District I - (575) 393-6161
1625 N. French Dr.,Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
Disrtict III - (505) 334-6178
1000 Rio Brazos Rd. Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Revised July 18,2013

WELL API NO. **30.025.31268**

5. Indicate Type of Lease STATE ☑ FEE ☐

6. State Oil & Gas Lease No. **A-2614**

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

HOBBS OCD

OCT 5 2020

RECEIVED

7. Lease Name or Unit Agreement Name: **McDonald State A/C 1-16**

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

8. Well Number: **1**

2. Name of Operator: **Apache Corporation**

9. OGRID Numer: **873**

3. Address of Operator: **303 Veterans Airpark Lane, Ste. 3000, Midland, TX 79705**

10. Pool Name or Wildcat: **Arrowhead; Grayburg, SW (97518)**

4. Well Location

Unit Letter **J** : **2480** feet from the **S** line and **1660** feet from t **E** line

Section **16** Township **22S** Range **36E** NMPM County **LEA**

11. Elevation (*Show whether DR, RKB,RT, GR, etc.*) **3552' GL**

12. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☑	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram or proposed completion or recompletion.

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 NMAC.

Spud Date: ☐

Rig Release Date: ☐

See Attached Conditions of Approval

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Guinn Burks* TITLE **Sr. Reclamation Foreman** DATE 10/1/20

Type or print name **Guinn Burks** E-mail add. guinn.burks@apachecorp.com PHONE: **432-556-9143**

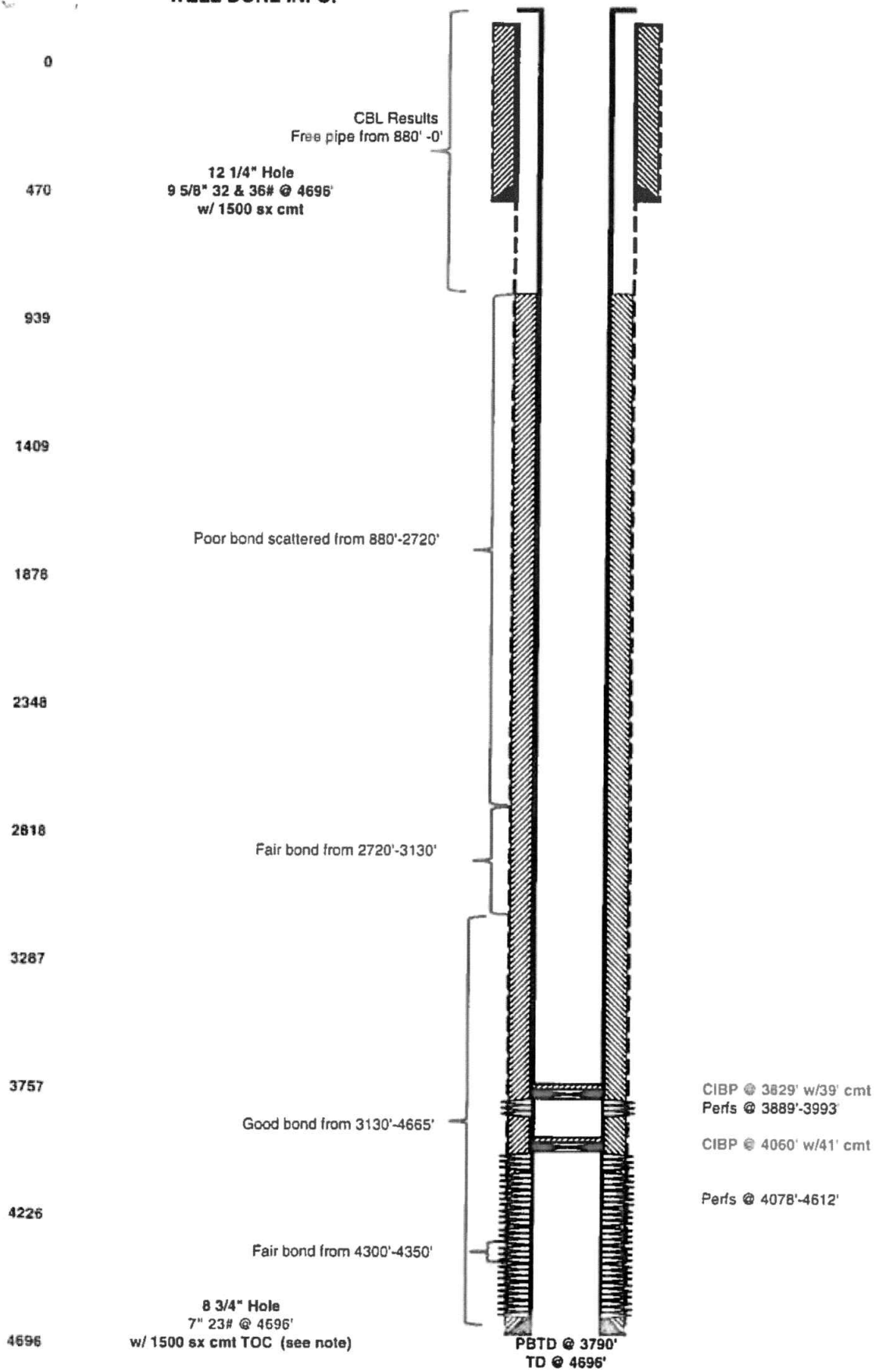
For State Use Only

APPROVED BY: *Kerry Fortner* TITLE C O A DATE 10-5-20

Conditions of Approval (if any):

COUNTY LEA, NM

WELL BORE INFO.



