State of New Mexico Energy, Minerals and Natural Resources Department

HOBBS OCD

Susana Martinez

Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary APR 1 4 2014

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



*Response Required - Deadline

Field Inspection Program
"Preserving the Integrity of Our Environment"

14-Apr-14

APACHE CORP 303 VETERANS AIRPARK LANE SUITE 3000

MIDLAND, TX 79705

LETTER OF VIOLATION -

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated. Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to re-inspect the well and/or facility.

INSPECTION DETAIL SECTION

EAST BLINEBRY DRINKARD UNIT No.034

G-12-21S-37E

30-025-06544-00-

Inspection Date

04/14/2014

Type Inspection

Bradenhead

Inspector

Sylvia Dickey

Violation? Yes *Significant Non-Compliance? Corrective Action Due By: 7/8/2014

Inspection No. iSAD1409433493

Comments on Inspection:

BHT 03/31/2014 OPERATOR OPERATING OVER PRESSURE; PER WFX-842 PERMITTED INJECTION PRESSURE IS 1121 PSI (WATER) **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.5.11. "ENFORCEABILITY OF PERMITS

AND ADMINSTRATIVE ORDERS"

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

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EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



APACHE CORPORATION
ATTN: COMPLIANCE AND REGULATION
303 VETERANS AIRPARK LANE
STE, 3000
MIDLAND, TX 79705-4561