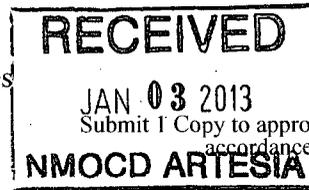


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised August 8, 2011

Release Notification and Corrective Action

nJMW 1300355354

| | | | | |
|--|-------------------|----------------------------|--|---------------------------------------|
| Name of Company Apache Corporation <i>873</i> | | OPERATOR | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Address PO Box 1849, Eunice NM 88231 | | Contact Natalie Gladden | | |
| Facility Name Tony Federal Battery (nearest well #1) | | Telephone No. 575-390-4186 | | |
| Facility Type Production Facility | | | | |
| Surface Owner BLM | Mineral Owner BLM | API No. 30-015-30382 | | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Lot 4 | -18 | 17S | 31E | 990' | FSL | 330' | FWL | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|---|---------------------------------|
| Type of Release Oil | Volume of Release 35 | Volume Recovered 30 |
| Source of Release Water Tank | Date and Hour of Occurrence 11/24/12 | Date and Hour of Discovery Same |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Amos/Leking | |
| By Whom? Natalie Gladden | Date and Hour 11/26/2012 612am | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |
| If a Watercourse was Impacted, Describe Fully.* | | |
| Describe Cause of Problem and Remedial Action Taken.* The transmitter that operates the SWD pumps failed. The pumps did not kick on which high leveled the water tank, which caused the water to go into the oil tank. Fluid was recovered from inside the bermed area. | | |
| Describe Area Affected and Cleanup Action Taken.* Site will be remediated by NMOCD/BLM Guidelines to closure. | | |

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: <i>Natalie Gladden</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Natalie Gladden | Approved by Environmental Specialist: Signed By <i>Mike Benjamin</i> | |
| Title: Sr. Environmental Tech | Approval Date: JAN 03 2013 | Expiration Date: |
| E-mail Address: natalie.gladden@apachecorp.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 12/26/12 Phone: 575-390-4186 | | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: February 3rd, 2013**

2RP-1477

Bratcher, Mike, EMNRD

From: Gladden, Natalie <Natalie.Gladden@apachecorp.com>
Sent: Monday, November 26, 2012 6:12 AM
To: Bratcher, Mike, EMNRD; Amos, James A (jamos@blm.gov)
Cc: Bruce Baker (bbaker@rice-ecs.com); Hack Conder <hconder@rice-ecs.com>
(hconder@rice-ecs.com)
Subject: Tony Federal Battery and Lusk 34 Fed 1H *Lusk 34 Fed 1H is in Dist I*
Attachments: Internal Release Tony Federal Battery.docx; Lusk 34 Federal 1H Spill_Report
11-21-12.docx

Please review the attached for information concerning the above mentioned releases.

Thanks and if you have any questions please feel free to contact me. I will send your reports shortly.

Natalie Gladden

Apache Corporation

Sr. Environmental Tech

New Mexico District

Cell: 575-390-4186

Office: 575-394-1503 x 1258

Fax: 575-394-2425

Email: natalie.gladden@apachecorp.com



Internal Incident Report – Spill/Release

Location: Tony Federal Battery

Production Area: Hobbs/Loco Hills

District: Eunice

Production Foreman: Travis Carnes

Pumper: Kevin Silco

Date: 11/24/2012

Time: 7am

One Line Summary: Equipment failure

Full summary: The transmitter that operates the SWD pumps failed. The pumps did not kick on which high leveled the water tank, which caused the water to go into the oil tank. Approximately 35bbbls of oil was released inside the bermed facility. Approximately 30bbbls of oil was recovered.

Remediation Plan: Site will be assessed on 11/26/12 and a work plan will be submitted.

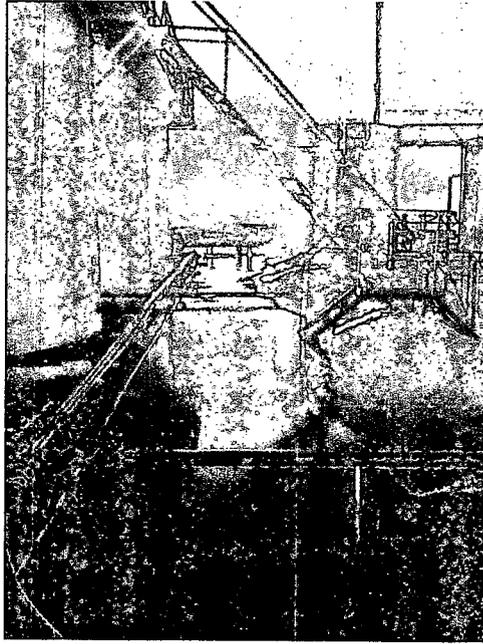
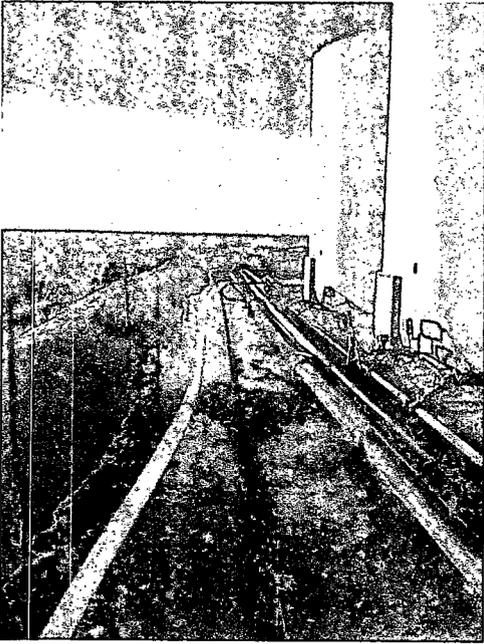
Root cause of incident:

- Transmitter failure

Corrective Actions:

- Pumps were turned on hand to lower the water tank level
- Replaced the transmitter

Reported by: Natalie Gladden (575-390-4186)



Apache-Tong Fed Strg

DOR: 11/24/12

