

Tracking Number: nPAC0631334833
2021
Second (2nd) Quarter
GROUNDWATER MONITORING REPORT
(April - June)

NEDU 527
Lea County, New Mexico

Latitude: 32.489811
Longitude: -103.158592

LAI Project No. 19-0112-18

August 6, 2021

Prepared for:
Apache Corporation
2350 W. Marland Blvd
Hobbs, New Mexico 88240

Prepared by:
Larson & Associates, Inc.
507 North Marienfeld, Suite 202
Midland, Texas 79701



Mark J. Larson, P.G.
Certified Professional Geologist #10490



Trent A. Jackson
Staff Geologist

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2nd Quarter 2021 Groundwater Monitoring Report
Lea County, New Mexico
August 6, 2021

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1.0 EXECUTIVE SUMMARY

Larson & Associates, Inc. (LAI) submits this report to the New Mexico Oil Conservation Division (NMOCD) on behalf of Apache Corporation (Apache) to present 2021 second (2nd) quarter (April-June) groundwater monitoring results for the NEDU 527 (Site). The Site is in Unit L (NW/4, SW/4), Section 10, Township 21 South, Range 37 East, in Lea County, New Mexico. The geodetic position is North 32.489811° and West - 103.158592°.

The following activities occurred:

- May 25, 2021 – Drill and install two (2) monitoring wells (MW-4 and MW-5).
- June 1, 2021 – Gauge, develop and collect groundwater samples from monitoring wells MW-4 and MW-5.
- Analyzed groundwater samples for benzene, toluene, ethylbenzene, and xylenes (BTEX), chloride, and total dissolved solids (TDS).

The following observations are documented in this report:

- Three (3) existing monitoring wells (MW-1, MW-2, and MW-3) were dry.
- Depth to groundwater ranged from 65.31 feet below ground surface (bgs) in monitoring well MW-4 to 65.70 feet bgs in monitoring well MW-5.
- The groundwater elevation was recorded at 3,401.68 and 3,400.36 feet above mean sea level (MSL) in monitoring wells MW-4 (upgradient) and MW-5 (downgradient), respectively, on June 1, 2021.
- Apparent groundwater flow direction is south to southeast at a gradient of about 0.007 feet per foot (ft/ft).
- BTEX was below the analytical method reporting limit (RL) and New Mexico Water Quality Control Commission (WQCC) human health standards in groundwater samples from monitoring wells MW-4 and MW-5, on June 1, 2021.
- The chloride concentration in the groundwater sample from monitoring well MW-5 (306 mg/L) was above the WQCC domestic water quality standard of 250 mg/L, on June 1, 2021.
- The TDS concentrations were below the WQCC domestic water quality standard of 1000 mg/L in groundwater samples from monitoring wells MW-4 and MW-5.
- The laboratory results for a duplicate water sample (DUP-1) from MW-5 was consistent with the laboratory results for the original sample from MW-5.

Apache proposes the following:

- Continue groundwater monitoring on a quarterly (4 times per year) schedule.
- Gauge all monitoring wells for depth to groundwater and collect groundwater samples from monitoring wells with sufficient groundwater during each quarterly event.
- Analyze samples for BTEX, TDS and chloride.
- Report the laboratory results to OCD in quarterly reports, unless significant changes in analyte concentrations are detected, at which time Apache will immediately report the results to OCD.

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- Apache will provide notice to the OCD in Hobbs and Santa Fe, New Mexico, at least 7 working days prior to each monitoring event.

2.0 INTRODUCTION

Larson & Associates, Inc. (LAI) submits this report to the New Mexico Oil Conservation Division (NMOCD) on behalf of Apache Corporation (Apache) to report the results of 2021 second (2nd) quarter (April-June) groundwater monitoring event for the NEDU 527 (Site). The Site is in Unit L (NW/4, SW/4), Section 10, Township 21 South, Range 37 East, in Lea County, New Mexico. The geodetic position is north 32.489811° and west -103.158592°. Figure 1 presents a topographic map. Figure 2 presents an aerial map. Figure 3 presents a Site drawing.

2.1 Background

A produced water release was discovered due a compromised liner in the drilling pit. The compromised liner was discovered during the excavation of the drilling pit. The compromised liner allowed for an unknown volume of brine water to migrate beneath the pit and impact the underlying soil. On July 19, 2006, notice was given to Mr. Larry Johnson and Mr. Glen Von Gonten (NMOCD) by Mr. Jerry Brian (Hungry Horse). The surface ownership is the State of New Mexico administered by the State Land Office. On November 6, 2006, Hungry Horse, on behalf of Apache, submitted the initial C-141 to NMOCD. NMOCD approved the initial C-141, on November 9, 2006, and assigned remediation permit number 1RP-1113 and incident tracking number nPAC06313334833. Appendix A presents the initial C-141.

Hungry Horse commenced remediation of the drilling pit on July 23, 2006, and excavated soil to approximately 10 feet below the ground surface (bgs). On July 31, 2006, Hungry Horse personnel collected soil samples from the bottom of the excavation (northeast, center and southeast) and 12 feet bgs (southwest) and reported chloride concentrations between 2,255 parts per million (ppm) in the center sample at 10 feet bgs and 26,872 ppm in the southwest sample at 12 feet bgs. Between July 31, 2006, and September 6, 2006, Hungry Horse expanded the excavation vertically between 14 feet bgs and 19 feet bgs. A bottom soil samples from the center (C. WRK.PIT) at 14 feet bgs on August 8, 2006, reported chloride at 176 milligrams pr kilogram (mg/Kg). On September 6, 2006, bottom samples reported chloride at 224 mg/Kg (E - Working Pit – 19' BGS), 288 mg/Kg (NE – 19' BGS) and 1,935 ppm (SE – 19' BGS). Hungry Horse disposed approximately 9,000 cubic yards of soil to Sundance Services, Inc.

Between September 14 and 19, 2006, Hungry Horse personnel drilled four (4) boreholes (BH #1 through BH #4) in the bottom of the excavation for vertical delineation of chloride. Borehole #1 was drilled near the northeast (NE) quadrant. Borehole #2 was drilled near the southeast quadrant. Borehole #3 was drilled near the southwest quadrant. Borehole #4 was drilled near the northwest quadrant. Soil samples were collected every 5-feet using truck-mounted hollow stem auger rig and split spoon sampler. Boreholes BH #1 and BH #2 were drilled to 35 feet bgs with chloride reported in the bottom samples at 48 mg/Kg and 128 mg/Kg, respectively. A soil sample from Borehole BH #3 at 50 feet bgs reported chloride

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at 1,695 mg/Kg. Borehole #3 was advanced to 62 feet bgs where groundwater was encountered. A groundwater sample was collected by Hungry Horse and was analyzed by Cardinal Laboratories in Hobbs, New Mexico. The laboratory reported chloride in the groundwater sample at 2,007 milligrams per liter (mg/L). Borehole BH #4 was drilled to 55 feet bgs with the bottom sample reporting chloride at 16 mg/Kg. According to project documents (Trinity Oilfield Services and Rental, LLC, June 2019) the boreholes were plugged and abandoned, the floor of the excavation was “double-capped” with two (2) plastic liners to inhibit vertical migration of contaminants left in-situ below 21 feet bgs.

On September 19, 2006, NMOCD was informed of the groundwater impact. On November 29, 2006, NMCOCD requested Apache to submit an abatement plan in accordance with NMOCD Rule 19 (19.15.1.19 NMAC) to investigate groundwater contamination from the drilling pit at NEDU #527. On February 15, 2007, Hungry Horse submitted the Stage 1 Groundwater Abatement Plan (“Apache Corporation Stage 1 Ground Water Abatement Plan (AP068) NEDU #527 Well Site API #30-025-37242, February 14, 2007”). NMOCD assigned the release abatement permit number AP-068. The groundwater abatement plan included among other things installing three (3) monitoring wells and collecting information to satisfy a Stage 1 Abatement Report. No correspondence could be located to confirm NMOCD approval or denial for the abatement plan.

Three (3) monitoring wells (MW#1, MW#2, and MW#3) were installed at the approximate locations presented on Plate 4 (Site Sampling Map) of the Stage 1 Groundwater Abatement Plan. No information is available for the monitoring wells concerning date of installation, etc. The wells are not recorded with the State of New Mexico Office of the State Engineer (NMOSE).

On June 5, 2019, Trinity Oilfield Services & Rentals, LLC, (Trinity) assumed remediation activities for the Site. Trinity prepared a document titled, “Addendum to Stage 1 Groundwater Abatement Plan NEDU #527, Lea County, New Mexico, June 2019” that reported observing three (3) monitoring wells during a visit to the Site on June 10, 2019. Trinity reported the monitoring wells as being constructed with 2-inch schedule 40 PVC. No steel locking cover or concrete pad was observed at the wells. Trinity reported the wells with depths between 57.63 and 59.27 feet bgs and concluded sediment buildup in the wells extended above the water table.

Trinity proposed to remove the PVC casings from the three (3) wells (MW#1, MW#2, and MW#3), re-enter, advance the well bores to approximately 75 feet bgs, and complete with 2-inch schedule 40 PVC, concrete pads, J-plugs and locking steel monuments. Trinity also proposed to install a monitoring well (MW-4) about 45 feet south and southeast of borehole #3 to preserve the integrity and impermeability of the “double-cap” liner system. Install another well, MW-5, about 180 feet downgradient (south and southeast) from well MW-4 near the south edge of the caliche well pad. The depths for proposed monitoring wells MW-4 and MW-5 were 75 feet bgs. Trinity proposed to submit a Stage 2 Groundwater Abatement Plan following four (4) consecutive quarters of groundwater monitoring. The “Addendum to Stage 1 Groundwater Abatement Plan NEDU #527, Lea County, New Mexico, June 2019” was not found in

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the NMOCD online imaging files for 1RP-1113, incident tracking number nPAC06313334833 or abatement permit AP-068 to confirm if the document was submitted to NMOCD.

3.0 GROUNDWATER INVESTIGATION

3.1 Permitting

On February 6, 2020, LAI prepared applications for Water Monitoring Easement (WM-673) for Apache to submit to NMSLO and NMOSE permits for drilling and completing monitoring wells MW-4 (CP-1868 POD1) and MW-5 (CP-1868 POD2). The NMSLO Water Monitoring Easement (WM-673) was approved on April 12, 2021. The NMOSE permits (CP-1868 POD1 and POD2) were approved on May 14, 2021. Appendix C presents the NMSLO and NMOSE permits.

3.2 Monitoring Well Installation

On May 25, 2021, Scarborough Drilling, Inc. (SDI) under the supervision of LAI, installed monitoring wells MW-4 and MW-5 at locations specified in the permits utilizing an air rotary drill rig. The wells were completed in 5-inch diameter borings advanced to about 80 feet bgs. Monitoring wells MW-4 and MW-5 were completed to depths of approximately 76.50 and 76.00 feet bgs, respectively. The monitoring wells are completed with 2-inch schedule 40 threaded PVC casing and 20 feet of 0.010-inch factory slotted screen installed above and below the groundwater level observed during drilling. Graded silica sand is positioned around the well screens to a depth about 2 feet above the screen. Sodium bentonite chips extend around the PVC riser and above the sand to about 1-foot bgs. The wells are secured with locking steel sleeves anchored in concrete. West Company, a State of New Mexico licensed Professional Land Surveyor (License Number 23263) surveyed the monitoring wells for location and elevation including top of casing and natural ground surface. Figure 3 presents Site drawing showing the monitoring well locations. Table 1 presents the monitoring well completion and gauging summary. Appendix D presents the monitoring well completion records.

On June 1, 2021, the wells were developed by pumping with an electric submersible pump to remove sediment disturbed drilling and well installation. Approximately 75 gallons of water were removed from each well and disposed in an OCD permitted commercial disposal (SWD) well operated by Basic Energy Services.

4.0 GROUNDWATER MONITORING

4.1 Depth to Groundwater and Groundwater Potentiometric Surface Elevation

On June 1, 2021, LAI personnel gauged monitoring wells MW-4 and MW-5 for depth to groundwater. Groundwater was gauged in monitoring well MW-4 and MW-5 at 65.31 and 65.70 feet below top of casing (TOC), respectively, or 61.81 and 61.70 feet bgs, respectively. The groundwater potentiometric surface elevation was recorded at 3,401.68 above mean sea level (MSL) at MW-4 (upgradient) to 3,400.36 feet above MSL at MW-5 (down gradient). The apparent groundwater flow direction is from north – northwest to south – southeast at a gradient of 0.007 feet per foot (ft/ft). Figure 4 presents the groundwater potentiometric surface map for June 1, 2021.

4.2 Groundwater Samples and Analysis

On June 1, 2021, LAI personnel used the low stress or low flow method following EPA protocol (EQASOP-GW4, Revision 4, September 19, 2017) to collect groundwater samples from monitoring wells MW-4 and MW-5. An environmental pump was lowered into the wells to near the middle of the water column and the well was pumped at a low flow rate until environmental parameters stabilized. Groundwater samples were collected from discharge through dedicated disposable Tygon® tubing after chemical parameters stabilized. The Tygon® tubing was discarded after each use and the pump was thoroughly cleaned with a solution of potable water and laboratory grade detergent (Alconox®) and rinsed with distilled water. The samples were transferred to labeled laboratory containers, packed in an ice chest filled with ice, and delivered under chain of custody control to Eurofins Xenco Laboratory (Xenco), a National Environmental Laboratory Accreditation Conference (NELAC) accredited laboratory, in Midland, Texas. A duplicate sample was collected from well MW-5 for laboratory quality assurance and quality control (QA/QC). Xenco analyzed the samples for benzene, toluene, ethylbenzene, xylene (BTEX) according to EPA SW-846 Method SW-8260D, chloride by EPA Method 300, and total dissolved solids (TDS) by EPA Method SM 2540C. Table 2 presents the laboratory analytical summary. Appendix E presents the laboratory report.

4.2.1 Organic Analysis

BTEX concentrations were below the laboratory analytical reporting limit (RL) and New Mexico Water Quality Control Commission (WQCC) human health standards in groundwater samples collected from monitoring wells MW-4, and MW-5, on June 1, 2021.

4.2.2 Inorganic Analysis

The laboratory reported chloride below the WQCC domestic water quality standard (250 mg/L) at 176 mg/L in upgradient well MW-4. The chloride concentration in the groundwater sample from downgradient monitoring well MW-5 was 306 mg/L. The chloride concentration in the duplicate (QA/QC) sample (Dup-1) collected from MW-5 was 305 mg/L and within 0.004 percent of the original chloride value (306 mg/L) for MW-5. No data quality exceptions were noted in Xenco case narratives. Figure 5 presents the chloride concentrations in groundwater map for June 1, 2021.

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The TDS concentrations were 597 mg/L in the groundwater sample from monitoring well MW-4, and 761 mg/L in the groundwater sample from monitoring well MW-5, on June 1, 2021. The TDS concentrations are below the WQCC domestic water quality standard (1,000 mg/L). Figure 6 presents the TDS concentrations in groundwater map for June 1, 2021.

5.0 CONCLUSIONS

The following observations are documented in this report:

- Three (3) existing monitoring wells (MW-1, MW-2, and MW-3) were dry.
- Apparent groundwater flow direction is from north-northwest to south-southeast at a gradient of approximately 0.007 ft/ft, on May 25, 2021.
- BTEX concentrations were below the analytical method RL and New Mexico WQCC human health standards in groundwater samples from monitoring wells MW-4, and MW-5, on June 1, 2021.
- The chloride concentration in the groundwater sample from monitoring well MW-4 (up gradient) was 176 mg/L and below the WQCC domestic water quality standard (250 mg/L).
- The chloride concentration in the groundwater sample from monitoring well MW-5 (down gradient) was 306 mg/L and exceeded the WQCC domestic water quality standard (250 mg/L).
- TDS concentrations in the groundwater samples from wells MW-4 (597 mg/L) and MW-5 (761 mg/L) were below the WQCC domestic water quality standard (1,000 mg/L).

6.0 RECOMMENDATIONS

Apache proposes the following:

- Continue groundwater monitoring on a quarterly (4 times per year) for two (2) years.
- Gauge each well (MW-1 through MW-5) for depth to groundwater and collect groundwater samples from monitoring wells with sufficient groundwater during each quarterly event.
- Report the laboratory results to NMOCD in quarterly reports, unless significant changes in analyte concentrations are detected, at which time Apache will immediately report the results to OCD.
- Apache will provide notice to the NMOCD in Hobbs and Santa Fe, New Mexico, at least 7 working days prior to each monitoring event.

Tables

Table 1
nPAC0631334833
Monitoring Well Completion and Gauging Summary
Apache Corporaion, NEDU 527
Lea County, New Mexico

Well Information									Groundwater Data				
Well No.	Date Drilled	Well Depth (Feet TOC)	Drilled Depth (Feet BGS)	Well Diameter (Inches)	Surface Elevation (Feet AMSL)	Screen Interval (Feet BGS)	Casing Stickup (Feet)	TOC Elevation (Feet AMSL)	Date Gauged	Depth to Water (Feet TOC)	Depth to Water (Feet BGS)	Water Column Height (Feet)	Groundwater Elevation (Feet AMSL)
MW-4	05/25/2021	80.00	76.50	2	3464.39	55.82 - 75.82	3.50	3,466.99	06/01/2021	65.31	61.81	14.69	3,401.68
MW-5	05/25/2021	80.00	76.00	2	3463.77	55.82 - 75.82	4.00	3,466.06	06/01/2021	65.70	61.70	14.30	3,400.36

Notes: monitoring wells installed by Environ-Drill, Albuquerque, New Mexico with 2 inch schedule 40 PVC casing and screen

bgs: below ground surface

TOC: top of casing

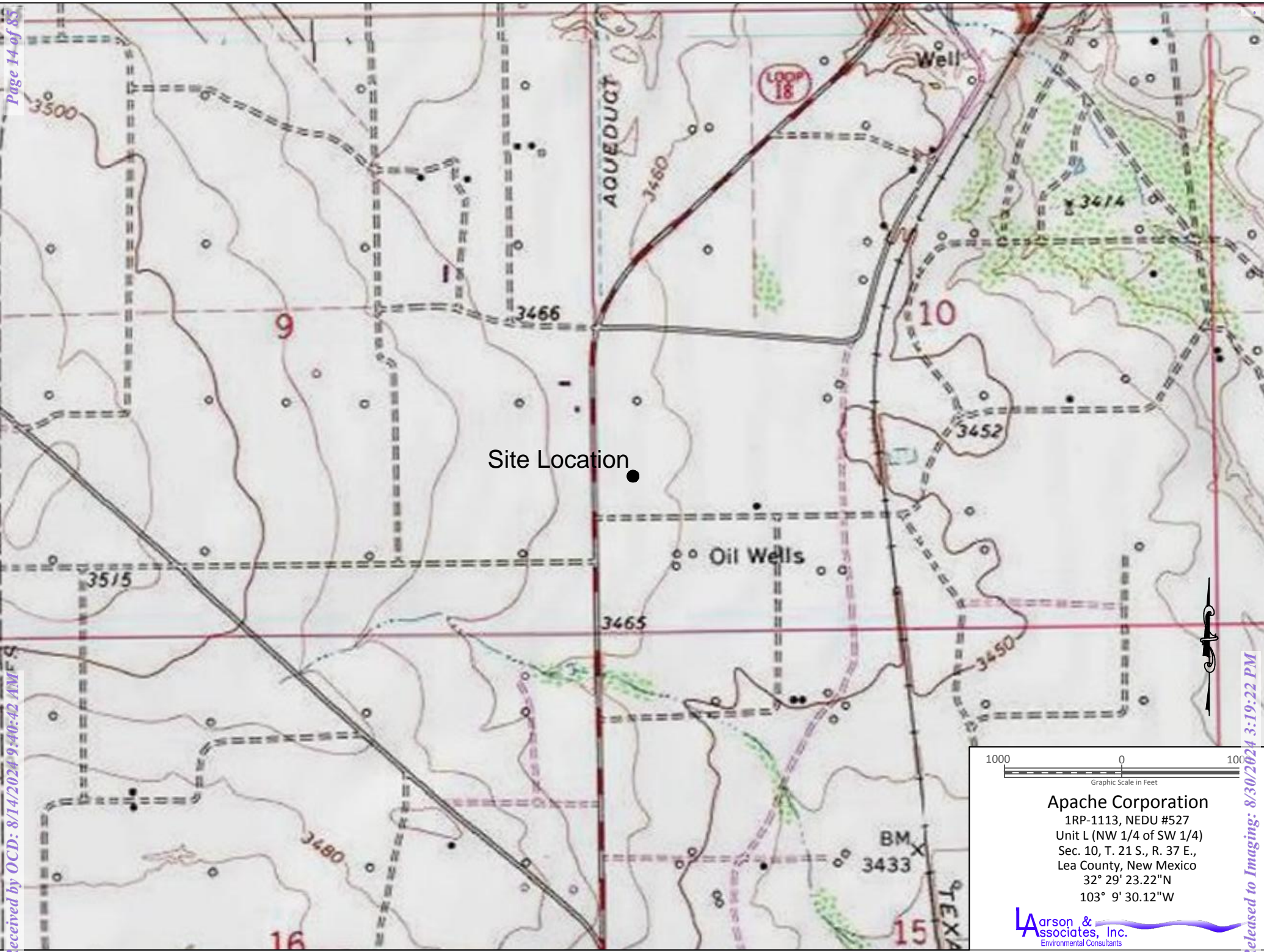
AMSL: denotes elevation in feet above mean sea level

Table 2
nPAC0631334833
Groundwater Sample Analytical Data Summary
Apache Corporation, NEDU 527, Lea County, New Mexico

Sample	Collection Date	Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Xylenes (mg/L)	Chloride (mg/L)	TDS (mg/L)
NMWQCC Standard:		0.005	1.0	0.7	0.62	250	1,000
MW-4	06/01/2021	<0.00200	<0.00200	<0.00200	<0.00400	176	597
MW-5	06/01/2021	<0.00200	<0.00200	<0.00200	<0.00400	306	761
DUP-1 (MW-5)	06/01/2021	<0.00200	<0.00200	<0.00200	<0.00400	305	774

Notes: analysis performed by Eurofins Xenco Laboratories, Midland, Texas, by EPA SW-846 Method 8021B (BTEX) and EPA Method 300 (chloride and TDS).
 < : denotes concentration below analytical method reporting limit (RL).