CONDITIONS OF APPROVAL
FOR PLUGGING AND ABANDONMENT
OCD - Southern District

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, Notify **NMOCD District Office I (Hobbs) at (575)-263-6633** at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down.

Company representative will be on location during plugging procedures.

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.

2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.

3. Trucking companies being used to haul oilfield waste fluids to a disposal - commercial or private- shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.

4. Filing a subsequent C-103 will serve as notification that the well has been plugged.

5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.

6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.

7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.

8. Produced water will not be used during any part of the plugging operation.

9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.

10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.

11. Class 'C' cement will be used above 7500 feet.

12. Class 'H' cement will be used below 7500 feet.

13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged

14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.

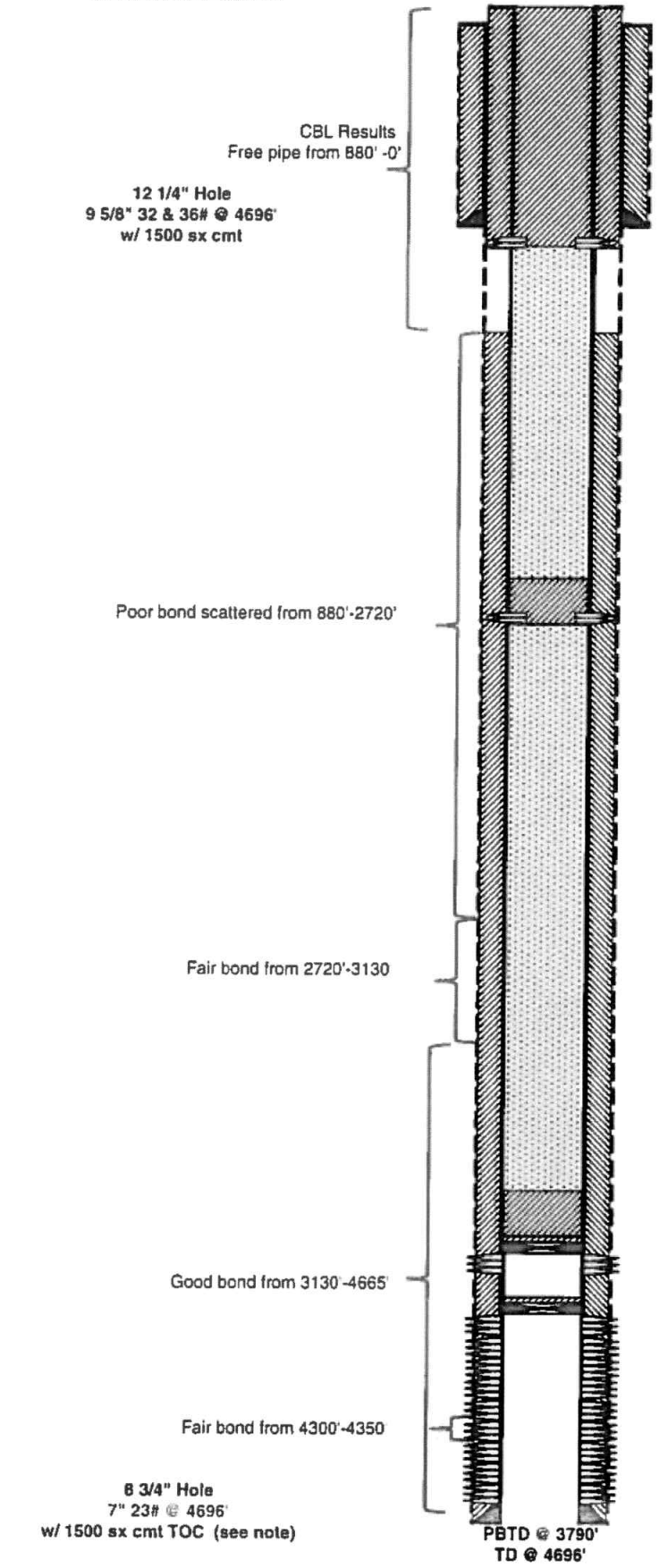
16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set

17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.

18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).

COUNTY LEA, NM

WELL BORE INFO.



PROPOSED PROCEDURE

3. PUH & perf @ 503' & sqz/CIRC 175 sx Class "C" cmt from 503' to surf. (Surf Shoe, Water Board, & Surf Plug)

2. PUH & perf @ 1750' & attempt to sqz 70 sx Class "C" cmt from 1750'-1550', WOC/TAG (Added plug to attempt to get cmt behind pipe)

1. MIRU P&A rig. RIH w/ tbg & verify CIBP @ 3790'. CIRC w/ MLF & spot 25 sx Class "C" cmt from 3790'-3650', (Grayburg & Queen)

CIBP @ 3829' w/39' cmt
Perfs @ 3889'-3993'

CIBP @ 4060' w/41' cmt

Perfs @ 4078'-4612'

19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.

20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops

A) Fusselman

B) Devonian

C) Morrow

D) Wolfcamp

E) Bone Springs

F) Delaware

G) Any salt sections

H) Abo

I) Glorieta

J) Yates.

K) Potash---(In the R-111-P Area (Potash Mine Area),

A solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be SO' below the bottom and 50' above the top of the Formation.

21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, woe and tagged. These plugs will be set SO' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQ.UIRMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name
2. Lease and Well Number
3. API Number
4. Unit letter
5. Quarter Section (feet from the North, South, East or West)
6. Section, Township and Range
7. Plugging Date
8. County

SPECIAL CASES -----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION