



APACHE CORPORATION

P.O.Box 1849 Eunice, NM 88231 Phone 575.394.3159

Lee Federal #041

Closure Report

2RP-1135

API 30-015-39611

Release Date: April 15, 2012

Unit Letter E, Section 20, Township 17S, Range 31E

Rice Environmental Consulting & Safety

P.O. Box 2948 Hobbs, NM 88241 Phone 575.393.2967

October 19, 2012

Mike Bratcher New Mexico Energy, Minerals, & Natural Resources Oil Conservation Division, Environmental Bureau – District 2 811 S. First St. Artesia, NM 88210

> RE: TERMINATION REQUEST Apache – Lee Federal #041 AD UL/E sec. 20 T17S R31E API No. 30-015-39611 2RP-1135

Mr. Bratcher:

Apache Corporation has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the site referenced above.

Background and Previous Work

The site is an accidental discharge of drilling fluids associated with the Lee Federal #041. During drilling activities, holding bins in the southwest corner of the well pad overflowed and released fluids onto the well pad. An initial form C-141 was submitted by Apache Corporation on April 18, 2012 (Appendix A). The site is located in Loco Hills, in unit letter 'G' of section 20, T17S, R31E in Eddy County, New Mexico.

On April 16, 2012, RECS personnel initiated work at the Lee Federal #041 (Figure 1). Surface soil samples were collected from the southwest corner leak area. The samples were field tested for chloride. Headspace measurements were also taken in the field using a Photo Ionization Detector (PID).

The leak area was excavated to 6 inches below ground surface (bgs) (Figure 2). On August 15, 2012, RECS personnel collected and field tested representative wall grab samples and a composite bottom sample from the excavation. The samples were submitted to a laboratory for analysis and did not exceed 160 mg/kg chloride (Appendix C).

Excavated soils were removed to a NMOCD approved disposal facility. The excavation was backfilled with clean caliche and leveled. See Appendix B for photographs of field activities.

Conclusion

Due to the complete removal of impacted soils, Apache submits the final C-141 (Appendix D) and respectfully requests the closure of the regulatory file for this site.

Apache Corporation appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 631-6432 if you have any questions or comments.

Sincerely,

Lara Weinheimer

Project Scientist

RECS

(575) 441-0431

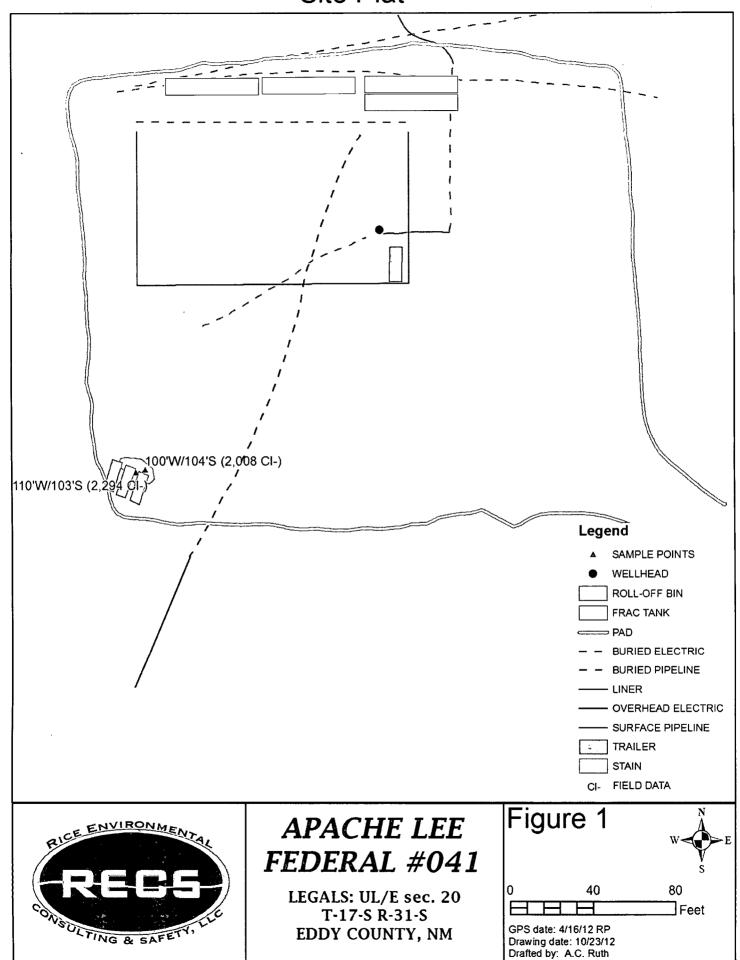
Attachments:

