APACHE CORPORATION

J.R. PHILLIPS #7

API 30-025-04136

C141 CLOSURE DOCUMENTATION

NMOCD RP #1205

UL-H (SE¼ OF THE NE¼) OF SECTION 1 T20S R36E

LATITUDE: N 32° 36.262' LONGITUDE: W 103° 18.104'

~11.75 MILES SW (BEARING 234.3°) OF HOBBS

LEA COUNTY, NEW MEXICO

August 28, 2007

PREPARED FOR APACHE CORPORATION BY:

HUNGRY HORSE, LLC

ENVIRONMENTAL SERVICES

P.O. Box 1058; 3709 S. Eunice Hwy
Hobbs, NM 88241

Phone: 505-393-3386
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JOHN GOOD
ENVIRONMENTAL MANAGER

Table of Contents

1.0 Project Summary

Release Site Name: JR Phillips #7 (API: 30-025-04136) (NMOCD RP#1205)
Operating Company: Apache Corporation
Company Representative: Guinn Burks, Permian Env Coordinator Phone: 432-556-9143
Address: PO Box 728, Crane, TX 79731 Email: guinn.burks@usa.apachecorp.com
Remediation Company: Hungry Horse, LLC Phone: 505-393-3386

SITE SPECIFIC DATA:

Legal Description: Lea County, New Mexico UL-H Section 1 T20S R36E
General Location: 11.75 miles SW (234.3°) of Hobbs, NM.
Latitude: N 32° 36.262' Longitude: W 103° 18.104' Elevation: 3,571-ft amsl
Land Ownership: Private – Red Byrd
Ground Water Elevation: ~30-ft bgs (based on Chevron/Texaco contour map)
Water Wells within 1000-ft: none Surface Water within 1000-ft: none

RELEASE SPECIFIC DATA:

Date and Time of Release(s): AM - - 2/14/07
Material Released: Produced Water with Crude Oil component
Volume Released: ~140-bbl Volume Recovered: 130-bbl
Cause of Release: Produced water flow line split
Release Affected Area: ~3000-ft^2 on northwest quadrant of location.
Depth of Contamination: 3-ft bgs
NMOCD Site Ranking: **20** (*ground water < 50' below lowest contamination*)

REMEDIATION:

This report is submitted pursuant to the reportable (140-bbl) release of produced water and hydrocarbon component at the Apache Corp "JR Phillips #7" production well site. An Initial NMOCD C-141 Form was submitted to the NMOCD – Hobbs office on February 14, 2007. A copy of the originally submitted Initial C-141 is contained in the Attachments.

The well pad was reconstructed in conjunction with the soil remediation of the release affected pad area. 1-ft of contaminated material was removed from ~10,000-ft^2 of pad surface. Exposure and sampling of this 1-ft surface revealed an area in the vicinity of the submersible pump wellhead that required deeper excavation to achieve the remedial action levels for this site. This more deeply contaminated area (~1,500-ft^2) near the wellhead was excavated to a depth of 3-ft bgs. Analyses results of bottom samples taken from the deeper excavation around the wellhead confirmed removal of chloride and hydrocarbon contamination. The well pad was reconstructed with clean caliche purchased from the landowner. This work was conducted by Hungry Horse, LLC and was completed on May 30, 2007.

2.0 Detailed Site Description

2.1 Geological Description

The United States Geological Survey (USGS) Ground-Water Report 6, "Geology and Ground-Water Conditions in Southern Lea County, New Mexico," A. Nicholson and A. Clebsch, 1961, describes the near surface geology of southern Lea County as "an intergrade of the Quaternary Alluvium (QA) sediments, i.e., fine to medium sand, with the mostly eroded Cenozoic Ogallala (CO) formation. Typically, the QA and CO formations in the area are capped by a thick interbed of caliche and generally overlain by sandy soil." The release site is located in the Laguna Valley physiographic subdivision, described by Nicholson & Clebsch as "covered almost entirely by dune sand which is stable or semi-stable over most of the area, but which locally drifts. The surface is very irregular and has not drainage features except at the edges of several playas. The sand is generally underlain by Recent alluvium but in several places the sand forms topographic highs where it is underlain by a caliche surface. The thickness of the sand cover ranges from a few inches to a probable maximum of 20 feet."

2.2 Ecological Description

The area is typical of the Upper Chihuahuan Desert Biome consisting primarily of hummocky sand hills covered with Harvard Shin Oak (*Querqus harvardi*) interspersed with Honey Mesquite (*Prosopis glandulosa*) along with typical desert grasses, flowering annuals and flowering perennials. Mammals represented, include Orrd's and Merriam's Kangaroo Rat, Deer Mouse, White Throated Wood Rat, Cottontail Rabbit, Black Tailed Jackrabbit, Mule Deer, Bobcat, Red Fox and Coyote. Reptiles, Amphibians, and Birds are numerous and typical of the area. A survey of Listed, Threatened, or Endangered species was not conducted.

2.3 Area Ground Water

Based on the most current available evidence (*Chevron-Texaco contour map, Plate 4 of Attachments*), depth to ground water is projected to be ~30-ft below ground surface (bgs).

2.4 Area Water Wells

There are no recorded or observed water wells within 1000 horizontal feet of the site.

2.5 Area Surface Water Features

No permanent surface water bodies exist within 1000 horizontal feet of the site.

3.0 Contaminant and Size of Area

The primary Contaminants of Concern (COCs) are petroleum hydrocarbons and total chlorides. The contaminated area from the release event extended NW from the point of release to the perimeter of the well pad. The release affected area was approximately 3000-ft^2.

4.0 Soil Investigation

Approximately 10,000-ft^2 of the well pad surface west of the pumpjack was excavated to a depth of 1-ft. The excavated surface area on the north, east and south sides of the submersible pump well location were visibly stained at the 1-ft excavated level. Seven samples of this 1-ft excavated surface were obtained and analyzed for TPH^{8015} and Total Chlorides. Analytical results confirmed the visual indications - - the only remaining area contaminated above the remedial action levels was the area around the submersible pump well (Sample Points 3, 4 and 5, *Plate 5 – Attachments*). This area (~1500-ft^2) was excavated to a depth of 3-ft and Sample Points 3-5 were re-sampled. Analytical results at the 3-ft depth confirmed COC concentrations below remedial action levels.

HYDROCARBON & CHLORIDE ANALYTICAL RESULTS

Sample Location	Sample Depth[1]	GRO[2] mg/Kg	DRO[3] mg/Kg	TPH[4] mg/Kg	Chlorides mg/Kg
SP1	1-ft	10	52.7	62.7	16
SP2	1-ft	10	10	20	96
SP3	1-ft	10	10	20	3410
	3-ft				16
SP4	1-ft	10	151	161	432
	3-ft	10	10	20	16
SP5	1-ft	10	24.3	34.3	608
	3-ft				16
SP6	1-ft	10	16.8	26.8	32
SP7	1-ft	10	10	20	13

[1]bgs (below ground surface); [2]Gasoline Range Organics (detection limit = 10 mg/Kg); [3]Diesel Range Organics (detection limit = 10 mg/Kg); [4]TPH = sum of GRO-DRO. Note: Detection limits are considered "de minimus" values and are included in the TPH summations.

