

AP-69 Apache NEDU #527, Lea County

May 2005 - permit to drill issued pit to be constructed under Rule 50

Sept 2005 - well drilled

Oct 2005 - well logged

July 2006 - leak detected during a "dig and haul" remediation pit closure procedure; material removed to a depth of 10 feet bgs and disposed of at Sundance facility.

July 19, 2006 GW impact reported to District One office and to Santa Fe.

July 31, 2006 Additional 9000 cubic yards removed to a depth of 21 ft bgs. (under pit liner)

Nov 2006 form C-141 submitted "drilling pit liner had somehow been compromised and leaked below the liner"

Nov 2006 - Stage 1 investigation required

Feb 2007 - Stage 1 Abatement Plan submitted

"pit liner compromised" doesn't say what type of liner but seems to mean plastic (constructed under Rule 50)

up to 37,000 ppm Cl in soils at 16 ft bgs in the SW quadrant of the pit

groundwater at 62 ft bgs with chlorides at 2007 mg/l

6E

AP - 068

**GENERAL
CORRESPONDENCE**

YEAR(S):

2006/2007

VonGonten, Glenn, EMNRD

From: jerry brian [jrbrian@verizon.net]
Sent: Thursday, February 15, 2007 7:56 AM
To: VonGonten, Glenn, EMNRD
Cc: Harold Swain; Guinn Burks; David Woolf
Subject: Hungry Horse - Apache NEDU # 527 Stage 1 Abatement Plan
Follow Up Flag: Follow up
Flag Status: Red
Attachments: Apache NEDU_527 Stage 1 Abatement Plan.pdf

Hi Glen,

Here is the Stage 1 Abatement Plan for the Apache NEDU # 527. Since it is a large file, I will send the analytics in a separate email.

Hard copies will follow.

We appreciate your assistance.

Thanks,
JB

3/24/2008

VonGonten, Glenn, EMNRD

From: jerry brian [jrbrian@verizon.net]
Sent: Thursday, February 15, 2007 8:18 AM
To: VonGonten, Glenn, EMNRD
Cc: Harold Swain; Guinn Burks; David Woolf
Subject: Hungry Horse - Apache NEDU #527 analytics

Follow Up Flag: Follow up

Flag Status: Red

Attachments: NEDU #527 analytics0014.gif; NEDU #527 analytics0001.gif; NEDU #527 analytics0014.gif; NEDU #527 analytics0001.gif; NEDU #527 analytics0002.gif; NEDU #527 analytics0003.gif; NEDU #527 analytics0004.gif; NEDU #527 analytics0005.gif; NEDU #527 analytics0006.gif; NEDU #527 analytics0007.gif; NEDU #527 analytics0008.gif; NEDU #527 analytics0009.gif; NEDU #527 analytics0010.gif; NEDU #527 analytics0011.gif; NEDU #527 analytics0012.gif; NEDU #527 analytics0013.gif

Hi Glen,

Here are the analytics for the Apache NEDU #527.

Thanks,
JB



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: <u>Hungry Horse, LLC</u>		BILL TO		ANALYSIS REQUEST								
Project Manager: <u>Q Birm</u>		P.O. #:										
Address: <u>P.O. Box 1058</u>		Company:										
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:										
Phone #: <u>390-6149</u> Fax #: <u>393-3386</u>		Address:										
Project #: _____ Project Owner: <u>Apache</u>		City:										
Project Name: <u>WEDU # 527</u>		State: Zip:										
Project Location: <u>Dea Cnty</u>		Phone #:										
Sampler Name: <u>Q Birm</u>		Fax #:										
FOR LAB USE ONLY												
Lab I.D.	Sample I.D.	# CONTAINERS	MATRIX					PRESERV		SAMPLING		
			GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE
H11550-1	BH#3-57 BBS	D			X						9/15/06	9 AM
-2	BH#3-60 BBS	D			X							
-3	BH#3-62 BBS		X									
-4	BH#4-25' BBS	D			X							
-5	" - 30' "				X							
-6	" - 35' "				X							
-7	" 40' "				X							
-8	" 45' "				X							
-9	" 50' "				X							

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's remedies remain for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services rendered by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts over 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: <u>Q Birm</u>		Date: <u>9/15/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Time: <u>1:35 PM</u>	Received By: (Lab Staff) <u>[Signature]</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)		Sample Condition		CHECKED BY: (Initials)	
Sampler - UPS - Bus - Other:		Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No		<u>2/1</u>	
REMARKS:					

