

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010

Serial No.  
NMM-17252

6. If Indian, Allottee or Tribe Name

FEB 13 2012

**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.

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No
2. Name of Operator APACHE CORPORATION (873)		8. Well Name and No USA-HOWSE #2 (38243)
3a. Address 303 VETERANS AIRPARK LN, STE 3000, MIDLAND, TX 79705	3b. Phone No. (include area code) 432-818-1906	9. API Well No. 30 025 39839
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) UNIT I, SEC 12, T20S, K R38E, 1650 FSL 990 FEL		10. Field and Pool or Exploratory Area HOUSE; BLINEBRY, S TUBB DRINKARD
		11. Country or Parish, State LEA COUNTY, NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

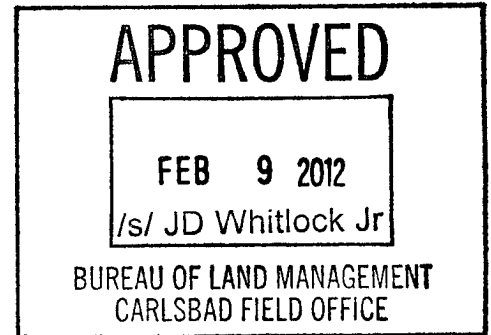
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 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 checked="" 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 CORPORATION RESPECTFULLY REQUESTS APPROVAL TO DISPOSE OF WATER AS PER THE ATTACHMENT.

Thank you.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) BEV HATFIELD	Title SR. STAFF REGULATORY TECH
Signature <i>Bev Hatfield</i>	Date 01/18/2012

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	

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.

## WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.  
BLINEBRY / TUBB / DRINKARD
2. Amount of water produced from each formation in barrels per day.  
BLINEBRY - 22 BWPD / TUBB - 7 BWPD / DRINKARD - 21 BWPD
3. How water is stored on the lease.  
IN 500 BBL STEEL TANK
4. How water is moved to disposal facility.  
VIA TRANSFER PUMP + POLY PIPE.
5. Operator's of disposal facility APACHE CORPORATION
  - a. Lease name or well name and number House SWD #1
  - b. Location by  $\frac{1}{4}$   $\frac{1}{4}$  Section, Township, and Range of the disposal system \_\_\_\_\_  
UL M, Sec 12, T-20S, R-38E
  - c. The appropriate NMOCD permit number \_\_\_\_\_  
House SWD #1 - 37421  
(see ATTACHED)  
SWD-1169-0 & SWD-1169-A

**30-025-39193 HOUSE SWD #001 [37421]**

General Well Information

Status: Active

Well Type: Salt Water Disposal  
 Work Type: New  
 Surface Location: M-12-20S-38E 990 FSL 500 FWL  
 Lat/Long: 32 5830149230689 -103 10918902015  
 GL Elevation: 3563

Direction:  
 Lease Type: Private

Sing/Mult Compl: Single  
 Potash Waiver:

Proposed Formation and/or Notes

SAN ANDRES SWD1169 12/11/09 DEEPEN

Depths

Proposed: 6500

Measured: 5500  
 Plugback Measured:

Formation Tops

Formation	Top	Method Obtained	Producing
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Event Dates

Initial APD Approval: 10/10/2008  
 Most Recent APD Approval: 10/10/2008  
 APD Cancellation:  
 APD Extension Approval:  
 Spud: 6/29/2009  
 Approved Temporary Abandonment:  
 Shut In Waiting For Pipeline:  
 Plug and Abandoned Intent Received:  
 Wall Plugged:  
 Site Release:  
 Last Inspection: 8/18/2011

Current APD Expiration: 10/10/2010

Expiration:  
 Plugged, Not Released  
 Expiration:  
 Intention To Plug:  
 Last MIT: 8/18/2011

History

Effective Date	Property	Operator	C-101 Work Type	Well Type	Apd Cancelled	Plug Date
10/10/2008	[37421] HOUSE SWD	[873] APACHE CORP	N	Salt Water Disposal		

Comments

Date/Time	User Id	Comment
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Operator

