Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

Carlsbad Field Office
OCD Hobbs

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD

MAY 29 2018

RECEIVED

5. Lease Serial No.
NMLC032096B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM112723X

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

8. Well Name and No.
EAST BLINEBRY DRINKARD UNIT 12

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

9. API Well No.
30-025-06477

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
EUNICE; B-T-D, NORTH

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 11 T21S R37E NWNW 330FNL 330FWL

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

12. CHECK THE 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	☐ Hydraulic Fracturing	☐ 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 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.

Apache is requesting permission to convert this well to injection, per the attached procedure and WBD's.

WFX-976

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #405021 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/26/2018 ()

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

Signature (Electronic Submission) — Date 02/20/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Mustafa Haque — Title Engineer — Date 5/24/2018

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 CFO

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 ****

M&B/OCD
5/30/2018

State of New Mexico
Energy, Minerals and Natural Resources Department

Administrative Order WFX-976
January 18, 2018

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-12394, Apache Corp. (OGRID No. 873) has made application to the Division for permission to add one additional injection well to its East Blinebry-Drinkard Unit Waterflood Project located within the Eunice; Bli-Tu-Dr, North Pool (Pool Code 22900) in Lea County, New Mexico. This well is being proposed as an injection well into the Unitized interval, Blinebry formation of the East Blinebry-Drinkard Unit.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections remain outstanding. The proposed well is eligible for conversion to injection under the terms of that rule. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

The proposed expansion of the above-referenced waterflood project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED THAT:

Apache Corporation (OGRID 873), as operator, is hereby authorized to inject water into the following well into the Blinebry formation for the purpose of secondary recovery through plastic-lined tubing set into a packer:

API No.	Well	Unit	Sec	Twp	Rng	Footage N/S	Footage E/W	Approved interval (in ft) and type	Maximum Surface Injection Pressures
30-025-06477	East Blinebry Drinkard Unit Well No.12	D	11	21 S	37 E	330' FNL	330' FWL	5618' to 6073'; perforations	2100 psi

The approved maximum surface tubing injection pressure shall be **2100 psi** as permitted under Administrative Order IPI-292 dated February 15, 2008. This order was based on a Step-Rate Test conducted with EBDU Well No. 26 (API 30-025-06536) on December 18, 2007.

The operator shall set the injection packer no more than 100 feet above the shallowest perforation for the permitted injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing injection and prior to resuming injection each time any injection packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on this well shall be limited as listed above. In addition, the injection well or header system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressures to the maximum allowable pressures for this well.

Subject to the limitations within the hearing order permitting this project, the Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluids from the approved injection interval. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I Office of the date and time of the installation of injection equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection to the District I Office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the District I Office of any failure of the tubing, casing or packer in the approved injection well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein. The subject well shall be governed by all provisions of Division Order No. R-12394 and associated administrative orders.

The injection authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator received prior to the two-year deadline, may grant an extension thereof for good cause shown.

Heather Riley

HEATHER RILEY
Division Director

HR/mam

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad
Case File 13503
Well File – 30-025-06477

East Blinebry Drinkard Unit (EBDU) #12

API No. 30-025-06477

Proposed procedure to convert this well to injection into the Blinebry Formation

1. MIRU PU. TOH and LD rods and pump. ND WH. NU BOP. TOH and LD production tubing.
2. PU and TIH with 2-7/8" work string and bit to 6,200'. TOH with work string and bit.
3. TIH with CIBP and work string. Set CIBP at ~6,085' and cap with ~~2 sacks of~~ 35' of Class "C" cement. or 25 sacks
4. TOH with work string. PU and TIH with treating packer and work string. Set treating packer ~50 above existing Blinebry perforation. Load the casing with produced water. Pressure test the casing to 500 psig for 30 minutes. Release the pressure and packer. TOH with the work string and treating packer.
5. MIRU WL truck. Perforate additional Blinebry pay as needed to be in conformance with offset Blinebry producers. POH with wire line and RDMO WL truck.
6. TIH with treating packer and work string. Set packer at ~50' above the top Blinebry perforation. MIRU stimulation equipment. Acidize the Blinebry using graded rock salt as a diverting agent. Leave the well shut in for 3 hours. Release the treating packer and wash out any salt. TOH with work string and treating packer.
7. PU and TIH with new injection packer, profile nipple, on/off tool and work string. Set injection packer ~50' above the top Blinebry perforations. Drop blanking plug and seat in profile nipple. Release from the injection packer. TOH & LD work string.
8. PU and TIH with new 2-3/8" injection tubing with on/off tool. Circulate packer fluid and latch onto injection packer. ND BOP. NU WH. Pressure test the casing to 500 psig for 30 minutes.
9. Schedule and run a MIT for the NMOCD. Turn well to injection.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: APACHE CORPORATION

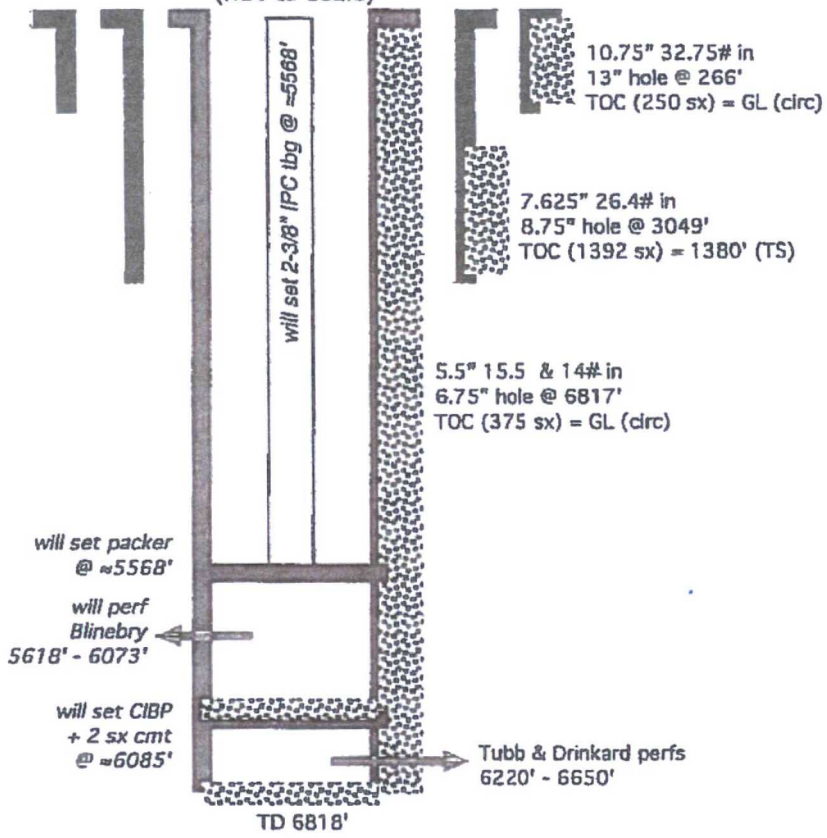
WELL NAME & NUMBER: EAST BLINEBRY DRINKARD UNIT 12

WELL LOCATION:	330' FNL & 330' FWL	D	11	21 S	37 E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

PROPOSED

(not to scale)



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 13" Casing Size: 10.75"

Cemented with: 250 sx. *or* _____ ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Intermediate Casing

Hole Size: 8.75" Casing Size: 7.625"

Cemented with: 1392 sx. *or* _____ ft³

Top of Cement: 1380' Method Determined: TEMP. SURV.

Production Casing

Hole Size: 6.75" Casing Size: 5.5"

Cemented with: 375 sx. *or* _____ ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Total Depth: 6818'

Injection Interval

5618 feet to 6073'

(Perforated or Open Hole; indicate which)

Well Info

Legal Well Name: EAST BLINEBRY DRINKARD UNIT 012
API/Surface Loc: 3002505477
Spud Date: 7/16/1951
Original Drilling Rig Release:
Target Formation:
Field Name: EUNICE AREA (EBDU)
County: Lea
State/Province: New Mexico
Surface Legal Location: 330' FNL, 330' FWL, Unit D Sec 11 T-21S R-37E

Bottom Hole Location:

Bottom Hole Legal Location
EAST BLINEBRY DRINKARD UNIT 012 - Original Hole
East-West Distance (ft): From E or W Line:
EAST BLINEBRY DRINKARD UNIT 012 - Original Hole
North-South Distance (ft) From N or S Line.
Original Drilling Rig Release:
Original KB Elevation (ft): 3,457.0
Ground Elevation (ft): 3,446.0
KB-Ground Distance (ft): 11.0
Total Depth (All) (ftKB): Original Hole - 6,818.0
Total Depth All (TVD) (ftKB):

Stimulation Jobs

Volume Clean Total (bbl):
Total Clean - Recovered Volume (bbl):
Proppant Total (lb):
Treat Rate Max (bbl/min):
Treat Pressure Max (psi):
Number of Treatment Intervals:
Min Top Depth (ftKB):
Max Btm Depth (ftKB):

Kick Offs & Key Depths

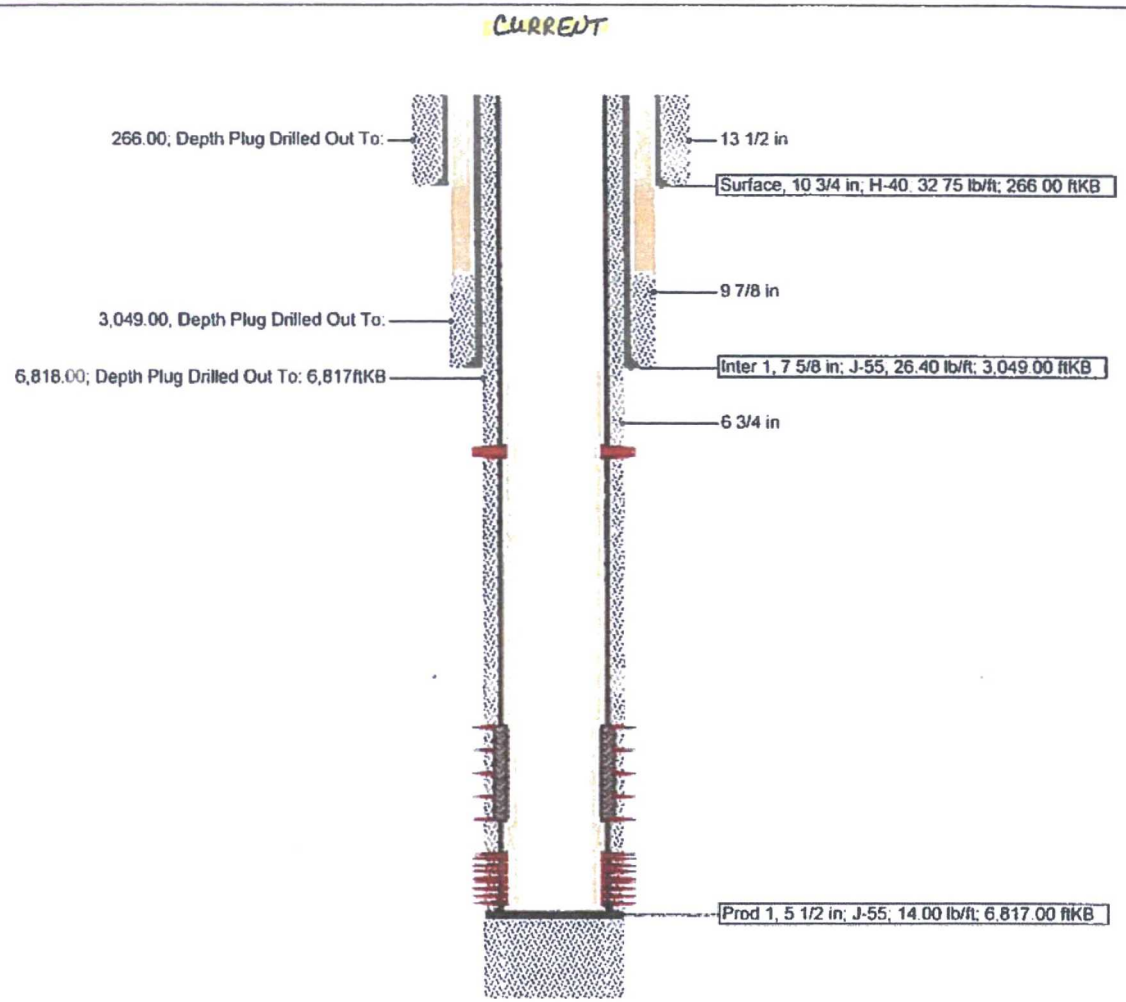
Type: **Top Depth (ftKB):**
Total Depth (ftKB): 6,818.0
PBTD (All) (ftKB): Original Hole - 6,817

Perforations

Top Depth (ftKB): 5,783
Top Depth (ftKB): 6,791
Bottom Depth (ftKB): 6,802

Production - EAST BLINEBRY DRINKARD UNIT 012 - Original Hole, 2/20/2018 8:56:45 AM

Vertical schematic (actual)



Apache

Schematic - Current

Well Name: EBDU 12

Reference Datum: KB

API/Surface Loc	Surface Legal Location	Field Name	State/Province	Well Purpose
3002506477	330' FNL, 330' FWL, Unit D, Sec 11, T-21S, R-37E	EUNICE AREA (EBDU)	New Mexico	Production

Spud Date	Original KB Elevation (ft)	Ground Elevation (ft)	KB-Ground Distance (ft)
7/16/1951 00:00	3,457.0	3,446.0	11.0

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Start Date	End Date
LOE	LOE-Repair/Maint	Surveillance	1/5/2018	

TD: 6,818.0 Production - EAST BLINEBRY DRINKARD UNIT 012 - Original Hole, 2/20/2018 8:56:26 AM

MD (ftKB)	Vertical schematic (actual)
266.1	Casing Joints; 11.00-266.00; 255.00; 1-1; 10 3/4; 10.192
3,048.9	Casing Joints; 11.00-3,049.00; 3,038.00; 2-1; 7 5/8; 6.969
	Casing Joints: 11.00-6,817.00; 6,806.00; 3-1; 5 1/2; 5.010
5,773.0	Blinebry; 5,763.00-5,773.00; 4/15/1963
5,794.0	Blinebry; 5,790.00-5,794.00; 4/15/1963
5,819.9	Blinebry; 5,817.00-5,820.00; 4/15/1963
5,826.1	Blinebry; 5,823.00-5,826.00; 4/15/1963
5,836.0	Blinebry; 5,833.00-5,836.00; 4/15/1963
5,847.1	Blinebry; 5,844.00-5,847.00; 4/15/1963
5,870.1	Blinebry; 5,866.00-5,870.00; 4/15/1963
5,879.9	Blinebry; 5,875.00-5,880.00; 4/15/1963
5,920.9	Blinebry; 5,920.00-5,921.00; 5/2/1991
5,943.9	Blinebry; 5,943.00-5,944.00; 5/2/1991
5,965.9	Blinebry; 5,965.00-5,966.00; 5/2/1991
5,974.1	Blinebry; 5,973.00-5,974.00; 5/2/1991
5,988.8	Blinebry; 5,988.00-5,989.00; 5/2/1991
5,997.0	Blinebry; 5,996.00-5,997.00; 5/2/1991
6,018.0	Blinebry; 6,017.00-6,018.00; 5/2/1991
6,044.0	Blinebry; 6,043.00-6,044.00; 5/2/1991
6,060.0	Blinebry; 6,059.00-6,060.00; 5/2/1991
6,200.1	
6,220.1	Tubb Sqz'd, 6,220.00-6,332.00; 7/20/1956
6,527.9	Drinkard; 6,528.00-6,543.00; 9/1/1951
6,551.8	Drinkard; 6,552.00-6,579.00; 8/30/1951
6,586.9	Drinkard; 6,587.00-6,612.00; 8/28/1951
6,622.0	Drinkard; 6,622.00-6,650.00; 8/26/1951
6,658.1	Drinkard; 6,658.00-6,668.00; 8/25/1951
6,673.9	Drinkard; 6,674.00-6,706.00; 8/25/1951
6,714.9	Drinkard; 6,715.00-6,740.00; 8/24/1951
6,750.0	Drinkard; 6,750.00-6,780.00; 8/22/1951
6,791.0	Drinkard; 6,791.00-6,802.00; 8/22/1951
6,816.9	

Conditions of Approval

Apache Corporation
East Blinebry Drinkard Unit 12
API 3002506477
May 24, 2018

1. Notify BLM 575-361-2822 before plug back procedures. The procedures are to be witnessed.
2. Surface disturbance beyond the existing pad must have prior approval.
3. Casing added or replaced requires a prior notice of intent (BLM Form 3160-5) approval of the design.
4. Closed loop system required. 2000 2M BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the work string shall be adequate. Tapered work strings will require an additional pipe ram.

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.
   a) The minimum test pressure should be 500 psig for 30 minutes, with 200 psig differentials 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). 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.
   b) Document the pressure test on a calibrated recorder chart registering within 25 to 85 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.
   c) At least 24 hours before the test in Eddy County call: phone 575-361-2822 and in Lea County call: phone 575-393-3612. Note the contact notification method, time, & date in your subsequent report.
   d) 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.