

/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

RECEIVED

Oil Conservation Division JUN 30 2009
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBSOC

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. 575-390-4186
Facility Name NEDU #423	Facility Type Production

Surface Owner Paige McNeil	Mineral Owner State of NM	Lease No. 30-025-37876
----------------------------	---------------------------	------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	10	21S	37E	2360	FNL	1650	FEL	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Hydrocarbons and produced water	Volume of Release 5	Volume Recovered 4
Source of Release Stuffing Box Leak	Date 1/29/09 3pm	Date 1/29/09
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

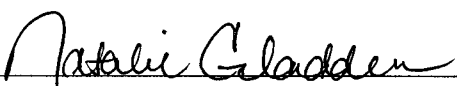
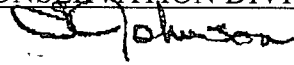
Describe Cause of Problem and Remedial Action Taken.*

Stuffing box leak due to back pressure valve being plugged, releasing approx. 1bbl of oil and 4bbls of water, with a recovery of 4bbls total.

Describe Area Affected and Cleanup Action Taken.*

Vac truck recovered 4bbls of fluid and backhoe picked up saturated soil. Site will be delineated and contamination hauled offsite for disposal. All NMOCD remediation guidelines will be followed to obtain clean soil. Ground water is some where around 45'. Site has been remediated to NMOCD Standards.

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  ENVIRONMENTAL ENGINEER	
Title: EH&S Environmental Tech	Approval Date: 06/30/09	Expiration Date:
E-mail Address: natalie.gladden@apachecorp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 2/5/09 Phone: 575-390-4186	IRP# 09.22.2074	

* Attach Additional Sheets If Necessary

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IMPORTANT NOTICE:

Phoenix Environmental, LLC. With offices at 2113 French Drive, Hobbs, New Mexico 88241 (the Company), has prepared this project report for remediation of NEDU #423, to the best of its ability. No warranty, expressed or implied, is made or intended. The report was prepared for Apache Corp., with offices at 612 S Yale Suite 1500. Tulsa OK. 74136 and (the Client). All information disclosed in this plan is for internal purposes only and is considered confidential. By accepting this document, the recipient agrees to keep confidential the information contained herein. The recipient further agrees not to copy, reproduce or distribute to any third party this project plan in whole or in part, without express written permission from the Company or Client.





SECTION I

Project Overview

Phoenix Environmental, LLC. (Phoenix) was contracted by Natalie Gladden with Apache Corp. to consult and oversee the clean up on the NEDU #423 owned by Apache Corp. and is located at UL G, Sec 10, T21S, R37E of Lea County New Mexico with a GPS Reading: 32°-29'-39.6"N & 103°-08'-51.6"W with an elevation of 3447 above sea level. The land, in and around the site, is primarily used as pasture for cattle and the production of oil and gas.

The potential contaminates of concern were mid- to high-level concentrations of produce water containing elevated chlorides that were lost due to a leak at the well head.

The ground water depth data available from the State of New Mexico Engineers' office showed the vertical depth to the top of water to be about 30 feet below surface.

Pursuant to the NMOCD guidelines for clean up of unlined surface impoundments, the clean up level for this site will be at <100 ppm for TPH (Total Petroleum Hydrocarbons) and <50 ppm for BTEX (Benzene, Toluene, Ethylbenzene, and Xylene). The NMOCD has also asked for CL (Chlorides) be returned back as close to background levels as possible or <250 ppm.

Findings and Conclusion

The spill was due to a leak at the well head. A total of 4 to 6 bbls of produce water was leaked onto the ground and absorbed by the near surface soils... A 75'x 27' area was affected by the leak...

The bottom of the excavation (approximately 3 feet) was tested for TPH, BTEX, & Chlorides to make certain that the target limits had been met prior to backfilling and compaction for closure. The site cleaned up very well, and did not impact groundwater.

The spill site should pose very little if any future environmental threat due to the fact that the site was backfilled and compacted with stabilized backfill and contoured back to grade to prevent ponding on the area.