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: <u>Hungry Horse, LLC</u>		BILL TO		ANALYSIS REQUEST									
Project Manager: <u>A Brim</u>		P.O. #:											
Address: <u>P.O. Box 1058</u>		Company:											
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:											
Phone #: <u>370-6149</u> Fax #: <u>393-3386</u>		Address:											
Project #: _____ Project Owner: <u>Apache</u>		City:											
Project Name: <u>NEDU #527</u>		State: _____ Zip: _____											
Project Location: <u>Dea County</u>		Phone #:											
Sampler Name: <u>A Brim</u>		Fax #:											
FOR LAB USE ONLY													
Lab I.D.	Sample I.D.	(GRAB OR C/COMP. # CONTAINERS)	MATRIX	PRESERV	SAMPLING								
			GROUNDWATER										
			WASTEWATER										
			SOIL										
			CRUDE OIL										
			SLUDGE										
			OTHER:										
			ACID/BASE:										
			ICE / COOL										
			OTHER:										
						DATE	TIME						
<u>H1550-10</u>	<u>BH#4-55 BBS</u>	<u>D</u>				<u>9/19/06</u>	<u>9 AM</u>						

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

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Sampler Relinquished: <u>A Brim</u>		Date: <u>9/19/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Time: <u>1:35pm</u>	Received By: (Lab Staff) <u>Stef Lullata</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)		Date:	Sample Condition	CHECKED BY: (Initials)	
<input checked="" type="radio"/> Sampler - UPS - Bus - Other:		Time:	Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No	<u>7/1</u>	
REMARKS:					

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Anger Horse LLC</u>		P.O. #:		ANALYSIS REQUEST				
Project Manager: <u>Jerry Brice</u>		Company:						
Address:		City:						
City: <u>Hobbs</u>		State: <u>NM</u> Zip: <u>88241</u>						
Phone #: <u>505-390-6149</u> Fax #:		Address:						
Project #: <u>AGA-06-062</u> Project Owner: <u>APACHE</u>		City:						
Project Name: <u>NEON #527</u>		State:						
Project Location:		Zip:						
Sampler Name: <u>JOHN GOOD</u>		Phone #:						
FOR LAB USE ONLY		Fax #:						
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX	PRESERV.	SAMPLING	DATE	TIME
H1539-11	5051406-BH3-45	K	1	GROUNDWATER			9-14	5:00
-12	L-BH3-50	X	1	WASTEWATER			9-14	5:20
				SOIL				
				CRUDE OIL				
				SLUDGE				
				OTHER:				
				ACID/BASE:				
				ICE/COOL				
				OTHER:				

NOTE: Verify and Document. Cardinal's liability and ability to conduct recovery for any claim arising out of this report is limited to the amount paid by the client for the analysis. All claims including those for negligence and any other claims whatsoever shall be deemed waived unless made in writing and received by Cardinal within 90 days after completion of the applicable analysis. In no event shall Cardinal be liable for indirect or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated remedies or otherwise.

Sampler Requisitioned: _____ Date: _____ Received By: _____
Time: _____

Requisitioned By: _____ Date: 9/15/06 Received By: (Lab Staff) bc
Time: 11:00

Delivered By: (Circle One) _____ Sample Condition Cool Intact
Sampler - UPS Bus Other: _____ Yes No

Checked By: _____ (Initials)

Phone Result: Yes No Add'l Phone #: _____
Fax Result: Yes No Add'l Fax #: _____

REMARKS: _____

From and Cardinal: Incent will be charged on all reports more than 30 days past due of the rate of 5% per annum from the original date of issue, and all costs of collection, including attorney's fees.

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Hungry Horse</u>		BILL TO		ANALYSIS REQUEST										
Project Manager: <u>JB</u>		P.O. #:												
Address: <u>P.O. Box 1058</u>		Company:												
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:												
Phone #: <u>390-6149</u> Fax #: <u>393-3386</u>		Address:												
Project #: _____ Project Owner: <u>Apache</u>		City:												
Project Name: <u>NED47527</u>		State: _____ Zip: _____												
Project Location: <u>Lea County</u>		Phone #: _____												
Sampler Name: <u>JB</u>		Fax #: _____												
FOR LAB USE ONLY				MATRIX		PRESERV		SAMPLING						
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME
<u>H1145-1</u>	<u>C-16' BBS</u>	<u>0</u>				<u>X</u>							<u>8/8/06</u>	
<u>-2</u>	<u>SE-16' BBS</u>													
<u>-3</u>	<u>NW-16' BBS</u>													
<u>-4</u>	<u>SW-16' BBS</u>													
<u>-5</u>	<u>C Wok Pt - 14' BBS</u>												<u>8/16/06</u>	
<u>-6</u>	<u>SW Wok Pt - 17' BBS</u>													
<u>-7</u>	<u>C - 17' BBS</u>													
<u>-8</u>	<u>SW - 17' BBS</u>													

