



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

01-Apr-08

APACHE CORP

6120 S YALE SUITE 1500

TULSA OK 74136-4224

LETTER OF VIOLATION - Inspection

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 so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

HOWSE B No.001

P-11-20S-38E

30-025-07764-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808736618
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well sign not legible (see Rule 103). NEED TO REPLACE WELL SIGN. 1st letter on non-compliance. MW						

BULL DURHAM No.001

P-14-20S-38E

30-025-34187-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808738827
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Location and producing equipment in good shape. No well sign (see Rule 103). NEED TO INSTALL WELL SIGN. 1st letter of non-compliance. MW						

DIAMONDBACK No.001

J-14-20S-38E

30-025-34274-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808738080
Violations General Housekeeping (Rule 114)						
Comments on Inspection: Location and producing equipment is good shape. Chemical drums north and east of wellhead. NEED TO REMOVE SURPLUS CHEMICAL DRUMS (GENERAL HOUSEKEEPING RULE 114). 1st letter of non-compliance. MW						

PEARL No.001

J-13-20S-38E

30-025-34275-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808741332
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Operator name not legible on well sign posted at location entrance. NEED TO CORRECT WELL SIGN. 1st letter of non-compliance. MW						

LUCKY STRIKE No.001

I-14-20S-38E

30-025-34285-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808738394
Violations Absent Well Identification Signs (Rule 103) General Housekeeping (Rule 114)						
Comments on Inspection: Location and producing equipment in good shape. 5 gal bucket and trash around location. Well sign shows section 141, should be 14. NEED TO CORRECT WELL SIGN (RULE 103) AND REMOVE TRASH (GENERAL HOUSEKEEPING RULE 114). 1st letter of non-compliance. MW						

KOOL No.001

B-14-20S-38E

30-025-34642-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808735735
Comments on Inspection: No well Sign (Rule 103). Sign at battery has wrong section. NEED TO INSTALL WELL SIGN AND CORRECT SIGN AT BATTERY. 1st letter of non-compliance. MW						

DUKES No.001

K-11-20S-38E

30-025-35614-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808732886
Comments on Inspection: Well sign needs to be displayed with 50 feet of wellhead (see Rule 103). NEED TO MOVE WELL SIGN. 1st letter of non-compliance. MW						

KOOL No.002

B-14-20S-38E

30-025-38439-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0808735936
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well Sign (Rule 103). NEED TO INSTALL WELL SIGN. 1st letter of non-compliance. MW						

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

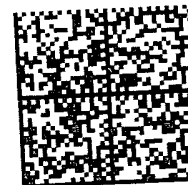

COMPLIANCE OFFICER

Hobbs OCD District Office

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

APACHE CORP
6120 S YALE SUITE 1500
TULSA, OK 74136-4224



HASLER

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04/01/2008

Mailed From 88240

US POSTAGE