

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
J 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

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JUL 01 2010
HOBBSOCD

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 Oil Corporation	Contact Natalie Gladden
Address P.O. Box Drawer D Monument NM 88265	Telephone No. 505-390-4186
Facility Name NMGSAU #1416	Facility Type Producing Well

Surface Owner Jimmy Cooper	Mineral Owner	Lease No. 30-025-12474
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	36	19S	36E	300'	South Line	330'	East Line	Lea

Latitude N32 deg 36.955 Longitude W103 deg 18.466 Elev 3538'

NATURE OF RELEASE

Type of Release Oil/Water	Volume of Release Unknown	Volume Recovered 0bbls
Source of Release Busted Flowline	Occurrence: 3/27/08	Discovery: 3/27/08
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?	3/31/08 8:30 am	
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.*
20 Gallons of fluid surfaced above buried flowline at 4'. During clean up, the contractor found that the contaminates had reached 16'. Due to impaction of what was dug out it is determined that the flowline had been leaking for some time.

Describe Area Affected and Cleanup Action Taken.*
Contaminates have been hauled to Sundance Services. At this leak site, we are having to deal with Targa gas lines and water lines that feed the plant, along with an injection line and five flowlines that belong to Apache. Due to this being such a safety risk, Apache has decided to have a drilling rig do a borehole with 5' testing and to also prove depth to ground water.

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 ENVIRONMENTAL ENGINEER	
Title: EH&S Environmental Tech	Approval Date: 7.7.10	Expiration Date:
E-mail Address: natalie.gladden@apachecorp.com	Conditions of Approval:	Attached <input type="checkbox"/> IRP# 1836
Date: 06/24/2010	Phone: 505-390-4186	

* Attach Additional Sheets If Necessary

PLW3 1018832416

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Surface Owner Jimmy Cooper	Mineral Owner	Lease No. 30-025-12474
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If a Watercourse was Impacted, Describe Fully.*

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APR 08 2008

Describe Cause of Problem and Remedial Action Taken.*

20 Gallons of fluid surfaced above buried flowline at 4'. During clean up, the contractor found that the contamination had reached 6'. Due to impaction of what was dug out it is determined that the flowline had been leaking for some time.

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Describe Area Affected and Cleanup Action Taken.*

Contaminates have been hauled to Sundance Services. At this leak site, we are having to deal with Targa gas lines and water lines that feed the plant, along with an injection line and five flowlines that belong to Apache. Due to this being such a safety risk, Apache has decided to have a drilling rig do a borehole with 5' testing and to also prove depth to ground water. Once determined Apache will submit a work plan for the remediation process.

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>	OIL CONSERVATION DIVISION	
Printed Name: Natalie Gladden	Approved by District Supervisor <i>J. Johnson</i> ENVIRONMENTAL ENGINEER	
Title: EH&S Environmental Tech	Approval Date: 4.8.08	Expiration Date: 6.8.08
E-Mail Address: natalie.gladden@apachecorp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 4/07/08 Phone: 505-390-4186	SUBMIT FINAL C.141 w/DOCUMENTATION BY	1 RP # 1836

Attach Additional Sheets If Necessary



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JUL 01 2010

HOBBSOCD

NMGSAU #1416

Lea County

Unit P, S36, T19S, R36E

300' FSL and 330' FEL

Latitude N32deg 36.955

Longitude W103deg 18.466

Elevation 3538'

API# 30-025-12474

IRP #08-03-1836

Release Date: 03/27/2008

Prepared by: Natalie Gladden

Apache Corporation

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JUL 01 2010

HOBBSOCD

Dear Larry,

Attached you will find a copy of the original C141, Final C141, a diagram of the contaminated area along with sample points and final analytical taken from this site.

With this information that is provided, Apache Corporation respectfully requests your review and approval of the Closure Document for the hydrocarbon and produced water release that occurred at the Apache NMGSAU #1416 on 03/27/2008.

If you have any questions or concerns, please feel free to contact me at anytime.

Sincerely,



Natalie Gladden

EH&S Environmental Tech

Permian Basin Region

The purpose of this report is to document the remediation activities and present supporting analytical data to the NMOCD, requesting closure of the referenced hydrocarbon and produced water release incident in accordance with the Guidelines for Remediation of Leaks, Spills and Releases.