Chronology of Operations

1. *February 9, 2009 – Phoenix mobilized on-site. The first order on the agenda was a tailgate safety meeting to review any potential safety concerns of the site and to cover the clean- up operations. (Please note that a daily safety meeting is the first order of the day before any work begins on site). New Mexico One Call was notified of the intent to finish the spill remediation. Allen Hodge with Phoenix Environmental LLC pulled on-site field soil samples. (Please refer to page 5 of this report).*
2. *February 10, 2009 – Crew began excavating spill area east of well head. Excavated impacted soil was mix and stockpiled to stabilize levels of chlorides. Allen took bottom samples. (Please refer to pages 5 and 6 of this report.)*
3. *February 11, 2009 – Crew finished excavating around flow line. Samples were taken from stock pile. (Please refer to pages 5 and 6 of this report.). Crew excavated bottom down to 4' for blend material to mix with stockpile.*
4. *February 12, 2009– Crew over excavated clean soils for stabilization of impacted soils. Ran spot checks on spoils piles did not met levels spread stockpile and added more clean materials and remixed. Allen took samples from stockpile to check levels.*
5. *February 13, 2009 - Crew ran sample from bottom of excavation area. Crew broke down stockpiles into three separate piles to mix. Piles were mixed for several hours and retested.*
6. *February 16, 2009 - Crew continued to mix stockpiles with excavated clean materials. Random samples were taken to check mix levels.*
7. *February 17, 2009 – Crew excavated clean caliche from pad to blend back into impacted soils excavation area.*
8. *February 18, 2009 – Track hoe was utilized to excavate clean materials from outside edge of pad to blend back into impacted soils excavation area. Final bottom and sidewall samples were taken and sent to a third party laboratory for analysis Chlorides for final verification of the limits met. (Please refer to attached reports, pages 5 through 8 of this report).*
9. *February 19, 2009 – Crew continued to blend and test piles before backfilling. Compaction was done over the excavation and edge of pad. Excavation area was leveled.*



10. February 20, 2009 - Crew finished mix and blending. Final contouring and compactions was implemented to return the site back to grade to prevent rainwater ponding.



Limitations

Phoenix Environmental LLC has prepared this report to the best of its ability. No other warranty expressed, implied or intended is made.

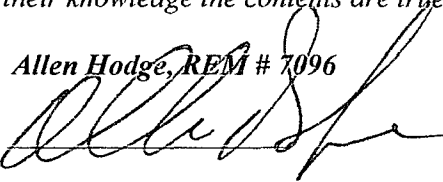
This report has been prepared for Apache Corp. our client. The information contained in this report including all exhibits and attachments, may not be used by any other party without the express consent from Phoenix Environmental LLC and/or the client.

Certification

The following Phoenix Environmental LLC personnel have reviewed this report and verify that to the best of their knowledge the contents are true and correct.

Name: *Allen Hodge, REM # 7096*

Signature:



Title: *VP Operations*
Phoenix Environmental LLC





SECTION II



SUMMARY SOIL ANALYSIS REPORT

Client: Apache Corp.
Sample Matrix: Soil

Facility: NEDU # 423

Initial Project Screening

Sample	Date	Depth	Chlorides	TPH	BTEX	Location	Test Method
#1	2/9/09	1.5'	350			See Site Map	EPA 325.3
#2	2/9/09	1'	375			See Site Map	EPA 325.3
#3	2/9/09	1'	2750			See Site Map	EPA 325.3
#4	2/9/09	2'	650			See Site Map	EPA 325.3
#5	2/9/09	2.5'	7000			See Site Map	EPA 325.3
#6	2/9/09	2'	575			See Site Map	EPA 325.3
#7	2/9/09	2.5'	375			See Site Map	EPA 325.3
#8							
#9							
#10							

Samples reported in parts per million (ppm) and depth is in feet (') and inches (")

Interim Project Screening

Sample	Date	Depth	Chlorides	TPH	BTEX	Location	Test Method
#1	2/10/09	2.5-3'	90			East	EPA 325.3
#2	2/10/09	2.5-3'	<50			South Leg	EPA 325.3
#3	2/11/09	2.5'	800			West End	EPA 325.3
#4	2/11/09	2.5'	350			Center	EPA 325.3
#5	2/11/09	2.5'	1300			East End	EPA 325.3
#6	2/11/09	2.5'	90			East Wall	EPA 325.3
#7	2/11/09	2.5'	<50			West Wall	EPA 325.3
#8	2/12/09	2.5'	700-800			Stockpiles	EPA 325.3
#9	2/13/09	2.5'	1325			Stockpiles 7:30 am	EPA 325.3
#10	2/13/09	2.5'	875			Stockpiles 1:00 pm	EPA 325.3
#11	2/16/09	2.5'	200-275			Stockpiles	EPA 325.3
#12	2/17/09	2.5'	200-260				EPA 325.3
#13							
#14							
#15							
#16							

Samples reported in parts per million (ppm) and depth is in feet (') and inches (")

Final (Third Party Laboratory) Project Screening Verification

Samples reported in parts per million (ppm) and depth is in feet (') and inches (")

Sample	Date	Depth	Chlorides	TPH	BTEX	Location	Test Method
#1	2/25/09	2.5'	128			West Wall	See Report
#2	2/25/09	2.5'	112			North Wall	See Report
#3	2/25/09	2.5'	32			South Wall	See Report
#4	2/25/09	3'	16			West Bottom	See Report
#5	2/25/09	3'	48			East Bottom	See Report
#6	2/25/09	4'	96			South Leg Bottom	See Report
#7	2/25/09	3'	112			South Leg East Wall	See Report
#8	2/25/09	3'	16			South Leg West Wall	See Report
#9	2/25/09	0'-6"	<16			Background	See Report



