OCD-HOBBS

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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 reverse side.

5. Lease Serial No.
NMNM2512

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NM72602X

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

8. Well Name and No.
NORTHEAST DRINKARD UNIT (NEDU) 242

2. Name of Operator
APACHE CORPORATION
Contact: REESA FISHER
E-Mail: Reesa.Fisher@apachecorp.com

9. API Well No.
30-025-37875

3a. Address
303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 432-818-1062

10. Field and Pool, or Exploratory
EUNICE; B-T-D, NORTH

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 3 T21S R37E SWNE 3050FSL 2595FEL

11. County or Parish, and State
LEA COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☒ Convert to Injection	☐ Plug Back	☐ 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 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 BLM/BIA. Required subsequent reports shall 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 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.)

Apache would like to convert this well to injection, per the attached procedure. Current and proposed WBD's are also included.

HOBBS OCD

MAY 19 2016

RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

* NO WFX ORDER IN PLACE AS OF 5/24/2016 MGB

SUBJECT TO LIKE APPROVAL BY STATE

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #326388 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/04/2016 ()

Name *(Printed/Typed)* REESA FISHER — Title SR STAFF REGULATORY ANALYST

Signature (Electronic Submission) — Date 12/15/2015

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date MAY 5 2016

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 CARLSBAD FIELD 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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

MMS/OCD 5/24/2016

NEDU 242 Proposed Workover Procedure
API: 30-025-37875
Summary: Reactivate Well, Run Liner, Add pay to Drinkard, Acid Stimulate, Install Injection Equipment

Note: Prior to starting workover, ensure casing has been pressure tested to 500 psig to ensure well will pass MIT

Day 1/2/3: MIRU. ND WH. NU BOP. PU 2-7/8" work string and RIH w/work string and 4-3/4" bit. MIRU N2 / Reverse Unit as required. Drill out plugs suspending the Blinebry, Tubb, and Drinkard. Circulate clean to PBTD depth of +/- 6,873'. POOH w/tubing and bit.

Day 4: RU casing crew and equipment and RIH with 4" 9.5 lb/ft, J-55 flush joint (↓ TMK UP Ultra FJ approved) casing with float collar and float shoe to +/- 6,873'.

RU cement crew. Perform single stage cement job to surface consisting of 20 bbl fresh water flush, 40 bbl seal bond LCM spacer, and 384 sacks of Class C cement + additives (weight 13.2 ppg, yield 1.60 cf/sack, volume 113.5 bbls, 100% excess slurry). Displace with 83.6 bbl fresh water (confirm all volumes).

Day 5: Wait on Cement

Day 6: PU and RIH w/ 3-3/4" bit on 2-3/8" work string. Drill out float collar and cement to +/- 6,858'. Circulate clean. POOH w/ bit and work string.

Day 7: MIRU WL and RIH w/ GR/CBL/CCL. Log well from TD to surface. POOH.

PU and RIH w/3-3/8" slick guns with SDP charges (or similar). Perforate the Drinkard @ 4 SPF, 90 deg phasing as per the attached sheet (total 52 ft, 208 shots). POOH & RD WL.

RIH w/ 4-1/2" treating packer on 2-3/8" work string. Set packer @ +/-6,550'.

Day 8: Acidize the Drinkard w/10,000 gals 15% HCl-NE-FE-BXDX acid w/scale inhibitor and rock salt @ +/- 10 BPM (Max pressure 4,500 psia). Release packer. Wash out salt. POOH

PU and RIH w/ ~~4-1/2~~ 4" injection packer, on-off tool and 2-3/8" work string.

Set packer @ +/- 6,550'. Release on/off tool and POOH. LD 2-3/8" work string.

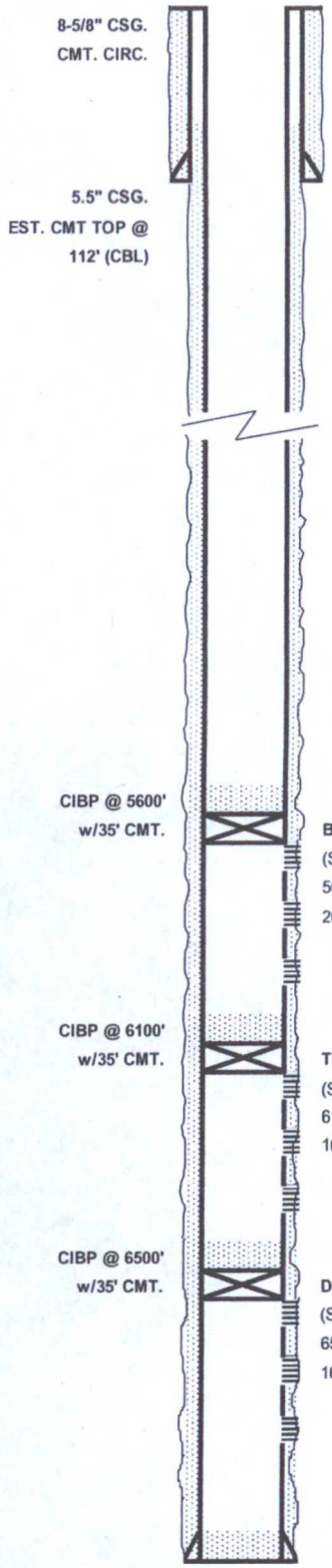
Day 9: Test in hole w/2-3/8" IPC injection tubing. Circulate packer fluid and pressure test backside to 500 psi. Latch on to packer @ +/- 6,550'.

