

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ

Governor John H. Bemis Cabinet Secretary

Jami Bailey Director Oil Conservation Division

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

02-Nov-12

APACHE CORP

303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND TX 79705

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.

INSPECTION DETAIL SECTION

WOOD A STATE No.002

F-16-20S-37E

30-025-06130-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation?

Corrective

Inspection No. Action Due By:

10/30/2012

Mark Whitaker Routine/Periodic

Non-Compliance? Yes No

12/31/2012 iMAW1230448499

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No well sign (Rule 19.15.16.8) NEED TO INSTALL WELL SIGN. 1st notice.

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

COMPLIANCE OFFICER

Hobbs 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

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240

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Mailed From 88240

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