

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

HOBBS OCD

APR 17 2013

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking"

17-Apr-13

APACHE CORP.
ATTN: JIM ELLISON/LOU PHILLIPS
17 HESS LANE
MONUMENT, NM 88265

**LETTER OF VIOLATION and SHUT-IN
DIRECTIVE Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

NORTH MONUMENT G/SA UNIT No.014

30-025-04053-00-00

Active Injection - (All Types)

N-25-19S-36E

Test Date:	3/7/2013	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	6/10/2013
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	**FAILED BHT- WELL HAS HISTORY OF PRESSURE ON CASING; NO RECORD OF WORK PERFORMED SINCE CONVERSION IN 2000**OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11****				

NORTH MONUMENT G/SA UNIT No.007

30-025-04060-00-00

Active Injection - (All Types)

G-25-19S-36E

Test Date:	3/7/2013	Permitted Injection PSI:		Actual PSI:	
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	6/10/2013
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	***BHT FAILURE***CASING PRESSURE 650# ON CASING, 725# ON TUBING; POSSIBLE COMMUNICATION BETWEEN CASING AND TUBING;**OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11***				

APR 17 2013

NORTH MONUMENT G/SA UNIT No.003

30-025-05629-00-00
C-18-19S-37E

Active Injection - (All Types)

Test Date: 3/6/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/9/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: ***BHT FAILURE***360# ON INTERMEDIATE CASING AND 300# ON PRODUCTION CASING;
POSSIBLE COMMUNICATION BETWEEN INTERMEDIATE AND PRODUCTION CASING STRINGS;
OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11

NORTH MONUMENT G/SA UNIT No.011

30-025-05636-00-00
K-18-19S-37E

Active Injection - (All Types)

Test Date: 3/6/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/9/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: ***BHT FAILURE***600# OF PRESSURE SHOW OF OIL ON CASING, 720# ON TUBING. POSSIBLE
COMMUNICATION BETWEEN TUBING AND CASING**OPERATOR IN VIOLATION OF NMOCD
RULE 19.15.26.11***

NORTH MONUMENT G/SA UNIT No.005

30-025-05727-00-00
E-29-19S-37E

Active Injection - (All Types)

Test Date: 3/8/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/11/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: ***BHT FAILURE***650# PRESSURE -OIL ON CASING (NO WORK PERFORMED IN HISTORY SINCE
1996) ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11***

NORTH MONUMENT G/SA UNIT No.013

30-025-05752-00-00
M-30-19S-37E

Active Injection - (All Types)

Test Date: 3/8/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/11/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: ***BHT FAILURE***600# PRESSURE SHOW OF OIL ON CASING, 725# OF TUBING PRESSURE;
POSSIBLE COMMUNICATION BETWEEN TUBING AND CASING, ***OPERATOR IN VIOLATION OF
NMOCD RULE 19.15.26.11****

NORTH MONUMENT G/SA UNIT No.015

30-025-05755-00-00
O-30-19S-37E

Active Injection - (All Types)

Test Date: 3/8/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/11/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: ***BHT FAILURE***FAILURE DUE TO 650# PRESSURE SHOW OF OIL ON CASING, 715# ON
TUBING; POSSIBLE COMMUNICATION BETWEEN TUBING AND CASING; ** OPERATOR IN
VIOLATION OF NMOCD RULE 19.15.26.11***

NORTH MONUMENT G/SA UNIT No.009

30-025-09884-00-00
I-20-19S-37E

Active Injection - (All Types)

Test Date: 3/6/2013 Permitted Injection PSI: Actual PSI:
Test Reason: Annual IMIT Test Result: F Repair Due: 6/9/2013
Test Type: Bradenhead Test FAIL TYPE: Other Internal Failure FAIL CAUSE:
Comments on MIT: ***BHT FAILURE***710# OF PRESSURE SHOW OF GAS AND WATER ON CASING, 735# ON TUBING,
POSSIBLE COMMUNICATION BETWEEN TUBING AND CASING; OPERATOR IN VIOLATION OF
NMOCD RULE 19.15.26.11***

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

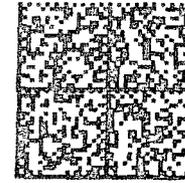
Sincerely,



Hobbs OCD District Office
COMPLIANCE OFFICER

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * 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

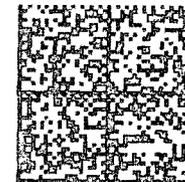


015H14150977
\$0.46
04/17/13
Mailed From 88240

US POSTAGE

APACHE CORP.
ATTN: JIM ELLISON/LOU PHILLIPS
17 HESS LANE
MONUMENT, NM 88265

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



015H14150977
\$0.46
04/17/13
Mailed From 88240

US POSTAGE

APACHE CORPORATION
ATTN: REGULATORY MANAGER
303 VETERANS AIRPARK LANE
STE. 3000
MIDLAND, TX 79705-4561