5.0 NMOCD Site Ranking

Contaminant delineation and site evaluation work done at this site indicate that the chemical parameters of the soil and the physical parameters of the ground water were characterized consistent with the characterization and remediation/abatement goals and objectives set forth in the following New Mexico Oil Conservation Division (NMOCD) publications:

- *Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993)*
- *Unlined Surface Impoundment Closure Guidelines (February 1993)*

Acceptable thresholds for contaminants/constituents of concern (CoCs), i.e., TPH^{8015m}, Benzene, and the mass sum of Benzene, Toluene, Ethyl Benzene, and total Xylenes (BTEX^{8260}), was determined based on the NMOCD Ranking Criteria as follows:

- *Depth to Ground water, i.e., distance from the lower most acceptable concentration to the ground water.*
- *Wellhead Protection Area, i.e., distance from fresh water supply wells.*

- *Distance to Surface Water Body, i.e., horizontal distance to all down gradient surface water bodies.*

Based on the proximity of the site to area water wells, surface water bodies, and depth to ground water from the lower most contamination, the NMOCD ranking score for the site is 20 points with the soil remedial goals highlighted in the Site Ranking Table.

SITE RANKING TABLE

1. Ground Water	2. Wellhead Protection	3. Distance to Surface Water
Depth to GW <50 feet: 20 points	If <1000' from water source, or; <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points
Depth to GW 50 to 99 feet: 10 points		200-1000 horizontal feet: 10 points
Depth to GW >100 feet: 0 points	If >1000' from water source, or; >200' from private domestic water source: 0 points	>1000 horizontal feet: 0 points
Ground Water Score = 20	Wellhead Protection Score= 0	Surface Water Score= 0
Site Rank (1+2+3) = 20 + 0 + 0 = 20 points		

Total Site Ranking Score and Acceptable Remedial Goal Concentrations			
Parameter	20+	10	0
Benzene	10 ppm	10 ppm	10 ppm
BTEX	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1000 ppm	5000 ppm

5.0 Remediation Process

Due to the poor overall condition of the entire well location, Apache Corporation opted to repair and resurface the majority of the well pad location in conjunction with the actual remediation of the soil affected by the 2/14/07 release event. To this goal, 1-ft of surface material was removed from approximately 10,000-ft^2 of the well pad area. Due to the extensive presence of asphaltine materials and probable chloride contamination from historical releases, all soil removed from this initial 1-ft excavation was disposed of at the C&C Land Farm. Exposure of the 1-ft excavated surface revealed an area of visibly stained soil in the immediate vicinity of the submersible pump well west of the pumpjack. Several points of the apparently clean exposed surface area were field tested for chlorides. These field results indicated chloride concentrations of <100-ppm. Seven soil samples were obtained from the exposed 1-ft surface and submitted to Cardinal Laboratories, Hobbs, NM for TPH^{8015} and total chloride analyses. Samples 1, 2, 6 and 7 were from the apparently clean areas of the exposed 1-ft surface. Samples 3, 4 and 5 were from the visibly stained area around the submersible pump wellhead. Analytical results of these seven samples indicated that the apparently clean area was indeed effectively cleared of chloride and hydrocarbon contamination. The analytical results of samples 3, 4 and 5 indicated that the wellhead area needed further excavation to achieve the remedial action levels for this site, primarily total chloride concentrations.

The wellhead area (~1500-ft^2) was excavated to a depth of 3-ft. Sample points 3, 4 and 5 were re-sampled at this depth, with analytical results confirming the removal of chloride and hydrocarbon contamination.

The well pad was reconstructed with clean caliche purchased from the landowner. All soil samples were transported to Cardinal Laboratories, Hobbs, NM under proper chain of custody protocols.

Based on the documentation presented in this report, Apache Corporation requests that NMOCD require "No Further Action" at the J.R. Phillips #7 well location relative to the 2/14/07 release event.

ATTACHMENTS

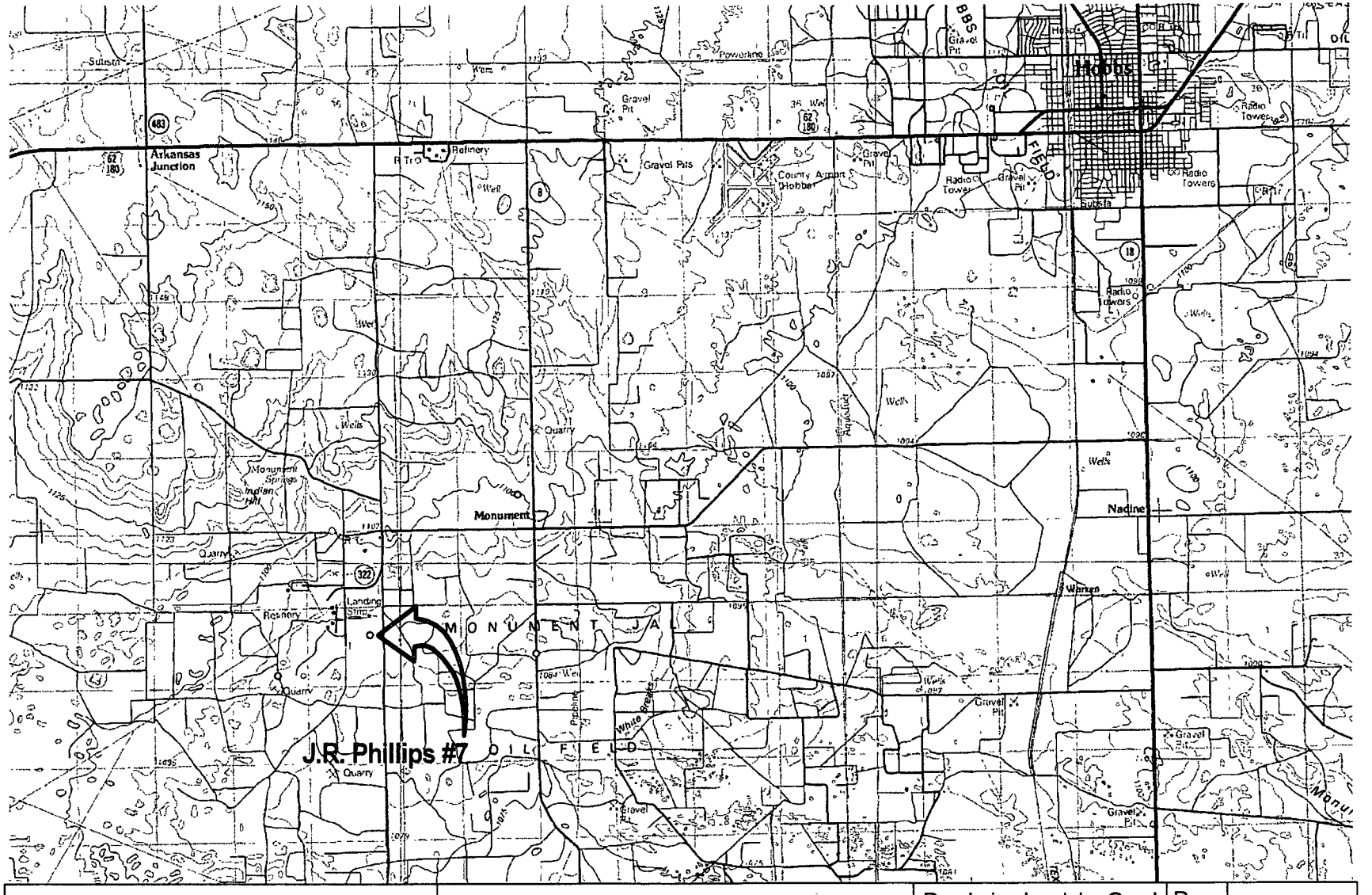


Plate 1 Release Site Location Apache Corporation JR Phillips #7 Release	Lea County, New Mexico UL-H SECTION 1 T20S R36E 32° 36.262' N, 103° 18.104' W Elevation: ~3571-ft amsl	Rendering by: John Good August - 2007	Rev: 1
		SCALE: 0 Miles 4	N