Figure 1: Site Plat with Initial Lab Sampling Data Figure 2: Site Plat with Final Lab Sampling Data

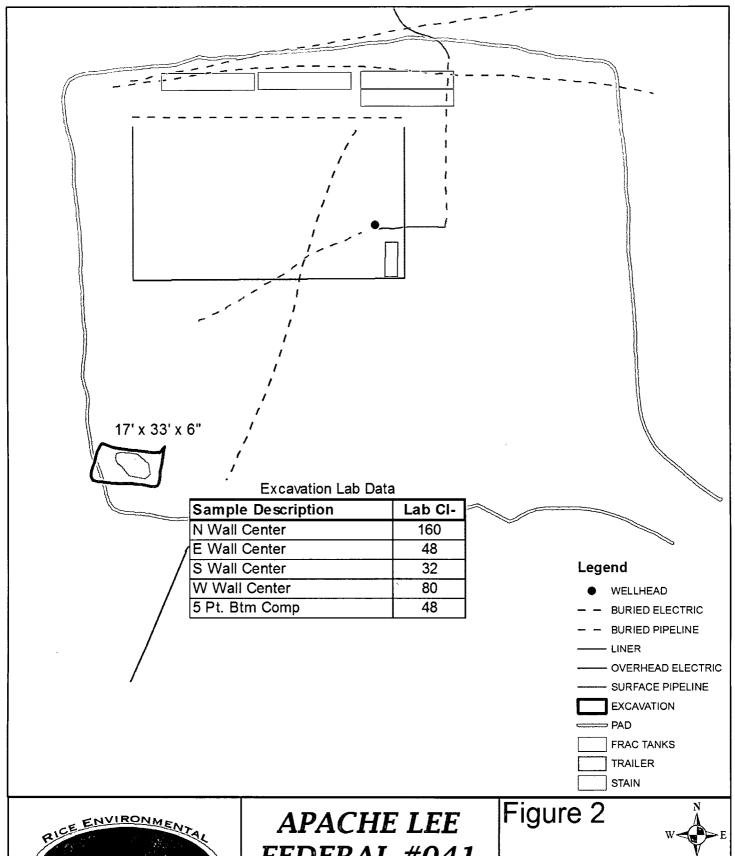
Appendix A: Initial Form C-141 Appendix B: Site Photographs Appendix C: Laboratory Results Appendix D: Final Form C-141



Site Plat



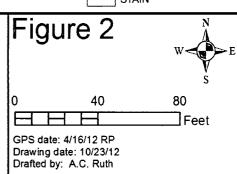
Site Plat





FEDERAL #041

LEGALS: UL/E sec. 20 T-17-S R-31-S EDDY COUNTY, NM



Appendix A
Initial Form C-141

District I
1625 N. French Dr , Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr , Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Form C-141 Revised August 8, 2011

