Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

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

5. Lease Serial No. NMLC029395B

SUNDRY NOTICES AND REPORTS ON WELLS

abandoned well. Use form 3160-3 (APD) for such proposals.				6. If Indian, Allottee	or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2				7. If Unit or CA/Ag	reement, Name and/or No.	
1. Type of Well				8. Well Name and N		
☑ Oil Well ☐ Gas Well ☐ Oth				LEE FEDERAL	41	
2. Name of Operator APACHE CORPORATION	Contact: [E-Mail: dianne.gilbr	DIANNE GILE eath@apached		9. API Well No. 30-015-39611	-00-S1	
3a. Address 303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND, TX 79705 3b. Phone No. Ph: 432.818			(include area code) 3.1103	10. Field and Pool o CEDAR LAKE		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County or Parish	11. County or Parish, State		
Sec 20 T17S R31E Lot E 1700FNL 460FWL				EDDY COUN	ΓY, NM	
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICAT	E NATURE O	F NOTICE, REPORT, OR O	THER DATA	
TYPE OF SUBMISSION			TYPE OF	ACTION		
Notice of Intent	☐ Acidize	☐ Deep	en	☐ Production (Start/Resume)	■ Water Shut-Off	
☑ Notice of Intent	☐ Alter Casing	☐ Hydr	aulic Fracturing	□ Reclamation	■ Well Integrity	
☐ Subsequent Report	□ Casing Repair	□ New	Construction	☐ Recomplete	Other	
☐ Final Abandonment Notice	□ Change Plans	🛭 Plug	and Abandon	□ Temporarily Abandon		
-	Convert to Injection	Plug	Back	■ Water Disposal		
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. PLEASE SEE ATTACHED P&A REPORT. RECEIVED RECEIVED						
JUL 1 1 2018 SEE ATTACHED FOR DISTRICT II-ARTESIA O.C.DCONDITIONS OF APPROVAL						
Below ground level dry hole marker required						
	#4 Electronic Submission For APACHE nmitted to AFMSS for proce	CORPORAT	ON, sent to the C CILLA PEREZ or	Carlsbad n 06/11/2018 (18PP1934SE)		
Name (Printed/Typed) DIANNE (GILBREATH		Title P&A AS	SISTANT		
Signature (Electronic S	Submission)		Date 06/11/20	018		
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE USE		
Approved By James	a. am		Title	upv. SET	7-2-18 Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or equ which would entire the applicant to condu-	nitable title to those rights in the act operations thereon.	subject lease	Office Va	1 Libert		
Title 18 U.S.O. Section 1001 and Title 43	U.S.C. Section 1212, make it a c	rime for any per	son knowingly and	willfully to make to any department	or agency of the United	

Form 3160-5 (March 2012)

UNITED STATES

Convert to Injection

FORM APPROVED OM B No. 1004-0137

DEPARTMENT OF THE INTERIOR				Expires: October 31, 2014		
BUREAU OF LAND MANAGEMENT				5. Lease Serial No.		
				NMLC029395B		
SUNDRY NOTICES AND REPORTS ON WELLS				6. If Indian, Allottee or Tribe Name		_
Do not use this	form for proposals	1				
abandoned well	Use Form 3160-3 (A	PD) for such proposals				_
SUBMIT IN TRIPLICATE - Other instructions on reverse side.				7. If Unit of CA / Agreeme	ent, Name and/or No.	
1. Type of Well	·					
	_			8. Well Name and No.		
Oil Well Gas Well Other			Lee Federal 41		_	
2. Name of Operator	Apache	Corporation		9. API Well No.		
		•		30-015-39611-00-S1		_
3a. Address 3b. Phone No. (ii			ode)	10. Field and Pool, or Exploratory Area		
303 Veterans Airpark Ln, Midland, Tx 79705 432-556-9143			Cedar Lake			
				11. County or Parish, State	:	
UL-E, Sec 20, T17S, R31E, 1700' FNL & 460' FWL				Eddy County, NM		
12. CHECK APPRO	PRIATE BOX(ES) T	O INDICATE NATURE OF	F NOTICE, RI	EPORT, OR OTHER DA	TA	
TYPE OF SUBMISSION			TYPE OF AC	CTION		
✓ Notice of Intent	Acidize	Deepen	☐ Pr	oduction (Start/Resume)	☐ Water Shut-off	
	☐ Alter Casing	Fracture Treat	□ R	eclamation	Well Integrity	
Subsequent Report	Casing Repair	New Construct	ion 🔲 R	ecomplete	Other	
Final Abandonment Notice	Change Plans	Plug and Abane	don 🔲 To	emporarily Abandon		_

☐ Plug Back

☐ Water Disposal

Apache Corporation proposes to P&A the above mentioned well by the attached procedure. A closed loop system will be used for all fluids from this wellbore and disposed of required by OCD Rule 19.15.17.