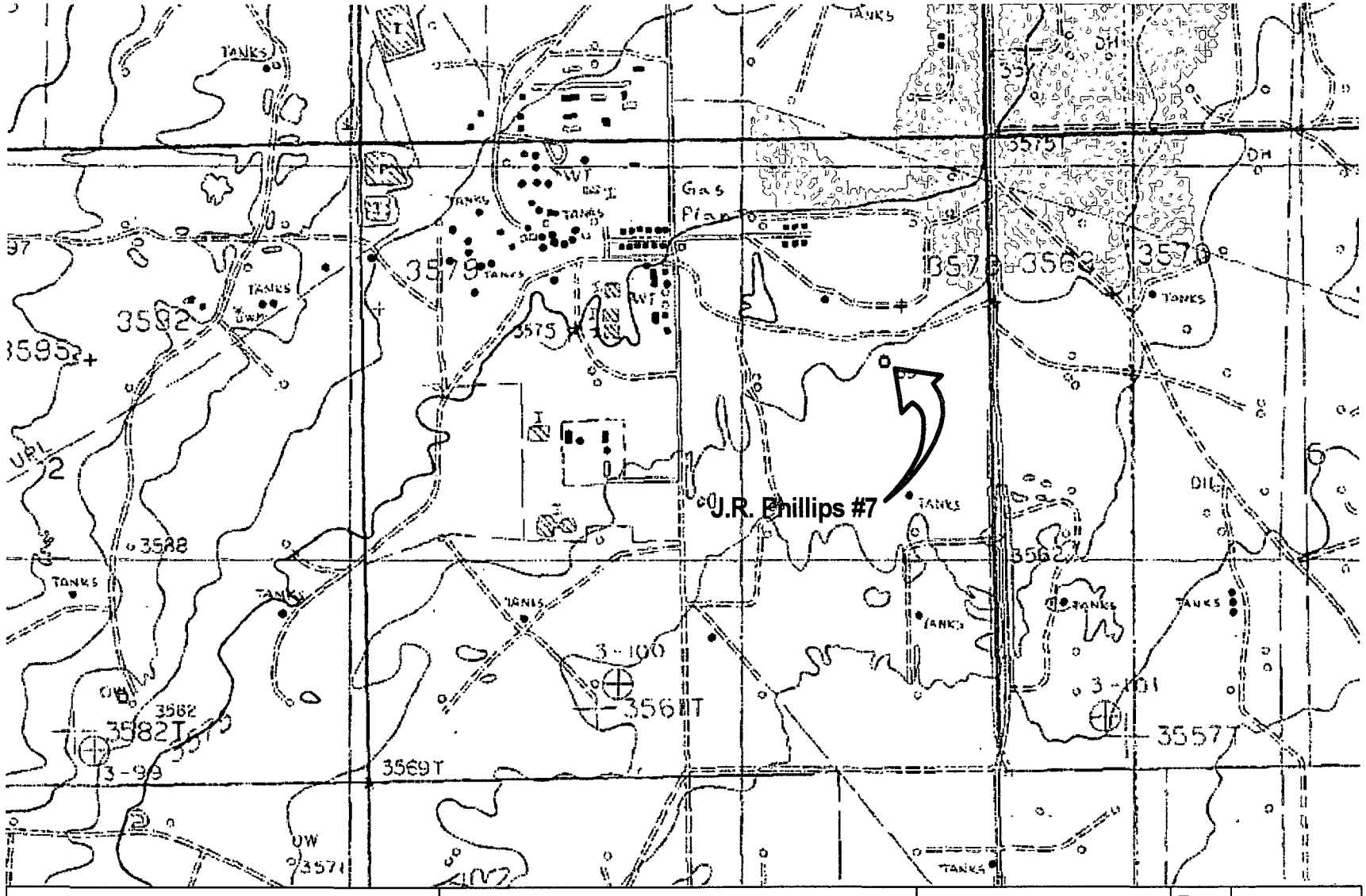


Plate 2 Release Site Topography Apache Corporation JR Phillips #7 Release	Lea County, New Mexico UL-H SECTION 1 T20S R36E 32° 36.262' N, 103° 18.104' W Elevation: ~3571-ft amsl	Rendering by: John Good August - 2007	Rev: 1
		SCALE: 0 Feet 2400	N

