

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 October 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 Natalie Gladden | |
| Address P.O. Box 1849 Eunice, NM 88231 | Telephone No. 505-390-4186 | |
| Facility Name NEDU #225 (State Sec 2 #10) | Facility Type Production | |
| Surface Owner State | Mineral Owner State | Lease No. 30-025-06376 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L | 2 | 21S | 37E | 2310' | South Line | 988' | West Line | Lea |

Latitude _____ Longitude _____

NATURE OF RELEASE

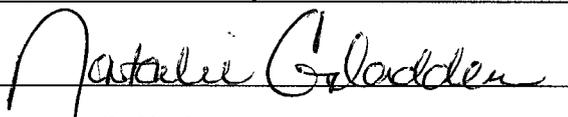
| | | |
|--|---|---------------------------|
| Type of Release Hydrocarbons and chlorides | Volume of Release 80bbls | Volume Recovered 15bbls |
| Source of Release Flowline | Occurrence 09/04/08 | Discovery 09/04/08 2:49pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Larry Johnson | |
| By Whom? Natalie Gladden | Date and Hour 09/04/08 3:41pm | |
| 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.* Flowline ruptured in pasture coming from the NEDU #225 well and spilled over the pit area for the State Sec 2 #10 well (ta'd). Vac trucks called in and line was replaced. Most of the saturated soil was picked up immediately and hauled to Sundance.

Describe Area Affected and Cleanup Action Taken.*
Leak site will be delineated and remediated in accordance with the NMOCD guidelines. All hydrocarbon contamination was hauled to Sundance Disposal. Remedial goals will be to obtain the NMOCD guideline for the chloride limit associated with the spill and the remediation of the old pit area. All guidelines for the Rule 50 will be followed on the clean up on the pit area.

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:  | OIL CONSERVATION DIVISION | |
| Printed Name: Natalie Gladden | Approved by District Supervisor  | |
| Title: EH&S Environmental Tech | Approval Date: 9.15.08 | Expiration Date: 11.15.08 |
| E-mail Address: natalie.gladden@apachecorp.com | Conditions of Approval: Attached <input type="checkbox"/> | |
| Date: 9/12/08 Phone: 505-390-4186 | SUBMIT FINAL C-141 BY  IRP-1950 | |

* Attach Additional Sheets If Necessary

FGRL0826254874