Company: [873] APACHE CORP  
 Address: 303 Veterans Airpark Lane Suite 3000  
 Midland, TX 79705  
 Country: U.S.A.  
 Main Phone: 432-818-1000

Central Contact Person

Name: ~~Reesa Holland~~ *Beverly Hatfield*  
 Phone: ~~432-818-1062~~ *432-818-1906*  
 Cell:  
 E-Mail Address: ~~reesa.holland@apachecorp.com~~ *beverly.hatfield@apachecorp.com*

Title: *Staff* Senior Engineering Tech  
 Fax: ~~432-818-1100~~

Hobbs Contacts

Name: Clint Mills  
 Phone: 575-394-1503  
 Cell: 809-891-4956  
 E-Mail Address: clinton.mills@apachecorp.com

Title:  
 Fax:

Artesia Contacts

Name: Clint Mills  
 Phone: 575-394-1503  
 Cell: 809-891-4956  
 E-Mail Address: clinton.mills@apachecorp.com

Title:  
 Fax:

Pits

Pit On Site: Number 01

Pit Type: Closed Loop  
 P1-00555 CLOSED

Status: Closed

Registration Denied:

Closure Approved: Yes  
 Closure Denied:

Event Dates

Registered: 10/10/2008  
 Approved: 10/10/2008  
 Open: 10/10/2008  
 Most Recent Rlg  
 Release:  
 Closed: 7/18/2009

Pit On Site: Number 02

Pit Type: Closed Loop

Status: Active

P1-01555

Registration Denied:

Closure Approved:  
Closure Denied:

Event Dates

Registered: 12/10/2009  
Approved: 12/10/2009  
Open: 12/10/2009  
Most Recent Rig Release:  
Closed:

Casing

			Boreholes, Strings and Equipment Specifications			Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1	6/29/2009	12.25	0	1552		0	0.0	0	0			0	No
Surface Casing	1		9.625	0	1552	K-55	1552	40.0	1552	0	Circ	Class C Cement	620	No
Hole 2	1		8.75	1552	4600		0	0.0	0	0			0	No
Intermediate 1 Casing	1		7	0	4600	J-55	4600	26.0	4600	0	Circ	Class C Cement	950	No
Tubing 1	1	7/7/2009	3.5	0	4600		0	0.0	0	0			0	No

Well Completions

[96121] SWD;SAN ANDRES

Status: Active

Last Produced: 10/1/2011

Bottomhole Location: M-12-20S-38E 990 FSL 500 FWL  
Lat/Long: 0 0  
Acreage:  
DHC: No

Consolidation Code:  
Production Method:

Test

Hours: 10.10

Oil Volume: 0.0 bbls  
Gas Volume: 0.0 mcf  
Water Volume: 0.0 bbls

Depths

Measured Depth:

Plugback Md:

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)
7/7/2009	4600	5700

Notes

Event Dates

Initial Effective/Approval: 6/29/2009  
Most Recent Approval: 6/29/2009  
Test Allowable Approval:  
Production Test:  
TD Reached:  
Deviation Report Received:  
Directional Survey Received:  
First Oil Production:  
Ready to Produce: 8/12/2009  
C-104 Approval:  
Plug Back:  
Authorization Revoked Start: Not Implemented

Confidential Until:  
Test Allowable End:  
DHC:  
Rig Released:  
Logs Received:  
Closure Pit Plat Received:  
First Gas Production:  
Completion Report Received:

Revoked Until: Not Implemented

Well Completion History

Effective Date	Property	Operator	Completion Status	TA Expiration Date
6/29/2009	[37421] HOUSE SWD	[873] APACHE CORP	Active	

Financial Assurance

Bond Id	Bond Type	Amount	Issuer	Cash/Surety	Issuer Bond Number	Bond Cancellation Date
10042	Blanket	50000	[26205] CONTINENTAL CASUALTY CO	Surety	600803496	3/10/2003
249236	Blanket	50000	[26036] SAFECO INSURANCE CO OF AMERICA	Surety	6188993	

Last Production/Injection for this well: 10/2011  
Inactive Additional Bond Due Date: 11/1/2013  
Measured Depth: 6500  
Required Bond Amount: 10500  
Bond Required Now: No  
Amount of Bond In Place: 0  
Variance: 10500  
In Violation: No

If the depth of the well is Unknown, please contact the appropriate OCD District Office and provide the measured depth of the well.