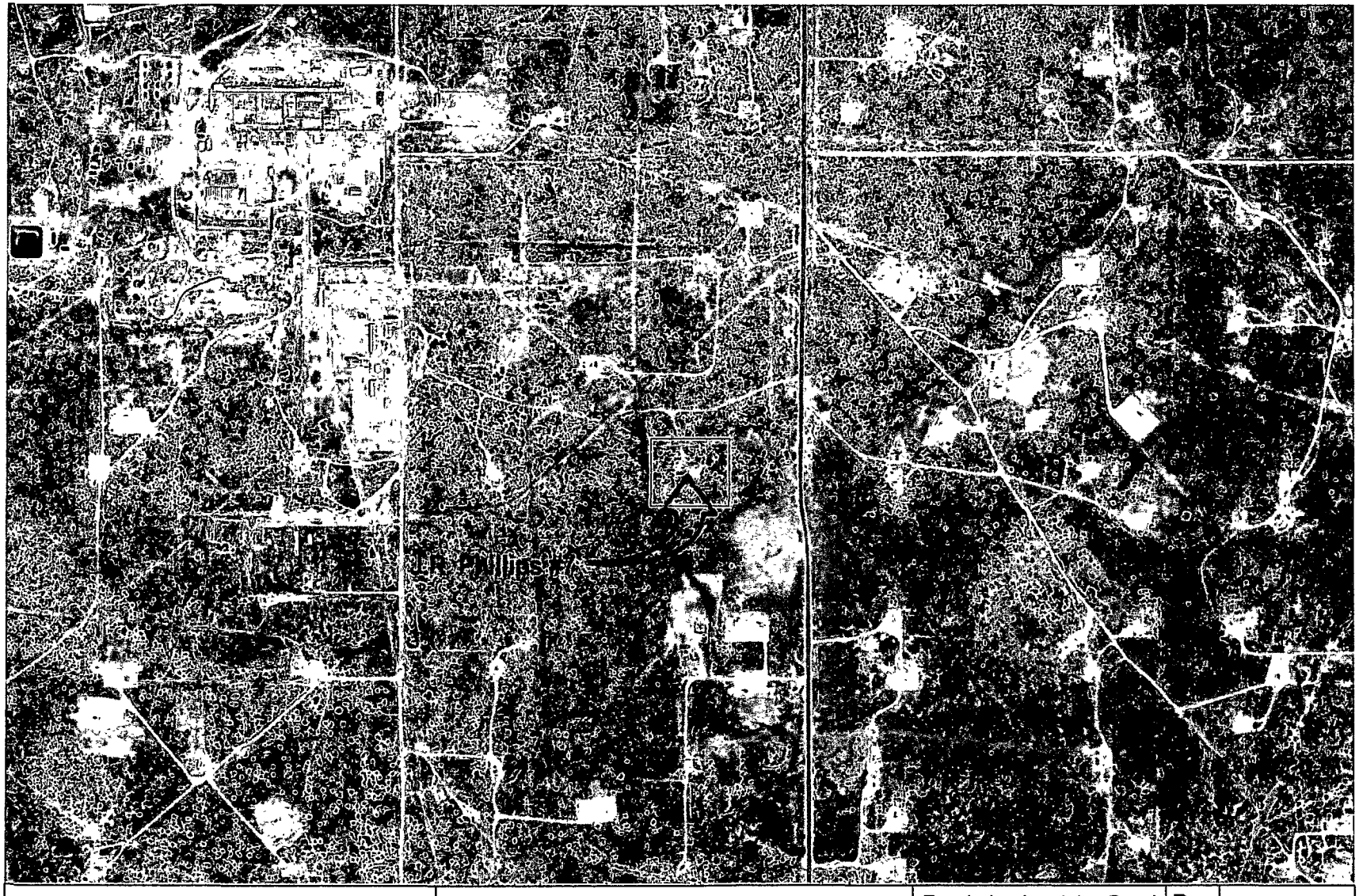


Plate 3 Aerial Photograph of Area Apache Corporation JR Phillips #7 Release	Lea County, New Mexico UL-H SECTION 1 T20S R36E 32° 36.262' N, 103° 18.104' W Elevation: ~3571-ft amsl	Rendering by: John Good August - 2007 Rev: 1 SCALE: 0 Feet 1600	N

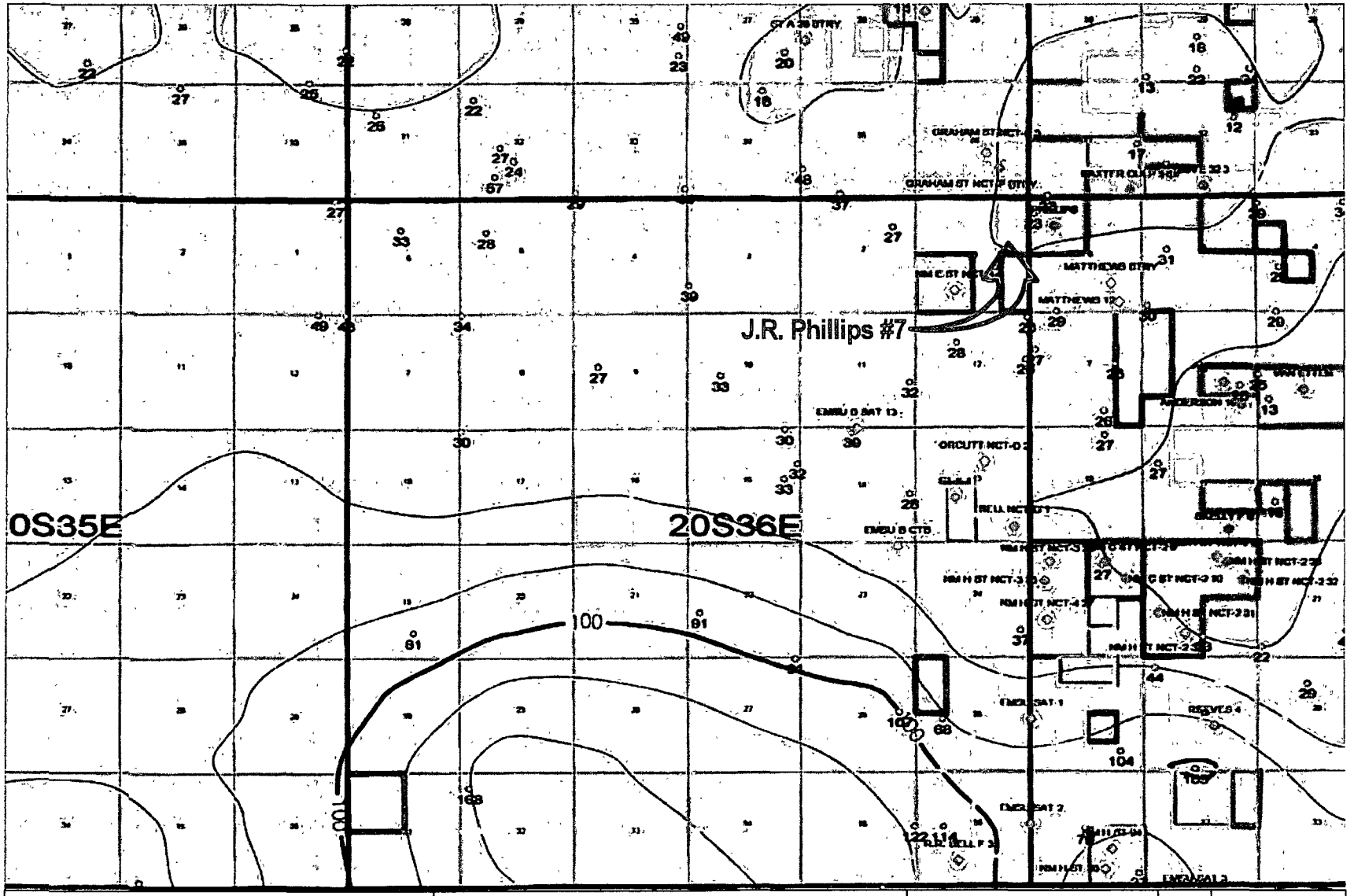
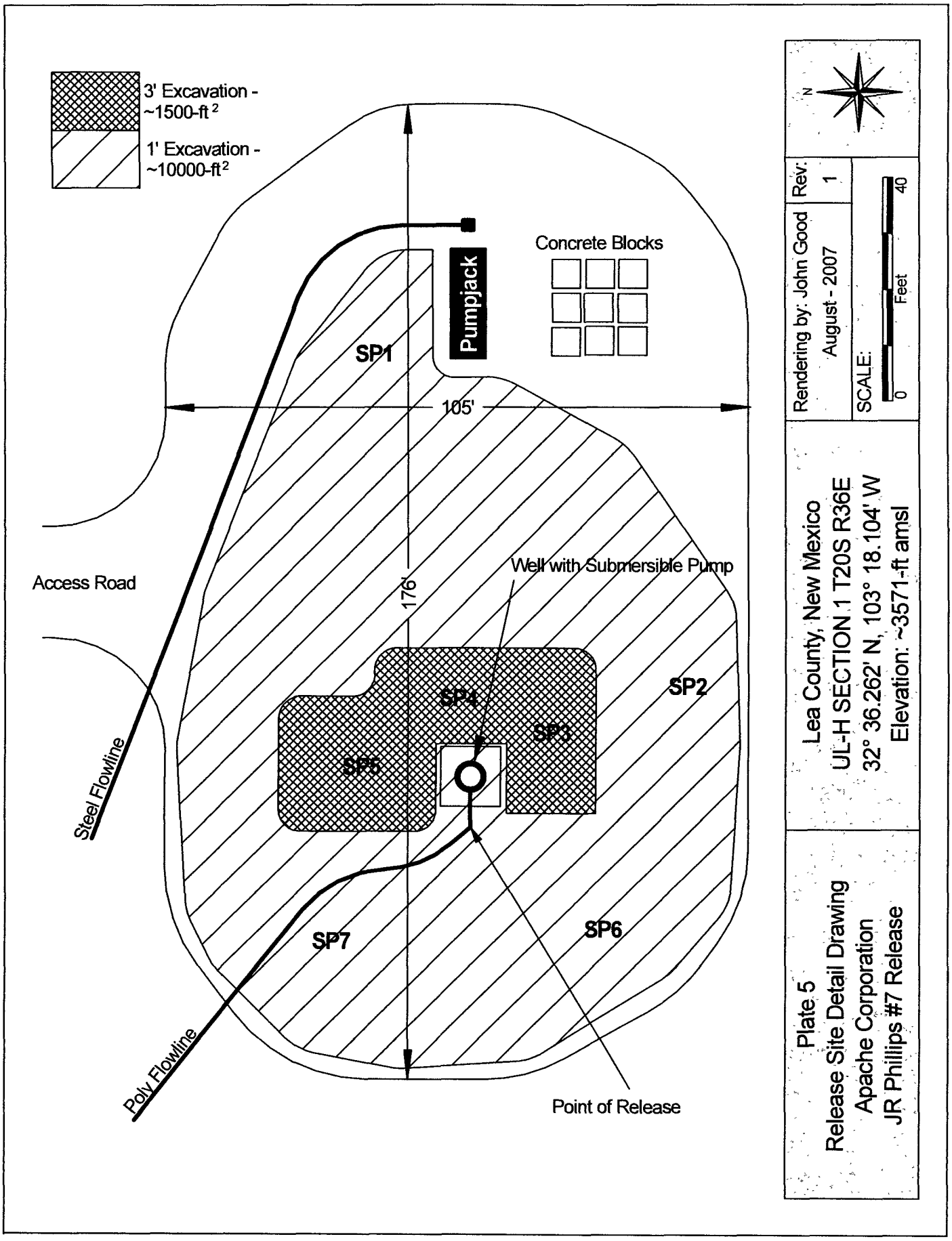