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

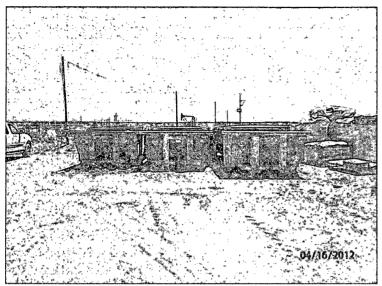
			Rele	ease Notific	atio	n and Co	rrective A	ction	1				
nMLB/21	505161	,			OPERA'	ΓOR		🛭 Initi	al Report		Final Repor		
Name of Co	ompany A	pache Corpo	373		Contact Natalie Gladden								
		9 Eunice, N				No. 575-390-41			<u>-</u>				
Facility Name Lee Federal #41						racility Typ	e Production v	ven		0,12	<u> </u>		
Surface Ow	ner BLM			Mineral C	wner	BLM			API No	o. 30-025-3	39611		
		TIO	N OF RE	LEASE			,						
Unit Letter	Section	Township	Range	Feet from the	North	South Line	Feet from the	East/\	t/West Line Count				
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	J.,-		La	titude		Longitud	le	-					
					TIDE	OF REL							
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W-a lmmadi	ata Nation (Civon?				4/15/2012 If YES, To	Whom?		4/15/201	2			
Was Immedi	ate Notice (Yes 🗵	No Not Re	equired	11 1 23, 10	whom?						
By Whom?						Date and F	łour						
Was a Water	course Read					If YES, Vo	olume Impacting	the Wat	ercourse.				
		<u> </u>											
If a Waterco	urse was Im	pacted, Descr	ibe Fully.	*					RE	CEIV	ED		
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				Qmax man was i	ot payi	ng attention t	o his fluid levels,	which c	aused the t	verflow bin	s to ove	rflow.	
•													
		and Cleanup		cen.* with the contamin	nation l	eft by the dril	ling rig once the	well is	completed				
THE CORRAIN	nateu area v	viii be remean	ated along	with the containing	namon n	cit by the uni	ing rig, once the	WCII IS (completed.				
I hereby cert	ify that the i	information gi	ven above	is true and comp	lete to t	he best of my	knowledge and i	ındersta	nd that pur	suant to NM	OCD ru	les and	
regulations a	Il operators	are required t	o report ar	nd/or file certain r	elease n	otifications a	nd perform corre	ctive act	ions for rel	eases which	may en	danger	
should their	operations h	ave failed to	acceptant dequately	ce of a C-141 report investigate and re	on by in emediat	e NIVIOCD m	iarked as "Final R ion that pose a thi	ceport" (reat to g	noes not rei	r. surface w	rator of ater, hur	nan health	
or the enviro	nment. In a	ddition, NMC	CD accep	otance of a C-141	report d	oes not reliev	e the operator of	respons	ibility for c	ompliance v	vith any	other	
federal, state	, or local lay	ws and/or regu	llations.				OIL CON	CEDI	/ A TION	DIVISIO)NI		
. V	h	OIL CONSERVATION DIVISION											
Signature:	μ	Signed By Mile Bears											
Printed Nam	e: Natalie (Gladden				Approved by Environmental Specialist:							
							Approval Date: Approval Date:						
E-mail Addre	ess: natalie	.gladden@ana	checom o	om		Conditions of	f Annroval·		-				
		5. accontagapa				الحماليا ا	on per OCD R	ules &		Attached			
Date: 4/18/1		Phone: 575				Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION							
Attach Addi	tional Shee	ets it Necess	•	ODOCAL N	OT LATEK IDA	41A·		201	0 _ /	135			
					PK	PROPOSAL NOT LATER THAN: 6/29/2012 2RP-1/35					,		
							-7 - ,						



RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

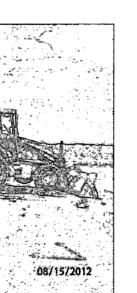
Lee Federal #041 AD

Unit Letter E, Section 20, T17S, R31E



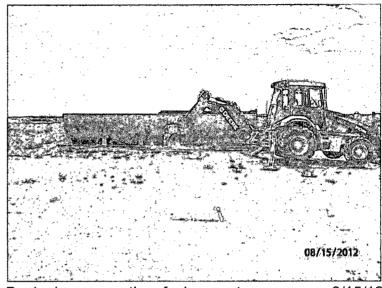
Roll-off bin release area, facing south

4/16/12



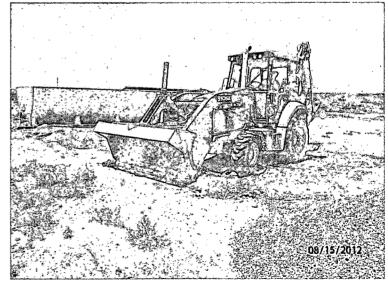
Excavating, facing west

8/15/12



Beginning excavation, facing west

8/15/12



Excavating, facing northwest

8/15/12



RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967



Analytical Results For:

APACHE - EUNICE NATALIE GLADDEN P. O. BOX 1849 **EUNICE NM, 88231**

Fax To:

394-2425

Received:

08/15/2012

Sampling Date:

08/15/2012

Reported:

08/21/2012

Sampling Type:

LEE FEDERAL #41

Sampling Condition:

** (See Notes)

Project Name: Project Number:

NONE GIVEN

Sample Received By:

Jodi Henson

Project Location:

LOCO HILLS, NEW MEXICO

Sample ID: N WALL CENTER-SW SCRAPE (H201912-01)

Chloride, SM4500CI-B	mg,	/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	160	16.0	08/20/2012	ND	416	104	400	3.92	
Sample ID: E WALL CENTE	R-SW SCRAP	E (H201912-0	2)						
Chloride, SM4500CI-B	mg	/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
			16.0 08/20/2012					3.92	
Chloride	48.0	16.0	08/20/2012	ND	416	104	400	3.92	
Sample ID: S WALL CENTE		E (H201912-0	3)	ND d By: HM	416	104	400	3.92	
Sample ID: S WALL CENTE	ER-SW SCRAP	E (H201912-0	3)		416 BS	% Recovery	400 True Value QC	3.92 RPD	Qualifier
Chloride Sample ID: S WALL CENTE Chloride, SM4500CI-B Analyte Chloride	ER-SW SCRAP	E (H201912-0:	3) Analyze	d By: HM	·				Qualifier
Sample ID: S WALL CENTE Chloride, SM4500CI-B Analyte Chloride	Result 32.0	Reporting Limit	Analyzed 08/20/2012	d By: HM Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Sample ID: S WALL CENTE Chloride, SM4500CI-B Analyte	Result 32.0	Reporting Limit 16.0 PE (H201912-0)	Analyzed 08/20/2012	d By: HM Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Sample ID: S WALL CENTE Chloride, SM4500CI-B Analyte Chloride Sample ID: W WALL CENT	Result 32.0 ER-SW SCRAP	Reporting Limit 16.0 PE (H201912-0)	Analyzed 08/20/2012	d By: HM Method Blank ND	BS	% Recovery	True Value QC	RPD	Qualifier

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*=Accredited Analyte

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Celey D. Keine



Analytical Results For:

APACHE - EUNICE NATALIE GLADDEN P. O. BOX 1849 **EUNICE NM, 88231** Fax To: 394-2425

Received: Reported: 08/15/2012

08/21/2012

LEE FEDERAL #41

Project Number: Project Location:

Project Name:

NONE GIVEN LOCO HILLS, NEW MEXICO

Sampling Date:

08/15/2012

Sampling Type:

Soil

Sampling Condition:

** (See Notes)

Sample Received By:

Jodi Henson

Sample ID: 5 PT BTM COMP-SW SCRAPE (H201912-05)

Chloride, SM4500Cl-B	mg	/kg	Analyze	d By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	48.0	16.0	08/20/2012	ND	416	104	400	3.92	

Cardinal Laboratories *=Accredited Analyte

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Celey D. Keine

ARDINAL LABORATORIES

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325)673-7020

Company Name: Apache	BILL TO	ANALYSIS REQUEST				
Project Manager: natalie gladden	P.O. #:					
Address:	Company:					
City: State: NM Zip:	Attn:					
Phone #: Fax #:	Address:					
Project #: Project Owner:	City:	$ _{\omega} \ge _{\square} _{\omega} _{\omega} _{\omega}$				
Project Name: Lee Federal #41	State: Zip:					
Project Name: Lee Federal #41 Project Location: Loco #15 Sampler Name: Roberto Parva	Phone #:	Chlorides TPH 8015 M BTEX Texas TPH ete Cations/Anions TDS				
	Fax #:					
Lab I.D. Sample I.D. HOUGHT Sample I.D. Sample I.D.	8.15.12 2:00 2:05 2:10 2:15 40 2:20	Comple				
analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing an service. In no event shall Cardinal be liable for incidental or consequental damages, including without limitation, business interruptions,	il received by Cardinal within 30 days after completion of t loss of use, or loss of profils incurred by client, its subsidia	tre applicable aries				
	Phone Re Fax Resul	sult:				
Belinquished By: Date: Received By:	3	email results				
Time:		dden@apachecorp.com				
Delivered By: (Circle One) Sample Condit Cool Intact: Sampler - UPS - Bus - Other: Sample Condit Cool Intact: Sample	(Initials) hoone	der@rice-ecs.com; Bbaker@rice-ecs.com; der@rice-ecs.com; Lweinheimer@rice-ecs.com				

