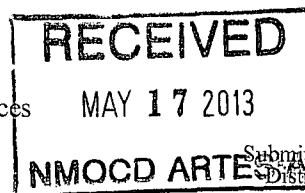


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 873 Contact Craig Maxwell
Address 2350 W. Marland Blvd. Telephone No. (575) 441-2568
Facility Name Loco Federal #1 Facility Type Tank Battery

Surface Owner BLM Mineral Owner _____ Lease No. _____

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B | 21 | 17S | 30E | 987' | FNL | 2424' | FEL | Lea |

Latitude 32°49'29.093"N Longitude 103°58'34.842"W

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release <u>Oil</u> | Volume of Release <u>95 barrels</u> | Volume Recovered <u>90 barrels</u> |
| Source of Release <u>Hole in a tank</u> | Date and Hour of Occurrence <u>3/11/13</u> | Date and Hour of Discovery <u>3/11/13 12:15 pm</u> |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? <u>Mike Bratcher</u> | |
| By Whom? <u>Natalie Gladden, Apache Corp.</u> | Date and Hour <u>3/11/13 3:35 pm</u> | |
| 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 pumper arrived on site to find that the main production tank was leaking through a hole in the bottom of the tank. The remaining liquid in the tank was removed by vacuum truck and approximately 90 barrels of oil was put into the secondary production tank and re-circulated. All the released fluid remained inside the battery's containment walls of the unlined facility. The corroded tank was repaired.

Describe Area Affected and Cleanup Action Taken.*

A total of 3,470 sq ft of the facilities containment area was affected. A hydrovac was called to the site to remove the wet soil. Starting on March 11th, 2013, the site was excavated down one foot. A 5 pt composite sample of the bottom of the excavation was taken to a commercial laboratory for analysis.

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.

OIL CONSERVATION DIVISION

| | | |
|---|---|--|
| Signature: <u>Craig Maxwell</u> | Approved by District Supervisor: Signed By <u>Mike Bratcher</u> | |
| Printed Name: <u>Craig Maxwell</u> | Approval Date: <u>MAY 28 2013</u> Expiration Date: _____ | |
| Title: <u>Production Foreman</u> | Conditions of Approval: Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION | |
| E-mail Address: <u>Craig.maxwell@apachecorp.com</u> | Attached <input type="checkbox"/> | |
| Date: <u>5-17-13</u> Phone: <u>(575) 441-2568</u> | PROPOSAL NO LATER THAN: <u>June 28, 2013</u> | |

* Attach Additional Sheets If Necessary

2RP-1661

Please include API # when Submitting

Bratcher, Mike, EMNRD

From: Gladden, Natalie <Natalie.Gladden@apachecorp.com>
Sent: Monday, March 11, 2013 3:35 PM
To: Bratcher, Mike, EMNRD; Amos, James A (jamos@blm.gov); mburton@blm.gov
Subject: Loco Federal Battery 031113.docx
Attachments: Loco Federal Battery 031113.docx

Importance: High

Follow Up Flag: Follow up
Flag Status: Completed

Attached you find a reportable spill. C141 will be in the mail.

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: Loco Federal Battery

Production Area: Loco Hills Area/Hobbs Field Office

District: Eunice

Date: 03/11/13

Time: 12:15pm

One Line Summary: Hole in bottom of production tank.

Full summary: The pumper arrived onsite to find that the main production tank was leaking. They found the hole on the bottom of the tank, after emptying the remaining liquid by use of a vacuum truck. The level in the tank did not get low enough to send a low level alarm. Approximately 95bbls of oil was released. Approximately 90bbls of oil was recovered. The 90bbls of oil was put back into the secondary production tank and recirculated. All of the released fluid remained inside the containment walls of this unlined facility. Hydro-vac trucks have been dispatched to remove the contaminated soil. The initial assessment of the contamination is underway.

Root cause of incident: Corrosion

Corrective Actions:

1. The tank has been taken out of service.
2. A new tank will be brought in to replace the tank once the old tank is removed and site is remediated.

Reported by: Natalie Gladden (575) 390-4186



Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Wednesday, April 17, 2013 4:14 PM
To: 'Lara Weinheimer'
Cc: 'Bruce Baker'; 'Hack Conder'
Subject: RE: Apache Loco Federal #001

Lara,

Do you have a copy of the C-141 for this event? I only show one for the Loco Fed 1 Btry, and it was closed out in August 2012.

Thanks,

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108
C: 575-626-0857
F: 575-748-9720

From: Lara Weinheimer [<mailto:lweinheimer@rice-ecs.com>]
Sent: Wednesday, April 17, 2013 3:25 PM
To: Bratcher, Mike, EMNRD
Cc: 'Bruce Baker'; 'Hack Conder'
Subject: Apache Loco Federal #001

Bruce wanted me to forward you this documentation for the Apache Loco Federal #001. This leak is within the tank battery and we hand shoveled down to 1'. We took a 5 pt composite sample of the bottom of the excavation. Attached is the lab with the levels of constituents left in the soil. Could you please take a look at this data and let us know if we can backfill the site? If you have any questions or concerns, please contact Bruce.

Thanks!

Lara Weinheimer
Project Scientist
Rice Environmental Consulting & Safety
122 W. Taylor
Hobbs, NM 88240
(575) 441-0431

Bratcher, Mike, EMNRD

From: Lara Weinheimer <lweinheimer@rice-ecs.com>
Sent: Wednesday, April 17, 2013 3:25 PM
To: Bratcher, Mike, EMNRD
Cc: 'Bruce Baker'; 'Hack Conder'
Subject: Apache Loco Federal #001
Attachments: 2 5 pt. composite @ 1' Lab.pdf; Apache Loco Federal #001 AD - FINALS.jpg

Bruce wanted me to forward you this documentation for the Apache Loco Federal #001. This leak is within the tank battery and we hand shoveled down to 1'. We took a 5 pt composite sample of the bottom of the excavation. Attached is the lab with the levels of constituents left in the soil. Could you please take a look at this data and let us know if we can backfill the site? If you have any questions or concerns, please contact Bruce.

Thanks!

Lara Weinheimer
Project Scientist
Rice Environmental Consulting & Safety
122 W. Taylor
Hobbs, NM 88240
(575) 441-0431

Loco Fed Btry 3/11/13

Warren, JeanMarie, EMNRD

Sent: Wednesday, April 24, 2013 11:26 AM

To: Natalie.Gladden@apachecorp.com

Cc: Bratcher, Mike, EMNRD

Good Morning Natalie.

Do you have a C-141 for this release yet? I don't think we have received it, though we have received a release notification. If you could get in touch with myself or Mike Bratcher, that would be great.

I hope you are having a wonderful day.

Jean-Marie Warren

Business Operations Specialist

NM-OCD District II, Artesia

(575) 748-1283, ext. 101

Apache Loco Federal # 1

Bruce Baker [bbaker@rice-ecs.com]

Sent: Thursday, May 09, 2013 9:21 AM

To: Warren, JeanMarie, EMNRD

Cc: hconder@rice-ecs.com

Ms. Warren,

If you could please fax me the spill report that Natalie Gladden sent on the above referenced site. The fax number is (575) 393-0293. RECS appreciates your help in this matter. Thanks and have a good day.

Bruce Baker

Project Manager

Phone: (575) 393-4411

Cell: (575) 631-5157

NEW MEXICO OIL CONSERVATION DIVISION
811 S. FIRST STREET
ARTESIA, NEW MEXICO 88210
(505)748-1283 FAX (505)748-9720

NM OCD

Fax

To: Bruce Baker From: Jean Marie Warren
Fax: (575) 393-0293 Pages: 4
Phone: (575) 393-4411 Date: 5/9/13
Re: Local Fed / Tray CC:
3/11/13 Release
☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

© Comments

Documentation on release.
Have a great day.

Bratcher, Mike, EMNRD

From: Gladden, Natalie <Natalie.Gladden@apachecorp.com>
Sent: Monday, March 11, 2013 3:35 PM
To: Bratcher, Mike, EMNRD; Amos, James A (jamos@blm.gov); mburton@blm.gov
Subject: Loco Federal Battery 031113.docx
Attachments: Loco Federal Battery 031113.docx

Importance: High

Attached you find a reportable spill. C141 will be in the mail.

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: Loco Federal Battery

Production Area: Loco Hills Area/Hobbs Field Office

District: Eunice

Date: 03/11/13

Time: 12:15pm

One Line Summary: Hole in bottom of production tank.

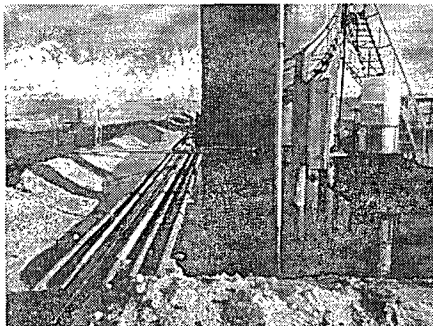
Full summary: The pumper arrived onsite to find that the main production tank was leaking. They found the hole on the bottom of the tank, after emptying the remaining liquid by use of a vacuum truck. The level in the tank did not get low enough to send a low level alarm. Approximately 95bbls of oil was released. Approximately 90bbls of oil was recovered. The 90bbls of oil was put back into the secondary production tank and recirculated. All of the released fluid remained inside the containment walls of this unlined facility. Hydro-vac trucks have been dispatched to remove the contaminated soil. The initial assessment of the contamination is underway.

Root cause of incident: Corrosion

Corrective Actions:

1. The tank has been taken out of service.
2. A new tank will be brought in to replace the tank once the old tank is removed and site is remediated.

Reported by: Natalie Gladden (575) 390-4186



Bratcher, Mike, EMNRD

From: Amos, James <jamos@blm.gov>
Sent: Tuesday, March 12, 2013 6:34 AM
To: Gladden, Natalie
Cc: Bratcher, Mike, EMNRD; mburton@blm.gov
Subject: Re: Loco Federal Battery 031113.docx

Thanks, Mike Burton will be the contact on this event.

On Mon, Mar 11, 2013 at 3:34 PM, Gladden, Natalie <Natalie.Gladden@apachecorp.com> wrote:

Attached you find a reportable spill. C141 will be in the mail.

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

Apache Signed Initial C-141 for the Loco Federal #001

Lara Weinheimer [lweinheimer@rice-ecs.com]

Sent: Friday, May 17, 2013 8:58 AM
To: Warren, JeanMarie, EMNRD
Cc: bbaker@rice-ecs.com; Hack Conder [hconder@rice-ecs.com]
Attachments: Apache signed Initial C-141.pdf (4 MB)

Bruce wanted me to send you this initial C-141. It is for the Loco Federal #001 Tank Battery Release that occurred on March 11th, 2013. I would like to know if this email is sufficient for a submission or do you need a hard copy mailed to you.

Also, when convenient, Bruce would like to make an appointment with Mike sometime next week. Could you or Mike contact Bruce with a time Mike has available?

Thanks!

Lara

Lara Weinheimer
Project Scientist
Rice Environmental Consulting & Safety
419 W. Cain
Hobbs, NM 88240
(575) 441-0431