Plate 4 Water Elevation Countour Map Apache Corporation JR Phillips #7 Release	Lea County, New Mexico UL-H SECTION 1 T20S R36E 32° 36.262' N, 103° 18.104' W Elevation: ~3571-ft amsl	Rendering by: John Good August - 2007	Rev: 1
		SCALE: 0 Feet 10000	N


3' Excavation - ~1500-ft 2
1' Excavation - ~10000-ft 2
Concrete Blocks
Pumpjack
SP1
105'
176'
Access Road
Well with Submersible Pump
SP4
SP3
SP5
SP2
SP7
SP6
Steel Flowline
Poly Flowline
Point of Release
N
Rendering by: John Good
August - 2007
Rev: 1
SCALE:
0
Feet
40
Lea County, New Mexico
UL-H SECTION 1 T20S R36E
32° 36.262' N, 103° 18.104' W
Elevation: ~3571-ft amsl
Plate 5
Release Site Detail Drawing
Apache Corporation
JR Phillips #7 Release

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE TX 79603
PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL
ATTN. JOHN GOOD
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (505) 391-4585

Receiving Date: 04/16/07
Reporting Date: 04/17/07
Project Owner: APACHE
Project Name: J.R. PHILLIPS WELL #7
Project Location: LEA COUNTY, NM

Sampling Date: 04/16/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/Kg)	DRO (>C_{10}-C_{28}) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		07/16/07	07/16/07	04/16/07
H12462-1	S-1 1' BGS	<10.0	52.7	16
H12462-2	S-2 1' BGS	<10.0	<10.0	96
H12462-3	S-3 1' BGS	<10.0	<10.0	3410
H12462-4	S-4 1' BGS	<10.0	151	432
H12462-5	S-5 1' BGS	<10.0	24.3	608
H12462-6	S-6 1' BGS	<10.0	16.8	32
H12462-7	S-7 1' BGS	<10.0	<10.0	13
Quality Control		752	778	490
True Value QC		800	800	500
% Recovery		93.4	97.3	98.0
Relative Percent Difference		5.9	3.5	1.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-Cl B
*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

4/17/07
Date

H12462A HHE

CARDINAL LABORATORIES
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

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name:	HHE	BILL TO	
Project Manager:	John Good	P.O. #:	
Address:	Box 1058	Company:	
City:	Hobbs State: NM Zip: 88240	Attn:	
Phone #:	3 3386 Fax #:	Address:	
Project #:	Project Owner: Apache	City:	
Project Name:	J.R. Phillips Well #7	State: Zip:	
Project Location:	Lea County	Phone #:	
Sampler Name:	Kolton Bevard	Fax #:	

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	PRESERV: ACID/BASE	ICE / COOL	OTHER	SAMPLING: DATE	TIME	ANALYSIS REQUEST: C.I	8015 TPH
H12462-1	S-1 1'BGS	X	1			X							4-16-07	8:00	X	X
-2	S-2 1'BGS															
-3	S-3 1'BGS															
-4	S-4 1'BGS															
-5	S-5 1'BGS															
-6	S-6 1'BGS															
-7	S-7 1'BGS	↓	↓			↓							↓	↓	↓	↓

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Relinquished By:	Date: 4-16-07 Time: 12:15	Received By:	Phone Result: ☐ Yes ☐ No	Add'l Phone #:
Relinquished By:	Date: Time:	Received By:	Fax Result: ☐ Yes ☐ No	Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition: Cool ☒ Yes ☐ No, Intact ☒ Yes ☐ No	CHECKED BY: (Initials)	REMARKS:

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

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ANALYTICAL RESULTS FOR
HUNGRY HORSE, LLC
ATTN. JOHN GOOD
P O. BOX 1058
HOBBS, NM 88241
FAX TO. (505) 391-4585

Receiving Date: 04/19/07
Reporting Date 04/24/07
Project Owner: APACHE
Project Name: J R PHILLIPS #7
Project Location. LEA COUNTY, NM

Sampling Date: 04/18/07
Sample Type: SOIL
Sample Condition. COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/Kg)	DRO (>C_{10}-C_{28}) (mg/Kg)
ANALYSIS DATE:		04/21/07	04/21/07
H12482-2	5-4-3' BGS	<10.0	<10 0
Quality Control		780	791
True Value QC		800	800
% Recovery		97.5	98.9
Relative Percent Difference		4.4	0.6

METHOD SW-846 8015 M

Chemist

4/24/07
Date

H12482A HHE

CARDINAL LABORATORIES

PHONE (325) 673-7001 · 2111 BEECHWOOD · ABILENE, TX 79603
PHONE (505) 393-2326 · 101 E MARLAND · HOBBS NM 88240

ANALYTICAL RESULTS FOR
HUNGRY HORSE, LLC
ATTN. JOHN GOOD
P.O. BOX 1058.
HOBBS, NM 88241
FAX TO: (505) 391-4585

Receiving Date: 04/19/07
Reporting Date: 04/20/07
Project Owner: APACHE
Project Name. J R PHILLIPS #7
Project Location: LEA COUNTY, NM

Analysis Date: 04/20/07
Sampling Date. 04/18/07
Sample Type SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl^- (mg/Kg)
H12482-1	5-3-3' BGS	< 16
H12482-2	5-4-3' BGS	< 16
H12482-3	5-5-3' BGS	< 16
Quality Control		480
True Value QC		500
% Recovery		96
Relative Percent Difference		2 1

METHOD: Standard Methods	4500-ClB

Note: Analyses performed on 1:4 w:v aqeuous extracts.