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



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District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
District III
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Revised October 10, 2003 ubmit 2 Copies to appropriate

Form C-141

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

•						OPERA	ΓOR		☐ Initia	al Report	\boxtimes	Final Repor
Name of Co		Apache (on		Contact Bruce Baker							
Address PO BOX 1849, Eunice, NM 88231						Telephone No. (575) 394-1503						
Facility Name Lee Federal #041						Facility Type Production Well						
Surface Ow	ner BL	M	Mineral O	wner	BLM			API No	. 30-015-	39611		
LOCATION OF RELEASE												
Unit Letter										ast/West Line County		
Е	E 20 17S 31E 1700 FNI						460	FWL		Eddy		
			La	titude		Longitud	e					
				NAT	URE	OF RELI	EASE					
Type of Rele	ase Dril	ling Fluid		2.12.2.2			Release 30 bbls		Volume F	Recovered	0 bbls	
Source of Re		verflow bins			,	Date and H	lour of Occurrence	e	Date and	Hour of Dis		
337 T 1°	. N	7. 0				4/15/2012	33/1 0		4/15/2012	2		
Was Immedi	ate Notice (Yes 🗵	No 🗌 Not Rec	quired	If YES, To	wnom?					
By Whom?		Gladden				Date and H						
Was a Water	course Read		v 5	1 sr		If YES, Vo	lume Impacting t	he Wate	ercourse.			
•			Yes 🗵							REC	FIV	FN
If a Watercou	ırse was Im	pacted, Descr	ibe Fully.	*		•					kata ii 🗸	المسا سما
									{	OCT	0 3 2	013
									1	MOCD	ART	TESIA
		em and Reme										
While in fina	1 stages of o	irilling this we	ell, the Qr	nax man was not p	ayıng a	ttention to his	s fluid levels, whi	ch caus	ed the over	tiow bins to	overtio	ow.
Describe Are	a Δffected	and Cleanup A	Action Tal	ren *								
				outhwest corner of	the loc	ation. The in	npacted area was	excavate	ed to 6 inch	es below gr	ound st	ırface.
Samples wer	e collected	from the excar	vation, fie	ld tested, and sent	to a cor	nmercial labo	oratory for chlorid	le analy:				
NMOCD app	proved dispo	osal facility.	The excav	ation was backfille	d with	clean importe	ed caliche and leve	eled.				
I hereby cert	fy that the i	information gi	ven above	e is true and comple	ete to th	ne best of my	knowledge and u	ndersta	nd that purs	uant to NM	OCD n	ıles and
regulations a	ll operators	are required to	o report ai	nd/or file certain re	lease n	otifications ar	nd perform correc	tive act	ions for rele	eases which	may en	ndanger
public health	or the envi	ronment. The	acceptan	ce of a C-141 repor	t by the	e NMOCD m	arked as "Final Ro	eport" d	loes not reli	eve the ope	rator of	liability
should their of	operations h	ave tailed to a	idequately	investigate and re stance of a C-141 re	mediate	e contaminati	on that pose a thre	eat to gi	round water	, surface wa	iter, hui	man health
		ws and/or regu		nance of a C-141 I	cport d	oes not renev	e the operator of i	cspons	ionity for C	omphance v	mii any	Offici
	,,						OIL CONSERVATION DIVISION					
Cianotuma	Đ	uce. Bo	har									
Signature:	DA.	uce 130	vu_				D'					
Printed Name	e: B	ruce Baker	_			Approved by	District Superviso	or:				
Title: e	NUITON	mental	Tec	h.		Approval Dat	e:		Expiration :	Date:		
E-mail Addre	-se. [.	· zzu h-	Kon D.	apachecorp,	ا مه	Conditions of	Annroval.					
_ man / tudi		U		yearne corp.	COM	Conditions Of	. r spprovar.		•	Attached		
Date:	8-30			(575) 394-1503								
' Attach Addi	tional She	ets If Necess	ary			-		-				