

HOBBS OCD

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

DEC 27 2012

5. Lease Serial No. NMNM-01135

6. If Indian, Allottee or Tribe Name

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.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No. LUSK 34 FEDERAL #2H <39355>

2. Name of Operator APACHE CORPORATION <873>

9. API Well No. 30-025-40693

3. Address 303 VETERANS AIRPARK LN, #3000 MIDLAND, TX 79705

3b. Phone No. (include area Code) 432-818-1167 / 432-818-1193

10. Field and Pool or Exploratory Area LUSK; BONESPRING, SOUTH <41460>

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FNL & 1715' FWL UL: C SEC: 34 T19S R32E

11. County or Parish, State LEA COUNTY, NM

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

Table with columns for TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Alter Casing, Casing Repair, Change Plans, Convert to Injection, Deepen, Fracture Treat, New Construction, Plug and Abandon, Plug Back, Production (Start/Resume), Reclamation, Recomplete, Temporarily Abandon, Water Disposal, Water Shut-Off, Well Integrity, and Other DRILLING.

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 recomplete 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 recompletion 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 NATIONWIDE / NMB000736

8/28/2012 - SPUD

8/31/2012 - Drilled 20" surface hole to 1072'. Run 26", J-55, 106.5#, BTC & set @ 1072'. Pump 1360 sx Class C lead (4% Gel, 2% Calcium Chloride, 0.125#/sx Cello-Flake, 0.25#/sx Defoamer @ 13.5 ppg & 1.75 yld) and 350 sx Class C tail (neat @ 14.8 wt & 1.33 yld. Circulated 350 sx cmt to surface.

9/2/2012 - Surf Csg Pressure Test - 1685psi/30 min - OK

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

VICKI BROWN

Signature Vicki Brown

Title DRILLING TECH II

Date 12/3/2012

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

DEC 22 2012

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

BUREAU OF LAND MANAGEMENT

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.

(Instructions on page 2)

JAN 08 2013

1 of 2 12/3/2012 5:37 PM

9/6/2012 - Drilled 17.5" intermediate1 hole to 3196'. Ran 13.375", 54.5#, J-55, ST&C and 68#, HCL80, BTC to 3196'. Pumped 2260 sx Class C lead (6% Gel, 1% Calcium Chloride, 0.125#/sx Cello-Flake, 0.25#/sx Defoamer, 5% Salt, 3#/sx KOL-Seal LCA @ 12.6 ppg & 2.07 yld) and 250 sx Class C tail (2% retarder @ 14.8 wt & 1.33 yld. Circulated 591 sx cmt to surface. Cemented up csg head, could not set csg hgr. Notified BLM & received approval to weld on 13 5/8" sow csghd.

9/7/2012 - Inter Csg Pressure Test: 1910 psi/30 min – OK

9/10/2012 - Drilled 12.25" Intermediate 2 hole to 4512'. Ran 9.625", 36#, J-55 & HCK-55, LT&C and set @ 4512' with ECP @ 3156' & DV Tool @ 3152' circ 610 sx cmt to surface

9/11/2012 - Pumped 1<sup>st</sup> stage with 1530 sx Class C lead (6% Gel, 0.125#/sx Cello-Flake, 0.25#/sx Defoamer, 5% Salt, 3#/sx KOL-Seal LCA @ 12.6 ppg & 2.07 yld) and 200 sx Class C tail (2% retarder @ 14.8 wt & 1.33 yld. Circulated 610 sx cmt to surface. Set ECP & shifted DV Tool into closed position. Did not pump 2<sup>nd</sup> stage since cmt already circulated to surface.

9/12/2012 - Inter Csg Pressure Test: 2460 psi/30 min – OK

9/23/2012 - Drill 8-3/4" pilot hole to TD @ 10,000'.

9/25/2012 - Spot isolation cmt plug, 235 sx Class H, (neat @ 15.6ppg, 1.18 yield) at 10,000'. Tagged TOC @ 9422' and dressed off to 9450'.

9/26/2012 - Spot kick-off cmt plug @ 9450', 300 sx Class H (17.5 ppg, 0.94 yld)

9/27/2012 - Tagged TOC @ 8640'.

10/19/2012 - Drilled lateral to 14,055' MD, 9816' TVD.

10/21/2012 - Ran 5.5", 17#, L-80, LT&C and set @ 14,053'. Pumped 750 sx 50/50 Poz/H lead (10% Gel, 0.2% retarder, 0.125#/sx Cello-Flake, 0.25#/sx Defoamer, 5% Salt, 3#/sx KOL-Seal LCA @ 11.9 ppg & 2.46 yld) and 1350 sx Class H tail (1.3% salt, 5% expanding agent, 0.5% gel suppressing agent, 0.6% retarder, 0.25% retarder @ 13.0 ppg & 1.47 yield. Circulated 80 bbls cmt to surface. Prod Csg Pressure Test: 2500psi/30 min – OK.

10/22/2012 - RR