Figures



1000 0 100
Graphic Scale in Feet




Apache Corporation
1RP-1113, NEDU #527
Unit L (NW 1/4 of SW 1/4)
Sec. 10, T. 21 S., R. 37 E.,
Lea County, New Mexico
32° 29' 23.22"N
103° 9' 30.12"W

Larson & Associates, Inc.
Environmental Consultants

Figure 1 - Topographic Map



Legend

-  MW-4 - Monitoring Well Location
-  MW-1 - Permanently Abandoned Well
-  - Drill Pit Excavation

100 0 100
Graphic Scale in Feet

Apache Corporation
NEDU #527
Unit L (NW 1/4 of SW 1/4)
Sec. 10, T. 21 S., R. 37 E.
Lea County, New Mexico
32° 29' 23.32"N,
103° 09' 30.93" W

Larson & Associates, Inc.
Environmental Consultants

Figure 2 - Aerial Map

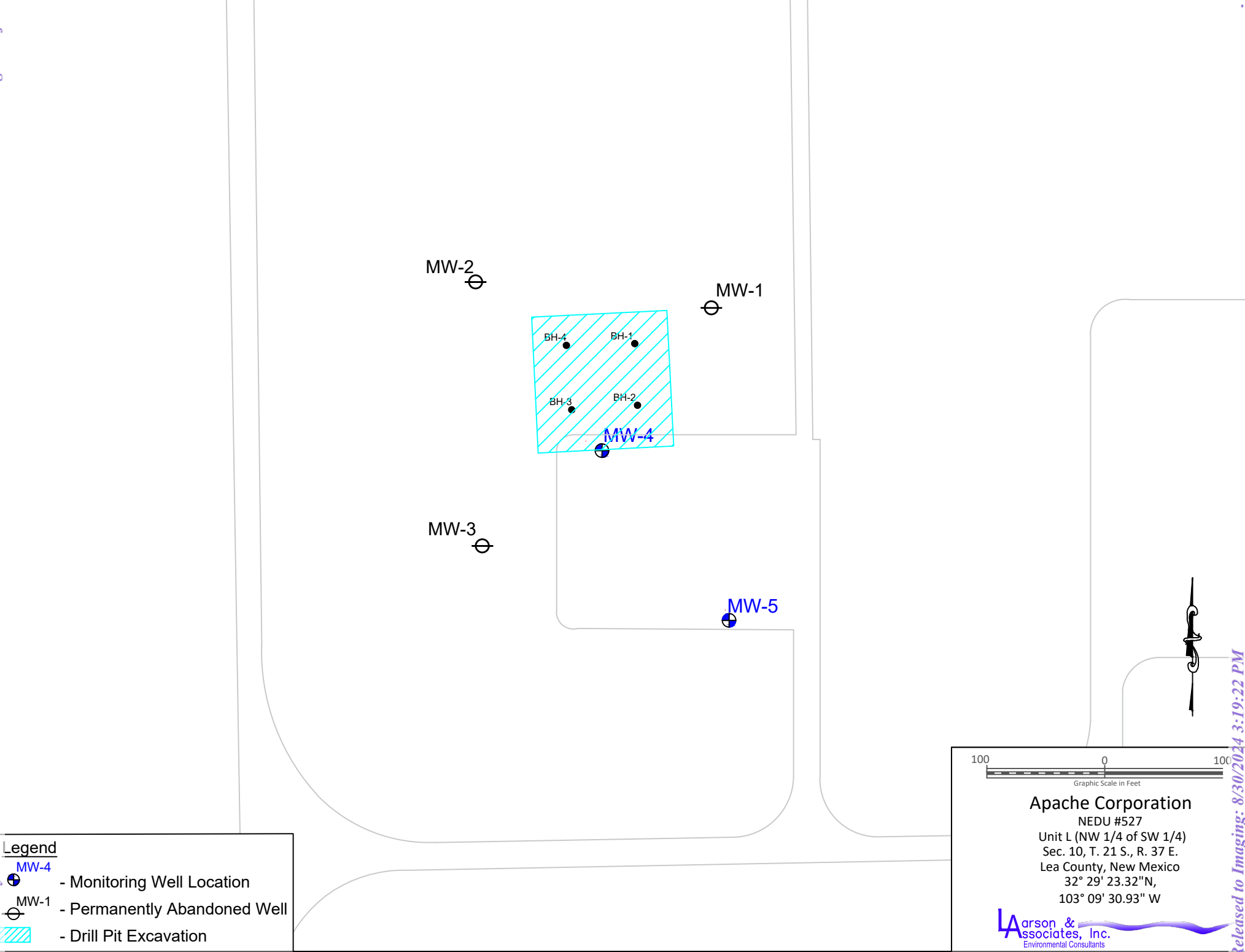
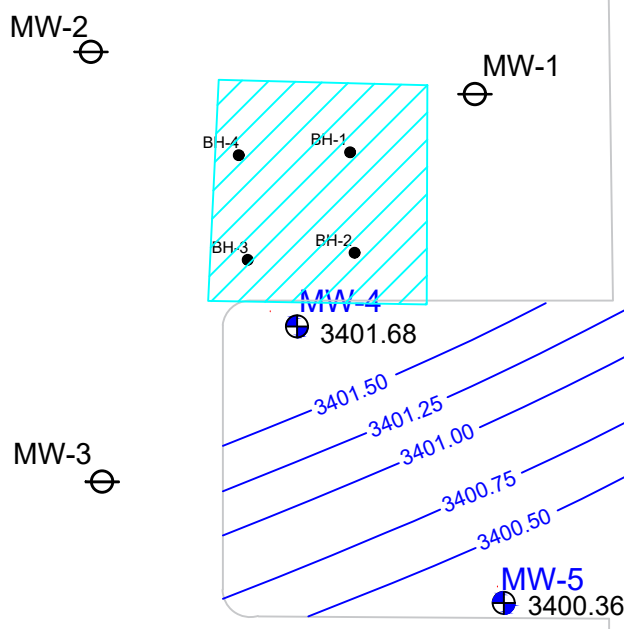


Figure 3 - Site Map



Legend

- Contour of Groundwater Potentiometric Surace Elevation, feet AMSL, May 25, 2021
- Monitoring Well Location and Groundwater Potentiometric , mg/L, May 25, 2021
- Permanently Abandoned Well
- Drill Pit Excavation

100 0 100
Graphic Scale in Feet

Apache Corporation
NEDU #527
Unit L (NW 1/4 of SW 1/4)
Sec. 10, T. 21 S., R. 37 E.
Lea County, New Mexico
32° 29' 23.32"N,
103° 09' 30.93" W

Larson & Associates, Inc.
Environmental Consultants

Figure 4 - Groundwater Potentiometric Map, May 25, 2021

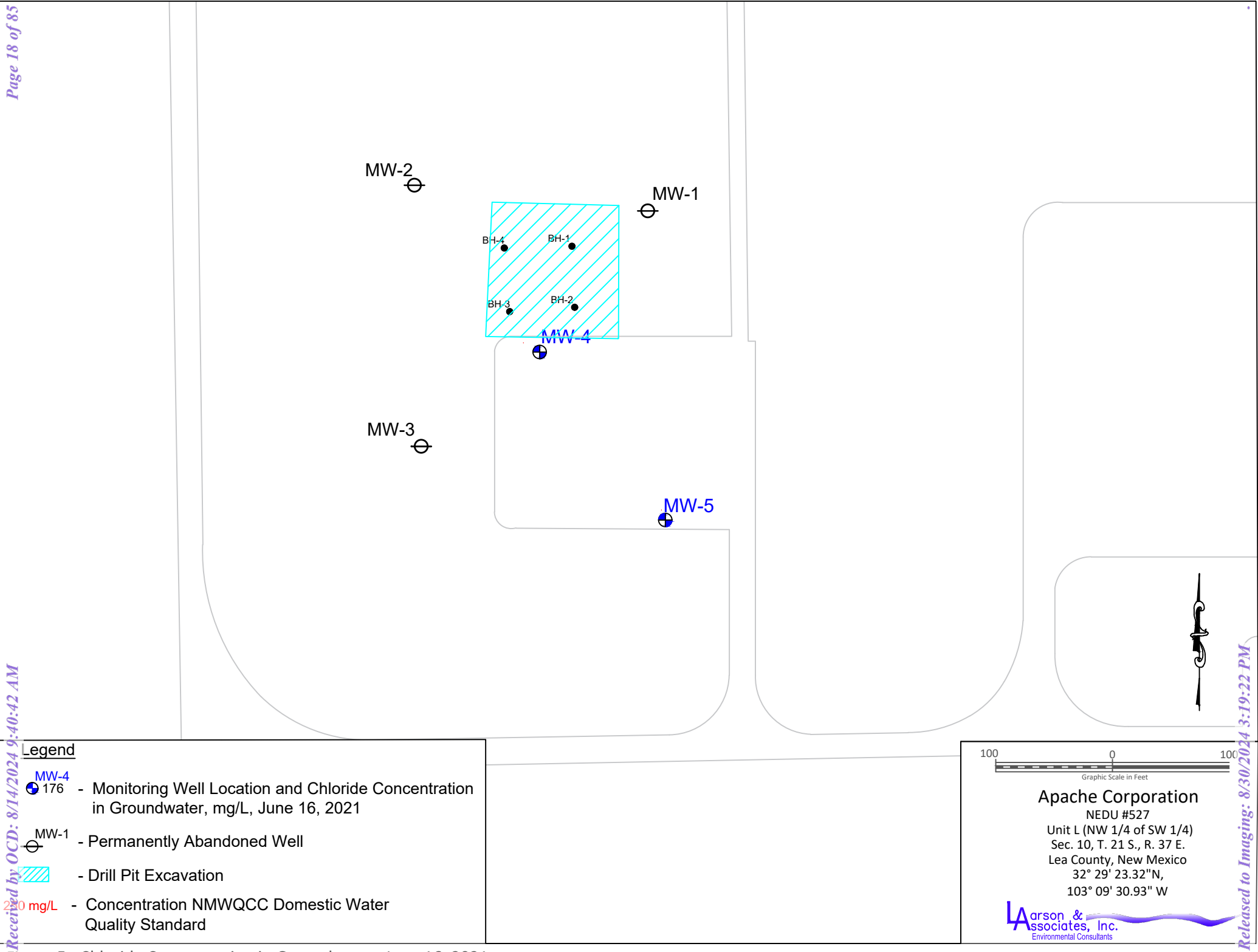
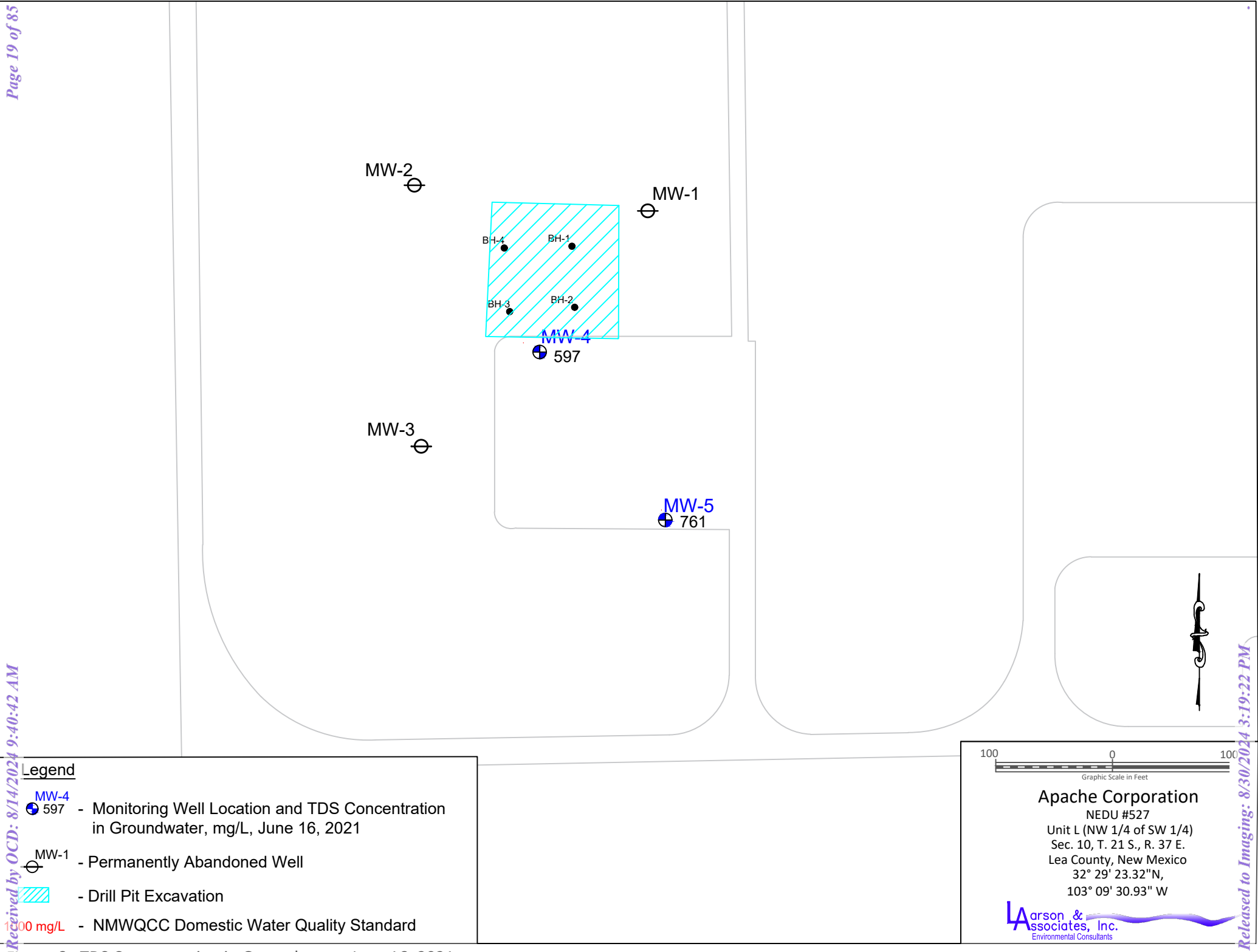


Figure 5 - Chloride Concentration in Groundwater, June 16, 2021



- Legend**
- MW-4 597 - Monitoring Well Location and TDS Concentration in Groundwater, mg/L, June 16, 2021
 - MW-1 - Permanently Abandoned Well
 - Drill Pit Excavation
 - 100 mg/L - NMWQCC Domestic Water Quality Standard

100 0 100
Graphic Scale in Feet

Apache Corporation
NEDU #527
Unit L (NW 1/4 of SW 1/4)
Sec. 10, T. 21 S., R. 37 E.
Lea County, New Mexico
32° 29' 23.32"N,
103° 09' 30.93" W

Larson & Associates, Inc.
Environmental Consultants

Figure 6 - TDS Concentration in Groundwater, June 16, 2021

Appendix A

Initial C-141

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company – Apache Corporation	Contact – Harold Swain
Address – P.O. Box 849 Wink, TX 79789	Telephone No. – 505-390-4368
Facility Name – NEDU 527 API # – 30-025-37242	Facility Type – Producing Well
Surface Owner	Mineral Owner

LOCATION OF RELEASE

Unit Letter	Section 10	Township 21S	Range 37E	1310 Feet from the	South Line	330 Feet from the	West
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Latitude - N 32 degrees 29.387' Longitude - W 103 degrees 09.502'

NATURE OF RELEASE

Type of Release - Brine Water	Volume of Release	Volume Released
Source of Release – compromised pit liner	Date and Hour of Occurrence unknown	Date and Hour of Discovery 7/19/06 7:30 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson / Glen Von Goten	
By Whom? Jerry Brian – Hungry Horse Environmental	Date and Hour	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. unknown	

If a Watercourse was Impacted, Describe Fully.*

Analytical results indicated that groundwater has been impacted. Chloride results of groundwater at 62' bgs is 2007 ppm.

Describe Cause of Problem and Remedial Action Taken.*

Drilling pit liner had somehow been compromised and leaked below the liner. Field chloride test were conducted and sample taken to Cardinal laboratory under chain-of-custody

Describe Area Affected and Cleanup Action Taken.*

Pit contents were removed and taken to sundance disposal facility. Soil was tested below the liner. All material exceeding the acceptable MCL of 250 ppm was excavated to a depth of 19' bgs and transported to Sundance disposal. Approval was obtained to cap the excavated bottom with a 20 ml liner once vertical delineation had been established.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>J. Brian</i> Acting Agent for Apache Corp.	OIL CONSERVATION DIVISION	
Printed Name: <i>Jerry Brian</i>	Approved by District Supervisor <i>Enrico Enar</i>	
Title: <i>Environmental Manager - Hungry Horse Environmental</i>	Approval Date: <i>11.9.06</i>	Expiration Date: <i>2.9.07</i>
E-mail Address: <i>jbrian@verizon.net</i>	Conditions of Approval:	
Date: <i>11/6/06</i> Phone: <i>505-390-6149</i>	Attached <input type="checkbox"/>	

Appendix B
OCD Communications



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO: 3929 4029 rec'd @ 12/05/2006

NOVEMBER 29, 2006

Mr. Harold Swain
Apache Corporation
P.O. Box 849
Wink, TX 79789

RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN
APACHE CORPORATION NEDU 527
API NO. 30-025-37242
SECTION 10, TOWNSHIP 21 SOUTH, RANGE 37 EAST
LEA COUNTY, NEW MEXICO
AP068

Dear Mr. Swain:

The New Mexico Oil Conservation Division (OCD) has determined after reviewing the *Pit Delineation Plan – Apache Corporation – NEDU # 527* submitted by Mr. Jerry Brian of Hungry Horse Environmental on behalf of Apache Corporation (Apache), that Apache must submit a Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate the ground water contamination at its NEDU 527 drilling pit located in Section 10, Township 21 South, Range 37 East, Lea County, New Mexico. The Stage 1 Abatement Plan proposal must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet all the requirements specified in OCD Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by Apache of this written notice.

