



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

11-Jan-10

APACHE CORP

6120 S YALE SUITE 1500

TULSA OK 74136-4224

**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

EAST BLINEBRY DRINKARD UNIT No.003

30-025-06325-00-00

Active Injection - (All Types)

M-1-21S-37E

Test Date: 1/6/2010

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 4/11/2010

Test Type: Bradenhead Test

FAIL TYPE: Communication Between

FAIL CAUSE:

Comments on MIT: BHT FAILURE. CONTINUOUS BLOW OF OIL FROM SURFACE CSG. WELL IS SHUT IN.

EAST BLINEBRY DRINKARD UNIT No.056

30-025-06334-00-00

Plugged (SITE RELEASED) Injection - (All Types)

M-1-21S-37E

Test Date: 1/7/2010

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 4/12/2010

Test Type: Bradenhead Test

FAIL TYPE: Communication Between

FAIL CAUSE:

Comments on MIT: BHT FAILURE. WATER ON SURFACE CSG.

NORTHEAST DRINKARD UNIT No.506

30-025-06465-00-00

Active Injection - (All Types)

O-10-21S-37E

Test Date: 1/8/2010

Permitted Injection PSI:

Actual PSI:

Test Reason: 5-year Test

Test Result: F

Repair Due: 4/13/2010

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Communication Between

FAIL CAUSE:

Comments on MIT: MIT FAILURE. FLUID FLOW FROM SURFACE CSG.

EAST BLINEBRY DRINKARD UNIT No.018			30-025-06479-00-00	
Active Injection - (All Types)			A-11-21S-37E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result: F	Repair Due:	4/12/2010
Test Type:	Bradenhead Test	FAIL TYPE: Casing	FAIL CAUSE:	
Comments on MIT: BHT FAILURE. 2ND NOTICE, OF NON-COMPLIANCE. CONTINUOUS BLOW OF OIL ON PRODUCTION.				
NORTHEAST DRINKARD UNIT No.216			30-025-06483-00-00	
Active Injection - (All Types)			K-2-21S-37E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result: F	Repair Due:	4/12/2010
Test Type:	Bradenhead Test	FAIL TYPE: Tubing	FAIL CAUSE:	
Comments on MIT: BHT FAILURE. PRODUCTION CSG EQUALIZED TBG PRESSURE (295PSI) WITH CONTINUOUS BLOW OF WATER.				
NORTHEAST DRINKARD UNIT No.308			30-025-06494-00-00	
Active Injection - (All Types)			I-3-21S-37E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result: F	Repair Due:	4/12/2010
Test Type:	Bradenhead Test	FAIL TYPE: Casing	FAIL CAUSE:	
Comments on MIT: BHT FAILURE. CONTINUOUS BLOW OIL ON INTERMEDIATE CSG.				
NORTHEAST DRINKARD UNIT No.309			30-025-06499-00-00	
Active Injection - (All Types)			I-3-21S-37E	
Test Date:	1/8/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/13/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Tubing	FAIL CAUSE:	
Comments on MIT: Well will not hold adequate pressure				
NORTHEAST DRINKARD UNIT No.207			30-025-06519-00-00	
Active Injection - (All Types)			14-3-21S-37E	
Test Date:	1/11/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/16/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Communication Between	FAIL CAUSE:	
Comments on MIT: MIT FAILURE. FLUID FLOW FROM SURFACE CSG.				
NORTHEAST DRINKARD UNIT No.511			30-025-06532-00-00	
Active Injection - (All Types)			M-11-21S-37E	
Test Date:	1/8/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/13/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Wellhead Assembly	FAIL CAUSE:	
Comments on MIT: MIT FAILURE. UNABLE TO TEST WELL, FAULTY WELLHEAD ASSEMBLY, WELL WOULD NOT HOLD ADEQUATE PRESSURE.				
EAST BLINEBRY DRINKARD UNIT No.027			30-025-06535-00-00	
Active Injection - (All Types)			E-11-21S-37E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result: F	Repair Due:	4/12/2010
Test Type:	Bradenhead Test	FAIL TYPE: Casing	FAIL CAUSE:	
Comments on MIT: BHT FAILURE. FLUID ON SURFACE CSG.				
NORTHEAST DRINKARD UNIT No.806			30-025-06727-00-00	
Active Injection - (All Types)			B-22-21S-37E	
Test Date:	1/11/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/16/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Communication Between	FAIL CAUSE:	
Comments on MIT: COMMUNICATION BETWEEN CSG STRINGS. TBG AND CSG HAVE EQUAL PRESSURE 400PSI				