Chemist

04-20-07
Date

H12482

CARDINAL 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:	WHE	**BILL TO**	
Project Manager:	John Good	P.O. #:	
Address:	Box 1058	Company:	
City:	Wolfe State: NM Zip: 88240	Attn:	
Phone #:	3-3386 Fax #:	Address:	
Project #:	Project Owner: Apache	City:	
Project Name:	J.R. Phillips #7	State: Zip:	
Project Location:	Lea Cty.	Phone #:	
Sampler Name:	Kelton Beard	Fax #:	

FOR LAB USE ONLY				MATRIX						PRESERV.			SAMPLING		ANALYSIS REQUEST												
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME	Cl	8015 TPH											
H12482-1	S-1-3'BGS	G	1			X							4-19-07	3:00	X	X											
-2	S-2-3'BGS	G	1			X							4-19-07	3:00	X	X											
-3	S-3-3'BGS	G	1			X							4-19-07	3:00	X	X											

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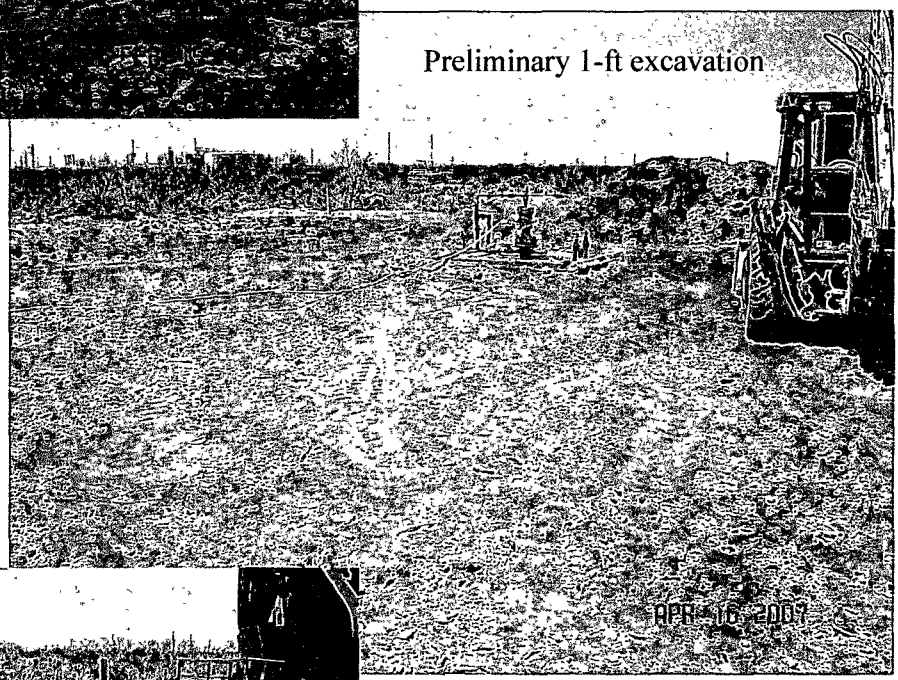
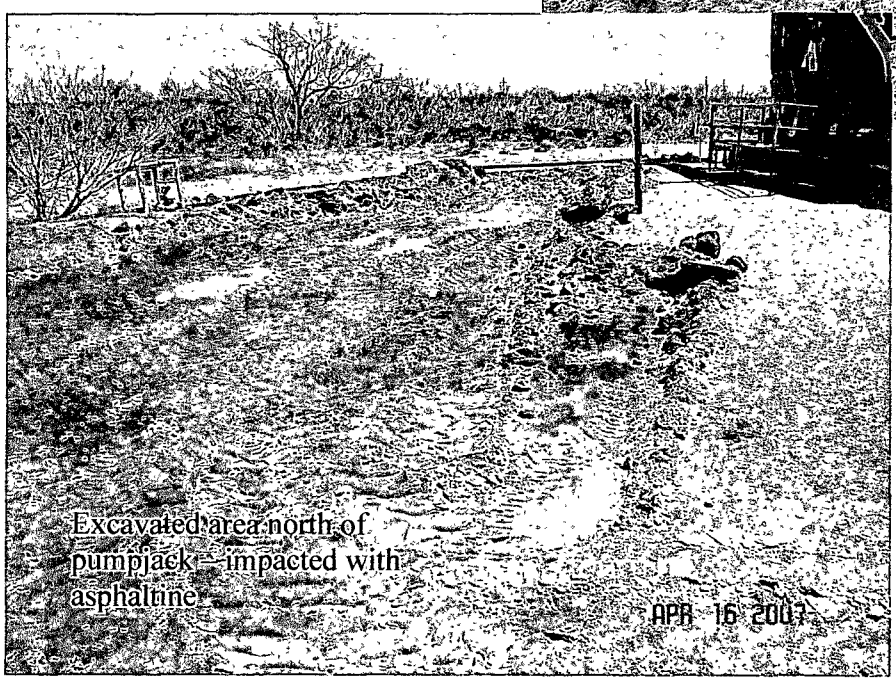
Relinquished By:	Date:	Received By:	Phone Result:	☐ Yes	☐ No Add'l Phone #:
	Time:		Fax Result:	☐ Yes	☐ No Add'l Fax #:
Relinquished By:	Date: 4/19/07 Time: 5:10	Received By:	REMARKS:		
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition Cool: ☒ Yes ☐ No Intact: ☐ Yes ☐ No	CHECKED BY: (Initials)		

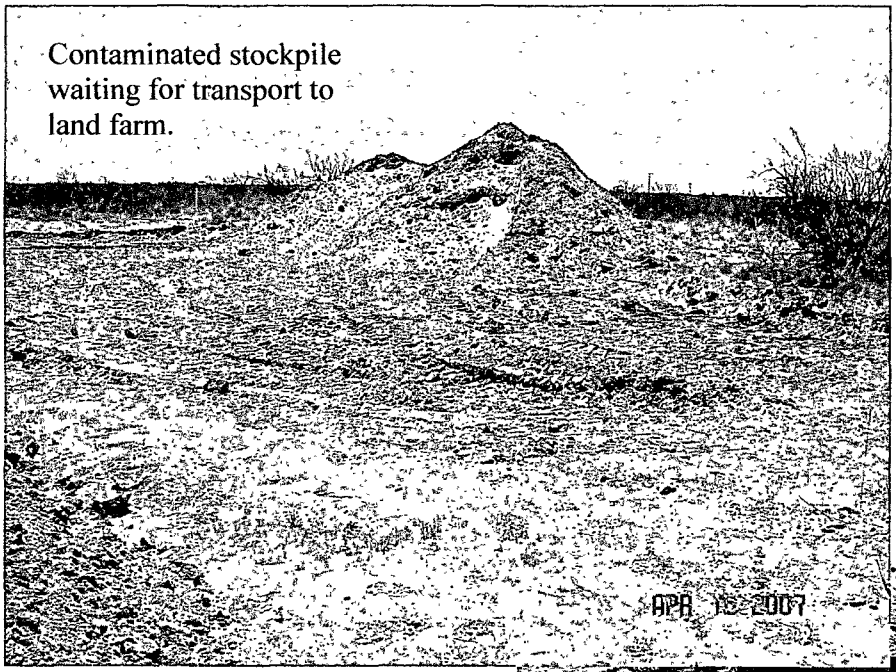
† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476