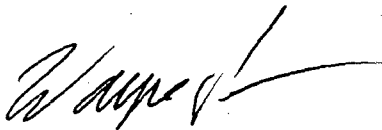
Apache's Stage 1 Abatement Plan must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the chloride release using an appropriate number of isoconcentration maps and cross sections that depict the contamination that has been released

Mr. Harold Swain
November 29, 2006
Page 2

from the former pit and to provide the data necessary to select and design an effective abatement option. Apache may, if it chooses, concurrently submit a Stage 2 Abatement Plan that addresses appropriate proactive abatement options.

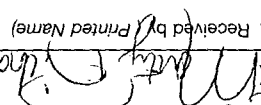
Apache should submit one paper copy with and an electronic copy on CD of all future workplans and/or reports. If you have any questions, please contact Glenn von Gonten of my staff at (505) 476-3488.

Sincerely,



Wayne Price
Environmental Bureau Chief

cc: Chris Williams, OCD Hobbs District Supervisor
Larry Johnson, OCD Hobbs

PS Form 3811, August 2001 Domestic Return Receipt	
2. Article Number (Transfer from service label) 7001 1940 0004 3229 4029	
1. Article Addressed to: MR HAROLD SWAIN APACHE CORPORATION P.O. BOX 849 WINK, TX 79789	
or on the front if space permits. ■ Attach this card to the back of the mailpiece, so that we can return the card to you. ■ Print your name and address on the reverse item 4 if Restricted Delivery is desired. ■ Complete items 1, 2, and 3. Also complete	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
B. Received by (Printed Name) X  C. Date of Delivery 12-5-06	
A. Signature <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Agent	
COMPLETE THIS SECTION ON DELIVERY	
SENDER: COMPLETE THIS SECTION	

Appendix C
NMSLO & NMOSE Permits

John R. D Antonio, Jr., P.E.
State Engineer



Roswell Office
1900 WEST SECOND STREET
ROSWELL, NM 88201

**STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER**

Trn Nbr: 690375
File Nbr: CP 01868

May. 14, 2021

LARRY BAKER
APACHE CORPORATION
303 VETERANS AIRPARK LANE
MIDLAND, TX 79705

Greetings:

Your approved copy of the above numbered permit to drill a well for non-consumptive purposes is enclosed. You must obtain an additional permit if you intend to use the water. It is your responsibility to provide the contracted well driller with a copy of the permit that must be made available during well drilling activities.

Carefully review the attached conditions of approval for all specific permit requirements.

- * If use of this well is temporary in nature and the well will be plugged at the end of the well usage, the OSE must initially approve of the plugging. If plugging approval is not conditioned in this permit, the applicant must submit a Plugging Plan of Operations for approval prior to the well being plugged. The Plugging Record must be properly completed and submitted to the OSE within 30 days of the well plugging.
- * If the final intended purpose and condition requires a well ID tag and meter installation, the applicant must immediately send a completed meter report form to this office.
- * The well record and log must be submitted within 30 days of the completion of the well or if the attempt was a dry hole.
- * This permit expires and will be cancelled if no well is drilled and/or a well log is not received by the date set forth in the conditions of approval.

Appropriate forms can be downloaded from the OSE website www.ose.state.nm.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "JH", is written over the name Juan Hernandez.

JUAN HERNANDEZ

Enclosure

explore

File No. **CP-1868 POD1,2**

NEW MEXICO OFFICE OF THE STATE ENGINEER

APPLICATION FOR PERMIT TO DRILL A WELL
WITH NO CONSUMPTIVE USE OF WATER

(check applicable box):

For fees, see State Engineer website: <http://www.ose.state.nm.us/>

Purpose:	<input type="checkbox"/> Pollution Control And / Or Recovery	<input type="checkbox"/> Geo-Thermal
<input type="checkbox"/> Exploratory	<input type="checkbox"/> Construction Site De-Watering	<input type="checkbox"/> Other (Describe):
<input checked="" type="checkbox"/> Monitoring	<input type="checkbox"/> Mineral De-Watering	
A separate permit will be required to apply water to beneficial use.		
<input checked="" type="checkbox"/> Temporary Request - Requested Start Date: March 8, 2021		Requested End Date: March 8, 2026
Plugging Plan of Operations Submitted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

1. APPLICANT(S)

Name: Apache Corporation	Name:
Contact or Agent: Larry Baker	Contact or Agent:
check here if Agent <input type="checkbox"/>	check here if Agent <input type="checkbox"/>
Mailing Address: 303 Veterans Airpark Lane	Mailing Address:
City: Midland	City:
State: TX	State:
Zip Code: 79705	Zip Code:
Phone: (432) 631-6982	Phone:
Phone (Work): (432) 818-1000	Phone (Work):
E-mail (optional): larry.baker@apachecorp.com	E-mail (optional):

OSE DTI MAR 17 2021 AM 9:03

FOR OSE INTERNAL USE

Application for Permit, Form wr-07, Rev 4/12/12

File Number: CP-1868	Trn Number: 690375
Trans Description (optional): POD1,2	
Sub-Basin: CP	
PCW/LOG Due Date: 2.43134	

Page 1 of 3

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84). District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.			
<input type="checkbox"/> NM State Plane (NAD83) (Feet) <input type="checkbox"/> NM West Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/> NM Central Zone		<input type="checkbox"/> UTM (NAD83) (Meters) <input type="checkbox"/> Zone 12N <input type="checkbox"/> Zone 13N	
<input checked="" type="checkbox"/> Lat/Long (WGS84) (to the nearest 1/10 th of second)			
Well Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (Quarters or Halves, Section, Township, Range) OR -Hydrographic Survey Map & Tract; OR -Lot, Block & Subdivision; OR -Land Grant Name
MW-4 CP-1868 POD 1	103° 9' 30.93"	32° 29' 23.32"	NW/4, SW/4, S10 T21S, R37E
MW-5 CP-1868 POD 2	103° 9' 29.69"	32° 29' 21.89"	SW/4, SW/4, S10 T21S, R37E
NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions) Additional well descriptions are attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how many _____			
Other description relating well to common landmarks, streets, or other: _____			
Well is on land owned by: State of New Mexico			
Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many _____			
Approximate depth of well (feet): 70		Outside diameter of well casing (inches): 2	
Driller Name: Layne Scarborough		Driller License Number: WD-1188	

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

Wells will be used to delineate and monitor groundwater contamination for up to 5 years.
--

FOR OSE INTERNAL USE

Application for Permit, Form wr-07

File Number:

CP-1868

Trn Number:

690375

Page 2 of 3

4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory: <input type="checkbox"/> Include a description of any proposed pump test, if applicable.	Pollution Control and/or Recovery: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for the pollution control or recovery operation. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The annual diversion amount. <input type="checkbox"/> The annual consumptive use amount. <input type="checkbox"/> The maximum amount of water to be diverted and injected for the duration of the operation. <input type="checkbox"/> The method and place of discharge.	Construction De-Watering: <input type="checkbox"/> Include a description of the proposed dewatering operation, <input type="checkbox"/> The estimated duration of the operation, <input type="checkbox"/> The maximum amount of water to be diverted, <input type="checkbox"/> A description of the need for the dewatering operation, and, <input type="checkbox"/> A description of how the diverted water will be disposed of.	Mine De-Watering: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for mine dewatering. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The source(s) of the water to be diverted. <input type="checkbox"/> The geohydrologic characteristics of the aquifer(s). <input type="checkbox"/> The maximum amount of water to be diverted per annum. <input type="checkbox"/> The maximum amount of water to be diverted for the duration of the operation. <input type="checkbox"/> The quality of the water. <input type="checkbox"/> The method of measurement of water diverted.
Monitoring: <input checked="" type="checkbox"/> Include the reason for the monitoring well, and, <input checked="" type="checkbox"/> The duration of the planned monitoring.	<input type="checkbox"/> The method of measurement of water produced and discharged. <input type="checkbox"/> The source of water to be injected. <input type="checkbox"/> The method of measurement of water injected. <input type="checkbox"/> The characteristics of the aquifer. <input type="checkbox"/> The method of determining the resulting annual consumptive use of water and depletion from any related stream system. <input type="checkbox"/> Proof of any permit required from the New Mexico Environment Department. <input type="checkbox"/> An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	Geo-Thermal: <input type="checkbox"/> Include a description of the geothermal heat exchange project, <input type="checkbox"/> The amount of water to be diverted and re-injected for the project, <input type="checkbox"/> The time frame for constructing the geothermal heat exchange project, and, <input type="checkbox"/> The duration of the project. <input type="checkbox"/> Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	<input type="checkbox"/> The recharge of water to the aquifer. <input type="checkbox"/> Description of the estimated area of hydrologic effect of the project. <input type="checkbox"/> The method and place of discharge. <input type="checkbox"/> An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. <input type="checkbox"/> A description of the methods employed to estimate effects on surface water rights and underground water rights. <input type="checkbox"/> Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Larry Baker

Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Larry Baker
Applicant Signature

Applicant Signature

ACTION OF THE STATE ENGINEER

This application is:

☒ approved

☐ partially approved

☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this 14th day of May 2021 for the State Engineer,

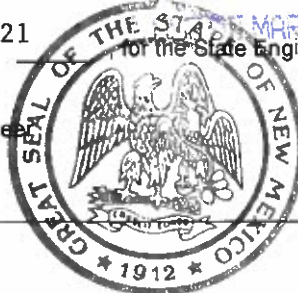
John R. D'Antonio, Jr., P.E.

State Engineer

By: [Signature]
Signature

Print

Title: Juan Hernandez, Water Resource Manager 1
Print



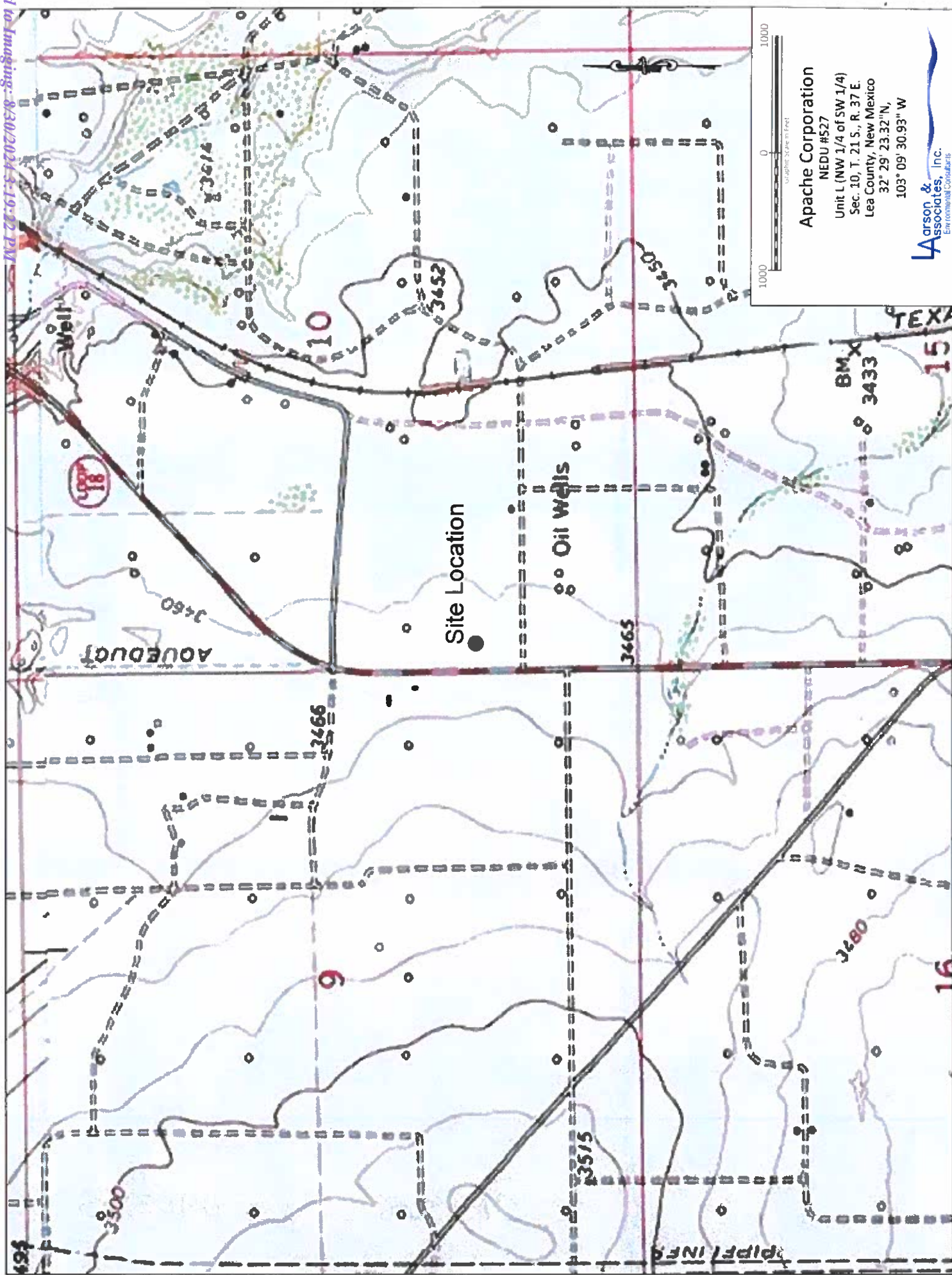
FOR OSE INTERNAL USE

Application for Permit, Form wr-07

File Number: CP-1868

Trn Number: LA0375

Page 3 of 3



**NEW MEXICO STATE ENGINEER OFFICE
PERMIT TO EXPLORE**

SPECIFIC CONDITIONS OF APPROVAL

- 17-1A Depth of the well shall not exceed the thickness of the valley fill.
- 17-4 No water shall be appropriated and beneficially used under this permit.
- 17-6 The well authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 NMAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the state engineer. The well shall be plugged with an office of the state engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with the Office of the State Engineer in a District Office within 30 days of completion of the plugging.
- 17-7 The Permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

Trn Desc: CP 01868 POD1,2

File Number: CP 01868

Trn Number: 690375

page: 1

**NEW MEXICO STATE ENGINEER OFFICE
PERMIT TO EXPLORE**

SPECIFIC CONDITIONS OF APPROVAL (Continued)

- 17-B The well shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.
- 17-C The well driller must file the well record with the State Engineer and the applicant within 30 days after the well is drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well record.
The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.
- 17-P The well shall be constructed, maintained, and operated to prevent inter-aquifer exchange of water and to prevent loss of hydraulic head between hydrogeologic zones.
- 17-Q The State Engineer retains jurisdiction over this permit.
- 17-R Pursuant to section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and OSE representatives entry upon private property for the performance of their respective duties, including access to the ditch or acequia to measure flow and also to the well for meter reading and water level measurement.
- LOG The Point of Diversion CP 01868 POD1 must be completed and the Well Log filed on or before 05/14/2022.
- LOG The Point of Diversion CP 01868 POD2 must be completed and the Well Log filed on or before 05/14/2022.

IT IS THE PERMITTEES RESPONSIBILITY TO OBTAIN ALL AUTHORIZATIONS AND PERMISSIONS TO DRILL ON PROPERTY OF OTHER OWNERSHIP BEFORE COMMENCING ACTIVITIES UNDER THIS PERMIT.

SHOULD THE PERMITTEE CHANGE THE PURPOSE OF USE TO OTHER THAN MONITORING PURPOSES, AN APPLICATION SHALL BE ACQUIRED FROM THE OFFICE OF THE STATE ENGINEER.

Trn Desc: CP 01868 POD1,2

File Number: CP 01868
Trn Number: 690375

NEW MEXICO STATE ENGINEER OFFICE
PERMIT TO EXPLORE

ACTION OF STATE ENGINEER

Notice of Intention Rcvd: _____ Date Rcvd. Corrected: _____
Formal Application Rcvd: 03/17/2021 Pub. of Notice Ordered: _____
Date Returned - Correction: _____ Affidavit of Pub. Filed: _____

This application is approved provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare of the state; and further subject to the specific conditions listed previously.

Witness my hand and seal this 14 day of May A.D., 2021

John R. D Antonio, Jr., P.E., State Engineer

By: _____

JUAN HERNANDEZ



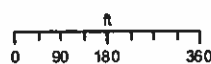
Trn Desc: CP 01868 POD1,2

File Number: CP 01868
Trn Number: 690375

page: 3



1:4,514



Location pulled from Coordinate Search

Accuracy (m): NA

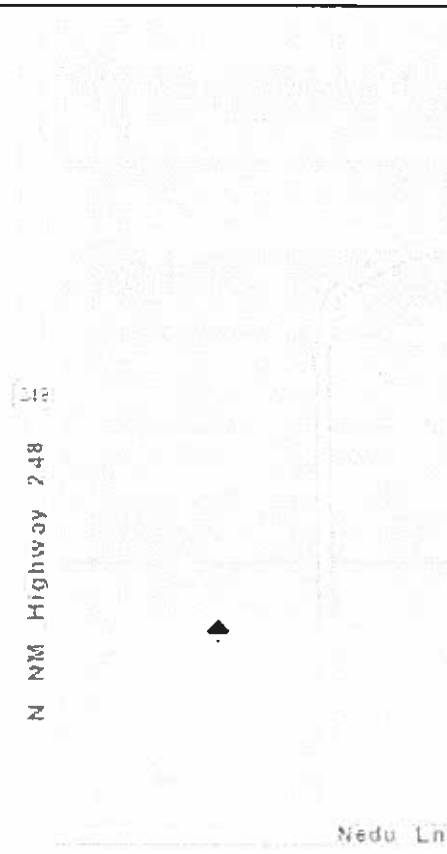
NENWSWSW Qtr of Sec 10 of 021S 037E

Purpose: MONITOR MW-5

3/22

For several days after his release from prison by the New Mexico State Prison at Maricopa, Arizona, he was kept under guard by the police.

Site Boundaries



Coordinates
UTM - NAD 83 (m) - Zone 13
Easting 673013.427
Northing 3596222.774
State Plane - NAD 83 (f) - Zone E
Easting 903557.835
Northing 543916.908
Degrees Minutes Seconds
Latitude 32 : 29 : 23.320000
Longitude -103 : 9 : 30.930000
Location pulled from Coordinate Search

NEW MEXICO OFFICE
OF THE
STATE ENGINEER

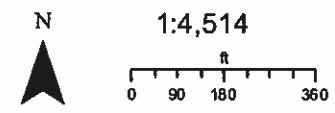


Image Info
Source: NA
Date: NA
Resolution (m): NA
Accuracy (m): NA

Spatial Information
OSE Administrative Area: Lea
County: Lea
Groundwater Basin: Capitan
Abstract Area: CP

Sub-Basin: Landreth-Monumnet Draws

Land Grant: Not in Land Grant
Restrictions:
NA

PLSS Description
SWSWNWSW Qtr of Sec 10 of 021S 037E

Surveyed 1880 by J. H. ...
...
...

POD Information
Owner: APACHE CORP/NM
File Number: CP- 186486 POD1
POD Status: NoData
Permit Status: NoData
Permit Use: NoData
Purpose: MONITOR MW-4

Calculated PLSS	New Mexico State Trust Lands	World Street Map
Coord Search Location	Subsurface Estate	
OSE District Boundary	Surface Estate	
	Both Estates	
	 SiteBoundaries	



Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

May 14, 2021

Apache Corporation
Attn: Larry Baker
303 Veterans Airpark Lane
Midland, TX 79705

Re: N.M. Water Easement WM-673

Dear Mr. Baker,

Enclosed please find the approved contract for WM-673. Thank you for doing business with the New Mexico State Land Office.

If you require further assistance, please contact David Gallegos in the Water Bureau at (505) 476-0378 or dgalegos@slo.state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Garcia Richard", is written over the printed name.

Stephanie Garcia Richard
Commissioner of Public Lands
SGR/dg

encl.

xc: Lease File WM-673



NEW MEXICO STATE LAND OFFICE

WATER MONITORING EASEMENT

NO. WM-673
New-Issue

THIS AGREEMENT, effective April 12, 2021, and signed this 14th day of May, 2021, is made and entered into between the State of New Mexico Commissioner of Public Lands, acting trustee pursuant to the Act of June 21, 1910, 36 Stat. 557, ch. 310, § 10, (Commissioner), and Apache Corporation, whose address is 303 Veterans Airpark Lane, Midland, Texas 79705, (Grantee). This Water Monitoring Easement ("Easement") is not effective until signed by the Commissioner.

1. Grant of Easement

For good and valuable consideration, including the covenants herein, the Commissioner grants to Grantee a Water Easement for two (2) well-sites as herein defined, to be located within the following described area in Lea County ("Easement Land"):

Quarter-Quarter	Section	Township	Range	Number of Easement Acres
NW4SW4	10	21S	37E	40
SW4SW4	10	21S	37E	40

The monitoring wells permitted under this Easement are as follows:

SLO Well-Site Name	Lat Long in decimal degrees	OSE Well POD Number	Volume of Use
MW-4	32.489811, -103.158592	CP-1868 POD1	<1afy
MW-5	32.489414, -103.158247	CP-1868 POD2	

A well-site is one half (0.5) acre with the denominated well in the center. Depending on their proximity, well-sites may overlap. The area of this granted easement is calculated based on 0.5 acres multiplied by the total number of well sites shown above.

2. Term of Easement

A. Term

This Water Easement is for a term of five (5) years, commencing on April 12, 2021 ("Anniversary Date"), and expiring April 11, 2026, unless terminated earlier as provided herein.

B. Renewal

Upon Grantee's written request submitted to the Commissioner at least sixty (60) days prior to the expiration of this Easement, the parties may renew this Easement if the

Commissioner, in the Commissioner's sole discretion, determines such renewal to be in the best interests of the trust.

C. Reversion to Commissioner

At such time that this Water Easement expires, is not renewed, or is otherwise terminated, or if Grantee has failed to use the Easement Land for the permitted purposes for a period of one (1) year, the Easement Land shall *ipso facto* revert to the Commissioner who may, in his sole discretion, thereafter make this Water Easement, with improvements, if any, available for further use. The Commissioner shall give Grantee notice of this said non-renewal by registered mail and no further notice or action on the Commissioner's part shall be required. Any loss of any kind, arising from the non-renewal of this Easement is acknowledged and accepted by the Grantee as a business risk and the Grantee's acknowledgement and acceptance shall be considered an inducement by Grantee to the Commissioner to enter into this Water Easement, shall not be considered a "taking" of any rights or property of Grantee, and shall not be the basis of any action at law or in equity to recover damages of any kind.

3. Purpose and Approved Use

This Easement is for the purpose of allowing Grantee's placement of monitoring well(s) for the benefit of the trust and for the following specific purpose: to monitor groundwater pursuant to the requirements of Corrective Action AP-68 issued by NMOCD on November 27, 2006. This grant of Easement entitles Grantee to the exclusive use of the easement for the permitted purposes, and to install such improvements as are necessary to those purposes for the term of this easement. This Easement does not entitle Grantee to divert water, or to develop or put to beneficial use any water rights. The Commissioner may permit other uses on or within this Easement to the extent that they do not impair Grantee's permitted purposes.

4. Permits and Reporting

A. Permit to Drill and Copies

Prior to drilling, Grantee shall obtain a permit to drill a well with no water right (Permit) for each well included in this Easement from the New Mexico Office of the State Engineer (OSE). The Permit application must name the Commissioner of Public Lands as co-applicant and indicate that the well is to be located on land owned by the New Mexico State Land Office. Grantee shall send the Commissioner a copy of all applications for a Permit or correspondence related to the applications contemporaneously with any OSE filing, and shall send to the Commissioner a copy of any and all OSE response(s), Permits, or other communication(s) regarding Permit within ten (10) days of receipt. Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, any other state agency having proper jurisdiction over the water.

B. Monitoring Reports

Grantee shall provide to the Commissioner copies of all interim and final reports created using data collected from the wells permitted under this Easement.

C. Commissioner Participation in Filing

The Commissioner, in the Commissioner's discretion, may assist Grantee in any filings or proceedings before the OSE. However, the Commissioner may withhold approval of any filings with the OSE, may withdraw participation or approval of any joint filing with the OSE, and may contest or challenge any filing (even if the Commissioner was previously a joint applicant or party to the filing), if the Commissioner determines that a filing is not or is no longer in the best interest of the trust. At the written request of the Commissioner, Grantee shall withdraw any filing with the OSE.

5. Grantee Standard of Care

Grantee shall act prudently in drilling wells and performing water monitoring. "Prudent" within the context of this provision means that standard of care, operating and action of a reasonable water user acting pursuant to provisions of New Mexico water law and any other applicable laws, rules, and regulations. When Grantee has completed monitoring use of the well, Grantee will plug the well and provide Commissioner written evidence of having done so.

6. Documentation

As soon as practicable, Grantee shall furnish to the Commissioner copies of records, reports and plats of its operation, produced during the term of this Easement, including but not limited to water quality tests, well logs, drill cores, meter readings, and any data relating to hydrology and geological formations.

7. Amendment

This Easement shall not be altered, changed, or amended except by a written instrument executed by both the Commissioner and Grantee. An amendment is required to add wells to or remove wells from this Easement, or to establish rights-of-way or install improvements outside of the Easement Land. Each such amendment application shall be accompanied by the filing fee set forth in the Commissioner's current schedule of fees, and an annual rental payment per well, to be calculated and due as described in Paragraph 11.

8. Rights-of-way

Grantee shall have the right, without further consideration, to establish such rights-of-way upon the Easement Land as are reasonably necessary to the Purpose and Approved Use of the Easement, to install or maintain any necessary equipment or facilities on the Easement Land. Grantee shall not establish any rights-of-way or install any improvements outside of the Easement Land without an amendment to this Easement. It is Grantee's sole responsibility to notify and obtain in advance the approval of any surface lessee for any right-of-way. The Commissioner reserves the right to require such rights-of-way to be moved when the development or other use of the surrounding trust lands require this. Rights of way outside the Easement Land will be granted by the Commissioner, in the Commissioner's discretion. No right-of-way, or other access across, or use of any lands other than those expressly granted in this Easement is implied or expressed.

9. Surveys

Grantee shall survey each well site as soon as practicable after drilling, and submit a copy of the survey plat when completed to the Commissioner.

10. Improvements

A. Authorized Improvements

Grantee may make or place such improvements and equipment upon or under the Easement Lands as are reasonably necessary to the purpose of the Easement, subject to the requirements for removal of improvements and equipment set forth in Paragraph C below. No pipelines shall be installed, and no water right shall be developed or used under this Easement. All Grantee improvements such as well housing, piping, casing, and related equipment installed or obtained by Grantee on the granted Easement shall remain Grantee's sole property and liability. All such improvements shall be subject to the lien described in NMSA 1978 § 19-7-34. Grantee shall submit a written request for approval from the Commissioner prior to making any changes or additions to Authorized Improvements on the Easement Land. At the request of the Commissioner, Grantee shall submit updated survey plats showing such changes or additions.

B. Unauthorized Improvements

In the event that improvements not authorized by the Commissioner are placed on or under the Easement Land, at the Commissioner's discretion, such improvements may thereafter be deemed forfeited to the Commissioner and for purposes of Sections 19-7-14 and 19-10-28 NMSA 1978, no payments shall be due pursuant to those sections for such remaining improvements, or the Commissioner may order the removal, at Grantee's expense, of such improvements and the restoration of the Easement Land to its condition existing prior to the placement of said improvements.

C. Removal of Improvements or Equipment

Upon the termination, expiration or assignment of Grantee's interest in this Easement, Grantee may remove all such improvements, but only to the extent that such removal will not cause material injury to the Easement Land, and provided that all sums due to the Commissioner have been paid and that such removal is accomplished within sixty (60) days of the date of termination, expiration or assignment; or, Grantee may sell its interest in such physical improvements to a subsequent grantee or assignee. Any such sale or removal shall be subject to the Commissioner's paramount statutory lien. The Commissioner may, in writing, consent to the Grantee leaving designated improvements upon the Easement Land, and such improvements shall thereafter be deemed forfeited to the Commissioner, and no payments for such remaining improvements shall be due under Sections 19-7-14 and 19-10-28 NMSA 1978. Any other improvements not removed or sold by Grantee shall continue to be Grantee's sole property and liability, shall be deemed in trespass, and shall give rise to such remedies for trespass and waste as may be available to the Commissioner at law or in equity. The Commissioner may extend the 60-day period upon good cause shown.

11. Payment of Rental**A. Annual Rental**

Grantee shall pay annual rental in the amount of \$1,000 (\$500 per well) to be due on or before the Anniversary Date April 12th of each year. If this Easement is relinquished, cancelled or otherwise terminated prior to the end of the term set forth above, the annual rental shall not be prorated, reduce or refunded for any part of any year during which the Easement is in effect.

B. Payment Submittal

Payment of all sums due hereunder shall be made payable to "Commissioner of Public Lands" and shall include the State Land Office Water Easement number WM-673, and shall be submitted to the Director of Oil Gas Minerals Division, New Mexico State Land Office, 310 Old Santa Fe Trail, P.O. Box 1148, Santa Fe, New Mexico 87504-1148.

12. Receipt of Monies:**A. Receipt of Monies**

No receipt of monies, including rental, by the Commissioner from Grantee, or any other person acting for or on Grantee's behalf, after termination or expiration of this Easement shall reinstate, continue, or extend the Term; affect any notice previously given to Grantee; operate as a waiver of the Commissioner's right to enforce payment of any rent or other monies due or thereafter falling due; or, operate as waiver of the right of the Commissioner to recover possession of the Easement Land by legal action.

B. Acceptance of Payment

Grantee understands that the Commissioner's receipt of any monies is governed by the New Mexico State Land Office Rules. Grantee agrees that the Commissioner's negotiation of Grantee's

check or other means of payment, and crediting the proceeds of such instrument to a suspense account, does not constitute acceptance of Grantee's payment.

C. Application of Payments

The Commissioner shall have the right to apply any payments made by Grantee to satisfy Grantee's obligations to the Commissioner in any order at the Commissioner's sole discretion, and without regard to Grantee's instructions as to the application of any such payment or part thereof, whether such instructions are endorsed on Grantee's check or otherwise, unless the Commissioner and Grantee otherwise agree, in writing, before the Commissioner accepts such payment. The Commissioner's acceptance of a check or payment by Grantee or others on Grantee's behalf shall not, in any way, affect Grantee's obligations hereunder nor shall it be deemed an approval of any assignment or subletting of this Water Easement.

13. Signage

Grantee shall post on each well a sign with the Grantee's name, Easement number, State Land Office well number, OSE permit number and location by legal description.

14. Site Security and Fencing

Any and all site security of any kind for Grantee, Grantee's agents, employees or invitees, the Easement Land, or any personal property thereon shall be the sole responsibility and obligation of Grantee, and shall be provided by Grantee at Grantee's sole cost and expense. Grantee agrees to provide reasonable security for the Easement Land and all construction areas within the Easement Land consistent with standard industry practices and in conformity with Grantee's duty to prevent waste and trespass. If the Commissioner requires or approves in advance in writing, Grantee will furnish proof to the Commissioner that required or approved fencing is completed and in good repair.

15. Reclamation

Grantee agrees to reclaim by grading, levelling or terracing all areas disturbed by its activities on the Easement Land, and to landscape such areas at its own cost and expense. A Reclamation Plan must be submitted to and approved by Grantor prior to implementation. Grantor will not release Grantee from its responsibility for reclamation and revegetation until all work described in the Reclamation Plan has been completed and Grantor has performed an inspection on the Easement Land. The goal of the Reclamation Plan shall be to achieve native plant cover and diversity levels equal to or exceeding the natural potential levels in undisturbed soils adjacent to the project area. The Reclamation Plan shall include the following:

A. Narrative

The Reclamation Plan shall include a narrative describing all reclamation activities including removal of debris and equipment.

B. Re-Vegetation Requirements

A detailed description of the seed mix (native seed only), seeding rate/acre, method of dispersal, timing of dispersal, follow up monitoring plan, a re-seeding plan if initial efforts are unsuccessful, and a plan for addressing noxious weeds shall all be included in the Reclamation Plan. All seed mixtures submitted for approval shall specify pounds of pure live seed per acre. The seed shall contain no primary or secondary noxious weeds. Commercially sold seed shall be either certified or registered seed. The Noxious Weed component of the Reclamation Plan should include identification of the species of concern and the methods used to eradicate those species from the site. Eradication techniques may include mechanical treatment, chemical treatment, follow-up and monitoring. A Final Report is required on implementation and completion of the Reclamation that includes a brief narrative of the seeding and monitoring efforts and photos of the

reclaimed area. Once Grantee has submitted the Final Report and the Grantor has approved the work, Grantor will provide acknowledgment that reclamation requirements have been met.

16. Compliance with State Land Office Rules and Other Laws

Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, the OSE where the State Engineer has jurisdiction over the monitoring wells. Grantee shall fully comply with all federal, state and local laws, rules, regulations, ordinances and requirements applicable to the Easement Land or to Grantee's operations thereon, including but not limited to all applicable laws governing water; endangered or threatened species; hazardous materials; environmental protection; land use; health and safety; cultural, historic or archeological / paleontological properties; waste; trespass, and the New Mexico Cultural Properties Act, NMSA 1978, 18-6-1 et seq. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the Commissioner as herein provided or as otherwise permitted by law. Grantee shall comply with all New Mexico State Land Office Rules and Regulations, 19.2 NMAC, including those that may be hereafter promulgated. Grantee's obligations under this paragraph include but are not limited to compliance with NMSA 1978 Section 19-6-5, requiring a lessee of State Trust Land to protect the Easement Land from waste or trespass. Grantee's compliance with all laws, regulations and policy shall be at its own expense.

17. Relinquishment

A. Relinquishment

Grantee may, with the Commissioner's approval, relinquish this Easement provided that Grantee is in compliance with all terms of this Easement, including the payment of all rentals due, and if all improvements made pursuant to the Easement on, for, or appurtenant to the Easement Land have been approved by the Commissioner and arrangements satisfactory to the Commissioner have been made for either their removal or retention. Grantee may request relinquishment of all or any part of the Easement Land by filing relinquishment forms prescribed by the Commissioner and paying the relinquishment fee in the Commissioner's schedule of fees. Granting the request is at the discretion of the Commissioner.

C. No Release of Liability or Obligations

Grantee shall not, by relinquishment, avoid or be released from any liability for known or unknown waste or damage to the Easement Land, including environmental damage arising from, or in connection with, Grantee's use or occupancy thereof. Likewise, by relinquishment Grantee shall not be relieved of or discharged of obligations accrued by Grantee as of the date of relinquishment, including the obligation to reclaim the surface, revegetate the surface, pay the rentals required under Paragraph 11 and indemnify the Commissioner in accordance with the terms of this Easement.

D. No Refunds for Relinquishment

Upon any relinquishment, Grantee shall not be entitled to the refund of any rental previously paid.

18. Assignment or Sublease

Grantee shall not assign or sublease any rights granted hereunder, any part thereof, any portion of the Easement Land or any improvements located on the Easement Land without the prior amendment of this Water Easement pursuant to Paragraph 7 to permit such sublease or assignment, payment of the fee provided in the Commissioner's schedule of fees, and completion of required forms indicating the Commissioner's consent. Grantee may assign this Water Easement in whole only. The assignee shall succeed to all of the rights and privileges of the

Grantee hereunder and shall be held to have assumed all of the duties and obligations of the Grantee to the Commissioner (including payments of rentals up to and after the date of the assignment), except that the Commissioner reserves the right to increase the annual rental and percent rental to be payable by the assigned under Paragraph 11. No such assignment or sublease shall attempt to convey any permanent interest in Water Rights. Any sublease or assignment without Water Easement amendment shall be null and void.

19. Collateral Assignment

Grantee shall obtain approval of the Commissioner before making any collateral assignment or mortgage of its interest in this Easement or its improvements, and any such collateral assignment or mortgage shall be subject to the conditions, limitations and requirements set forth in the State Land Office rules. The Commissioner's approval of a collateral assignment or mortgage shall not release Grantee from any of its obligations under this Easement, except as agreed to in writing by the Commissioner. If the Commissioner gives Grantee a notice of default, the Commissioner shall simultaneously provide a copy of the notice to an approved collateral assignee or mortgagee, which shall have the right to cure the default within the time provided, subject to the requirements of State Land Office rules. An approved collateral assignee or mortgagee may succeed to the rights and duties of Grantee, and it may assign the Water Easement in accordance with Paragraph 18, and State Land Office Rules governing assignments.

20. Grantee Breach and Cancellation

The Commissioner may terminate this Water Easement for breach of any term or covenant of this Easement. Any substantial deviation in water quantity or water quality, if reasonably attributable to Grantee, or any change in the purpose of the Easement from that stated herein, shall constitute grounds for the Commissioner, in the Commissioner's sole discretion, to terminate, amend, modify, renegotiate, cancel or otherwise change this Easement; provided, however, that the Commissioner shall mail to the Grantee, by certified mail, addressed to the mailing address of Grantee shown in the Commissioner's current records, a thirty (30) day notice of intention to alter or terminate, specifying the reasons for which the notice is given. Proof of mailing, but no proof of receipt of notice, shall be necessary, and thirty (30) days after such mailing this Easement shall terminate *ipso facto* without further notice or proceeding required of the Commissioner; provided, however, there shall be no termination and reversion if Grantee has previously made arrangements satisfactory to the Commissioner to discharge or resolve the breach.

21. Holding Over

Upon termination or expiration of this Easement, any act or conduct of Grantee, including, but not limited to, the unapproved entry upon, occupancy, or use, whether continuous or not, of all or any part of the Easement Land by Grantee, the Grantee's agents, or by any unauthorized improvements or other improvements required or ordered to be removed upon termination or expiration shall constitute Holding Over. At the termination or expiration of this Easement, Grantee immediately shall deliver possession to the Commissioner. In the event of Grantee's Holding Over, Grantee shall pay the Commissioner from time to time, upon demand, as rental for the period of any hold over, to be due for each day of such hold over, an amount equal to two hundred percent (200%) of the annual rent. Nothing contained herein shall be construed as a grant to Grantee of the right to hold over or otherwise enter the Easement Land for any purpose after the expiration or termination of this Easement without the prior written approval of the Commissioner. At any time that Grantee is holding over, the Commissioner shall, without requirement of further notice or grace period, have any and all rights to evict or otherwise remove Grantee by force or

otherwise, with all costs and fees incurred in such action to be due and payable by Grantee. This Section shall survive the termination or expiration of this Easement.

22. Bond

Prior to commencement of operations under this Easement, Grantee shall obtain the Commissioner's approval of and file a bond with the Commissioner in the amount of one thousand dollars (\$1,000.00) to secure payment to the Commissioner of such damage as may occur to livestock, range, water, crops or tangible improvements on the subject lands as may result from Grantee's use and occupation under this Easement. Such bond shall be payable for the term of this Easement, and may be utilized for reclamation of disturbed lands following the operations of Grantee under this Easement. Payment under this paragraph is to be made to the Commissioner and not to any other party. Grantee's bond shall not be liquidated damages, and the Commissioner reserves the right to pursue any other remedy for damages available at law or in equity.

23. Indemnification

Grantee shall hold harmless, indemnify and defend the State of New Mexico, the Commissioner and the Commissioner's employees, agents, and contractors, and beneficiaries, in both their official and individual capacities, from any and all liabilities, claims, losses, damages, or expenses, including but not limited to reasonable attorneys' fees, loss of land value, third party claims, penalties or removal, remedial or restoration costs arising out of, alleged to arise out of or indirectly connected with a) the operations hereunder of Grantee or Grantee's employees, agents, contractors, or invitees, b) any hazardous materials located in, under, or upon or otherwise affecting the Easement Land or adjacent property, or c) the activities of third parties on the Easement Land, whether with or without Grantee's knowledge or consent. In the event that any action, suit or proceeding is brought against Grantee, Grantee shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Commissioner and the Risk Management Division of the New Mexico General Services Department by certified mail. This paragraph shall survive the termination, cancellation or relinquishment of this Water Easement, and any cause of action of the Commissioner to enforce this provision shall not be deemed to accrue until the Commissioner's actual discovery of said liability, claim, loss, damage, or expense.

24. No Waiver by Commissioner

No employee or agent of the Commissioner has the power, right, or authority to orally waive any of the conditions, covenants, or agreements of this Easement; and no waiver by the Commissioner of any of the conditions, covenants, or agreements of this Easement shall be effective unless in writing and executed by the Commissioner. The Commissioner's waiver of Grantee's breach or default of any of the conditions, covenants, or agreements hereof shall not constitute or be construed as a waiver of any other or subsequent breach or default by Grantee. The failure of the Commissioner to enforce at any time any of the conditions, covenants, or agreements of this Easement, or to exercise any option herein provided, or to require at any time performance by Grantee of any of the conditions, covenants, or agreements of this Easement shall not constitute or be construed to be a waiver of such conditions, covenants, or agreements, nor shall it affect the validity of this Easement or any part thereof, or the Commissioner's right to thereafter enforce each and every such condition, covenant, or agreement.

25. Scope of Agreement

This Easement incorporates all the agreements, covenants, and understandings between the Commissioner and Grantee concerning the subject matter hereof and all such agreements, covenants, and understandings are merged into this Easement. No prior agreement or

understanding between the Commissioner and Grantee shall be valid or enforceable unless expressly embodied in this Easement.

26. Non-impairment

Nothing in this Easement is to be construed to allow the impairment of the rights of any lawful holder, present or future, of any geothermal resources, or any mineral, grazing, commercial, easement, or Water Rights on the subject or any other state trust lands.

27. Severability

In the event that any provision of this Easement is held invalid or unenforceable under applicable law, this Easement shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

28. Successors In Interest

All terms, conditions, and covenants of this Easement and all amendments thereto shall extend to and bind the permitted heirs, successors, and assigns of Grantee and the Commissioner. There are no third party beneficiaries of this Easement.

29. Dispute Resolution, Applicable Law and Venue

Any disputes arising under or in connection with this Easement shall be first resolved by mandatory contest pursuant to 19.2.15 NMAC. Subsequent appeal, if any, shall be in the First Judicial District Court of Santa Fe. In all instances, the law of New Mexico shall apply. The laws of the State of New Mexico shall govern this Easement, without giving effect to the conflict of law provisions of the State of New Mexico. Grantee consents to venue and jurisdiction in the District Court in and for the County of Santa Fe, State of New Mexico for purposes of any appeal pursuant to 19.2.15 NMAC, and to service of process under the laws of the State of New Mexico in any action relating to this Easement or its subject matter.

30. Time

Time is of the essence in the performance of each and every provision of this Easement. Grantee's failure to perform any or all of its obligations under this Easement in a timely manner shall be a breach of this Easement.

31. Singular And Plural

Whenever the singular is used herein, the same shall include the plural.

32. Headings And Titles

The use of section or paragraph headings and titles herein is for descriptive purposes only and is independent of the covenants, conditions, and agreements contained herein.

33. No Joint Venture

The Commissioner is not and will not be construed or held to be a partner, joint venturer or associate of Grantee in the conduct of the business of Grantee. The Commissioner will not be liable for any debts incurred by Grantee in the conduct of the business of Grantee. The relationship between the Commissioner and Grantee is, and will remain, solely that of the Commissioner and Grantee.

34. No Commissioner Personal Liability

In the event of a court action, Grantee shall not seek damages from the Commissioner or any employee of SLO or the State of New Mexico in their individual capacity. This Section shall survive termination of this Easement.

35. Stipulations

This easement is being issued with the expectation that all fees, bond(s) and requested data and information has been submitted or will imminently be received by the State Land Office. Should a subsequent audit of this easement reveal any of the above stated items have not been submitted, the New Mexico State Land Office will issue a letter to you requiring that you come into compliance, and the easement holder shall have 30 days to submit the missing item(s) or this easement may be terminated.

The Land Office ARMS Inspection indicates that an archaeological survey of the entire area of potential effect has not been completed. It is recommended that an archaeological survey be conducted before any ground disturbing activities take place.

36. Notices

Written notice by registered or certified U.S. Postal Service, return receipt requested, or delivered by reputable overnight courier, return receipt of tracking system, to the addresses of the party hereunder shall constitute sufficient notice to comply with the terms of this Easement. Notice will be deemed effective upon delivery. Either the Commissioner or Grantee may change its respective address as provided in this Section effective three (3) business days after giving written notice of the change to the other. The addresses for notice are:

Notice to the Commissioner:
New Mexico Commissioner of Public Lands
Attn: Oil Gas Minerals Division
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone: (505) 827-5760

With copy to:
New Mexico State Land Office
General Counsel
P.O. Box 1148
Santa Fe, NM 87504-1148
Phone: (505) 827-5756

Notice to Grantee:
Apache Corporation
Attn: Larry Baker
303 Veterans Airpark Lane
Midland, Texas 79705
Phone: (432) 631-6982
Email: larry.baker@apachecorp.com

IN WITNESS WHEREOF, the Commissioner of Public Lands and the Grantee have signed this Easement to be effective on the date signed by the Commissioner.

GRANTEE:
APACHE CORPORATION

By: Larson and Associates Date: 5/6/21

Name: Robert Nelson 

Title: Geologist

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of Texas

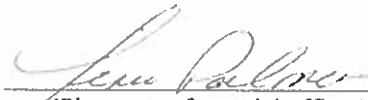
County of Midland

This instrument was acknowledged before me on May 6, 2021 (date) by

Robert Nelson (name) as

Geologist (title) of Larson and Associates

(name of party on behalf of whom instrument is executed).


(Signature of notarial officer)

(seal)

My commission expires: 12-28-2021



GRANTOR
NEW MEXICO COMMISSIONER OF PUBLIC LANDS


Stephanie Garcia Richard, Commissioner of Public Lands

Dated: 5/14/21

OFFICE OF THE STATE ENGINEER/INTERSTATE STREAM COMMISSION – ROSWELL OFFICE

OFFICIAL RECEIPT NUMBER: 2 - 43136 DATE: 3-17-21 FILE NO.: new

TOTAL: 10.00 RECEIVED: 10.00 CHECK NO.: 14861 CASH: 14861

PAYOR: Hanson & Casar ADDRESS: Box 50485 CITY: Midland STATE: TX

ZIP: 79710 RECEIVED BY: ym

INSTRUCTIONS: Indicate the number of actions to the left of the appropriate type of filing. Complete the receipt information. Original to payor; pink copy to Program Support/ASD; and yellow copy for Water Rights. If a mistake is made, void the original and all copies and submit to Program Support/ASD as part of your daily deposit.

A. Ground Water Filing Fees

1. Change of Ownership of Water Right	\$ 2.00
2. Application to Appropriate or Supplement Domestic 72-12-1 Well	\$ 125.00
3. Application to Repair or Deepen 72-12-1 Well	\$ 75.00
4. Application for Replacement 72-12-1 Well	\$ 75.00
5. Application to Change Purpose of Use 72-12-1 Well	\$ 75.00
6. Application for Stock Well/Temp. Use	\$ 5.00

7. Application to Appropriate Irrigation, Municipal, or Commercial Use	\$ 25.00
8. Declaration of Water Right	\$ 1.00
9. Application for Additional Point of Diversion Non 72-12-1 Per Well	\$ 25.00
10. Application to Change Place or Purpose of Use Non 72-12-1 Well	\$ 25.00
11. Application to Change Point of Diversion and Place and/or Purpose of Use from Surface Water to Ground Water	\$ 50.00
12. Application to Change Point of Diversion and Place and/or Purpose of Use from Ground Water to Ground Water	\$ 50.00
13. Application to Change Point of Diversion of Non 72-12-1 Well	\$ 25.00
14. Application to Repair or Deepen Non 72-12-1 Well	\$ 5.00

2-V

15. Application for Test, Expl. Observ. Well	\$ 5.00
16. Application for Extension of Time	\$ 25.00
17. Proof of Application to Beneficial Use	\$ 25.00
18. Notice of Intent to Appropriate	\$ 25.00

B. Surface Water Filing Fees

1. Change of Ownership of a Water Right	\$ 5.00
2. Declaration of Water Right	\$ 10.00
3. Amended Declaration	\$ 25.00
4. Application to Change Point of Diversion and Place and/or Purpose of Use from Surface Water to Surface Water	\$ 200.00
5. Application to Change Point of Diversion and Place and/or Purpose of Use from Ground Water to Surface Water	\$ 200.00
6. Application to Change Point of Diversion	\$ 100.00
7. Application to Change Place and/or Purpose of Use	\$ 100.00
8. Application to Appropriate Notice of Intent to Appropriate	\$ 25.00
10. Application for Extension of Time	\$ 50.00
11. Supplemental Well to a Surface Right	\$ 100.00
12. Return Flow Credit	\$ 25.00
13. Proof of Completion of Works	\$ 25.00
14. Proof of Application of Water to Beneficial Use	\$ 25.00
15. Water Development Plan	\$ 100.00
16. Declaration of Livestock Water Impoundment	\$ 10.00
17. Application for Livestock Water Impoundment	\$ 10.00

C. Well Driller Fees

1. Application for Well Driller's License	\$ 50.00
2. Application for Renewal of Well Driller's License	\$ 50.00
3. Application to Amend Well Driller's License	\$ 50.00

D. Reproduction of Documents

@ 0.25¢	\$
Map(s)	\$

E. Certification

	\$
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F. Other

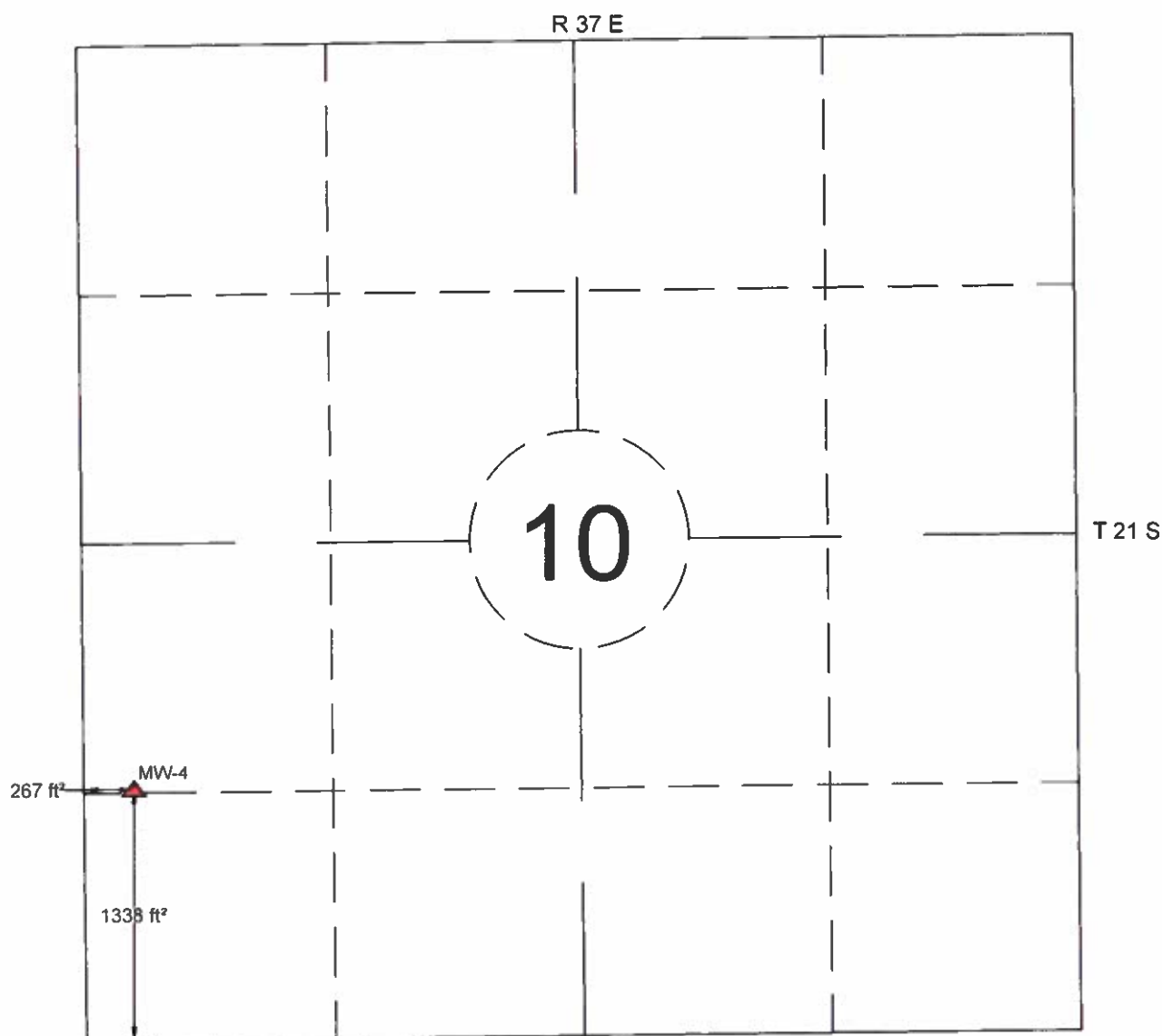
	\$
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G. Comments:

Red X

All fees are non-refundable.





Legend

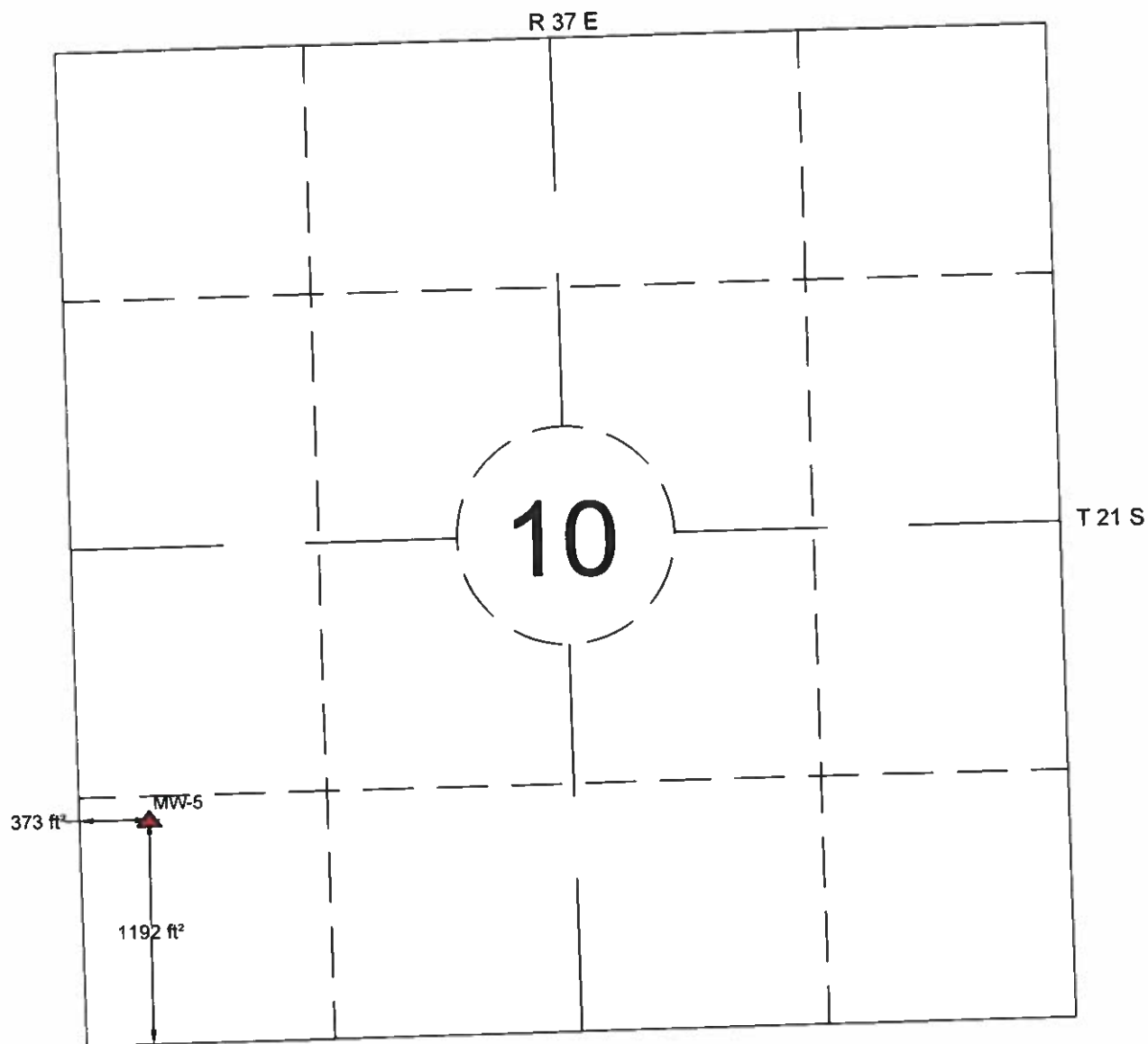
 MW-4 - Proposed Monitoring Well Location



Apache Corporation
 NEDU #527
 Unit L (NW 1/4 of SW 1/4)
 Sec. 10, T. 21 S., R. 37 E.
 Lea County, New Mexico
 32° 29' 23.32"N,
 103° 09' 30.93" W

Larson & Associates, Inc.
 Environmental Consultants

Figure 2a - Proposed Monitoring Well Location MW-4



DSE DTI MAR 17 2021 AM 9:03



Legend

 MW-5 - Proposed Monitoring Well Location



Apache Corporation
NEDU #527
Unit L (NW 1/4 of SW 1/4)
Sec. 10, T. 21 S., R. 37 E.
Lea County, New Mexico
32° 29' 23.32" N,
103° 09' 30.93" W

Larson & Associates, Inc.
Environmental Consultants

Figure 2b - Proposed Monitoring Well Location MW-5



NEW MEXICO STATE LAND OFFICE

WATER MONITORING EASEMENT

NO. WM-673

New-Issue

THIS AGREEMENT, effective April 12, 2021, and signed this 14th day of May, 2021, is made and entered into between the State of New Mexico Commissioner of Public Lands, acting trustee pursuant to the Act of June 21, 1910, 36 Stat. 557, ch. 310, § 10, (Commissioner), and Apache Corporation, whose address is 303 Veterans Airpark Lane, Midland, Texas 79705, (Grantee). This Water Monitoring Easement ("Easement") is not effective until signed by the Commissioner.

1. Grant of Easement

For good and valuable consideration, including the covenants herein, the Commissioner grants to Grantee a Water Easement for two (2) well-sites as herein defined, to be located within the following described area in Lea County ("Easement Land"):

Quarter-Quarter	Section	Township	Range	Number of Easement Acres
NW4SW4	10	21S	37E	40
SW4SW4	10	21S	37E	40

The monitoring wells permitted under this Easement are as follows:

SLO Well-Site Name	Lat Long in decimal degrees	OSE Well POD Number	Volume of Use
MW-4	32.489811, -103.158592	CP-1868 POD1	<1afy
MW-5	32.489414, -103.158247	CP-1868 POD2	

A well-site is one half (0.5) acre with the denominated well in the center. Depending on their proximity, well-sites may overlap. The area of this granted easement is calculated based on 0.5 acres multiplied by the total number of well sites shown above.

2. Term of Easement

A. Term

This Water Easement is for a term of five (5) years, commencing on April 12, 2021 ("Anniversary Date"), and expiring April 11, 2026, unless terminated earlier as provided herein.

B. Renewal

Upon Grantee's written request submitted to the Commissioner at least sixty (60) days prior to the expiration of this Easement, the parties may renew this Easement if the

Commissioner, in the Commissioner's sole discretion, determines such renewal to be in the best interests of the trust.

C. Reversion to Commissioner

At such time that this Water Easement expires, is not renewed, or is otherwise terminated, or if Grantee has failed to use the Easement Land for the permitted purposes for a period of one (1) year, the Easement Land shall *ipso facto* revert to the Commissioner who may, in his sole discretion, thereafter make this Water Easement, with improvements, if any, available for further use. The Commissioner shall give Grantee notice of this said non-renewal by registered mail and no further notice or action on the Commissioner's part shall be required. Any loss of any kind, arising from the non-renewal of this Easement is acknowledged and accepted by the Grantee as a business risk and the Grantee's acknowledgement and acceptance shall be considered an inducement by Grantee to the Commissioner to enter into this Water Easement, shall not be considered a "taking" of any rights or property of Grantee, and shall not be the basis of any action at law or in equity to recover damages of any kind.

3. Purpose and Approved Use

This Easement is for the purpose of allowing Grantee's placement of monitoring well(s) for the benefit of the trust and for the following specific purpose: to monitor groundwater pursuant to the requirements of Corrective Action **AP-68** issued by NMOCD on November 27, 2006. This grant of Easement entitles Grantee to the exclusive use of the easement for the permitted purposes, and to install such improvements as are necessary to those purposes for the term of this easement. This Easement does not entitle Grantee to divert water, or to develop or put to beneficial use any water rights. The Commissioner may permit other uses on or within this Easement to the extent that they do not impair Grantee's permitted purposes.

4. Permits and Reporting

A. Permit to Drill and Copies

Prior to drilling, Grantee shall obtain a permit to drill a well with no water right (Permit) for each well included in this Easement from the New Mexico Office of the State Engineer (OSE). The Permit application must name the Commissioner of Public Lands as co-applicant and indicate that the well is to be located on land owned by the New Mexico State Land Office. Grantee shall send the Commissioner a copy of all applications for a Permit or correspondence related to the applications contemporaneously with any OSE filing, and shall send to the Commissioner a copy of any and all OSE response(s), Permits, or other communication(s) regarding Permit within ten (10) days of receipt. Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, any other state agency having proper jurisdiction over the water.

B. Monitoring Reports

Grantee shall provide to the Commissioner copies of all interim and final reports created using data collected from the wells permitted under this Easement.

C. Commissioner Participation in Filing

The Commissioner, in the Commissioner's discretion, may assist Grantee in any filings or proceedings before the OSE. However, the Commissioner may withhold approval of any filings with the OSE, may withdraw participation or approval of any joint filing with the OSE, and may contest or challenge any filing (even if the Commissioner was previously a joint applicant or party to the filing), if the Commissioner determines that a filing is not or is no longer in the best interest of the trust. At the written request of the Commissioner, Grantee shall withdraw any filing with the OSE.

5. Grantee Standard of Care

Grantee shall act prudently in drilling wells and performing water monitoring. "Prudent" within the context of this provision means that standard of care, operating and action of a reasonable water user acting pursuant to provisions of New Mexico water law and any other applicable laws, rules, and regulations. When Grantee has completed monitoring use of the well, Grantee will plug the well and provide Commissioner written evidence of having done so.

6. Documentation

As soon as practicable, Grantee shall furnish to the Commissioner copies of records, reports and plats of its operation, produced during the term of this Easement, including but not limited to water quality tests, well logs, drill cores, meter readings, and any data relating to hydrology and geological formations.

7. Amendment

This Easement shall not be altered, changed, or amended except by a written instrument executed by both the Commissioner and Grantee. An amendment is required to add wells to or remove wells from this Easement, or to establish rights-of-way or install improvements outside of the Easement Land. Each such amendment application shall be accompanied by the filing fee set forth in the Commissioner's current schedule of fees, and an annual rental payment per well, to be calculated and due as described in Paragraph 11.

8. Rights-of-way

Grantee shall have the right, without further consideration, to establish such rights-of-way upon the Easement Land as are reasonably necessary to the Purpose and Approved Use of the Easement, to install or maintain any necessary equipment or facilities on the Easement Land. Grantee shall not establish any rights-of-way or install any improvements outside of the Easement Land without an amendment to this Easement. It is Grantee's sole responsibility to notify and obtain in advance the approval of any surface lessee for any right-of-way. The Commissioner reserves the right to require such rights-of-way to be moved when the development or other use of the surrounding trust lands require this. Rights of way outside the Easement Land will be granted by the Commissioner, in the Commissioner's discretion. No right-of-way, or other access across, or use of any lands other than those expressly granted in this Easement is implied or expressed.

9. Surveys

Grantee shall survey each well site as soon as practicable after drilling, and submit a copy of the survey plat when completed to the Commissioner.

10. Improvements

A. Authorized Improvements

Grantee may make or place such improvements and equipment upon or under the Easement Lands as are reasonably necessary to the purpose of the Easement, subject to the requirements for removal of improvements and equipment set forth in Paragraph C below. No pipelines shall be installed, and no water right shall be developed or used under this Easement. All Grantee improvements such as well housing, piping, casing, and related equipment installed or obtained by Grantee on the granted Easement shall remain Grantee's sole property and liability. All such improvements shall be subject to the lien described in NMSA 1978 § 19-7-34. Grantee shall submit a written request for approval from the Commissioner prior to making any changes or additions to Authorized Improvements on the Easement Land. At the request of the Commissioner, Grantee shall submit updated survey plats showing such changes or additions.

B. Unauthorized Improvements

In the event that improvements not authorized by the Commissioner are placed on or under the Easement Land, at the Commissioner's discretion, such improvements may thereafter be deemed forfeited to the Commissioner and for purposes of Sections 19-7-14 and 19-10-28 NMSA 1978, no payments shall be due pursuant to those sections for such remaining improvements, or the Commissioner may order the removal, at Grantee's expense, of such improvements and the restoration of the Easement Land to its condition existing prior to the placement of said improvements.

C. Removal of Improvements or Equipment

Upon the termination, expiration or assignment of Grantee's interest in this Easement, Grantee may remove all such improvements, but only to the extent that such removal will not cause material injury to the Easement Land, and provided that all sums due to the Commissioner have been paid and that such removal is accomplished within sixty (60) days of the date of termination, expiration or assignment; or, Grantee may sell its interest in such physical improvements to a subsequent grantee or assignee. Any such sale or removal shall be subject to the Commissioner's paramount statutory lien. The Commissioner may, in writing, consent to the Grantee leaving designated improvements upon the Easement Land, and such improvements shall thereafter be deemed forfeited to the Commissioner, and no payments for such remaining improvements shall be due under Sections 19-7-14 and 19-10-28 NMSA 1978. Any other improvements not removed or sold by Grantee shall continue to be Grantee's sole property and liability, shall be deemed in trespass, and shall give rise to such remedies for trespass and waste as may be available to the Commissioner at law or in equity. The Commissioner may extend the 60-day period upon good cause shown.

11. Payment of Rental

A. Annual Rental

Grantee shall pay annual rental in the amount of **\$1,000** (\$500 per well) to be due on or before the Anniversary Date **April 12th** of each year. If this Easement is relinquished, cancelled or otherwise terminated prior to the end of the term set forth above, the annual rental shall not be prorated, reduce or refunded for any part of any year during which the Easement is in effect.

B. Payment Submittal

Payment of all sums due hereunder shall be made payable to "Commissioner of Public Lands" and shall include the State Land Office Water Easement number **WM-673**, and shall be submitted to the Director of Oil Gas Minerals Division, New Mexico State Land Office, 310 Old Santa Fe Trail, P.O. Box 1148, Santa Fe, New Mexico 87504-1148.

12. Receipt of Monies:

A. Receipt of Monies

No receipt of monies, including rental, by the Commissioner from Grantee, or any other person acting for or on Grantee's behalf, after termination or expiration of this Easement shall reinstate, continue, or extend the Term; affect any notice previously given to Grantee; operate as a waiver of the Commissioner's right to enforce payment of any rent or other monies due or thereafter falling due; or, operate as waiver of the right of the Commissioner to recover possession of the Easement Land by legal action.

B. Acceptance of Payment

Grantee understands that the Commissioner's receipt of any monies is governed by the New Mexico State Land Office Rules. Grantee agrees that the Commissioner's negotiation of Grantee's

check or other means of payment, and crediting the proceeds of such instrument to a suspense account, does not constitute acceptance of Grantee's payment.

C. Application of Payments

The Commissioner shall have the right to apply any payments made by Grantee to satisfy Grantee's obligations to the Commissioner in any order at the Commissioner's sole discretion, and without regard to Grantee's instructions as to the application of any such payment or part thereof, whether such instructions are endorsed on Grantee's check or otherwise, unless the Commissioner and Grantee otherwise agree, in writing, before the Commissioner accepts such payment. The Commissioner's acceptance of a check or payment by Grantee or others on Grantee's behalf shall not, in any way, affect Grantee's obligations hereunder nor shall it be deemed an approval of any assignment or subletting of this Water Easement.

13. Signage

Grantee shall post on each well a sign with the Grantee's name, Easement number, State Land Office well number, OSE permit number and location by legal description.

14. Site Security and Fencing

Any and all site security of any kind for Grantee, Grantee's agents, employees or invitees, the Easement Land, or any personal property thereon shall be the sole responsibility and obligation of Grantee, and shall be provided by Grantee at Grantee's sole cost and expense. Grantee agrees to provide reasonable security for the Easement Land and all construction areas within the Easement Land consistent with standard industry practices and in conformity with Grantee's duty to prevent waste and trespass. If the Commissioner requires or approves in advance in writing, Grantee will furnish proof to the Commissioner that required or approved fencing is completed and in good repair.

15. Reclamation

Grantee agrees to reclaim by grading, levelling or terracing all areas disturbed by its activities on the Easement Land, and to landscape such areas at its own cost and expense. A Reclamation Plan must be submitted to and approved by Grantor prior to implementation. Grantor will not release Grantee from its responsibility for reclamation and revegetation until all work described in the Reclamation Plan has been completed and Grantor has performed an inspection on the Easement Land. The goal of the Reclamation Plan shall be to achieve native plant cover and diversity levels equal to or exceeding the natural potential levels in undisturbed soils adjacent to the project area. The Reclamation Plan shall include the following:

A. Narrative

The Reclamation Plan shall include a narrative describing all reclamation activities including removal of debris and equipment.

B. Re-Vegetation Requirements

A detailed description of the seed mix (native seed only), seeding rate/acre, method of dispersal, timing of dispersal, follow up monitoring plan, a re-seeding plan if initial efforts are unsuccessful, and a plan for addressing noxious weeds shall all be included in the Reclamation Plan. All seed mixtures submitted for approval shall specify pounds of pure live seed per acre. The seed shall contain no primary or secondary noxious weeds. Commercially sold seed shall be either certified or registered seed. The Noxious Weed component of the Reclamation Plan should include identification of the species of concern and the methods used to eradicate those species from the site. Eradication techniques may include mechanical treatment, chemical treatment, follow-up and monitoring. A Final Report is required on implementation and completion of the Reclamation that includes a brief narrative of the seeding and monitoring efforts and photos of the

reclaimed area. Once Grantee has submitted the Final Report and the Grantor has approved the work, Grantor will provide acknowledgment that reclamation requirements have been met.

16. Compliance with State Land Office Rules and Other Laws

Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, the OSE where the State Engineer has jurisdiction over the monitoring wells. Grantee shall fully comply with all federal, state and local laws, rules, regulations, ordinances and requirements applicable to the Easement Land or to Grantee's operations thereon, including but not limited to all applicable laws governing water; endangered or threatened species; hazardous materials; environmental protection; land use; health and safety; cultural, historic or archeological / paleontological properties; waste; trespass, and the New Mexico Cultural Properties Act, NMSA 1978, 18-6-1 et seq. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the Commissioner as herein provided or as otherwise permitted by law. Grantee shall comply with all New Mexico State Land Office Rules and Regulations, 19.2 NMAC, including those that may be hereafter promulgated. Grantee's obligations under this paragraph include but are not limited to compliance with NMSA 1978 Section 19-6-5, requiring a lessee of State Trust Land to protect the Easement Land from waste or trespass. Grantee's compliance with all laws, regulations and policy shall be at its own expense.

17. Relinquishment

A. Relinquishment

Grantee may, with the Commissioner's approval, relinquish this Easement provided that Grantee is in compliance with all terms of this Easement, including the payment of all rentals due, and if all improvements made pursuant to the Easement on, for, or appurtenant to the Easement Land have been approved by the Commissioner and arrangements satisfactory to the Commissioner have been made for either their removal or retention. Grantee may request relinquishment of all or any part of the Easement Land by filing relinquishment forms prescribed by the Commissioner and paying the relinquishment fee in the Commissioner's schedule of fees. Granting the request is at the discretion of the Commissioner.

C. No Release of Liability or Obligations

Grantee shall not, by relinquishment, avoid or be released from any liability for known or unknown waste or damage to the Easement Land, including environmental damage arising from, or in connection with, Grantee's use or occupancy thereof. Likewise, by relinquishment Grantee shall not be relieved of or discharged of obligations accrued by Grantee as of the date of relinquishment, including the obligation to reclaim the surface, revegetate the surface, pay the rentals required under Paragraph 11 and indemnify the Commissioner in accordance with the terms of this Easement.

D. No Refunds for Relinquishment

Upon any relinquishment, Grantee shall not be entitled to the refund of any rental previously paid.

18. Assignment or Sublease

Grantee shall not assign or sublease any rights granted hereunder, any part thereof, any portion of the Easement Land or any improvements located on the Easement Land without the prior amendment of this Water Easement pursuant to Paragraph 7 to permit such sublease or assignment, payment of the fee provided in the Commissioner's schedule of fees, and completion of required forms indicating the Commissioner's consent. Grantee may assign this Water Easement in whole only. The assignee shall succeed to all of the rights and privileges of the

Grantee hereunder and shall be held to have assumed all of the duties and obligations of the Grantee to the Commissioner (including payments of rentals up to and after the date of the assignment), except that the Commissioner reserves the right to increase the annual rental and percent rental to be payable by the assigned under Paragraph 11. No such assignment or sublease shall attempt to convey any permanent interest in Water Rights. Any sublease or assignment without Water Easement amendment shall be null and void.

19. Collateral Assignment

Grantee shall obtain approval of the Commissioner before making any collateral assignment or mortgage of its interest in this Easement or its improvements, and any such collateral assignment or mortgage shall be subject to the conditions, limitations and requirements set forth in the State Land Office rules. The Commissioner's approval of a collateral assignment or mortgage shall not release Grantee from any of its obligations under this Easement, except as agreed to in writing by the Commissioner. If the Commissioner gives Grantee a notice of default, the Commissioner shall simultaneously provide a copy of the notice to an approved collateral assignee or mortgagee, which shall have the right to cure the default within the time provided, subject to the requirements of State Land Office rules. An approved collateral assignee or mortgagee may succeed to the rights and duties of Grantee, and it may assign the Water Easement in accordance with Paragraph 18, and State Land Office Rules governing assignments.

20. Grantee Breach and Cancellation

The Commissioner may terminate this Water Easement for breach of any term or covenant of this Easement. Any substantial deviation in water quantity or water quality, if reasonably attributable to Grantee, or any change in the purpose of the Easement from that stated herein, shall constitute grounds for the Commissioner, in the Commissioner's sole discretion, to terminate, amend, modify, renegotiate, cancel or otherwise change this Easement; provided, however, that the Commissioner shall mail to the Grantee, by certified mail, addressed to the mailing address of Grantee shown in the Commissioner's current records, a thirty (30) day notice of intention to alter or terminate, specifying the reasons for which the notice is given. Proof of mailing, but no proof of receipt of notice, shall be necessary, and thirty (30) days after such mailing this Easement shall terminate *ipso facto* without further notice or proceeding required of the Commissioner; provided, however, there shall be no termination and reversion if Grantee has previously made arrangements satisfactory to the Commissioner to discharge or resolve the breach.

21. Holding Over

Upon termination or expiration of this Easement, any act or conduct of Grantee, including, but not limited to, the unapproved entry upon, occupancy, or use, whether continuous or not, of all or any part of the Easement Land by Grantee, the Grantee's agents, or by any unauthorized improvements or other improvements required or ordered to be removed upon termination or expiration shall constitute Holding Over. At the termination or expiration of this Easement, Grantee immediately shall deliver possession to the Commissioner. In the event of Grantee's Holding Over, Grantee shall pay the Commissioner from time to time, upon demand, as rental for the period of any hold over, to be due for each day of such hold over, an amount equal to two hundred percent (200%) of the annual rent. Nothing contained herein shall be construed as a grant to Grantee of the right to hold over or otherwise enter the Easement Land for any purpose after the expiration or termination of this Easement without the prior written approval of the Commissioner. At any time that Grantee is holding over, the Commissioner shall, without requirement of further notice or grace period, have any and all rights to evict or otherwise remove Grantee by force or

otherwise, with all costs and fees incurred in such action to be due and payable by Grantee. This Section shall survive the termination or expiration of this Easement.

22. Bond

Prior to commencement of operations under this Easement. Grantee shall obtain the Commissioner's approval of and file a bond with the Commissioner in the amount of one thousand dollars (\$1,000.00) to secure payment to the Commissioner of such damage as may occur to livestock, range, water, crops or tangible improvements on the subject lands as may result from Grantee's use and occupation under this Easement. Such bond shall be payable for the term of this Easement, and may be utilized for reclamation of disturbed lands following the operations of Grantee under this Easement. Payment under this paragraph is to be made to the Commissioner and not to any other party. Grantee's bond shall not be liquidated damages, and the Commissioner reserves the right to pursue any other remedy for damages available at law or in equity.

23. Indemnification

Grantee shall hold harmless, indemnify and defend the State of New Mexico, the Commissioner and the Commissioner's employees, agents, and contractors, and beneficiaries, in both their official and individual capacities, from any and all liabilities, claims, losses, damages, or expenses, including but not limited to reasonable attorneys' fees, loss of land value, third party claims, penalties or removal, remedial or restoration costs arising out of, alleged to arise out of or indirectly connected with a) the operations hereunder of Grantee or Grantee's employees, agents, contractors, or invitees, b) any hazardous materials located in, under, or upon or otherwise affecting the Easement Land or adjacent property, or c) the activities of third parties on the Easement Land, whether with or without Grantee's knowledge or consent. In the event that any action, suit or proceeding is brought against Grantee, Grantee shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Commissioner and the Risk Management Division of the New Mexico General Services Department by certified mail. This paragraph shall survive the termination, cancellation or relinquishment of this Water Easement, and any cause of action of the Commissioner to enforce this provision shall not be deemed to accrue until the Commissioner's actual discovery of said liability, claim, loss, damage, or expense.

24. No Waiver by Commissioner

No employee or agent of the Commissioner has the power, right, or authority to orally waive any of the conditions, covenants, or agreements of this Easement; and no waiver by the Commissioner of any of the conditions, covenants, or agreements of this Easement shall be effective unless in writing and executed by the Commissioner. The Commissioner's waiver of Grantee's breach or default of any of the conditions, covenants, or agreements hereof shall not constitute or be construed as a waiver of any other or subsequent breach or default by Grantee. The failure of the Commissioner to enforce at any time any of the conditions, covenants, or agreements of this Easement, or to exercise any option herein provided, or to require at any time performance by Grantee of any of the conditions, covenants, or agreements of this Easement shall not constitute or be construed to be a waiver of such conditions, covenants, or agreements, nor shall it affect the validity of this Easement or any part thereof, or the Commissioner's right to thereafter enforce each and every such condition, covenant, or agreement.

25. Scope of Agreement

This Easement incorporates all the agreements, covenants, and understandings between the Commissioner and Grantee concerning the subject matter hereof and all such agreements, covenants, and understandings are merged into this Easement. No prior agreement or

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understanding between the Commissioner and Grantee shall be valid or enforceable unless expressly embodied in this Easement.

26. Non-impairment

Nothing in this Easement is to be construed to allow the impairment of the rights of any lawful holder, present or future, of any geothermal resources, or any mineral, grazing, commercial, easement, or Water Rights on the subject or any other state trust lands.

27. Severability

In the event that any provision of this Easement is held invalid or unenforceable under applicable law, this Easement shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

28. Successors In Interest

All terms, conditions, and covenants of this Easement and all amendments thereto shall extend to and bind the permitted heirs, successors, and assigns of Grantee and the Commissioner. There are no third party beneficiaries of this Easement.

29. Dispute Resolution, Applicable Law and Venue

Any disputes arising under or in connection with this Easement shall be first resolved by mandatory contest pursuant to 19.2.15 NMAC. Subsequent appeal, if any, shall be in the First Judicial District Court of Santa Fe. In all instances, the law of New Mexico shall apply. The laws of the State of New Mexico shall govern this Easement, without giving effect to the conflict of law provisions of the State of New Mexico. Grantee consents to venue and jurisdiction in the District Court in and for the County of Santa Fe, State of New Mexico for purposes of any appeal pursuant to 19.2.15 NMAC, and to service of process under the laws of the State of New Mexico in any action relating to this Easement or its subject matter.

30. Time

Time is of the essence in the performance of each and every provision of this Easement. Grantee's failure to perform any or all of its obligations under this Easement in a timely manner shall be a breach of this Easement.

31. Singular And Plural

Whenever the singular is used herein, the same shall include the plural.

32. Headings And Titles

The use of section or paragraph headings and titles herein is for descriptive purposes only and is independent of the covenants, conditions, and agreements contained herein.

33. No Joint Venture

The Commissioner is not and will not be construed or held to be a partner, joint venturer or associate of Grantee in the conduct of the business of Grantee. The Commissioner will not be liable for any debts incurred by Grantee in the conduct of the business of Grantee. The relationship between the Commissioner and Grantee is, and will remain, solely that of the Commissioner and Grantee.

34. No Commissioner Personal Liability

In the event of a court action, Grantee shall not seek damages from the Commissioner or any employee of SLO or the State of New Mexico in their individual capacity. This Section shall survive termination of this Easement.

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35. Stipulations

This easement is being issued with the expectation that all fees, bond(s) and requested data and information has been submitted or will imminently be received by the State Land Office. Should a subsequent audit of this easement reveal any of the above stated items have not been submitted, the New Mexico State Land Office will issue a letter to you requiring that you come into compliance, and the easement holder shall have 30 days to submit the missing item(s) or this easement may be terminated.

The Land Office ARMS Inspection indicates that an archaeological survey of the entire area of potential effect has not been completed. It is recommended that an archaeological survey be conducted before any ground disturbing activities take place.

36. Notices

Written notice by registered or certified U.S. Postal Service, return receipt requested, or delivered by reputable overnight courier, return receipt of tracking system, to the addresses of the party hereunder shall constitute sufficient notice to comply with the terms of this Easement. Notice will be deemed effective upon delivery. Either the Commissioner or Grantee may change its respective address as provided in this Section effective three (3) business days after giving written notice of the change to the other. The addresses for notice are:

Notice to the Commissioner:

New Mexico Commissioner of Public Lands
Attn: Oil Gas Minerals Division
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone: (505) 827-5760

With copy to:
New Mexico State Land Office
General Counsel
P.O. Box 1148
Santa Fe, NM 87504-1148
Phone: (505) 827-5756

Notice to Grantee:

Apache Corporation
Attn: Larry Baker
303 Veterans Airpark Lane
Midland, Texas 79705
Phone: (432) 631-6982
Email: larry.baker@apachecorp.com

IN WITNESS WHEREOF, the Commissioner of Public Lands and the Grantee have signed this Easement to be effective on the date signed by the Commissioner.

GRANTEE:
APACHE CORPORATION

By: Larson and Associates

Date: 5/6/21

Name: Robert Nelson 

Title: Geologist

2021 MAY 11 AM 8:02

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of Texas

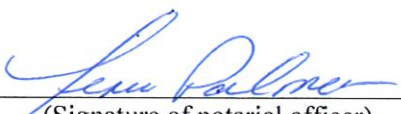
County of Midland

This instrument was acknowledged before me on May 6, 2021 (date) by

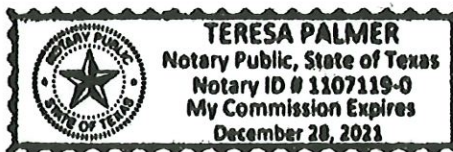
Robert Nelson (name) as

Geologist (title) of Larson and Associates

(name of party on behalf of whom instrument is executed).


(Signature of notarial officer)

(seal)



My commission expires: 12-28-2021

GRANTOR
NEW MEXICO COMMISSIONER OF PUBLIC LANDS


Stephanie Garcia Richard, Commissioner of Public Lands

Dated: 5/14/21

Appendix D
Monitoring Well
Completion Records

BORING RECORD

GEOLOGIC UNIT	DEPTH	Start: 12:15 Finish: 13:40 MST DESCRIPTION LITHOLOGIC	DESCRIPTION USCS	GRAPHIC LOG	Surface Elevation: TOC Elevation:		REMARKS	
					NUMBER	RECOVERY	DEPTH	BACKGROUND PID READING
	0							SOIL : _____ PPM SOIL : _____ PPM
	5	Caliche, 7.5YR 8/1, White, Well Cement	Caliche					
	10							
	15	2.5YR 8/2, Pinkish White, Moderate Cement,						
	20	Fine Sand, 7YR 7/4, Light Reddish Brown, Poor Cemented, Moderately Sorted, Sub Rounded	SW					
	25							
	30							
	35							
	40	Very Fine Sand, 7YR 7/4, Light Reddish Brown, Sub Angular - Sub Rounded, Moderately Sorted						
	45							
	50							
	55							
	60		SW					
	65							
	70							
	75							
		TD: 76'						

Circulating Water



60' Depth of Water

Graded Silica Sand

2" Sch. 40 PVC Threaded 0.0.0" Slotted Screw

Cap



ONE CONTINUOUS AUGER SAMPLER



STANDARD PENETRATION TEST



UNDISTURBED SAMPLE



WATER TABLE (24 HRS)



WATER TABLE (TIME OF BORING)



LABORATORY TEST LOCATION



PENETROMETER (TONS/ SQ. FT)



NR NO RECOVERY

JOB NUMBER : Apache/ 19-0112-18

HOLE DIAMETER : 3"

LOCATION : NEDU 527, Lea County

LAI GEOLOGIST : D. St.Germain

DRILLING CONTRACTOR : SDI

DRILLING METHOD : Air Rotary

Larson & Associates, Inc.
Environmental Consultants

DRILL DATE :
5/25/2021

BORING NUMBER :
MW-1

BORING RECORD

GEOLOGIC UNIT	DEPTH	Start: 13:50 Finish: 15:00 DESCRIPTION LITHOLOGIC	DESCRIPTION USCS	GRAPHIC LOG	Surface Elevation: TOC Elevation:		REMARKS	
					NUMBER	RECOVERY	DEPTH	BACKGROUND PID READING SOIL : _____ PPM SOIL : _____ PPM
	0							
	5	Caliche, 7.5YR 8/1, White, Well Cement	Caliche					
	10	7.5YR 8/1, White Well Cemented, with Small Amount of Very Fine Sand, Sub Rounded to Sub Angular, Moderately Sorted Sand	Caliche					
	15		- SW					
	20	Caliche, 2.5YR 8/2, Pinkish White, Moderately Cemented						
	25	Fine Sand, 7YR 7/4, Light Reddish Brown, Sub Rounded - Sub Angular, Moderately Sorted (With Some Well Cemented Caliche, 7.5 YR 8/1, White) 26' to 28' bgs						
	30							
	35	Very Fine Sand, 7YR 7/4, Light Reddish Brown, Sub Angular - Sub Rounded, Moderately Sorted						
	40							
	45							
	50							
	55							
	60		SW					
	65							
	70							
	75							
		TD: 76'						

Circulating Water



60' Depth of Water

Graded Silica Sand

2" Sch. 40 PVC Threaded 0.0.0" Slotted Screw

Cap

ONE CONTINUOUS AUGER SAMPLER

STANDARD PENETRATION TEST

UNDISTURBED SAMPLE

WATER TABLE (24 HRS)

WATER TABLE (TIME OF BORING)

LABORATORY TEST LOCATION

PENETROMETER (TONS/ SQ. FT)

NR NO RECOVERY

JOB NUMBER : Apache/ 19-0112-18

HOLE DIAMETER : 3"

LOCATION : NEDU 527, Lea County

LAI GEOLOGIST : D. St.Germain

DRILLING CONTRACTOR : SDI

DRILLING METHOD : Air Rotary

 Larson & Associates, Inc.
Environmental Consultants

DRILL DATE : 5/25/2021

BORING NUMBER : MW-2

Appendix E
Laboratory Reports



Environment Testing America

ANALYTICAL REPORT

Eurofins Xenco, Midland
1211 W. Florida Ave
Midland, TX 79701
Tel: (432)704-5440

Laboratory Job ID: 880-2661-1

Laboratory Sample Delivery Group: 19-0112-18

Client Project/Site: Apache - NEDU 527

For:

Larson & Associates, Inc.
507 N Marienfeld
Suite 202
Midland, Texas 79701

Attn: Mr. Mark J Larson

Holly Taylor

Authorized for release by:
6/9/2021 5:51:22 PM

Holly Taylor, Project Manager
(806)794-1296
holly.taylor@eurofinset.com

LINKS

Review your project
results through

TotalAccess

Have a Question?



Visit us at:

www.eurofinsus.com/Env

This report has been electronically signed and authorized by the signatory. Electronic signature is intended to be the legally binding equivalent of a traditionally handwritten signature.

Results relate only to the items tested and the sample(s) as received by the laboratory.

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Laboratory Job ID: 880-2661-1
SDG: 19-0112-18

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Definitions/Glossary

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Qualifiers

GC VOA

Qualifier	Qualifier Description
U	Indicates the analyte was analyzed for but not detected.

HPLC/IC

Qualifier	Qualifier Description
U	Indicates the analyte was analyzed for but not detected.

General Chemistry

Qualifier	Qualifier Description
U	Indicates the analyte was analyzed for but not detected.

Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
□	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CFL	Contains Free Liquid
CFU	Colony Forming Unit
CNF	Contains No Free Liquid
DER	Duplicate Error Ratio (normalized absolute difference)
Dil Fac	Dilution Factor
DL	Detection Limit (DoD/DOE)
DL, RA, RE, IN	Indicates a Dilution, Re-analysis, Re-extraction, or additional Initial metals/anion analysis of the sample
DLC	Decision Level Concentration (Radiochemistry)
EDL	Estimated Detection Limit (Dioxin)
LOD	Limit of Detection (DoD/DOE)
LOQ	Limit of Quantitation (DoD/DOE)
MCL	EPA recommended "Maximum Contaminant Level"
MDA	Minimum Detectable Activity (Radiochemistry)
MDC	Minimum Detectable Concentration (Radiochemistry)
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
MPN	Most Probable Number
SQL	Method Quantitation Limit
NC	Not Calculated
ND	Not Detected at the reporting limit (or MDL or EDL if shown)
NEG	Negative / Absent
POS	Positive / Present
PQL	Practical Quantitation Limit
PRES	Presumptive
QC	Quality Control
RER	Relative Error Ratio (Radiochemistry)
RL	Reporting Limit or Requested Limit (Radiochemistry)
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)
TNTC	Too Numerous To Count

Case Narrative

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Job ID: 880-2661-1

Laboratory: Eurofins Xenco, Midland

Narrative	
	Job Narrative 880-2661-1

Receipt

The samples were received on 6/2/2021 9:44 AM. Unless otherwise noted below, the samples arrived in good condition, and, where required, properly preserved and on ice. The temperature of the cooler at receipt time was 6.0°C

GC VOA

No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

HPLC/IC

No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

General Chemistry

No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

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Client Sample Results

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Client Sample ID: MW-5

Lab Sample ID: 880-2661-1

Date Collected: 06/01/21 13:30

Matrix: Water

Date Received: 06/02/21 09:44

Method: 8021B - Volatile Organic Compounds (GC)

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	<0.00200	U	0.00200	mg/L			06/02/21 21:30	1
Toluene	<0.00200	U	0.00200	mg/L			06/02/21 21:30	1
Ethylbenzene	<0.00200	U	0.00200	mg/L			06/02/21 21:30	1
m-Xylene & p-Xylene	<0.00400	U	0.00400	mg/L			06/02/21 21:30	1
o-Xylene	<0.00200	U	0.00200	mg/L			06/02/21 21:30	1
Xylenes, Total	<0.00400	U	0.00400	mg/L			06/02/21 21:30	1
Total BTEX	<0.00400	U	0.00400	mg/L			06/02/21 21:30	1

Surrogate	%Recovery	Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene (Surr)	116		70 - 130		06/02/21 21:30	1
1,4-Difluorobenzene (Surr)	93		70 - 130		06/02/21 21:30	1

Method: 300.0 - Anions, Ion Chromatography

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	306		2.50	mg/L			06/02/21 21:09	5

General Chemistry

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Total Dissolved Solids	761		50.0	mg/L			06/04/21 16:20	1

Client Sample ID: MW-4

Lab Sample ID: 880-2661-2

Date Collected: 06/01/21 12:58

Matrix: Water

Date Received: 06/02/21 09:44

Method: 8021B - Volatile Organic Compounds (GC)

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	<0.00200	U	0.00200	mg/L			06/02/21 21:56	1
Toluene	<0.00200	U	0.00200	mg/L			06/02/21 21:56	1
Ethylbenzene	<0.00200	U	0.00200	mg/L			06/02/21 21:56	1
m-Xylene & p-Xylene	<0.00400	U	0.00400	mg/L			06/02/21 21:56	1
o-Xylene	<0.00200	U	0.00200	mg/L			06/02/21 21:56	1
Xylenes, Total	<0.00400	U	0.00400	mg/L			06/02/21 21:56	1
Total BTEX	<0.00400	U	0.00400	mg/L			06/02/21 21:56	1

Surrogate	%Recovery	Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene (Surr)	125		70 - 130		06/02/21 21:56	1
1,4-Difluorobenzene (Surr)	97		70 - 130		06/02/21 21:56	1

Method: 300.0 - Anions, Ion Chromatography

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	176		2.50	mg/L			06/02/21 21:15	5

General Chemistry

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Total Dissolved Solids	597		50.0	mg/L			06/04/21 16:20	1

Eurofins Xenco, Midland

Client Sample Results

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Client Sample ID: DUP-1
Date Collected: 06/01/21 00:00
Date Received: 06/02/21 09:44

Lab Sample ID: 880-2661-3
Matrix: Water

Method: 8021B - Volatile Organic Compounds (GC)

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	<0.00200	U	0.00200	mg/L			06/02/21 22:21	1
Toluene	<0.00200	U	0.00200	mg/L			06/02/21 22:21	1
Ethylbenzene	<0.00200	U	0.00200	mg/L			06/02/21 22:21	1
m-Xylene & p-Xylene	<0.00400	U	0.00400	mg/L			06/02/21 22:21	1
o-Xylene	<0.00200	U	0.00200	mg/L			06/02/21 22:21	1
Xylenes, Total	<0.00400	U	0.00400	mg/L			06/02/21 22:21	1
Total BTEX	<0.00400	U	0.00400	mg/L			06/02/21 22:21	1

Surrogate

Surrogate	%Recovery	Qualifier	Limits	Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene (Surr)	111		70 - 130		06/02/21 22:21	1
1,4-Difluorobenzene (Surr)	93		70 - 130		06/02/21 22:21	1

Method: 300.0 - Anions, Ion Chromatography

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	305		2.50	mg/L			06/02/21 21:20	5

General Chemistry

Analyte	Result	Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Total Dissolved Solids	774		50.0	mg/L			06/04/21 16:20	1

Surrogate Summary

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Method: 8021B - Volatile Organic Compounds (GC)
Matrix: Water

Prep Type: Total/NA

		Percent Surrogate Recovery (Acceptance Limits)			
Lab Sample ID	Client Sample ID	BFB1	DFBZ1		
		(70-130)	(70-130)		
880-2635-F-1 MS	Matrix Spike	103	98		
880-2635-F-1 MSD	Matrix Spike Duplicate	99	94		
880-2661-1	MW-5	116	93		
880-2661-2	MW-4	125	97		
880-2661-3	DUP-1	111	93		
LCS 880-3740/3	Lab Control Sample	113	105		
LCSD 880-3740/4	Lab Control Sample Dup	108	97		
MB 880-3740/8	Method Blank	72	82		
Surrogate Legend					
BFB = 4-Bromofluorobenzene (Surr)					
DFBZ = 1,4-Difluorobenzene (Surr)					

QC Sample Results

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Method: 8021B - Volatile Organic Compounds (GC)

Lab Sample ID: MB 880-3740/8

Matrix: Water

Analysis Batch: 3740

Client Sample ID: Method Blank

Prep Type: Total/NA

Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Benzene	<0.00200	U	0.00200	mg/L			06/02/21 14:48	1
Toluene	<0.00200	U	0.00200	mg/L			06/02/21 14:48	1
Ethylbenzene	<0.00200	U	0.00200	mg/L			06/02/21 14:48	1
m-Xylene & p-Xylene	<0.00400	U	0.00400	mg/L			06/02/21 14:48	1
o-Xylene	<0.00200	U	0.00200	mg/L			06/02/21 14:48	1
Xylenes, Total	<0.00400	U	0.00400	mg/L			06/02/21 14:48	1
Total BTEX	<0.00400	U	0.00400	mg/L			06/02/21 14:48	1
Surrogate	MB %Recovery	MB Qualifier	Limits			Prepared	Analyzed	Dil Fac
4-Bromofluorobenzene (Surr)	72		70 - 130				06/02/21 14:48	1
1,4-Difluorobenzene (Surr)	82		70 - 130				06/02/21 14:48	1

Lab Sample ID: LCS 880-3740/3

Matrix: Water

Analysis Batch: 3740

Client Sample ID: Lab Control Sample

Prep Type: Total/NA

Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec. Limits
Benzene	0.100	0.1126		mg/L		113	70 - 130
Toluene	0.100	0.09171		mg/L		92	70 - 130
Ethylbenzene	0.100	0.1038		mg/L		104	70 - 130
m-Xylene & p-Xylene	0.200	0.2094		mg/L		105	70 - 130
o-Xylene	0.100	0.1053		mg/L		105	70 - 130
Surrogate	LCS %Recovery	LCS Qualifier	Limits				
4-Bromofluorobenzene (Surr)	113		70 - 130				
1,4-Difluorobenzene (Surr)	105		70 - 130				

Lab Sample ID: LCSD 880-3740/4

Matrix: Water

Analysis Batch: 3740

Client Sample ID: Lab Control Sample Dup

Prep Type: Total/NA

Analyte	Spike Added	LCSD Result	LCSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	Limit
Benzene	0.100	0.1041		mg/L		104	70 - 130	8	20
Toluene	0.100	0.08829		mg/L		88	70 - 130	4	20
Ethylbenzene	0.100	0.09311		mg/L		93	70 - 130	11	20
m-Xylene & p-Xylene	0.200	0.1880		mg/L		94	70 - 130	11	20
o-Xylene	0.100	0.09414		mg/L		94	70 - 130	11	20
Surrogate	LCSD %Recovery	LCSD Qualifier	Limits						
4-Bromofluorobenzene (Surr)	108		70 - 130						
1,4-Difluorobenzene (Surr)	97		70 - 130						

Lab Sample ID: 880-2635-F-1 MS

Matrix: Water

Analysis Batch: 3740

Client Sample ID: Matrix Spike

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MS Result	MS Qualifier	Unit	D	%Rec	%Rec. Limits
Benzene	<0.00200	U	0.100	0.1085		mg/L		109	70 - 130

Eurofins Xenco, Midland

QC Sample Results

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Method: 8021B - Volatile Organic Compounds (GC) (Continued)

Lab Sample ID: 880-2635-F-1 MS

Matrix: Water

Analysis Batch: 3740

Client Sample ID: Matrix Spike

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MS Result	MS Qualifier	Unit	D	%Rec	%Rec. Limits
Toluene	<0.00200	U	0.100	0.09202		mg/L		92	70 - 130
Ethylbenzene	<0.00200	U	0.100	0.09844		mg/L		98	70 - 130
m-Xylene & p-Xylene	<0.00400	U	0.200	0.1986		mg/L		99	70 - 130
o-Xylene	<0.00200	U	0.100	0.09808		mg/L		98	70 - 130
	MS %Recovery	MS Qualifier	Limits						
Surrogate									
4-Bromofluorobenzene (Surr)	103		70 - 130						
1,4-Difluorobenzene (Surr)	98		70 - 130						

Lab Sample ID: 880-2635-F-1 MSD

Matrix: Water

Analysis Batch: 3740

Client Sample ID: Matrix Spike Duplicate

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MSD Result	MSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	RPD Limit
Benzene	<0.00200	U	0.100	0.09891		mg/L		99	70 - 130	9	25
Toluene	<0.00200	U	0.100	0.08217		mg/L		82	70 - 130	11	25
Ethylbenzene	<0.00200	U	0.100	0.09110		mg/L		91	70 - 130	8	25
m-Xylene & p-Xylene	<0.00400	U	0.200	0.1836		mg/L		92	70 - 130	8	25
o-Xylene	<0.00200	U	0.100	0.09056		mg/L		91	70 - 130	8	25
	MSD %Recovery	MSD Qualifier	Limits								
Surrogate											
4-Bromofluorobenzene (Surr)	99		70 - 130								
1,4-Difluorobenzene (Surr)	94		70 - 130								

Method: 300.0 - Anions, Ion Chromatography

Lab Sample ID: MB 880-3749/3

Matrix: Water

Analysis Batch: 3749

Client Sample ID: Method Blank

Prep Type: Total/NA

Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	<0.500	U	0.500	mg/L			06/02/21 20:37	1

Lab Sample ID: LCS 880-3749/4

Matrix: Water

Analysis Batch: 3749

Client Sample ID: Lab Control Sample

Prep Type: Total/NA

Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec. Limits
Chloride	25.0	24.69		mg/L		99	90 - 110

Lab Sample ID: LCSD 880-3749/5

Matrix: Water

Analysis Batch: 3749

Client Sample ID: Lab Control Sample Dup

Prep Type: Total/NA

Analyte	Spike Added	LCSD Result	LCSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	RPD Limit
Chloride	25.0	24.54		mg/L		98	90 - 110	1	20

Eurofins Xenco, Midland

QC Sample Results

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Method: 300.0 - Anions, Ion Chromatography (Continued)

Lab Sample ID: 880-2667-A-1 MS

Matrix: Water

Analysis Batch: 3749

Client Sample ID: Matrix Spike

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MS Result	MS Qualifier	Unit	D	%Rec	%Rec. Limits
Chloride	52.0		125	176.2		mg/L		99	90 - 110

Lab Sample ID: 880-2667-A-1 MSD

Matrix: Water

Analysis Batch: 3749

Client Sample ID: Matrix Spike Duplicate

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MSD Result	MSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	RPD Limit
Chloride	52.0		125	174.4		mg/L		98	90 - 110	1	20

Lab Sample ID: MB 880-3806/3

Matrix: Water

Analysis Batch: 3806

Client Sample ID: Method Blank

Prep Type: Total/NA

Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac
Chloride	<0.500	U	0.500	mg/L			06/04/21 16:34	1

Lab Sample ID: LCS 880-3806/4

Matrix: Water

Analysis Batch: 3806

Client Sample ID: Lab Control Sample

Prep Type: Total/NA

Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec. Limits
Chloride	25.0	24.93		mg/L		100	90 - 110

Lab Sample ID: LCSD 880-3806/5

Matrix: Water

Analysis Batch: 3806

Client Sample ID: Lab Control Sample Dup

Prep Type: Total/NA

Analyte	Spike Added	LCSD Result	LCSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	RPD Limit
Chloride	25.0	24.97		mg/L		100	90 - 110	0	20

Lab Sample ID: 880-2702-E-1 MS

Matrix: Water

Analysis Batch: 3806

Client Sample ID: Matrix Spike

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MS Result	MS Qualifier	Unit	D	%Rec	%Rec. Limits
Chloride	45.3		125	168.7		mg/L		99	90 - 110

Lab Sample ID: 880-2702-E-1 MSD

Matrix: Water

Analysis Batch: 3806

Client Sample ID: Matrix Spike Duplicate

Prep Type: Total/NA

Analyte	Sample Result	Sample Qualifier	Spike Added	MSD Result	MSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	RPD Limit
Chloride	45.3		125	168.6		mg/L		99	90 - 110	0	20

Eurofins Xenco, Midland

QC Sample Results

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Method: SM 2540C - Solids, Total Dissolved (TDS)

Lab Sample ID: MB 880-3816/1										Client Sample ID: Method Blank	
Matrix: Water										Prep Type: Total/NA	
Analysis Batch: 3816											
Analyte	MB Result	MB Qualifier	RL	Unit	D	Prepared	Analyzed	Dil Fac			
Total Dissolved Solids	<25.0	U	25.0	mg/L			06/04/21 16:20	1			

Lab Sample ID: LCS 880-3816/2										Client Sample ID: Lab Control Sample	
Matrix: Water										Prep Type: Total/NA	
Analysis Batch: 3816											
Analyte	Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec. Limits				
Total Dissolved Solids	1000	995.0		mg/L		99	80 - 120				

Lab Sample ID: LCSD 880-3816/3										Client Sample ID: Lab Control Sample Dup	
Matrix: Water										Prep Type: Total/NA	
Analysis Batch: 3816											
Analyte	Spike Added	LCSD Result	LCSD Qualifier	Unit	D	%Rec	%Rec. Limits	RPD	Limit		
Total Dissolved Solids	1000	989.0		mg/L		99	80 - 120	1	10		

Lab Sample ID: 880-2661-1 DU										Client Sample ID: MW-5	
Matrix: Water										Prep Type: Total/NA	
Analysis Batch: 3816											
Analyte	Sample Result	Sample Qualifier	DU Result	DU Qualifier	Unit	D	RPD	Limit			
Total Dissolved Solids	761		769.0		mg/L		1	10			

QC Association Summary

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

GC VOA

Analysis Batch: 3740

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
880-2661-1	MW-5	Total/NA	Water	8021B	
880-2661-2	MW-4	Total/NA	Water	8021B	
880-2661-3	DUP-1	Total/NA	Water	8021B	
MB 880-3740/8	Method Blank	Total/NA	Water	8021B	
LCS 880-3740/3	Lab Control Sample	Total/NA	Water	8021B	
LCSD 880-3740/4	Lab Control Sample Dup	Total/NA	Water	8021B	
880-2635-F-1 MS	Matrix Spike	Total/NA	Water	8021B	
880-2635-F-1 MSD	Matrix Spike Duplicate	Total/NA	Water	8021B	

HPLC/IC

Analysis Batch: 3749

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
880-2661-1	MW-5	Total/NA	Water	300.0	
880-2661-2	MW-4	Total/NA	Water	300.0	
880-2661-3	DUP-1	Total/NA	Water	300.0	
MB 880-3749/3	Method Blank	Total/NA	Water	300.0	
LCS 880-3749/4	Lab Control Sample	Total/NA	Water	300.0	
LCSD 880-3749/5	Lab Control Sample Dup	Total/NA	Water	300.0	
880-2667-A-1 MS	Matrix Spike	Total/NA	Water	300.0	
880-2667-A-1 MSD	Matrix Spike Duplicate	Total/NA	Water	300.0	

Analysis Batch: 3806

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
MB 880-3806/3	Method Blank	Total/NA	Water	300.0	
LCS 880-3806/4	Lab Control Sample	Total/NA	Water	300.0	
LCSD 880-3806/5	Lab Control Sample Dup	Total/NA	Water	300.0	
880-2702-E-1 MS	Matrix Spike	Total/NA	Water	300.0	
880-2702-E-1 MSD	Matrix Spike Duplicate	Total/NA	Water	300.0	

General Chemistry

Analysis Batch: 3816

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
880-2661-1	MW-5	Total/NA	Water	SM 2540C	
880-2661-2	MW-4	Total/NA	Water	SM 2540C	
880-2661-3	DUP-1	Total/NA	Water	SM 2540C	
MB 880-3816/1	Method Blank	Total/NA	Water	SM 2540C	
LCS 880-3816/2	Lab Control Sample	Total/NA	Water	SM 2540C	
LCSD 880-3816/3	Lab Control Sample Dup	Total/NA	Water	SM 2540C	
880-2661-1 DU	MW-5	Total/NA	Water	SM 2540C	

Lab Chronicle

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Client Sample ID: MW-5
Date Collected: 06/01/21 13:30
Date Received: 06/02/21 09:44

Lab Sample ID: 880-2661-1
Matrix: Water

Prep Type	Batch Type	Batch Method	Run	Dil Factor	Initial Amount	Final Amount	Batch Number	Prepared or Analyzed	Analyst	Lab
Total/NA	Analysis	8021B		1	5 mL	5 mL	3740	06/02/21 21:30	MR	XEN MID
Total/NA	Analysis	300.0		5			3749	06/02/21 21:09	CH	XEN MID
Total/NA	Analysis	SM 2540C		1	100 mL	200 mL	3816	06/04/21 16:20	SC	XEN MID

Client Sample ID: MW-4
Date Collected: 06/01/21 12:58
Date Received: 06/02/21 09:44

Lab Sample ID: 880-2661-2
Matrix: Water

Prep Type	Batch Type	Batch Method	Run	Dil Factor	Initial Amount	Final Amount	Batch Number	Prepared or Analyzed	Analyst	Lab
Total/NA	Analysis	8021B		1	5 mL	5 mL	3740	06/02/21 21:56	MR	XEN MID
Total/NA	Analysis	300.0		5			3749	06/02/21 21:15	CH	XEN MID
Total/NA	Analysis	SM 2540C		1	100 mL	200 mL	3816	06/04/21 16:20	SC	XEN MID

Client Sample ID: DUP-1
Date Collected: 06/01/21 00:00
Date Received: 06/02/21 09:44

Lab Sample ID: 880-2661-3
Matrix: Water

Prep Type	Batch Type	Batch Method	Run	Dil Factor	Initial Amount	Final Amount	Batch Number	Prepared or Analyzed	Analyst	Lab
Total/NA	Analysis	8021B		1	5 mL	5 mL	3740	06/02/21 22:21	MR	XEN MID
Total/NA	Analysis	300.0		5			3749	06/02/21 21:20	CH	XEN MID
Total/NA	Analysis	SM 2540C		1	100 mL	200 mL	3816	06/04/21 16:20	SC	XEN MID

Laboratory References:

XEN MID = Eurofins Xenco, Midland, 1211 W. Florida Ave, Midland, TX 79701, TEL (432)704-5440

Accreditation/Certification Summary

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Laboratory: Eurofins Xenco, Midland

Unless otherwise noted, all analytes for this laboratory were covered under each accreditation/certification below.

Authority	Program	Identification Number	Expiration Date
Texas	NELAP	T104704400-20-21	06-30-21

The following analytes are included in this report, but the laboratory is not certified by the governing authority. This list may include analytes for which the agency does not offer certification.

Analysis Method	Prep Method	Matrix	Analyte
8021B		Water	Total BTEX

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

Method Summary

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Method	Method Description	Protocol	Laboratory
8021B	Volatile Organic Compounds (GC)	SW846	XEN MID
300.0	Anions, Ion Chromatography	MCAWW	XEN MID
SM 2540C	Solids, Total Dissolved (TDS)	SM	XEN MID
5030B	Purge and Trap	SW846	XEN MID

Protocol References:

- MCAWW = "Methods For Chemical Analysis Of Water And Wastes", EPA-600/4-79-020, March 1983 And Subsequent Revisions.
- SM = "Standard Methods For The Examination Of Water And Wastewater"
- SW846 = "Test Methods For Evaluating Solid Waste, Physical/Chemical Methods", Third Edition, November 1986 And Its Updates.

Laboratory References:

- XEN MID = Eurofins Xenco, Midland, 1211 W. Florida Ave, Midland, TX 79701, TEL (432)704-5440

Sample Summary

Client: Larson & Associates, Inc.
Project/Site: Apache - NEDU 527

Job ID: 880-2661-1
SDG: 19-0112-18

Lab Sample ID	Client Sample ID	Matrix	Collected	Received	Asset ID
880-2661-1	MW-5	Water	06/01/21 13:30	06/02/21 09:44	
880-2661-2	MW-4	Water	06/01/21 12:58	06/02/21 09:44	
880-2661-3	DUP-1	Water	06/01/21 00:00	06/02/21 09:44	

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14



2661 No 1628
CHAIN-OF-CUSTODY

880-2661 Chain of Custody

Midland, TX 79701
432-687-0901

ATE: 6/12/2021
LAB WORK ORDER #:
PAGE 1 OF 1
PROJECT LOCATION OR NAME: Apache - MEDU 527
LAI PROJECT #: 19-0112-15 COLLECTOR: TJT

Data Reported to

TRRP report?
☐ Yes ☒ No

S=SOIL
W=WATER
A=AIR
P=PAINT
SL=SLUDGE
OT=OTHER

TIME ZONE
Time zone/State

CST

Field
Sample ID

Lab #

Date

Time

Matrix

of Containers

HCl X3

HNO₃

H₂SO₄ ☐ NaOH ☐

ICE X2

UNPRESSERVED

ANALYSES

BTX ☒ MTBE ☐
TPH 418 ☐ TPH 1005 ☐ TPH 1006 ☐
GASOLINE MOD 8015 ☐
DIESEL MOD 8015 ☐
OIL MOD 8015 ☐
VOC 8260 ☐
SVOC 8270 ☐ PAH 8270 ☐ HOLDPAH ☐
8081 PESTICIDES ☐ 8151 HERBICIDES ☐
TCLP PCBs ☐
TCLP - METALS (RCRA) ☐ TCLP VOC ☐
TCLP - PEST ☐ HERB ☐ Semi-VOC ☐
TOTAL METALS (RCRA) ☐ OTHER LIST ☐
LEAD - TOTAL ☐ DW 200 & TCLP ☐
RCL ☐ TOX ☐ FLASHPOINT ☐
TDS ☐ TSS ☐ % MOISTURE ☐ CYANIDE ☐
PH ☐ HEXAVALENT CHROMIUM ☐
EXPLOSIVES ☐ PENTACHLORATE ☐
CHLORIDE ANIONS ☐ ALKALINITY ☐

FIELD NOTES

MW-5
MW-4
Dug-1

6/12/21

1330

W

5

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

X

Direct Bill
to Apache

TOTAL

RELINQUISHED BY (Signature)

DATE/TIME

RECEIVED BY (Signature)

TURN AROUND TIME

LABORATORY USE ONLY:

RECEIVING TEMP

1RB

RELINQUISHED BY (Signature)

DATE/TIME

RECEIVED BY (Signature)

NORMAL ☒

1 DAY ☐

2 DAY ☐

OTHER ☐

5.5/100

RELINQUISHED BY (Signature)

DATE/TIME

RECEIVED BY (Signature)

1 DAY ☐

2 DAY ☐

OTHER ☐

CUSTODY SEALS - ☐ BROKEN ☐ INTACT ☒ NOT USED

LABORATORY Xenco

DATE/TIME

RECEIVED BY (Signature)

1 DAY ☐

2 DAY ☐

OTHER ☐

CARRIER BILL #

HAND DELIVERED

Login Sample Receipt Checklist

Client: Larson & Associates, Inc.

Job Number: 880-2661-1

SDG Number: 19-0112-18

Login Number: 2661

List Number: 1

Creator: Phillips, Kerianna

List Source: Eurofins Xenco, Midland

Question	Answer	Comment
The cooler's custody seal, if present, is intact.	N/A	
Sample custody seals, if present, are intact.	N/A	
The cooler or samples do not appear to have been compromised or tampered with.	True	
Samples were received on ice.	True	
Cooler Temperature is acceptable.	True	
Cooler Temperature is recorded.	True	
COC is present.	True	
COC is filled out in ink and legible.	True	
COC is filled out with all pertinent information.	True	
Is the Field Sampler's name present on COC?	True	
There are no discrepancies between the containers received and the COC.	True	
Samples are received within Holding Time (excluding tests with immediate HTs)	True	
Sample containers have legible labels.	True	
Containers are not broken or leaking.	True	
Sample collection date/times are provided.	True	
Appropriate sample containers are used.	True	
Sample bottles are completely filled.	True	
Sample Preservation Verified.	True	
There is sufficient vol. for all requested analyses, incl. any requested MS/MSDs	True	
Containers requiring zero headspace have no headspace or bubble is <6mm (1/4").	True	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 373756

CONDITIONS

Operator: APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705	OGRID:	873
	Action Number:	373756
	Action Type:	
	[UF-GWA] Ground Water Abatement (GROUND WATER ABATEMENT)	

CONDITIONS

Created By	Condition	Condition Date
michael.buchanan	Final 2021 2nd Quarter Groundwater Report - NEDU 527, August 6, 2021 has been submitted by Apache on 08/14/2024 and obtained for the record. App ID: 373756	8/30/2024