14. I hereby certify that the following is true and correct				
Name				
Guinn Burks	Title	Sr. Reci	amation Foreman	
Signature Suum Buch	Date	6/8/18		
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 operatins 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.

^{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 recomplete 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 the BLM / BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in multiple completion or recompletion 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.)

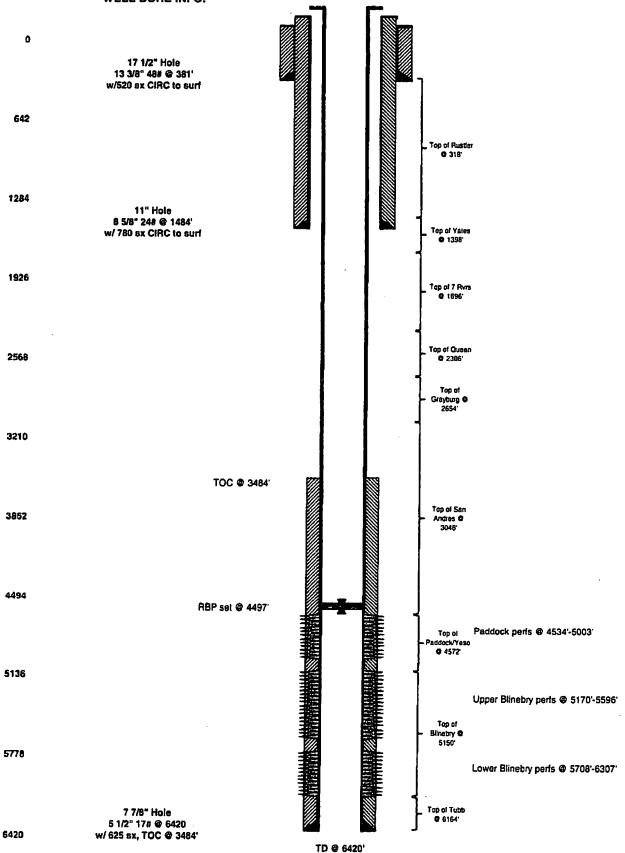


 LEASE NAME
 Lee Federal

 WELL #
 41

 API #
 30-015-39611

 COUNTY
 Eddy, NM





LEASE NAME	Lee Federal	Lee Federal			
WELL#	41				
API#	30-015-39611				
COUNTY	Eddy, NM				

	B WELL POPE INCO			PROPOSED PROCEDURE
	WELL BORE INFO.			PROPOSED PROCEDURE
Q	17 1/2" Hale 13 3/8" 48# @ 381' w/520 sx CIRC to suri		1	5. PUH & perf @ 368 & sqz 110 sx to surf. Attempt to CIRC 5 1/2 to surf. (Surf Shoe & water Board)
6 42			Top of Rustie: © 318'	
1284	11" Hole 8 5/8" 24# @ 1484' w/ 780 sx CIRC to surf		Top of Yates © 1398'	4. PUH & perf @ 1750' & sqz 110 sx Class °C° cmt from 1750'-1350' WOC/TAG (Yates, 7 Rvrs, & Inter Shoe)
1926	·		Top of 7 Rvrs © 1695	3. PUH & perf @ 2356' & sqz 95 sx Class "C" cmt from
2568			Top of Queen © 2306	2356'-2011' WOC/TAG (Queen & Bowers)
3210		-	Top of Grayburg © 2654'	2. PUH & perf @ 3100' & sqz 140 sx Class °C' cmt from 3100'-2600' WOC/TAG (Grayburg & San Andres)
3852	TOC @ 3484		Top of San — Andres @ 3048'	1. MIRU P&A rig. POOH w/ RBP & set CIBP @ 4500'.
4494	RSP set @ 4497			RIH w/ tbg & CIRC w/MLF & spot 25 sx Class "C" cmt from 4500'-4250' (Paddock & Upper & Lower Blinebry perfs, Glorieta)
			Top of Paddock/Yeso	Paddock peris @ 4534'-5003'
5136			Top of	Upper Blinebry perfs @ 5170'-5596'
5778			- Blinebry 9 5150	Lower Blinsbry perfs @ 5708'-6307'
6420	7 7/8" Hole 5 1/2" 17# @ 6420 w/ 625 sx, TOC @ 3484'		Top of Tubb © 6154	

TD @ 6420'

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

Permanent Abandonment of Federal Wells Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date well was plugged.</u>
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

<u>Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:</u>
From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted