



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H Bemis**  
Cabinet Secretary

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



**Jami Bailey**  
Division Director  
Oil Conservation Division

June 10, 2011

Apache Corp.  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136

Apache Corp.  
ATT: Reesa Holland  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

## **DENIAL OF REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

**Re: Apache Corp, OGRID No.873**  
LG Warlick C, #5, Unit O, Sec.15, T-21S, R-37E, API 30-025-06596, Lea County, New Mexico

Dear Operator:

The Oil Conservation Division (OCD) **denies** your request for allowable and authorization to transport for the wells identified above because your company is out of compliance with 19.15.5.9(A) NMAC [Part 5.9(A)]. See 19.15.16.19(A)(4) NMAC.

Your company is out of compliance with Part 5.9(A) on the following ground(s):

- xx Financial assurances.** Your company is in violation of the financial assurance requirements for well plugging set out in 19.15.8.9 NMAC. See 19.15.5.9(A)(1) NMAC. Specifically, your company has not posted the single-well financial assurances required for state or fee wells which have been inactive for more than two years. The wells requiring single-well financial assurances are identified in the attached sheet.



\_\_\_\_\_ **Corrective action.** Order \_\_\_\_\_, issued on \_\_\_\_\_ after notice and hearing, found your company to be in violation of an order requiring corrective action. See 19.15.5.9(A)(2) NMAC.

\_\_\_\_\_ **Unpaid penalties.** Your company has not paid the penalties assessed against your company in \_\_\_\_\_, issued on \_\_\_\_\_. More than 70 days have passed since the issuance of the order assessing the penalty. See 19.15.5.9(A)(3) NMAC.

\_\_\_\_\_ **Inactive wells.** According to the attached inactive well list, your company has too many wells in violation of the inactive well rule (19.15.25.8 NMAC) that are not subject to an inactive well agreed compliance order. See 19.15.5.9(A)(4) NMAC. As an operator of \_\_\_\_\_ wells, your company may have no more than \_\_\_\_\_ wells in violation of the inactive well rule. Your company has \_\_\_\_\_ wells in violation of the inactive well rule.

I have enclosed an information sheet explaining the requirements of Part 5.9. You may re-submit your request after your company has returned to compliance with Part 5.9.

Respectfully yours,



Gabrielle A. Gerholt, Oil Conservation Division Attorney

Ec: Jami Bailey, Division Director, Santa Fe  
Theresa Duran-Saenz, Legal Assistant, Santa Fe  
Larry "Buddy" Hill, District 1 Supervisor  
Randy Dade, District 2 Supervisor  
Charlie Perrin, District 3 Supervisor  
Ed Martin, District 4 Supervisor

# Inactive Well Additional Financial Assurance Report

873 APACHE CORP  
Total Well Count: 2590  
Printed On: Friday, June 10 2011

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Bond In Place	In Violation
306622	SOUTH EUNICE SEVEN RIVERS QUEEN UNIT #202				P	E-26-22S-36E	E 30-025-09048	I	05/2009	06/01/2011	3794	8794	Y 0 Y
	SOUTH EUNICE SEVEN RIVERS QUEEN UNIT #401				S	O-26-22S-36E	O 30-025-09036	I	05/2009	06/01/2011	3800	8800	Y 0 Y
	SOUTH EUNICE SEVEN RIVERS QUEEN UNIT #504				P	K-26-22S-36E	K 30-025-09035	I	05/2009	06/01/2011	3815	8815	Y 0 Y