Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

FEB 22 2012

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-025-40334

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: HIGH PLAINS STATE COM <38916>

1. Type of Well: Oil Well ☒ Gas Well ☐ Other: Oil with Gas

8. Well Number 1H

2. Name of Operator: APACHE CORPORATION

9. OGRID Number 873

3. Address of Operator: 303 VETERANS AIR PARK LANE, STE. 3000 MIDLAND, TX 79705

10. Pool name or Wildcat: WILDCAT G-06 S143423D;ABO <97854>

4. Well Location
Unit Letter E : 1700 feet from the SOUTH line and 330 feet from the WEST line
Section 23 Township 14S Range 34E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4098'

Pit or Below-grade Tank Application ☐ or Closure ☒

Pit type _____ Depth to Groundwater ____ Distance from nearest fresh water well ____ Distance from nearest surface water

Pit Liner Thickness: ____ mil Below-Grade Tank: Volume ____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☒	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			OTHER:			☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/12/12: Apache Corporation proposes to extend the lateral length and additional 660' to determine the extent of the ABO reservoir quality rock in Section 24, T14S, R34E. *New BHL – 1700' FSL & 330' FWL, UL: E, Section 24, T14S, R34E.*

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Sorina L. Flores TITLE: Supv of Drilling Services DATE: 1/12/12

Type or print name SORINA L. FLORES E-mail address: sorina.flores@apachecorp.com Telephone No. 432-818-1167

For State Use Only

APPROVED BY: _____ TITLE PETROLEUM ENGINEER DATE FEB 23 2012

Conditions of Approval (if any):

FEB 23 2012

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
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911 West Anderson Lane
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HOBBS
318 East Taylor Street
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Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
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Fax 210.568.2191

TULSA
525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

ENVIRONMENTAL CONSULTING
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GENERAL CONTRACTING

Toll Free: 866.742.0742
www.talonlpe.com

February 20, 2012

Mr. Geoffrey Leking
NMOCD District 1
1625 N. French Drive
Hobbs, NM 88240

Subject: **Soil Assessment and Remediation Work Plan**
Legacy Reserves Operating, LP
Walker Federal No. 2
API # 30-025-00841

Dear Mr. Leking,

Legacy Reserves Operating, LP has contracted Talon/LPE (Talon) to perform soil sampling and remediation services at the referenced Walker Federal No. 2 tank battery release. Our proposed remediation activities consist of the following:

Incident Date

February 15, 2012

Background Information

The Walker Federal No. 2 tank battery is located approximately forty (40) miles east of Artesia, New Mexico. The legal location for the site is Section 5, Township 18 South and Range 32 East in Lea County, New Mexico. More specifically, the latitude and longitude for the release are 32.77864 North and - 103.79562 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Kermit soils and dune land with 0 to 12 percent slopes. The local surface and shallow geology is Quaternary in age and is comprised of eolian sands and piedmont deposits which include silty soils under lain with hard caliche. The New Mexico State Engineer web site indicates the nearest ground water data to be in S4-T18S-R32E. The ground water in Section 4 is reported to be a depth of 65' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 10 based on the as following:

Depth to ground water	50' - 100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

Incident Description

On February 15, 2012 the load-out valve at the oil tank was found to be leaking causing 193 barrels of oil to be released. The spill is located within the bermed tank battery measuring 80-feet long by 30-feet wide. Additionally, the release breached the berm in the northeast corner of battery flowing onto the adjacent lands. The impacted area outside of the tank battery measured approximately 65-feet long by 15-30 feet wide, pooling in an area measuring approximately 36-feet long by 60-feet wide.

Actions Taken

On February 15, 2012 a vacuum truck was immediately brought to the location and 145 barrels of standing oil were recovered. Talon/LPE also mobilized personnel to begin the site assessment for the construction of a work plan on the same day.

Proposed Remedial Actions

- The impacted areas of the berm surrounding the tank battery will be removed, loaded into trucks and transported to a NMOCD approved solid waste disposal facility.

- The impacted area inside the tank battery will be carefully scraped with a backhoe where possible. The remaining visibly impacted soil in the battery will be hand-excavated by a roustabout crew and stockpiled on plastic.

- The entire area within the tank battery will be treated with Micro Blaze, a petroleum bioremediation agent.

- The berms will be re-constructed and lined with a 20 mil liner. Pea gravel will be installed inside the tank battery after liner installation is complete.

- Based upon visual observations, the impacted soil outside the tank battery will be excavated to an estimated depth of 2-3 feet deep. All excavated soil will be transported to a NMOCD approved solid waste disposal facility.

- Confirmation soil samples will be collected from the impacted area upon completion of excavation activities. The soil samples will be submitted to the laboratory for TPH analysis using Method 8015M, and BTEX analysis using Method 8021B.

- Upon NMOCD and BLM approval of the confirmation samples, the excavated area will be backfilled to grade using new material transported from a local borrow pit. The area will be contoured to match the existing terrain and seeded using an approved seed mixture for the area.

- A final report documenting all field activities and lab reports will be provided to the NMOCD Hobbs Office and BLM utilizing Form C-141 and Form 3160-5.

Should you have any questions or if further information is required, please do not hesitate to contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE

Kimberly M. Wilson
Environmental Scientist

David J. Adkins
District Manager

APPENDIX I

GROUNDWATER DATA

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
CP 00566			LE	4	4	1	04	18S	32E	614960	3627280*	2251	133	65	68
CP 00672			LE		4	4	07	18S	32E	612475	3624947*	2731	524	430	94
CP 00672 CLW475398	O		LE		4	4	07	18S	32E	612475	3624947*	2731	540	460	80

Average Depth to Water: **318 feet**

Minimum Depth: **65 feet**

Maximum Depth: **460 feet**

Record Count: 3

UTMNAD83 Radius Search (in meters):

Easting (X): 612742 Northing (Y): 3627665 Radius: 3000

***UTM location was derived from PLSS - see Help**