Phoenix Environmental, LLC.
P.O. Box 1856 – 2113 French Drive
Hobbs, New Mexico 88241
 505.391.9685 – FAX: 505.391.9687

SOIL ANALYSIS REPORT

Date: 2/17/09
Client: Apache Corp.
Supervisor: Allen Hodge
Sample Matrix: Soil

Facility: NEDU #423
Test Method: EPA 325.3
Order No.: Tony Chenault
Sample Received: Intact on site

<u>Sample</u>	<u>Cl (ppm)</u>	<u>Depth (feet)</u>	<u>Location</u>
#1	90	2.5-3'	East
#2	<50	2.5-3'	South leg
#3	800	2.5'	West End
#4	350	2.5'	Center
#5	1300	2.5'	East End
#6	90	2.5'	East Wall
#7	<50	2.5'	West Wall
#8	700-800	2.5'	Stockpiles
#9	1325	2.5'	Stock Piles 2/13/09 7:30 am
#10	875	2.5'	Stock Piles 2/13/09 1:00 pm
#11	200-275	2.5'	Stock Piles
#12	200-260	2.5'	Stock Piles

COMMENTS: Sample was to check the limits for NMOCD guidelines for clean up of leaks and spills.



CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
PHOENIX ENVIRONMENTAL, LLC
ATTN: ALLEN HODGE
P.O. BOX 1856
HOBBS, NM 88241
FAX TO: (575) 391-9687

Receiving Date: 02/24/08
Reporting Date: 02/25/08
Project Number: APACHE
Project Name: NEDU 423
Project Location: LEA CO., NM

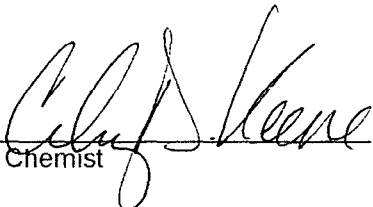
Analysis Date: 02/25/08
Sampling Date: 02/18/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: HM

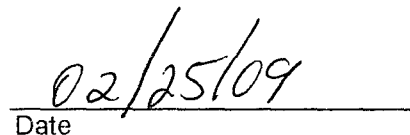
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16959-1	1-WEST WALL @ 2.5'	128
H16959-2	2-NORTH WALL @ 2.5'	112
H16959-3	3-SOUTH WALL @ 2.5'	32
H16959-4	4-WEST BOTTOM @ 3'	16
H16959-5	5-EAST BOTTOM @ 3'	48
H16959-6	6-SOUTH LEG BOTTOM @ 4'	96
H16959-7	7-SOUTH LEG EAST WALL @ 3'	112
H16959-8	8-SOUTH LEG WEST WALL @ 3'	16
H16959-9	9-BACKGROUND @ 0'-6"	<16
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H16959 PHOENIX

PLEASE NOTE **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

Company Name: <u>PHOENIX ENVIRONMENTAL LLC</u>			BILL TO			ANALYSIS REQUEST																							
Project Manager: <u>ALLAN HODGE</u>			P.O. #:			<div>CL Chlorides</div>																							
Address: <u>PO BOX 1856</u>			Company: <u>Apache</u>																										
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>			Attn:																										
Phone #: <u>575-391-9685</u> Fax #: <u>575-391-9687</u>			Address:																										
Project #: _____ Project Owner: <u>Apache</u>			City:																										
Project Name: <u>NEDU 423</u>			State: _____ Zip: _____																										
Project Location: <u>LGA CO NM</u>			Phone #:																										
Sampler Name: <u>ALLAN HODGE</u>			Fax #:																										
FOR LAB USE ONLY																													
Lab I.D.		Sample I.D.		(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX					PRESERV.		SAMPLING																
						GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME													
H16959-1		1-WEST WALL @ 215'		G	1			X					X		2-18-09	9:00	X												
-2		2-NORTH WALL @ 215'		G	1			X					X		}	9:15	X												
-3		3-SOUTH WALL @ 215'		G	1			X					X			9:30	X												
-4		4-WEST BOTTOM @ 3'		G	1			X					X			9:45	X												
-5		5-EAST BOTTOM @ 3'		G	1			X					X			10:00	X												
-6		6-SOUTH LEG BOTTOM @ 4'		G	1			X					X			10:15	X												
-7		7-SOUTH LEG EAST WALL @ 3'		G	1			X					X		10:30	X													
-8		8-SOUTH LEG WEST WALL @ 3'		G	1			X					X		10:45	X													
-9		9-BACK @ 0-6"		G	1			X					X		✓ 11:15	X													

PLEASE NOTE: Liability and Damages Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished:		Date: <u>2-24-09</u>	Received By: <u>★ CB 7</u>	Phone Result: <input type="checkbox"/> No	Add'l Phone #:
Relinquished By: <u>[Signature]</u>		Time: <u>11:35</u>	Received By:	Fax Result: <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)		Temp.	Sample Condition	REMARKS:	
Sampler - UPS - Bus - Other:			Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No		
			CHECKED BY: <u>★ CB</u> (Initials)		

