is true and correct. |  |
| Name (Printed/Typed) <b>SORINA L. FLORES</b>                 | Title <b>SUPV OF DRILLING SERVICES</b> |
| Signature <i>Sorina L. Flores</i>                            | Date <b>5/15/12</b>                    |

**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 |

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.



Page 2 – Sundry – NFE Federal #12 – Cmt proposal change

Verbal approval was granted from Mr. Fernandez on 5/12/12 to conduct proposed remedial cmt job.

BLM also required CBL to be run on entire 8-5/8" Intermediate string & submitted to BLM. CBL to be run f/ 50' below Interm. Csg shoe to surf. CBL to be run before running 5-1/2" production string.

5/12/12 @ 9:13am – Mr Fernandez approval was requested to remove the 13-3/8" SOW x 13-5/8" 3K csg head f/ the 13-3/8" surf csg & install an 8-5/8" SOW x 11" 3K csg head on the 8-5/8" Intermediate csg of NFE Federal #12 (API No 30-015-39222).

After pmpg remedial cmt job on 8-5/8" Intermediate csg, the annular blowout preventer was closed on the 8-5/8" csg to keep it centered while waiting to see whether there was any cmt fallback. When annular preventer was re-opened, no fallback had occurred. Unfortunately, the csg was found not to be fully centered in the 13-3/8" SOW x 13-5/8" 3K csg head & cmt had set up too much to move csg. We were unable to set csg slips for the 8-5/8" csg & were unable to install the 13-5/8" 3K x 11" 3K csg spool.

Apache proposed to cut off & permanently remove the 13-3/8" SOW x 13-5/8" 3K csg head & install an 8-5/8" SOW x 11" 3K csg head on the 8-5/8" Intermediate csg. The BOP stack to be nipped up on the 11" 3K csg head flange & tested per BLM requirements before well is drilling to TD. Ultimately, the 11" 3K csg head flange to be the landing base for the production wellhead.

5/12/12 @ 9:53am – BLM granted approval to remove the 13-3/8" csg head & install 8-5/8" csg head. Wesley Ingram requested sundry.