Run MIT for NMOCD. Run pressure profile and temperature survey.

Place well on injection. Send first flow form to Reesa Fisher.

NEDU 242 Proposed Perforations						
Guns: 3-3/8" slick guns w/ Standard Charges						
Stage	Zone	Top	Bottom	Length	SPF	Shots
1	Drinkard	6622	6623	2	4	8
1	Drinkard	6625	6626	2	4	8
1	Drinkard	6629	6630	2	4	8
1	Drinkard	6633	6634	2	4	8
1	Drinkard	6636	6637	2	4	8
1	Drinkard	6640	6641	2	4	8
1	Drinkard	6644	6645	2	4	8
1	Drinkard	6648	6649	2	4	8
1	Drinkard	6652	6653	2	4	8
1	Drinkard	6660	6661	2	4	8
1	Drinkard	6664	6665	2	4	8
1	Drinkard	6678	6679	2	4	8
1	Drinkard	6682	6683	2	4	8
1	Drinkard	6686	6687	2	4	8
1	Drinkard	6690	6691	2	4	8
1	Drinkard	6694	6695	2	4	8
1	Drinkard	6698	6699	2	4	8
1	Drinkard	6702	6703	2	4	8
1	Drinkard	6706	6707	2	4	8
1	Drinkard	6710	6711	2	4	8
1	Drinkard	6714	6715	2	4	8
1	Drinkard	6718	6719	2	4	8
1	Drinkard	6722	6723	2	4	8
1	Drinkard	6726	6727	2	4	8
1	Drinkard	6730	6731	2	4	8
1	Drinkard	6734	6735	2	4	8
Total				52		208

Apache Corporation
NEDU #242
WELL DIAGRAM (CURRENT CONFIGURATION)



WELL NAME:	NEDU #242	**API:**	30-025-37875
LOCATION:	3050' FSL & 2595' FEL, Lot 15, Sec. 3, T-21S, R-37E	**COUNTY:**	Lea Co., NM
SPUD/TD DATE:	6/10/2006 - 6/23/2006	**PREPARED BY:**	Michael Hunter
COMP. DATE:	7/21/2006	**UPDATED:**	5/15/2014
TD (ft): 6,950.0	**KB Elev. (ft):** 3476.0	**KB ELEV:**	11.0
PBTD (ft): 5,600.0	**Ground Elev. (ft):** 3465.0		

CASING/TUBING	SIZE (IN)	WEIGHT (LB/FT)	GRADE	DEPTHS (FT)	
Surface Casing	8-5/8" (Cmt. w/575x, circ)	24.00	J-55	0.00	1,340.00
Prod. Casing	5-1/2" (Cmt. w/1000x, TOC @ 112', CBL)	17.00	J-55/L-80	0.00	6,950.00
Int. Casing					
Tubing					

PRODUCTION TBG STRING

ITEM	DESCRIPTION	LENGTH (FT)	Depth (FT)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

PRODUCTION ROD STRING

ITEM	DESCRIPTION	LENGTH (FT)	Btm (FT)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

SURFACE EQUIPMENT

PUMPING UNIT SIZE:	**MOTOR HP:**
PUMPING UNIT MAKE:	**MOTOR MAKE:**

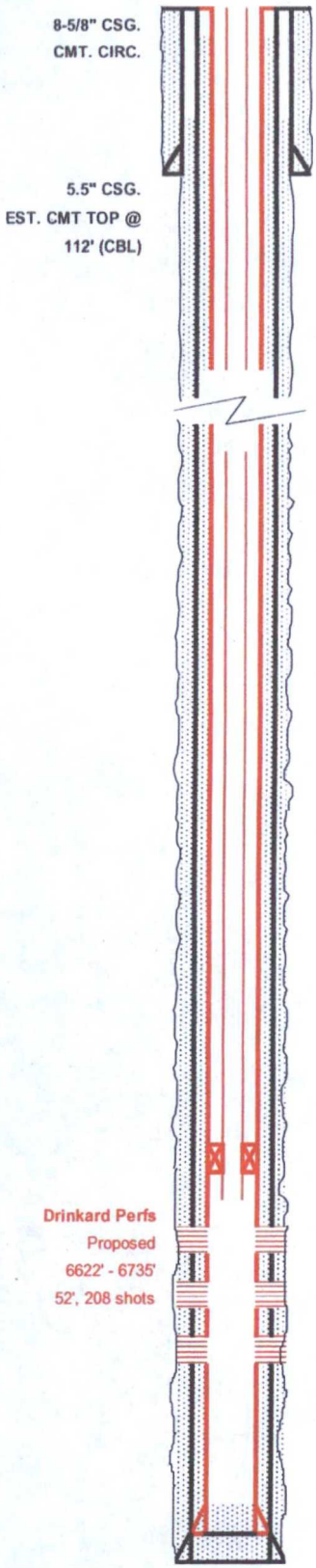
PERFORATIONS

Form.	Intervals	FT	SPF
Blinebry	Suspended: 5667'-71', 5761'-65', 5832'-36', 96'-5900', 5931'-35'	20	2
Tubb	Suspended: 6160'-64', 6258'-62', 6304'-08', 58'-62'	16	2
Drinkard	Suspended: 6559'-63', 6649'-53', 80'-84', 6712'-16'	16	2