Release affected area

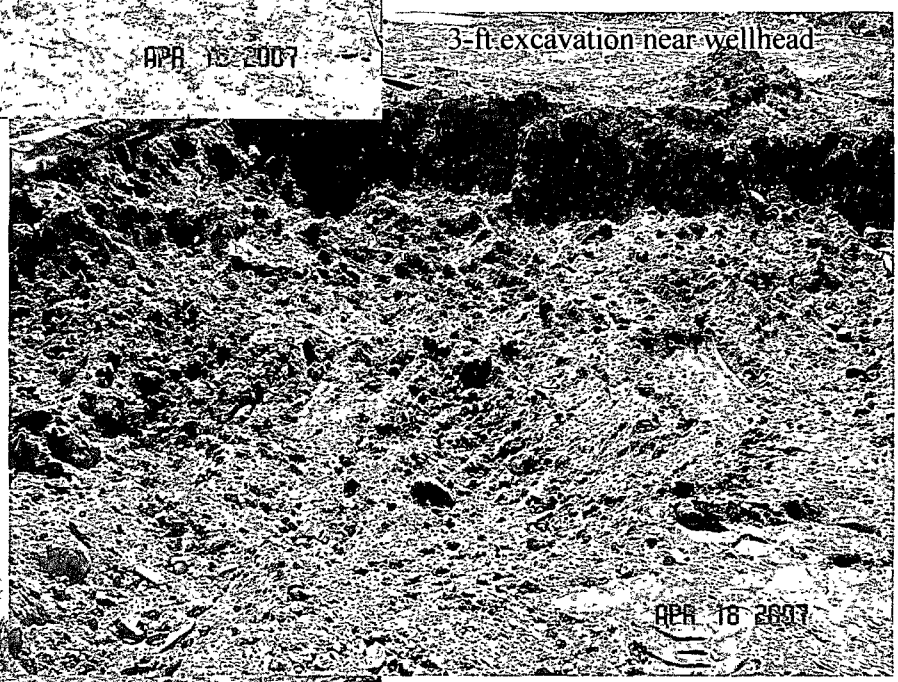

Preliminary 1-ft excavation
APR 16 2007


Excavated area north of pumpjack – impacted with asphaltine
APR 16 2007

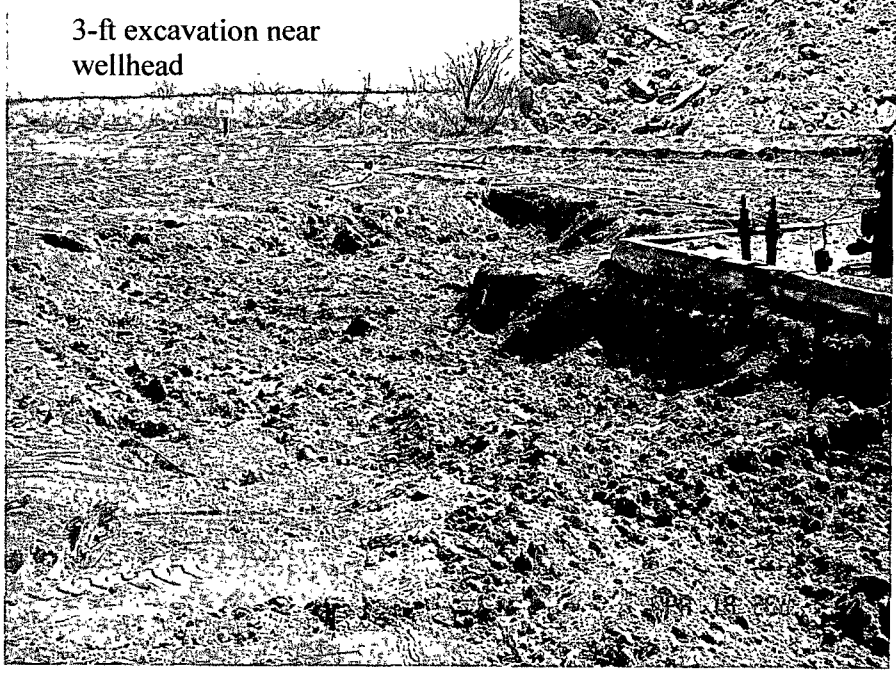
Contaminated stockpile waiting for transport to land farm.

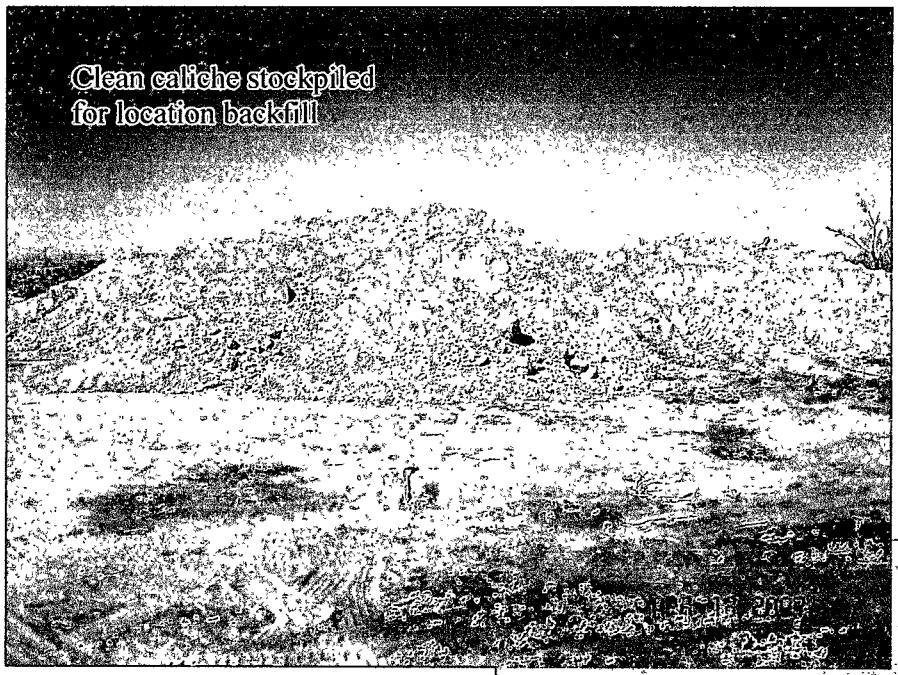


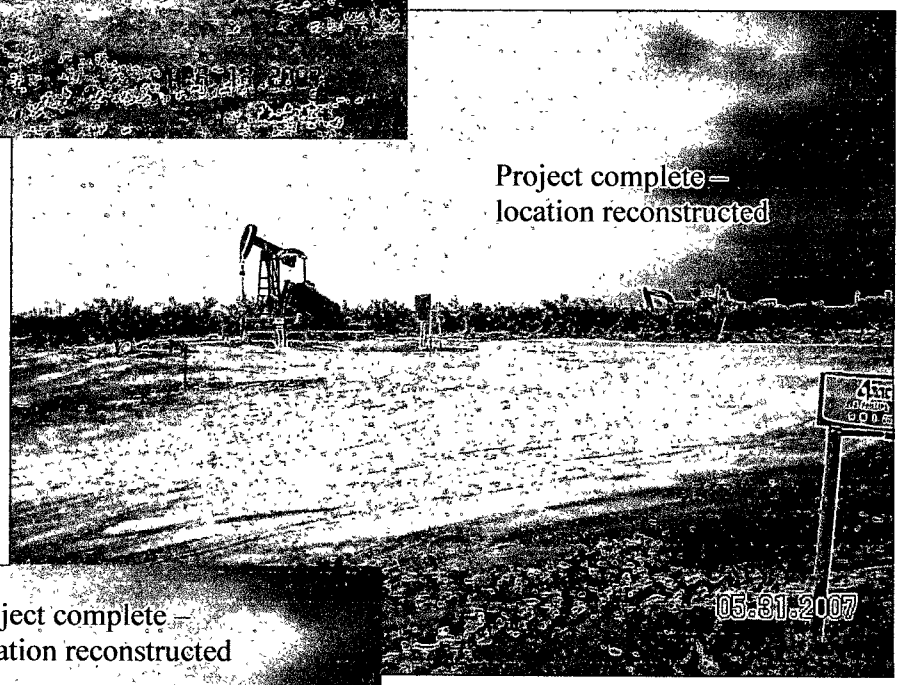
3-ft excavation near wellhead



3-ft excavation near wellhead




Clean caliche stockpiled
for location backfill


Project complete –
location reconstructed
05:31:2007


Project complete –
location reconstructed
05:31:2007

District I
1625 N. French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artiesa, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 875

