

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

HOBBS OCD SEP 26 2017 RECEIVED

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.

5. Lease Serial No. NMLC030556B 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

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

8. Well Name and No. STEVENS B 009

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

9. API Well No. 30-025-09330

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 Area JALMAT; TAN-YATES-7R (GAS)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T23S R36E SWNE 1980FNL 1980FEL

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

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.

Apache Corporation requests approval to TA this wellbore in order to evaluate if there is bypassed pay potential in the Seven Rivers and Queen formations. Specifically, the EF King #2 offset well produced the Middle-Lower Seven Rivers formation, which was not perforated in the Stevens B #09, and hence will be evaluated to see if the same performance can be achieved in the Stevens B #09.

TA would be performed, as follows:

Day 1: MIRU SU. POOH w/rods (if applicable) laying down. POOH w/tubing.

Day 2: RU WL. RIH and dump bail 35? cement on existing CIBP @ 3570?. RIH and tag TOC. RIH and set CIBP @ 2,962? via wireline. RIH and dump bail 35? of cement on top of CIBP. RIH and tag TOC. RD wireline. RIH w/tubing and test casing. Circulate inhibited fluid. Perform MIT

APPROVED

SEE ATTACHED FOR CONDITIONS OF APPROVA

WITNESS

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #385716 verified by the BLM Well Information System For APACHE CORPORATION, sent to the Hobbs Committed to AFMSS for processing by PAUL SWARTZ on 09/12/2017 ()

Name (Printed/Typed) REESA FISHER

Title SR STAFF REGULATORY ANALYST

Signature (Electronic Submission)

Date 08/23/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By [Signature] 09/18/17

Title TPET Date [Blank]

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

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.

(Instructions on page 2)

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

YMSB/OCD 9/27/2017

Conditions of Approval
Apache Corporation
Stevens B - 09, API 3002509330
T23S-R36E, Sec 12, 1980FNL & 1980FEL
September 18, 2017

Within 90 days of these conditions of approval for the processed Electronic Submission #385716 notice of intent approval expires.

Well has no record of beneficial use since month of 01/2017.

Operator is to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.

A temporarily abandoned well defined as a completion not capable of production in paying quantities but which may have value as a service well.

Temporary Abandonment (TA) BLM Status Approval Requires:

1. A Notice of Intent (NOI) Sundry (Form 3160-5) requesting approval to prepare the wellbore for a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A subsequent sundry report that describes compliance:
 - a. All downhole production artificial lift equipment (tubing, rods, etc.) removed from the casing. A wellbore with a packer set just above producing or injection perforations with annulus integrity above the packer, and loaded with corrosion inhibiting fluid considered for TA status by passing a Mechanical Integrity Test.
 - b. Wellbore below all potential production plugged back per permanent plugging procedures. A cast iron bridge plug or packer installed within 100 feet above perforations or open hole of open formations.
 - c. Cementing procedure is subject to the next three numbered paragraphs.**
 - d. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 1/2" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
 - e. Class H > 7500ft & C < 7500ft) neat cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Isolation plugs of Class "C" neat cement to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and Class "H" neat cement to be mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.
 - f. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.

- g. Prior to rig up provide CBL evidence of cement top behind the 4 1/2" csg or submit a CBL taken at 0psig after a CIBP is set within 100' of the top perf 3022'. Plugging operations may be modified ensuring plugs cover the drilled wellbore I.D.
 - h. Tag the CIBP at 3570 and set balanced 25sx cmt plug above the CIBP, covering the Queen formation top at 3614. WOC and tag the plug with tbg.
 - i. Pressure test the casing to 500psig after a CIBP is set within 100' of the top perf 3022'.
 - j. If the formation is to be reopened 35 feet cement bailed on the CIBP set within 100' of the top perf 3022' is sufficient.
 - k. Set balanced 25sx cmt plug above the CIBP set within 100' of the top perf 3022', covering the Yates formation top at 2950. WOC and tag the plug with tbg.
 - l. Fill wellbore with corrosion inhibited fluid.
 - m. At least 24 hours prior to conducting the Mechanical Integrity Test, contact the appropriate BLM office. Lea County call Hobbs 575-393-3612.
 - n. Documentation of a 500psig minimum BLM witnessed Mechanical Integrity 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 is a failed MIT. Verify all annular casing vents plumbed to surface and those valves open to the surface during this pressure test. Pressure leakoff will be evaluated site specifically and affect approvals.
3. Submit a Subsequent Sundry Notice (Form 3160-5) requesting TA approval with a description of the preparation for temporary abandonment approval, a clear copy or the original Mechanical Integrity Test chart, a current wellbore diagram, and **justification for not plugging**. Justification is listing the proposed beneficial use and reasonable expected dated events to initiate a conversion to beneficial use. Often overlooked is a backlog of wells that have no potential beneficial use (should have been plugged and abandoned) that create a status surplus.
4. This BLM TA NOI Approval is for WELLBORE PREPARATION ONLY. BLM IS NOT APPROVING TA Status FOR THIS WELL. If warranted, TA approval status for a specified time limit noted with BLM acceptance of the subsequent report of preparations and justification.
5. Should Mechanical Integrity Test not prove wellbore integrity or not be conducted submit a procedure to repair or plug and abandon the well for BLM approval within 30 days of the MIT.

Operator: Apache Corporation
Surface Lease: LC030556b
Case No: LC030556b

BHL: LC030556b
Lease Agreement

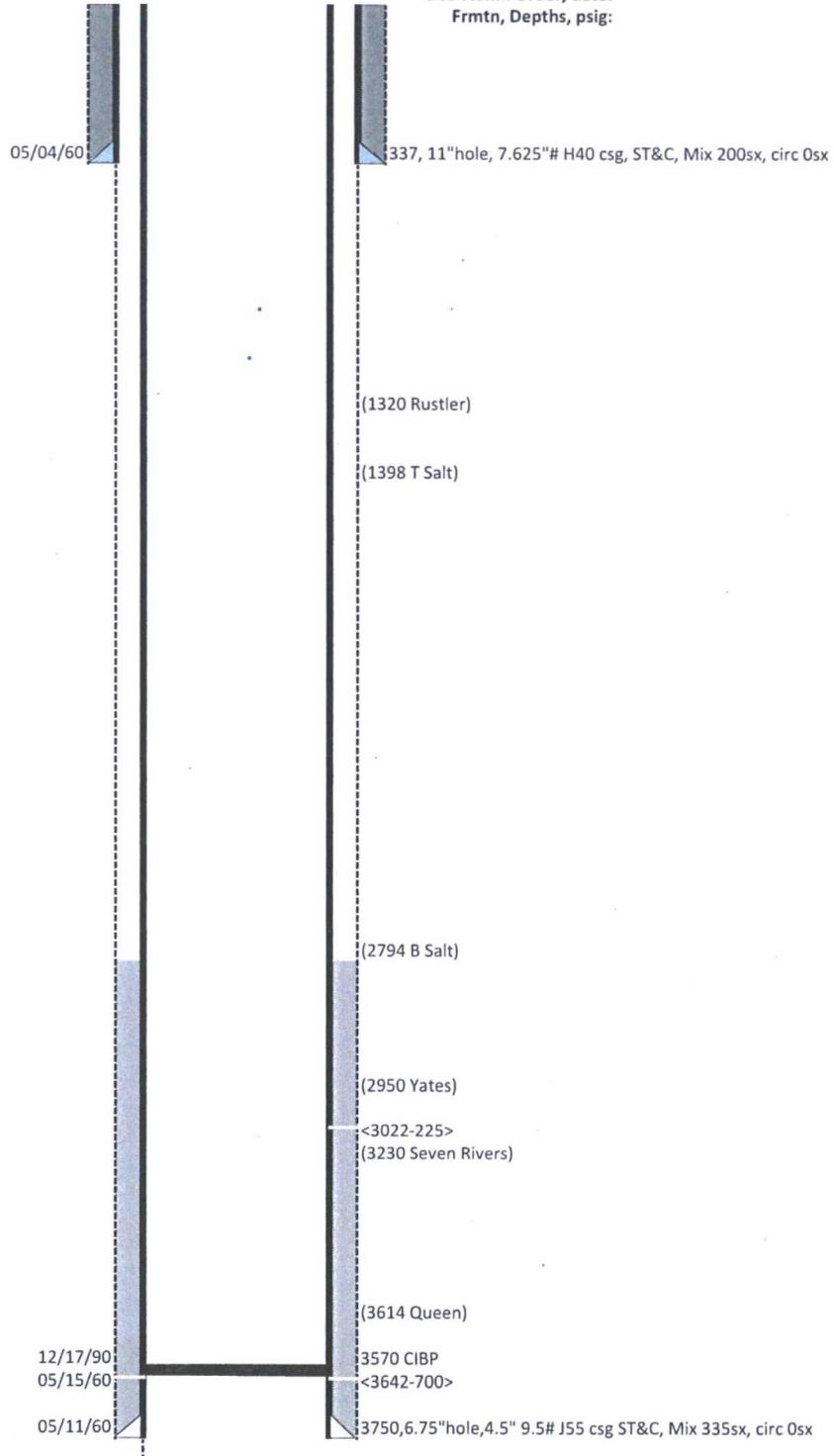
Well: STEVENS B-9
API: 3002509330
@ Srfce: T23S-R36E,12.1980n1980e
@ M TD: T23S-R36E,12.1980n1980e

Subsurface Concerns for Casing Designs:

Well Status: NOI-TA
Spud date: 5/4/1960
Plug'd Date:
Reentry Date:

KB: 3422
GL: 3409
Corr: 13

Estate: P\VF
CWDW, R of W:
OCD Admn Order, date:
Frmtn, Depths, psig:



12/17/1990 MIT held 570-640psig 15m
10/07/1996 MIT held 520-540psig 20m
10/15/2001 MIT held 520psig 25m