Apache Corporation

NEDU #242W

WELL DIAGRAM (PROPOSED CONFIGURATION)



WELL NAME:	NEDU #242W	**API:**	30-025-37875
LOCATION:	3050' FSL & 2595' FEL, Lot 15, Sec. 3, T-21S, R-37E	**COUNTY:**	Lea Co., NM
SPUD/TD DATE:	6/10/2006 - 6/23/2006	**PREPARED BY:**	Bret Shapot
COMP. DATE:	7/21/2006	**UPDATED:**	7/13/2015
TD (ft): 6,950.0	**KB Elev. (ft):** 3476.0	**KB ELEV:**	11.0
PBTD (ft): 6,858.0	**Ground Elev. (ft):** 3465.0		

CASING/TUBING	SIZE (IN)	WEIGHT (LB/FT)	GRADE	DEPTHS (FT)	
Surface Casing	8-5/8" (Cmt. w/575x, circ)	24.00	J-55	0	1,340
Prod. Casing	5-1/2" (Cmt. w/1000x, TOC @ 112', CBL)	17.00	J-55/L-80	0	6,950
Liner	4" Cmt. To surf	9.50	J-55	0	6,873
Tubing					

INJECTION TUBING STRING

ITEM	DESCRIPTION	LENGTH (FT)	Btm (FT)
1	2-3/8" 4.7 LB/FT J-55 IPC TBG	6550.0	6550.0
2	2-3/8" ON/OFF TOOL W/ 1.78 F PROFILE	1.8	6551.8
3	2-3/8" X 4-1/2" NICKLE PLATED ARROW-SET PKR	6.2	6558.0
4	2-3/8" 4.7 LB/FT J-55 IPC TBG	8.0	6566.0
5	2-3/8" PROFILE NIPPLE 1.50 R	0.9	6566.9
6	2-3/8" 4.7 LB/FT J-55 IPC TBG	6.0	6572.9
7			
8			
9			
10			

PERFORATIONS

Form.	Intervals	FT	SPF
Blinebry			
Tubb			
Drinkard	6622'-23', 25'-26', 29'-30', 33'-34', 36'-37', 40'-41', 44'-45', 48'-49', 52'-53', 60'-61', 64'-65', 78'-79', 82'-83', 86'-87', 90'-91', 94'-95', 98'-99', 6702'-03', 06'-07', 10'-11', 14'-15', 18'-19', 22'-23', 26'-27', 30'-31', 34'-35'	52	4

Conditions of Approval

Apache Corporation
NEDU - 242, API 3002537875
T21S-R37E, Sec 03, 3050FSL & 2595FEL
May 05, 2016

1. **Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.**
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Surface disturbance beyond the existing pad shall have prior approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. Functional H_2S monitoring equipment shall be on location.
6. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. A 4", 9.5 lb/ft, J-55, liner with TMK UP Ultra FL coupling is approved for installation. Operator's installed liner must have mechanical specifications as good or better as that approved.
9. After setting the liner and before perforating, **perform a charted casing integrity test** of **800psig** minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. **Verify all annular casing vents are plumbed to the surface and open during this pressure test.** Include a copy of the chart in the subsequent sundry for this workover.
10. **Provide BLM with an electronic copy of the existing 5 ½"" production casing cement bond log record. The CBL may be attached to a pswartz@blm.gov email.**

11. **Provide BLM with an electronic copy of the 4" liner cement bond log record from 6800 or below to top of cement taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email.**
12. The subsequent report is to include workover stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures (psig).

13. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
14. Submit a (BLM Form 3160-**5** subsequent report (daily reports) via BLM's Well Information System; https://www.blm.gov/wispermits/wis/SP describing all wellbore activity. File intermediate Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
15. Submit the BLM Form 3160-**4 Recompletion Report** within 30 days of the date all BLM approved procedures are complete.

Well with a Packer - Operations

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). Verify all annular casing vent valves are open to the surface during this pressure test. An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
3) Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
4) Make arrangements 24 hours before the test for BLM to witness. In Lea County phone 575-393-3612. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.

6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, or an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
7) Compliance with a NMOCD Administrative Order is required.
   a) Approved injection pressure compliance is required.
   b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
   c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
8) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
9) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
10) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
11) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
12) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0 psia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
13) Submit a (BLM Form 3160-**5** subsequent report (daily reports) via BLM's Well Information System; https://www.blm.gov/wispermits/wis/SP describing all wellbore activity and include the Mechanical Integrity Test chart document. File intermediate Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.