Requests to release bonds must be submitted in writing. You may send an e-mail to [Donohy.Phillips@state.nm.us](mailto:Donohy.Phillips@state.nm.us) or fax a letter to (505) 476-3462.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports (Inactive Well Report, Financial Assurance Report)  
 Also note that some compliance issues are addressed at the operator level so not listed under each well.

Complaints, Incidents and Spills

No Incidents Found

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

Orders

Salt Water Disposal SWD-1169-0

Applicant: [873] APACHE CORP  
 Reviewer: WWJ  
 BLM Office:

Contact: Sophie Mackay, Engineering Technician  
 Approved By:  
 Issuing Office: Santa Fe

Processing Dates

Received: 3/22/2009  
 Suspended:  
 Ordered: 3/23/2009  
 Cancelled:

Expiration:

Comments

Notes

Order Pools

Pool	Gas Percent	Oil Percent
[96121] SWD,SAN ANDRES	0	0

Injection Orders

Injection			Pressure					Comments
Formation	Top	Bottom	Packer Depth	Tubing Size	Gradient	Injection Limit	CO2 Limit	
Psa	4600	5500	0	4	0	920	0	

Injection Pressure Increase IPI-351-0

Applicant: [873] APACHE CORP  
 Reviewer: TGW  
 BLM Office:

Contact: Jeff Fredrick  
 Approved By:  
 Issuing Office: Santa Fe

Processing Dates

Received: 7/20/2009  
 Suspended:  
 Ordered: 8/3/2009  
 Cancelled:

Expiration:

Comments

Fee

Notes

Order Pools

Pool	Gas Percent	Oil Percent
[96121] SWD,SAN ANDRES	0	0

Injection Orders

Injection			Pressure					Comments
Formation	Top	Bottom	Packer Depth	Tubing Size	Gradient	Injection Limit	CO2 Limit	
Psa	4600	5500	0	0	0	1535	0	

Injection Pressure Increase IPI-357-0

Applicant: [873] APACHE CORP  
 Reviewer: TGW  
 BLM Office:

Contact: Jeff Fredrick  
 Approved By:  
 Issuing Office: Santa Fe

Processing Dates

Received: 10/28/2009  
 Suspended:  
 Ordered: 11/18/2009  
 Cancelled:

Expiration:

Comments

Notes

Order Pools

Pool	Gas Percent	Oil Percent
[96121] SWD,SAN ANDRES	0	0

Injection Orders

Injection					Pressure			
Formation	Top	Bottom	Packer Depth	Tubing Size	Gradient	Injection Limit	CO2 Limit	Comments
Psa-NW	4600	5500	4500	4	0	1720	0	

Salt Water Disposal SWD-1169-A

Applicant: [873] APACHE CORP  
 Reviewer: WWJ  
 BLM Office:

Contact: Sophie Mackay or Jeff Frederick  
 Approved By:  
 Issuing Office: Santa Fe

Processing Dates

Received: 10/29/2009  
 Suspended:  
 Ordered: 11/24/2009  
 Cancelled:

Expiration:

Comments

See IPI-357

Notes

Order Pools

Pool	Gas Percent	Oil Percent
[96127] SWD,SAN ANDRES-GLORIETA	0	0

Injection Orders

Injection					Pressure			
Formation	Top	Bottom	Packer Depth	Tubing Size	Gradient	Injection Limit	CO2 Limit	Comments
Psa	4600	5700	0	3	0	1720	0	

Production / Injection

[Show All Production](#) [Export to Excel](#)

Earliest Production In OCD Records: 9/2009

Last 10/2011

Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2009	0	0	0	0	67422	0	0	0	4500
2010	0	0	0	0	395757	0	0	0	18000
2011	0	0	0	0	144406	0	0	0	12000
Grand Total:	0	0	0	0	608585	0	0	0	34500

Transporters

Transporter	Product	Most Recent for Property
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**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Disposal of Produced Water From Federal Wells  
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

6/17/2011