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1120 South St Francis Dr.
Santa Fe, NM 97505

Form C-141
Revised October 10, 2003

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

Relaese Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company	Apache Corp.	Contact	Mike Warren
Address	Drawer D, Monument, NM	Telephone No.	505-393-2144
Facility Name	JR Phillips #7	Facility Type	Flowline at Well

Surface Owner	Red Byrd	Mineral Owner		API #	30-025-04136

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
NE	1	20S	36E	1830'	FNL	760'	FEL	Lea

Latitude 32°36.26' Longitude 103°17' 10"

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	140 bbls	130 bbls	
Source of Release	Flowline	Daste/Hour of Occurrence	2/14/2007	Date /Hour of Discovery	1130 2-14
Was Immediate Notice Given? X YES No Not Required		If Yes, To Whom?	Gary Wink, OCD, Hobbs		
By Whom?	Gary Stevenson	Date and Hour	2-15-07 1220		
Was a Watercourse Reached? Yes X No		If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, describe Fully*

Describe Cause of Problem and Remedial Action Taken.*

Flowline split. Picked up 130 bbls of produced water. Back dragged location with backh

Describe Area Affected and Cleanup Action Taken.*

10' x 150' on location. Hungry Horse contacted.

I herby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations

Signature: Guinn Burks		Oil Conservation Division	
Printed Name:	Guinn Burks	Approved by the District Supervisor: Enviro Engr	
Title:	Environmental Coordinator	Approval Date 3.6.07	Expiration Date: 5.6.07
Email Address:	guinn.burks@apachecorp.com	Conditions of Approval: ① Horiz & Vertical Delineation ② Chloride of water ③ Sample & Workplans Submittal for OCD approval IRP # 1205 ④ Final Report & C-141 upon Completion	Attached
Date: 2/15/2007	Phone: 505-441-4941		

*Attach Additional Sheets if Necessary

incident - nPAC0708026104
application - pAC0708026191

Apache Corporation	Incident Date: 2/14/07	NMOCD Notified: 2/14/07

SITE: J.R. Phillips #7		API No.	30-025-04136
Company:	Apache Corporation		
Street Address:			
Mailing Address:	P.O. Box 728		
City, State, Zip:	Crane, TX 79731		
Representative:	Guinn Burks		
Representative Telephone:	432-556-9143		
Telephone:			
Fluid Volume Released (bbl): ~ 140	Volume Recovered (bbl): 130	Net Release: ~ 10	

>25 bbl: Notify NMOCD verbally within 24 hours and submit C-141 within 15 days.

5-25 bbl: Submit Form C-141 within 15 days. (Also applies to unauthorized release of >50 mcf Natural Gas).

Leak, Spill, or Pit (LSP) Name:	J.R. Phillips #7
Source of Contamination:	Flowline
Land Owner, i.e. BLM, ST, Fee, Other:	
LSP Dimensions:	~ 50' X 60' NW of Wellhead
LSP Area	~ 3000 -ft^2
Location of Reference Point (RP):	
Location distance and direction from RP:	
Latitude: North	32 36.262
Longitude: West	103 18.104
Elevation above mean sea level (amsl):	3571 feet 1088 meters
Distance from North Section Line (feet):	1850
Distance from East Section Line (feet):	880
Location - Unit Letter and 1/4 1/4:	UL- H SE - 1/4 of NE - 1/4
Location - Section	1
Location - Township	20S
Location - Range	36E
Location - County	Lea
Surface water body within 1000' radius of site:	0
Surface water body within 1000' radius of site:	0
Domestic water wells within 1000' radius of site:	0
Domestic water wells within 1000' radius of site:	0
Agricultural water wells within 1000' radius of site:	0
Agricultural water wells within 1000' radius of site:	0
Public water supply wells within 1000' radius of site:	0
Public water supply wells within 1000' radius of site:	0
Depth (feet) from land surface to Ground Water (DG): ~	30
Depth (feet) of lowest contamination (DC):	3
Depth (feet) to Ground Water (DG - DC = DtGW): >	27

1. Ground Water	2. Wellhead Protection Area	3. Distance to Surface Water
If Depth to GW <50-feet: 20 points	If <1000' from water source, or, <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points
If Depth to GW 50 to 100-feet: 10 points	If >1000' from water source, or, >200' from private domestic water source: 0 points	200-1000 horizontal feet: 10 points
If Depth to GW >100-feet: 0 points		>1000 horizontal feet: 0 points
Ground Water Score: 20	Wellhead Protection Score: 0	Surface Water Score: 0

Site Ranking (1 + 2 + 3):	**20**

Total Site Ranking Score and Acceptable Concentrations

Parameter	**20 or >**	10	0
Benzene[1]	**10-ppm**	10-ppm	10-ppm
BTEX[1]	**50-ppm**	50-ppm	50-ppm
TPH	**100-ppm**	1000-ppm	5000-ppm

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State of New Mexico
Energy Minerals and Natural Resources

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Santa Fe, NM 87505

Form C-141
Revised June 10, 2003

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

Release Notification and Corrective Action

OPERATOR ☐ Initial Report ☑ Final Report

Name of Company	**Apache Corporation**	Contact	**Guinn Burks**
Address	**P.O. Box 728** **Crane, TX 79731**	Telephone No.	**432-556-9143**
Facility Name	**J.R. Phillips #7**	Facility Type	**Flowline at production well**

Surface Owner **0**	Mineral Owner **BLM**	API No. **30-025-04136**

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from South Line	Feet from West Line	Longitude-W	Latitude-N	County
H	**1**	**20S**	**36E**	**1850**	**880**	**103.3017**	**32.6044**	**Lea**

NATURE OF RELEASE

Type of Release **Crude Oil + Produced Water**	Volume of Release **Approx 140 bbl**	Volume Recovered **130 bbl**
Source of Release **Flowline**	Date and Hour of Occurrence **02/14/07**	Date and Hour of Discovery **2/14/07 11:30 AM**
Was Immediate Notice Given? ☑ YES ☐ NO ☐ Not Required	If YES, To Whom? **NMOCD - Hobbs - Gary Wink**	
By Whom? **Gary Stevenson**	Date and Hour **2/15/07 12:20 PM**	
Was a Watercourse Reached? ☐ YES ☑ NO	If YES, Volume Impacting the Watercourse **NA**	

If a Watercourse was Impacted, Describe Fully*

Describe Cause of Problem and Remedial Action Taken. *
Flowline split. 140-bbl release, 130-bbl recovered. Flowline repaired and contaminated soil stockpiled with backhoe. Hungry Horse LLC contracted for site remediation.

Describe Area Affected and Cleanup Action Taken. *
Approximately 3500-ft² NW of wellhead affected. The pad area was excavated to remove chloride and hydrocarbon contamination above the remedial action levels for this site. Pad was reconstructed with clean caliche.

SEP 2007 Received Hobbs OCD

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations

Signature: Guinn Burks	**OIL CONSERVATION DIVISION**
Printed Name: **Guinn Burks**	Approved by District Supervisor: ENVIRO ENGR
Title: **Environmental Coordinator - Permian Basin**	Approval Date: 9.7.07 Expiration Date: —
E-Mail Address: Guinn.Burks@apachecorp.com	Conditions of Approval: **1RP 1205** ☐ Attached
Date: **8/28/2007** Phone: **432-556-9143**	