

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 June 10, 2003

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HOBSOCD

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<br>Eunice, NM 88231 | Telephone No. | 575-390-4186                  |
| Facility Name   | Southland Royalty A #8            | Facility Type | Produced Water Injection Well |

|               |             |               |         |              |
|---------------|-------------|---------------|---------|--------------|
| Surface Owner | Deck Estate | Mineral Owner | API No. | 30-025-20069 |
|---------------|-------------|---------------|---------|--------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from South Line | Feet from East Line | Longitude-W | Latitude-N | County |
|-------------|---------|----------|-------|----------------------|---------------------|-------------|------------|--------|
| O           | 4       | 21S      | 37E   | 660                  | 1990                | 103.1659    | 32.5024    | Lea    |

NATURE OF RELEASE

|                 |                   |                  |
|-----------------|-------------------|------------------|
| Type of Release | Volume of Release | Volume Recovered |
| Produced Water  | Approximate 5 bbl | 0 bbl            |

|                   |                             |                            |
|-------------------|-----------------------------|----------------------------|
| Source of Release | Date and Hour of Occurrence | Date and Hour of Discovery |
| Unknown           | 11/12/05                    | 11/13/05 8:30 AM           |

|   |                               |
|---|-------------------------------|
| Was Immediate Notice Given?   | If YES, To Whom?              |
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required | NMOCD - Hobbs - Larry Johnson |

|                 |                 |
|-----------------|-----------------|
| By Whom?        | Date and Hour   |
| Natalie Gladden | 5/8/08 12:30 PM |

|   |  |
|---|--|
| Was a Watercourse Reached?  | If YES, Volume Impacting the Watercourse |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | NA                                       |

If a Watercourse was Impacted, Describe Fully\*

WTR  
2A1

Describe Cause of Problem and Remedial Action Taken. \*

Hot oiler had hot watered well on 5/7/08 and when he finished loading well his truck went on vacuum and fluid was coming from around the wellhead, below ground surface. Dug out wellhead and no leaking occurred on 5/8/08. 5/9/08 backfilling around WH took place due to investigation. Heard large void and vibration when hot oil hot watered well. Cause of leak unknown. Area cleaned.

Describe Area Affected and Cleanup Action Taken. \*

The release affected area comprised ~2000-ft<sup>2</sup> around the wellhead. No fluids went beyond the well pad. Affected area was excavated to a depth necessary to achieve chloride concentrations <250-ppm (determined with Hach Strip field testing). Chloride contaminated soil was disposed of at Sundance Services (48-yd<sup>3</sup>). The excavated area was backfilled with clean caliche, compacted and smoothed.

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>             | <b>OIL CONSERVATION DIVISION</b>                   |                                   |
| Printed Name:           | Natalie Gladden                    | <i>L Johnson</i>                                   |                                   |
| Title:                  | Environmental Tech - Permian Basin | Approved by District <b>ENVIRONMENTAL ENGINEER</b> |                                   |
| E-Mail Address:         | Natalie.Gladden@usa.apachecorp.com | Approval Date: 6.30.09                             | Expiration Date:                  |
| Date:                   | 5/29/2009                          | Phone:   | 575-390-4186                      |
| Conditions of Approval: |                                    |  | RP# 1861                          |
|                         |                                    |  | <input type="checkbox"/> Attached |