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



SECTION III

Apache Corp

NEDU #423

UL-G SEC-10 - T21S - R37E

N32° - 29' - 39.6" - W103° - 08' - 51.6"

1. N32° 29' 39.1" - W103° 08' 51.6"

2. N32° 29' 39.2" - W103° 08' 51.3"

3. N32° 29' 39.0" - W103° 08' 51.2"

4. N32° 29' 39.2" - W103° 08' 51.4"

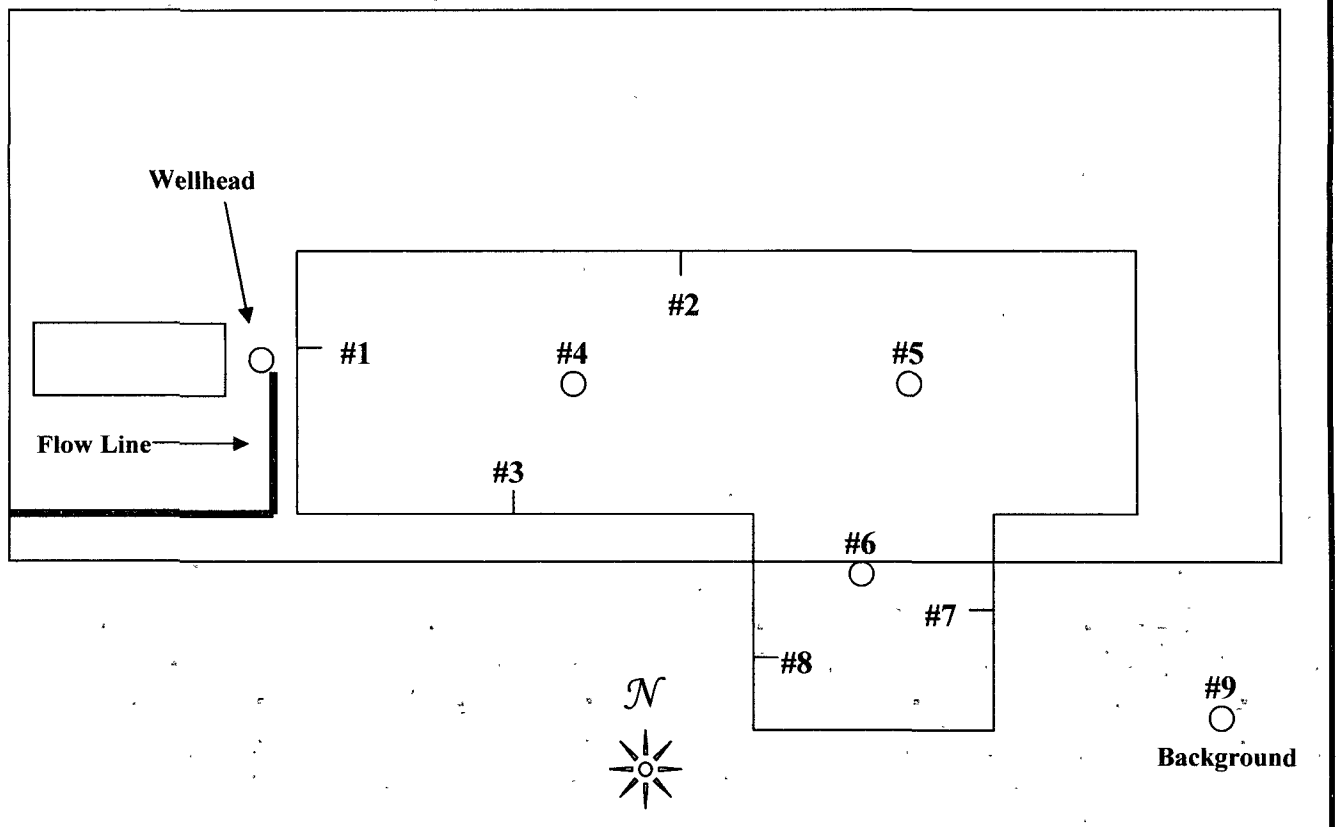
5. N32° 29' 39.2" - W103° 08' 51.2"

6. N32° 29' 38.7" - W103° 08' 51.2"

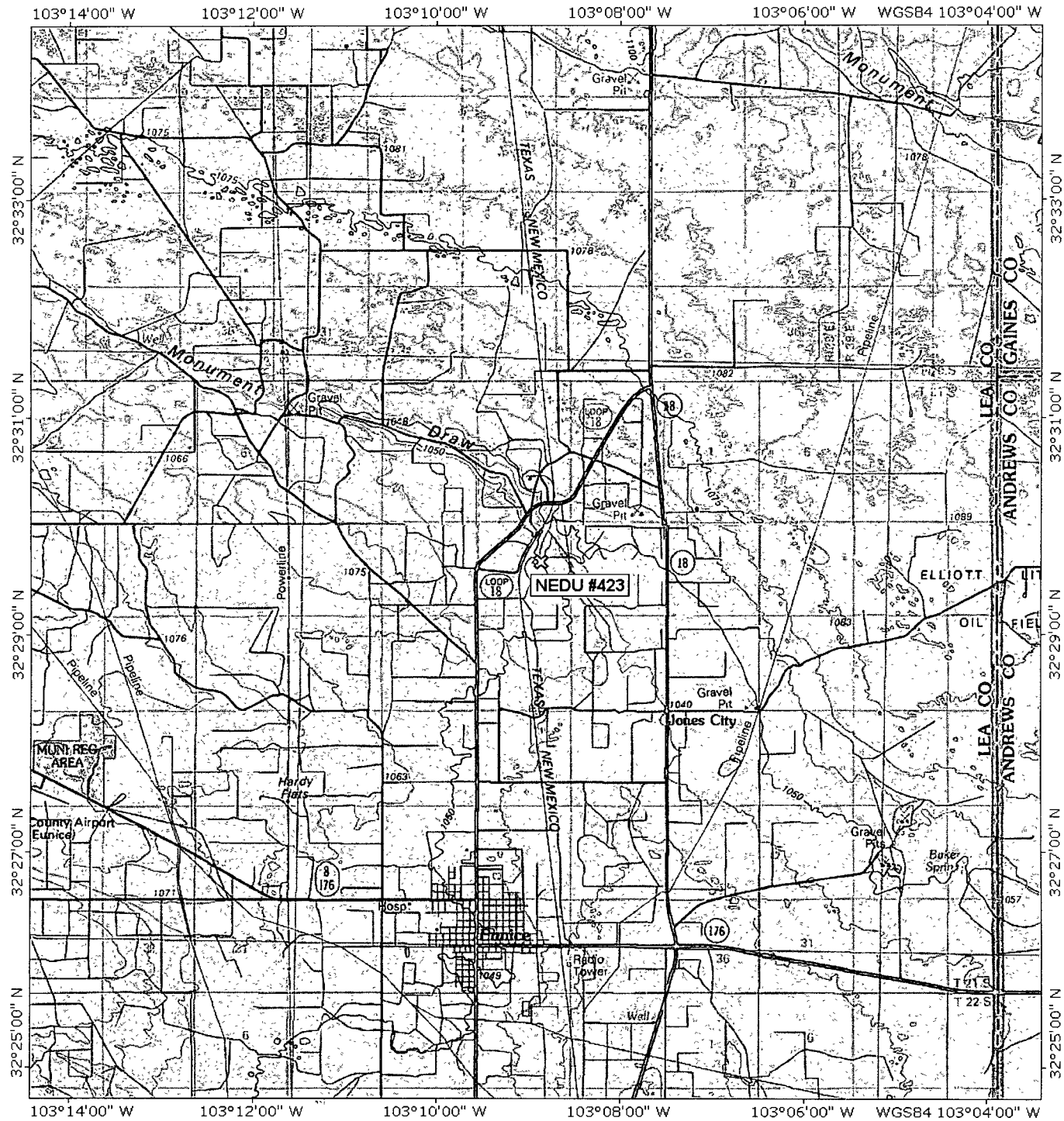
7. N32° 29' 38.8" - W103° 08' 51.1"

8. N32° 29' 38.8" - W103° 08' 51.3"

9. N32° 29' 38.2" - W103° 08' 49.8"



TOPO! map printed on 03/13/09 from "Untitled.tpo"

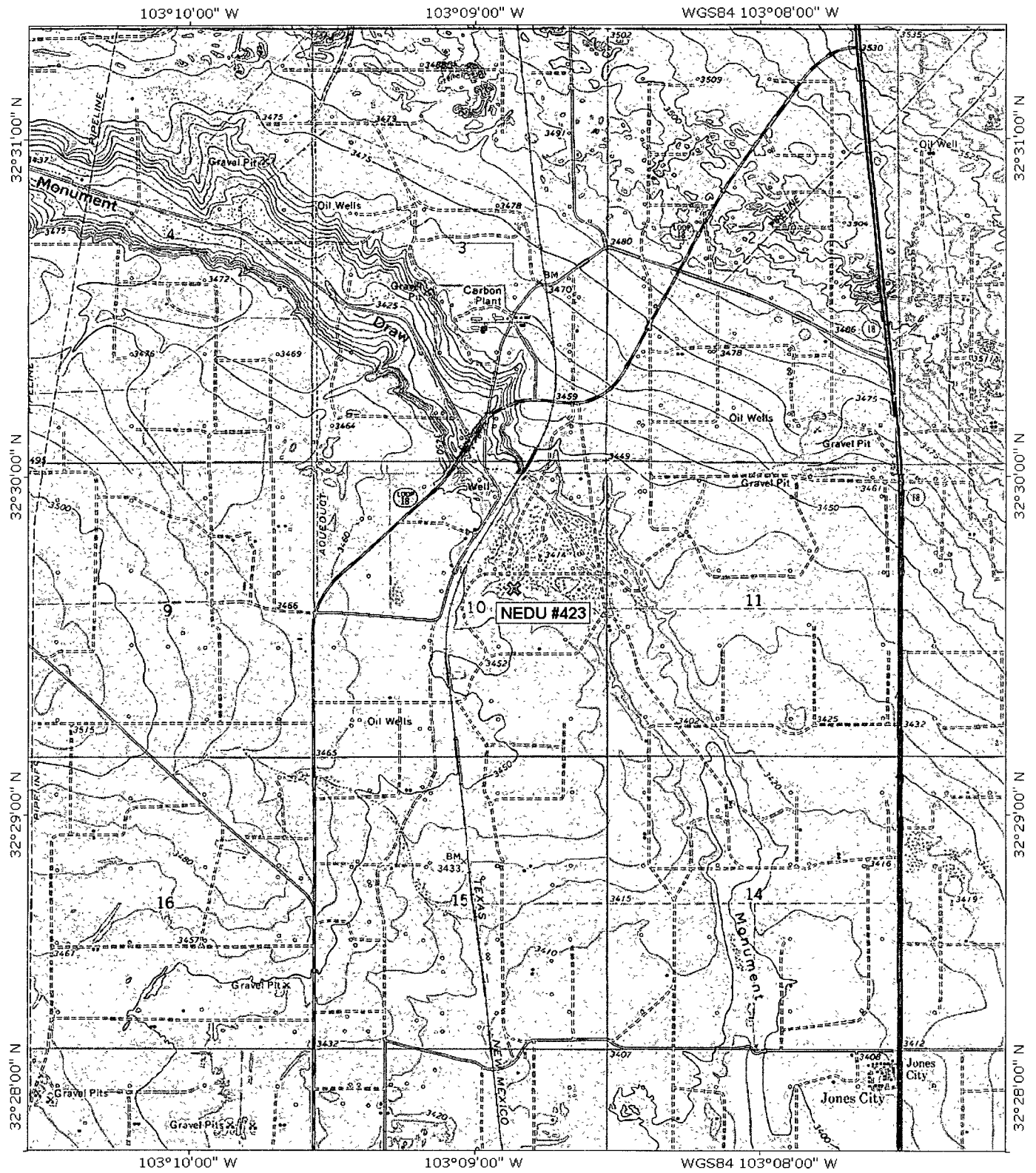


TN MN
8°

00 05 10 15 20 25 30 35 miles
0 1 2 3 4 5 km
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)



TOPO! map printed on 03/13/09 from "Untitled.tpo"



TN MN
8°

0 1000 FEET 0 500 1000 METERS
Map created with TOPO! © 2008 National Geographic (www.nationalgeographic.com/topo)





SECTION IV

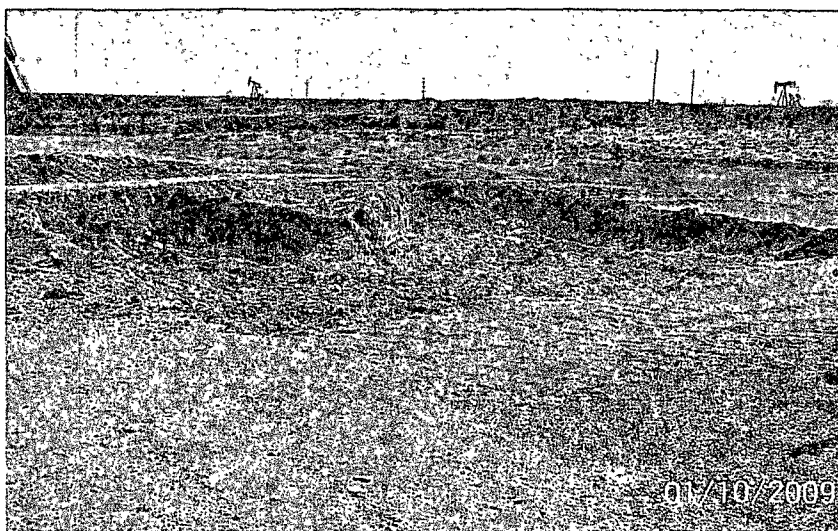


Photo #1 Remediation of Clean Up Area



Photo #2 View of Stock Pile Material use to backfill

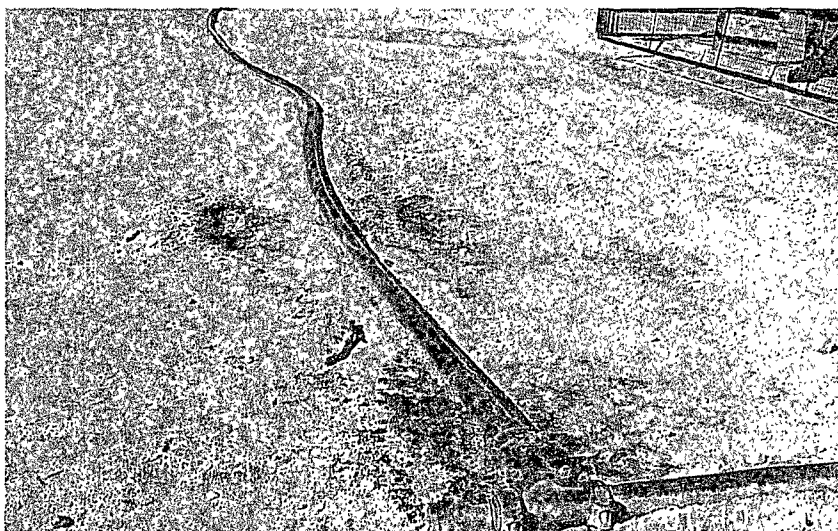


Photo #3 Remediation of Clean Up Area

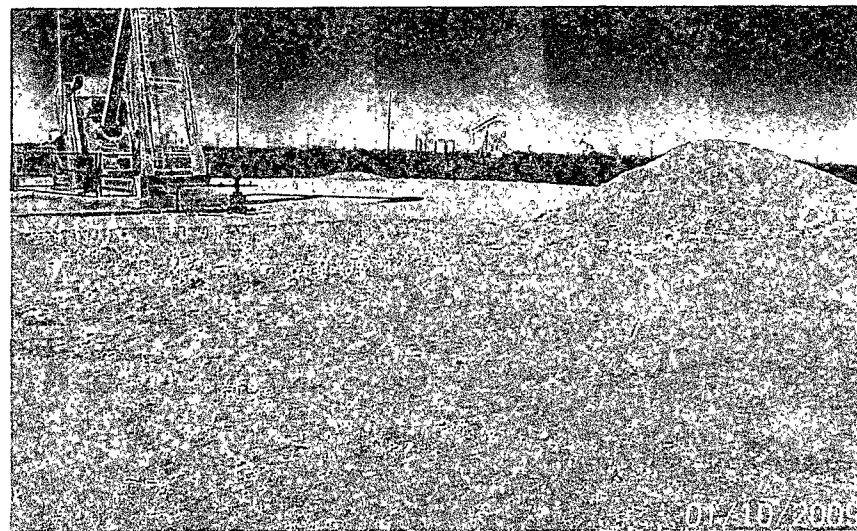


Photo #4 Remediation of Clean Up Area



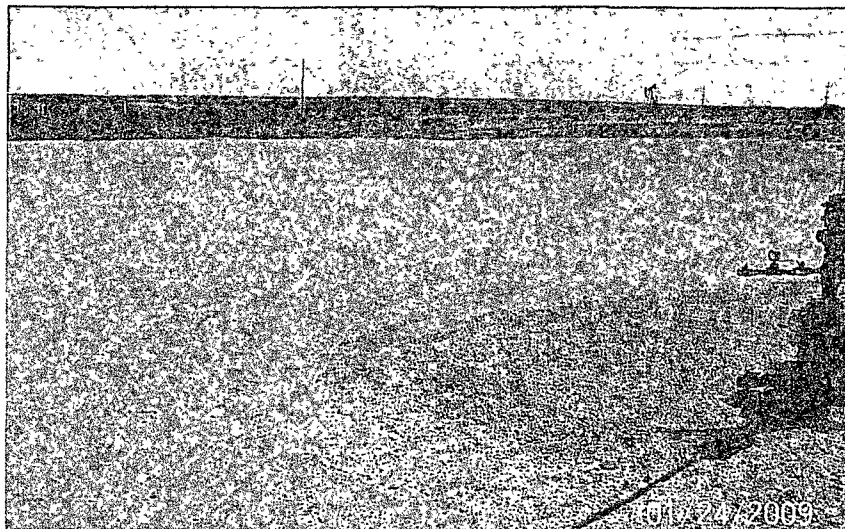


Photo #5 Final View

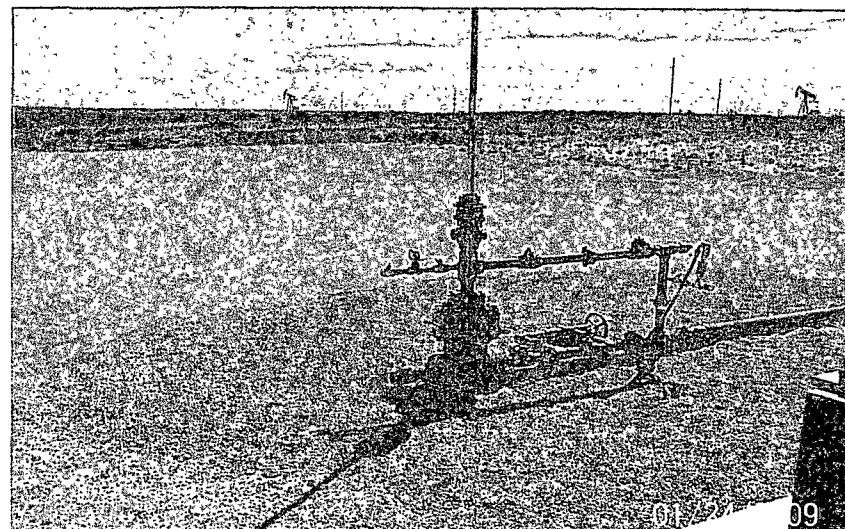


Photo #6 Final View

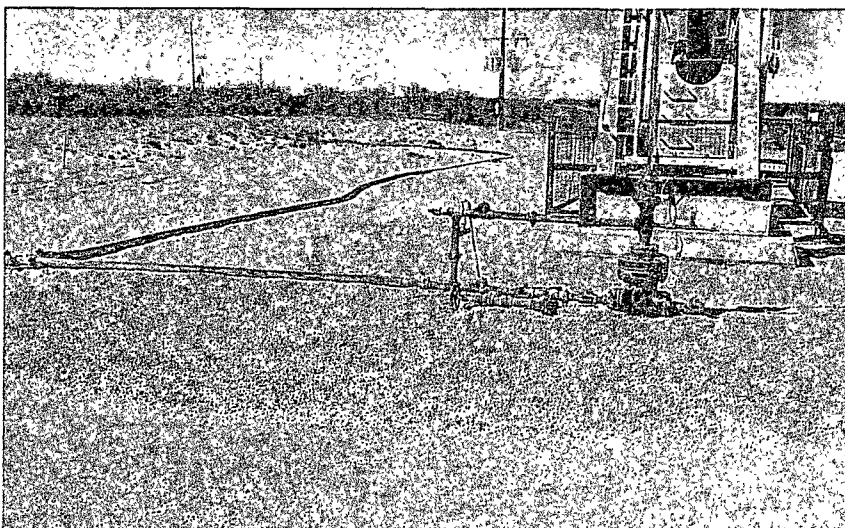


Photo #7 Final View

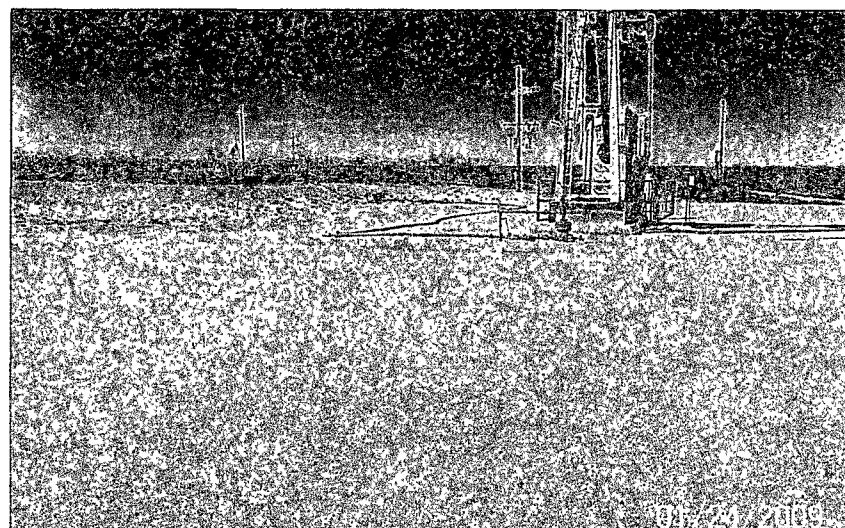


Photo #8 Final View



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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
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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.	575-390-4186
Facility Name	NEDU #423	Facility Type	Production

Surface Owner	Paige McNeil	Mineral Owner	State of NM	Lease No.	30-025-37876
---------------	--------------	---------------	-------------	-----------	--------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	10	21S	37E	2360	FNL	1650	FEL	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

WTR 25'

Type of Release	Hydrocarbons and produced water	Volume of Release	5	Volume Recovered	4
Source of Release	Stuffing Box Leak	Date	1/29/09 3pm	Date	1/29/09
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

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FEB 05 2009


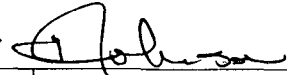
HOBBSCOCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Stuffing box leak due to back pressure valve being plugged, releasing approx. 1bbl of oil and 4bbls of water, with a recovery of 4bbls total.

Describe Area Affected and Cleanup Action Taken.*
Vac truck recovered 4bbls of fluid and backhoe picked up saturated soil. Site will be delineated and contamination hauled offsite for disposal. All NMOCD remediation guidelines will be followed to obtain clean soil. Ground water is some where around 45'.

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: 2.5.09	Expiration Date: 4.5.09
E-mail Address: natalie.gladden@apachecorp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 2/5/09 Phone: 575-390-4186	Submit Final C-141 w/ Docs BY IRP# 09.02.2074	

Attach Additional Sheets If Necessary