NORTHEAST DRINKARD UNIT No.907			30-025-06745-00-00	
Active Injection - (All Types)			J-22-21S-37E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result: F	Repair Due:	4/12/2010
Test Type:	Bradenhead Test	FAIL TYPE: Communication Between	FAIL CAUSE:	
Comments on MIT: BHT FAILURE. COMMUNICATION BETWEEN CSG STRINGS, BLOW OF FLUID ON BOTH SURFACE CSG & PRODUCTION CSG(300PSI)				
NORTHEAST DRINKARD UNIT No.915			30-025-06766-00-00	
Active Injection - (All Types)			J-23-21S-37E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	Annual IMIT	Test Result: F	Repair Due:	4/12/2010
Test Type:	Bradenhead Test	FAIL TYPE: Casing	FAIL CAUSE:	
Comments on MIT: BHT FAILURE - FLUID ON SURFACE CSG.				
NORTHEAST DRINKARD UNIT No.811			30-025-06771-00-00	
Active Injection - (All Types)			E-23-21S-37E	
Test Date:	1/11/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/16/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Communication Between	FAIL CAUSE:	
Comments on MIT: FLUID FLOW FROM SURFACE - (FUEL - GASOLINE) SMELL TO IT.				
NORTHEAST DRINKARD UNIT No.813			30-025-06772-00-00	
Active Injection - (All Types)			F-23-21S-37E	
Test Date:	1/11/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/16/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Tubing	FAIL CAUSE:	
Comments on MIT: COMMUNICATION BETWEEN TBG AND CSG STRINGS. TBG AND CSG HAVE EQUAL PRESSURE, 400PSI.				
SOUTH EUNICE SEVEN RIVERS QUEEN UNIT No.502			30-025-09033-00-00	
Active Injection - (All Types)			M-26-22S-36E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/12/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Tubing	FAIL CAUSE:	
Comments on MIT: Well will not hold pressure				
SOUTH EUNICE SEVEN RIVERS QUEEN UNIT No.401			30-025-09036-00-00	
Active Injection - (All Types)			O-26-22S-36E	
Test Date:	1/7/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/12/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Tubing	FAIL CAUSE:	
Comments on MIT: Well will not hold adequate pressure				
NORTHEAST DRINKARD UNIT No.803			30-025-09929-00-00	
Active Injection - (All Types)			C-22-21S-37E	
Test Date:	1/11/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/16/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Tubing	FAIL CAUSE:	
Comments on MIT: Well will not hold adequate pressure				
NORTHEAST DRINKARD UNIT No.913			30-025-09932-00-00	
Active Injection - (All Types)			K-23-21S-37E	
Test Date:	1/11/2010	Permitted Injection PSI:	Actual PSI:	
Test Reason:	5-year Test	Test Result: F	Repair Due:	4/16/2010
Test Type:	Std. Annulus Pres. Test	FAIL TYPE: Casing	FAIL CAUSE:	
Comments on MIT: MIT FAILURE, OIL FLOW FROM SURFACE.				

Active Injection - (All Types)

9-4-21S-37E

Test Date: 1/8/2010

Permitted Injection PSI:

Actual PSI:

Test Reason: 5-year Test

Test Result: F

Repair Due: 4/13/2010

Test Type: Std. Annulus Pres. Test

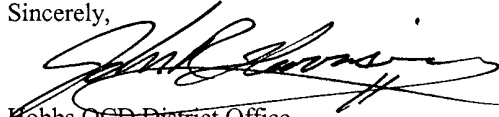
FAIL TYPE: Tubing

FAIL CAUSE:

Comments on MIT: Well will not hold adequate pressure

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

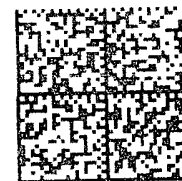


C.O.

Hobbs OCD District Office

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



HASLER

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01/11/2010

Mailed From 88240

US POSTAGE

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TULSA, OK 74136-4224