State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

16-Apr-18

APACHE CORP

303 Veterans Airpark Lane Suite 3000 Midland TX 79705-9705

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.

		INSPECTIO	N DETAIL	SECTION		
EMPIRE ABO UNIT Inspection Date Type Inspection		No.026B Inspector	Violation?	K-32-17S-28E *Significant Non-Compliance?	30-015-01661-00-00 Corrective Action Due By: Inspection No.	
04/16/2018	Routine/Period Violations Absent Well Identi Idle well (Rule 20)	ification Signs (Rule 103)	Yes	No	7/20/2018	iTM1810629583
	on Inspection:	Idle Well (Rule 19.15.25.8) Good Shape. LOCATION SIGN N	OT VISIBLE	19.15.16.8 26MO	ipment and Location i	
EMPIRE ABO UNIT No.342 Inspection Date Type Inspection		42 Inspector	Violation?	K-34-17S-28E *Significant Non-Compliance?	30-015-21964-00- Corrective Action Due By:	00 Inspection No.
04/16/2018	Routine/Period Violations General Housekee	··· , · · · · ·	Yes	No	7/20/2018	iTM1810650807
Comments	on Inspection:	OK. All Equipment and Location in 19.15.10.8	n Good Shape	. PJO STAINING A	ROUND WELLHEA	D

	FON 33 STA	ГЕ No.036		G-33-17S-28E *Significant Non-Compliance?	30-015-39886-00-00 Corrective Action Due By:	0 Inspection No.		
Inspection Date	Type Inspectio	n Inspector	Violation?					
04/16/2018	Routine/Peri	odic Tony Morales	Yes	No	7/20/2018	iTM1810646722		
	Violations	-						
	General Housek	eeping (Rule 114)						
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD 19.15.10.8						

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

)Q Artesia 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.