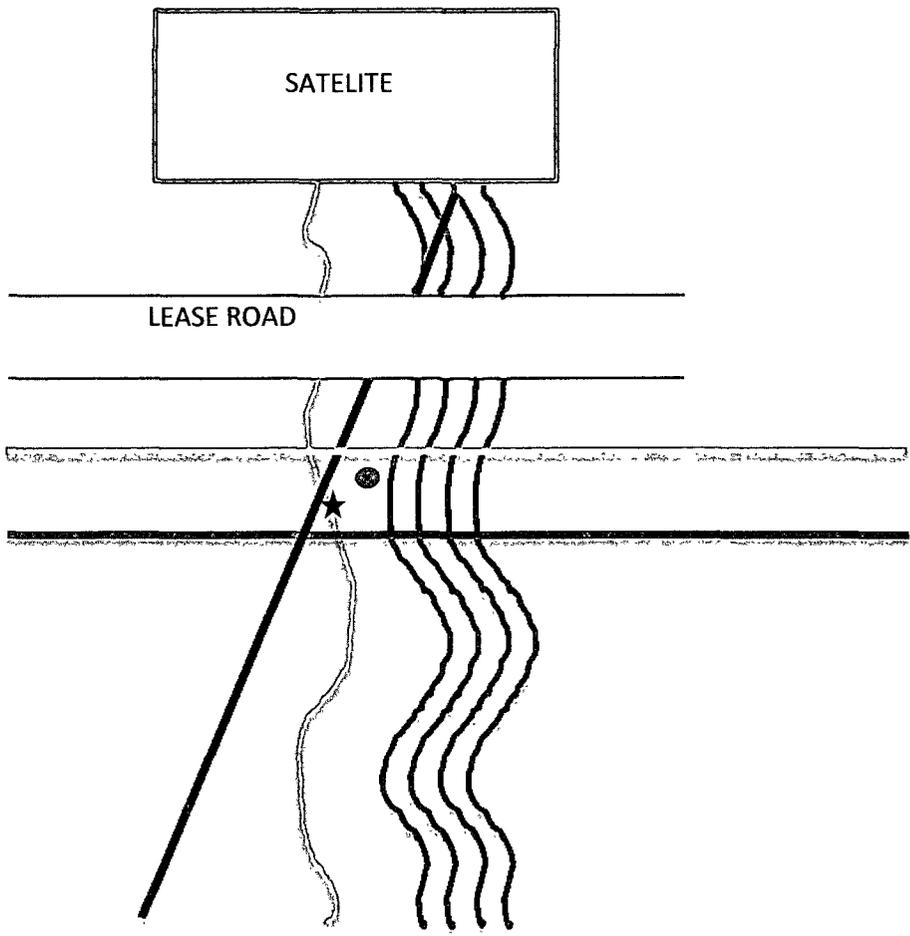
On March 27th, 2008, a buried poly flowline had busted that came from the NMGSAU #1416. At the surface of the leak, it seemed to be very minimal due to only an estimated volume of 20 gallons of fluid had surfaced. Upon digging out the flowline for repair, it was obvious that this poly line had been leaking for some time. As indicated on the Initial C141 that was submitted to the NMOCD, it shows an unknown volume was released.

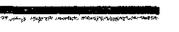
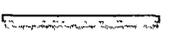
During the excavation of contaminated soil, it was found that the depth of contamination was from surface to 6' in depth. The saturated and contaminated soil was excavated and hauled to Sundance Disposal in the amount 160 yards. At this leak site, Targa has a main gas line 10' from our flowline along with the main water supply line to the plant, five of Apache's buried flowlines and Apache's injection line; due to the safety hazards of trying to excavate around these high pressure lines, approval from the NMOCD was obtained to have a drilling rig drill a borehole with 5' testing and to prove depth to ground water. Also, other factors of possible ground water impaction were questioned due to the historical data in the area from the Climax Chemical Plant. Attached you will find the New Mexico Office of the State Engineer Well Record which indicates that the total depth of the well was 50'. During our testing event it was found that all of the following contaminants were not found to be over the NMOCD Standards; Benzene, Toluene, Ethyl Benzene, GRO, DRO and Chlorides. At that time approval was obtained by the NMOCD to cement the borehole and to finalize the site. During the cementing of the borehole, the method of replacement was Bentonite Pellets and Cement.

Based on the analytical results of the confirmation soil samples collected during the drilling event and which confirmed that the soil was less than the Standard of 250-ppm chlorides and that the Total Xylenes and GRO/DRO were below the levels as well. Consequently, the leak site was backfilled and on behalf of Apache Corporation we respectfully request that the NMOCD grant closure for the NMGSAU #1416 release.

NMGSAU #1416
RELEASE DATE: 03/27/2008

BORE SAMPLE ID	BENZENE	TOLUENE	ETHYL BENZENE	TOTAL XYLENES	GRO	DRO	CL
5'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	64
10'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	32
15'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	32
20'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	16
25'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	16
30'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	16
35'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	32
40'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	64
45'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	54
50'	<0.010	<0.010	<0.010	<0.030	<10.0	<10.0	112



- | | | | |
|---|-------------------------|---|------------------|
|  | FLOWLINE THAT LEAKED |  | POINT OF RELEASE |
|  | OTHER APACHE LINES |  | BOREHOLE |
|  | TARGA GAS LINE | | |
|  | APACHE INJECTION LINE | | |
|  | TARGA WATER SUPPLY LINE | | |



ARDINAL LABORATORIES

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

ANALYTICAL RESULTS FOR
ELKE ENVIRONMENTAL, INC.
ATTN: JOHN GOOD
P.O. BOX 1830
HOBBS, NM 88241
FAX TO: (575) 738-0140

Receiving Date: 05/01/08
Reporting Date: 05/06/08
Project Owner: APACHE CORP.
Project Name: NMGSAU SATELLITE 14/16
Project Location: UL-J S36 T19S R36E

Analysis Date: 05/05/06 & 05/06/08
Sampling Date: 04/30/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
H14733-1	BORE 5	<0.010	<0.010	<0.010	<0.030
H14733-2	BORE 10	<0.010	<0.010	<0.010	<0.030
H14733-3	BORE 15	<0.010	<0.010	<0.010	<0.030
H14733-4	BORE 20	<0.010	<0.010	<0.010	<0.030
H14733-5	BORE 25	<0.010	<0.010	<0.010	<0.030
H14733-6	BORE 30	<0.010	<0.010	<0.010	<0.030
H14733-7	BORE 35	<0.010	<0.010	<0.010	<0.030
H14733-8	BORE 40	<0.010	<0.010	<0.010	<0.030
H14733-9	BORE 45	<0.010	<0.010	<0.010	<0.030
H14733-10	BORE 50	<0.010	<0.010	<0.010	<0.030
Quality Control		0.103	0.111	0.100	0.290
True Value QC		0.100	0.100	0.100	0.300
% Recovery		103	111	100	96.5
Relative Percent Difference		1.2	5.7	5.2	5.7

METHOD: EPA SW-846 8260



Chemist



Date

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. **H14733B ELKE** shall 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.



ARDINAL LABORATORIES

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ANALYTICAL RESULTS FOR
ELKE ENVIRONMENTAL, INC.
ATTN: JOHN GOOD
P.O. BOX 1830
HOBBS, NM 88241
FAX TO: (575) 738-0140

Receiving Date: 05/01/08
Reporting Date: 05/07/08
Project Owner: APACHE CORP.
Project Name: NMGSAU SATELLITE 14/16
Project Location: UL-J S36 T19S R36E

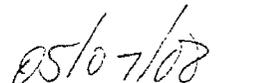
Sampling Date: 04/30/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: CK/HM

LAB NUMBER	SAMPLE ID	GRO	DRO	CI*
		(C ₆ -C ₁₀) (mg/kg)	(>C ₁₀ -C ₂₈) (mg/kg)	
ANALYSIS DATE		05/03/08	05/03/08	05/02/08
H14733-1	BORE-5	<10.0	<10.0	64
H14733-2	BORE-10	<10.0	<10.0	32
H14733-3	BORE-15	<10.0	<10.0	32
H14733-4	BORE-20	<10.0	<10.0	16
H14733-5	BORE-25	<10.0	<10.0	16
H14733-6	BORE-30	<10.0	<10.0	16
H14733-7	BORE-35	<10.0	<10.0	32
H14733-8	BORE-40	<10.0	<10.0	64
H14733-9	BORE-45	<10.0	<10.0	54
H14733-10	BORE-50	<10.0	<10.0	112
Quality Control		477	542	500
True Value QC		500	500	500
% Recovery		95.4	108	100
Relative Percent Difference		13.8	4.0	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-C1B

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


Chemist


Date

H14733TCL ELKE

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.

File Number: _____

NEW MEXICO OFFICE OF THE STATE ENGINEER
WELL RECORD

1. OWNER OF WELL

Name: Apache Corporation Work Phone: _____
Contact: Natalie Gladden Home Phone: _____
Address: P.O. Box 1849
City: Eunice State: NM Zip: 88231

2. LOCATION OF WELL (A,B,C, or D required, E or F if known)

A. 1/4 1/4 1/4 Section: 36 Township: 19S Range: 36E N.M.P.M.
in Lea County.

B. X = _____ feet, Y = _____ feet, N.M. Coordinate System
_____ Zone in the _____ Grant.
U.S.G.S. Quad Map _____

C. Latitude: 32 d 36 m 57.2 s Longitude: 103 d 18 m 27.8 s

D. East _____ (m), North _____ (m), UTM Zone 13, NAD _____ (27 or 83)

E. Tract No. _____, Map No. _____ of the _____ Hydrographic Survey

F. Lot No. _____, Block No. _____ of Unit/Tract _____ of the
_____ Subdivision recorded in _____ County.

G. Other: _____

H. Give State Engineer File Number if existing well: _____

I. On land owned by (required): State of New Mexico

3. DRILLING CONTRACTOR:

License Number: WD-1456
Name: White Drilling Company, Inc. Work Phone: 325-893-2950
Agent: John W. White Home Phone: 325-893-2950
Mailing Address: P.O. Box 906
City: Clyde State: TX Zip: 79510

4. DRILLING RECORD: NMGS AU H-16 SB-1

Drilling began: 4/30/08; Completed: 4/30/08; Type tools: Air Rotary;
Size of hole: 6 1/8 in.; Total depth of well: 50.0 ft.;
Completed well is: shallow (shallow, artesian);
Depth to water upon completion of well: Dry ft.

File Number: _____

Trn Number: _____

Form: wr-20 page 1 of 4

