



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Harrison R. Schmitt
Cabinet Secretary-Designate

Daniel Sanchez
Acting-Division Director
Oil Conservation Division



02-Feb-11

APACHE CORP.
303 VETERANS AIRPARK LANE
STE. 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

NORTHEAST DRINKARD UNIT No.121

G-2-21S-37E

30-025-06354-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/13/2011	Bradenhead	Sylvia Dickey	Yes	No	4/18/2011	iSAD1101337014
Comments on Inspection: UNABLE TO CHECK SURFACE VALVE****OPERATOR NEEDS TO REPLACE SURFACE CASING VALVE*** OPERATOR IN VIOLATION OF NMOC Rule 19.15.26.10****OPERATION & MAINTENANCE****						

NORTHEAST DRINKARD UNIT No.408

A-10-21S-37E

30-025-06446-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/12/2011	Bradenhead	Sylvia Dickey	Yes	No	4/17/2011	iSAD1101249855
Comments on Inspection: NEED TO REPLACE SURFACE VALVE****OPERATOR IN VIOLATION OF NMOC Rule 19.15.26.10***** OPERATION AND MAINTENANCE ***						

NORTHEAST DRINKARD UNIT No.112

A-3-21S-37E

30-025-06509-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/13/2011	Bradenhead	Sylvia Dickey	Yes	No	4/18/2011	iSAD1101338291
Comments on Inspection: UNABLE TO CHECK SURFACE VALVE; SURFACE VALVE NEEDS TO BE REPLACED; **OPERATOR IN VIOLATION OF NMOC Rule 19.15.26.10 **** OPERATION AND MAINTENANCE***						

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240
Phone: 505-393-6161 * Fax: 505-393-0720 * <http://www.emnrd.state.nm.us>

Oil Conservation Division * 1625 N. French Dr.*
* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.emnrd.state.nm.us>



February 2, 2011

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EAST BLINEBRY DRINKARD UNIT No.027

E-11-21S-37E

30-025-06535-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/12/2011	Bradenhead	Sylvia Dickey	Yes	No	4/17/2011	iSAD1101240562

Comments on Inspection: NO CHANGE IN STATUS; SURFACE VALVE IS FROZEN UNABLE TO CHECK***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10*** OPERATION AND MAINTENANCE***PRIOR YEAR FAILURES ON SURFACE CASING***NO REPAIRS HAVE BEEN SUBMITTED OR APPROVED TO HOBBS DISTRICT OFFICE. **NOTE OPERATOR IS SHOWING INJECTION VOLUMES REPORTED***

E W WALDEN No.002

K-15-22S-37E

30-025-10270-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/20/2011	Bradenhead	Sylvia Dickey	Yes	No	4/29/2011	iSAD1102428887

Comments on Inspection: LEAK AROUND WELLHEAD WITHIN CELLAR AREA; CELLAR IS OPEN. ***OPERATOR HAS FLAGGED OFF THE CELLAR AREA AND IS IN PROCESS OF REPAIRS ETC. ****FOLLOW UP PROCESS 04/29/2011

MCDONALD STATE AC 1 No.034

H-16-22S-36E

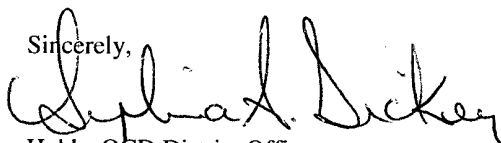
30-025-31160-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/20/2011	Bradenhead	Sylvia Dickey	Yes	No	4/25/2011	iSAD1103331040

Comments on Inspection: SURFACE VALVE NEEDS TO BE REPLACED; **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10***OPERATION AND MAINTENANCE****

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 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,



Hobbs OCD District Office

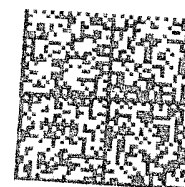
COMPLIANCE OFFICER

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

APACHE CORP.
303 VETERANS AIRPARK LANE
STE. 3000
MIDLAND, TX 79705



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02/03/11

Mailed From 88240

US POSTAGE