

State of New Mexico
Energy, Minerals and Natural Resources

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 A. First 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 OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

APR 29 2014

RECEIVED

WELL API NO. 30-025-09329 ✓
5. Indicate Type of Lease Fed STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease NO. A-2614
7. Lease Name or Unit Agreement Name Stevens "B" ✓
8. Well Number 8 ✓
9. OGRID Numer 873 ✓
10. Pool Name SWD; Queen (96117)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3418' GL

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

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Apache Corporation

3. Address of Operator
303 Veterans Airpark Lane, Ste. 3000, Midland, TX 79705

4. Well Location
Unit Letter **A** : **660** feet from the **N** line and **660** feet from the **E** line
Section **12** Township **22S** Range **36E** NMPM County **Lea**

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING MULTIPLE COMPL

DOWNHOLE COMMINGLE

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK

COMMENCE DRILLING OPNS.

CASING/CEMENT JOB

ALTERING CASING

P AND A

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 or proposed completion or recompletion.

Apache Corporation proposes to P&A the above mentioned well by the attached procedure. A closed loop system will be used for all fluids from this wellbore and disposed of required by OCD Rule 19.15.17.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Guinn Burks TITLE Reclamation Foreman DATE 4/24/14

Type or print name Guinn Burks E-mail add. guinn.burks@apachecorp.com PHONE: 432-556-9143

APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 4/29/2014

Conditions of Approval (if any):

APR 30 2014

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

HOBBS OGD

APR 14 2014

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

*Underground Injection Control Program
"Protecting Our Underground Sources of Drinking"*

14-Apr-14

APACHE CORP
303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND TX 79705-

**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.011

Active Injection - (All Types)

30-025-05797-00-00
K-32-19S-37E

Test Date:	3/26/2014	Permitted Injection PSI:	Actual PSI:		
Test Reason:	Annual IMIT	Test Result:	F	Repair Due:	6/29/2014
Test Type:	Bradenhead Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	FAILED BHT 3/26/2014; COMMUNICATION BETWEEN TUBING (1050#) AND PRODUCTION CASING (1050#); ****OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.11****				

STEVENS B No.008

Active Salt Water Disposal Well

30-025-09329-00-00
A-12-23S-36E

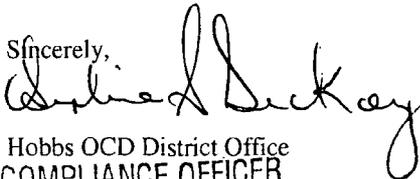
Test Date:	3/10/2014	Permitted Injection PSI:	Actual PSI:		
Test Reason:	5-year Test	Test Result:	F	Repair Due:	6/13/2014
Test Type:	Std. Annulus Pres. Test	FAIL TYPE:	Other Internal Failure	FAIL CAUSE:	
Comments on MIT:	FAILED PRESSURE TEST 2/18/14 & 3/10/14; ****OPERATOR SUBMITTED S/RPT C103 4/7/2014 WITH INTENT TO REPAIR**** VIOLATION LETTER FOR RECORD ONLY**** OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.11****				

April 14, 2014

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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.





WELL BORE INFO.

LEASE NAME	Stevens "B"
WELL #	8
API #	30-025-09329
COUNTY	Lea

0

374

747

1121

1494

1868

2241

2615

2988

3362

3735

11" Hole
7 5/8" 24# @ 336'
w/ 200 sx CIRC to surf

Csg Leak @ 445'-630 w/ 1400 sx
Csg Leak @ 725'-756' w/ 225 sx

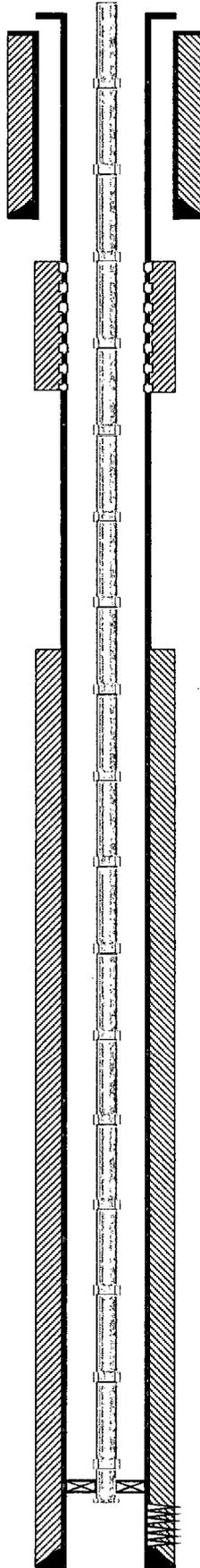
TOC @ 1405'

2 3/8" IPC tbg (115 jts)
W/ Baker AD-1 pkr @ 3590'

6 3/4" Hole
4 1/2" 9.5# @ 3735'
w/ 615 sx TOC @ 1405'

Queen perms @ 3644'-3718'

TD @ 3735'





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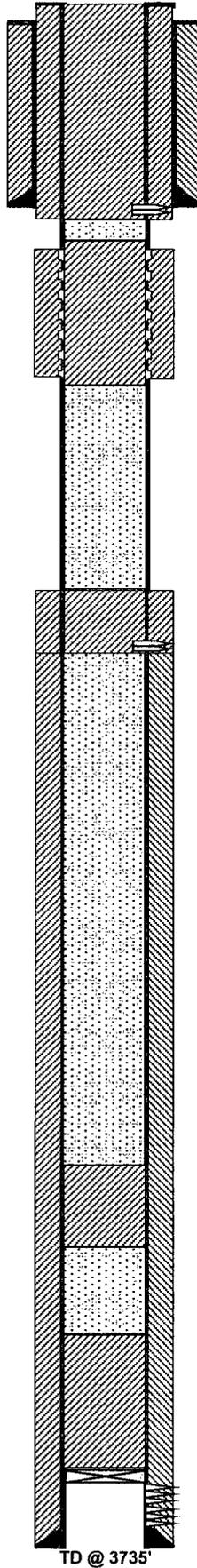
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LEASE NAME
WELL #
API #
COUNTY

Stevens "B"
8
30-025-09329
Lea

PROPOSED PROCEDURE



5. PUH & perf @ 386' & sqz 80 sx Class "C" cmt from 386'-surface. Attempt to CIRC 4 1/2" to surf. (Shoe plug & Water Board)

4. PUH & spot 30 sx Class "C" cmt from 800'-400'. (Cover previous Csg leak)

3. PUH & perf @ 1465' & attempt to sqz 50 sx Class "C" cmt from 1465'-1297' WOC/TAG (Top of Salt, Salado, & Rustler)

25

2. PUH & spot 20 sx Class "C" cmt from 2978'-2722'. WOC/TAG (Base of Salt, Yates & Tansill)

1. Prior to P&A, MIRU SU & POOH w/ tbg & pkr. RDMO. MIRU P&A unit & set CIBP @ 3600'. RIH w/ tbg & CIRC w/MLF & spot 30 sx Class "C" cmt from 3600'-3179' (Queen & 7 Rvrs) Queen perms @ 3644'-3718'

TD @ 3735'