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause of recovery shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished By: <u>JB</u>		Date: <u>8/17/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Date:	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)		Time: <u>12:30PM</u>	<u>Bryan Cooke</u>	REMARKS:	
Sampler: <input checked="" type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:		Time:	Sample Condition	CHECKED BY: (Initials)	
			Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/>		
			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: <u>Hungry Horse</u>		Project Manager: <u>Jerry Brian</u>		PO #:	
Address: <u>P.O. Box 1058</u>		City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Company:	
Phone #: <u>390-6149</u>		Fax #: <u>393-3386</u>		Attn:	
Project #: _____		Project Owner: <u>Apache</u>		Address:	
Project Name: <u>WEDU #527</u>		State: _____ Zip: _____		City:	
Project Location: <u>Lea County</u>		Phone #: _____		State:	
Fax #: _____		Zip: _____		City:	

FOR LAB USE ONLY	LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP. # CONTAINERS	MATRIX						PRES.		SAMPLING		DATE	TIME
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE / COOL	OTHER:			
	H11417-1	56-10' BGS	5											7-31-06	
	-2	W.E-10' BGS	5											7-31-06	
	-3	C-10' BGS	5											7-31-06	
	-4	C-12' BGS	5											8-7-06 2:05pm	
	-5	SW-12' BGS	5											8-7-06 2:05pm	
	-6	W.E-12' BGS	5											8-7-06 2:07pm	

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated negligence or otherwise.

Terms and Conditions: Payment will be charged on all accounts more than 30 days past due at the rate of 2 1/2% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: <u>[Signature]</u>	Date: <u>8-7-06</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Additional Fax #: <input type="checkbox"/> Yes <input type="checkbox"/> No
	Time: <u>3:04</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	REMARKS:
Relinquished By:	Date: <u>08-07-06</u>	Received By: (Lab Staff) <u>[Signature]</u>		
Delivered By: (Circle One) <u>Sample - UPS - Bus - Other:</u>	Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CHECKED BY: (Initials)		

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Artesia, 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 11271

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address APACHE CORP 6120 S. Yale, Suite 1500 Tulsa, OK 74136-4224		DGRID Number 873
		API Number 30-025-37242
Property Code 22503	Property Name NORTHEAST DRINKARD UNIT	Well No. 527

Surface Location

UL or Lot	Section	Township	Range	Lot Ltn	Feet From	N/S Line	Feet From	E/W Line	County
M	10	21S	37E	M	1310	S	330	W	Lea

Proposed Pools

EUNICE;BLI-TU-DF, NORTH 22900

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3464
Multiple N	Proposed Depth 6925	Formation Drinkard	Contractor	Spud Date

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1300	575	
Prod	7.825	5.5	17	6925	1100	

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	

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

Electronically Signed By: Lana Williams

Title: Drilling Clerk

Date: 05/17/2005

Phone: 918-491-4900

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 05/18/2005

Expiration Date: 05/18/2006

Conditions of Approval:

There are conditions. See Attached.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 11271

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37242	Pool Name EUNICE,BLI-TU-DR, NORTH	Pool Code 22900
Property Code 22503	Property Name NORTHEAST DRINKARD UNIT	Well No. 527
OGRID No. 873	Operator Name APACHE CORP	Elevation 3464

Surface And Bottom Hole Location

UL or Lot M	Section 10	Township 21S	Range 37E	Lot Idn M	Feet From 1310	N/S Line S	Feet From 330	E/W Line W	County Lea
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
Electronically Signed By: Lana Williams
Title: Drilling Clerk
Date: 05/17/2005

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
Surveyed By: GARY EIDSON
Date of Survey: 03/22/2005
Certificate Number: 12641

Permit Conditions Of Approval
C-101, Permit 11271

Operator: APACHE CORP , 873

Well: NORTHEAST DRINKARD UNIT #527

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

Submit 3 Copies To Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-37242
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name NEDU
8. Well Number 527
9. OGRID Number 873
10. Pool name or Wildcat EUNICE; BLI-TU-DR, NORTH 22900

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

1. Type of Well:
Oil Well Gas Well Other

2. Name of Operator
APACHE CORPORATION

3. Address of Operator
6120 S. YALE, STE. 1500

4. Well Location
Unit Letter 10M : 1310 feet from the S line and 330 feet from the W line
Section 10 Township 21S Range 37E NMPM County LEA

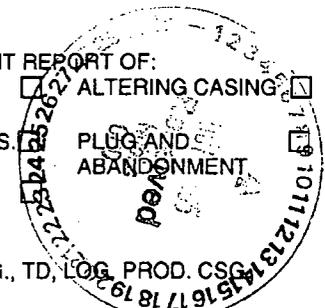
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,464

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: SPUD, SURF. CSG., TD, LOG, PROD. CSG. <input checked="" type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

9/2/05 DRILL & SURVEY TO 1283'. CAPSTAR RIG # 14.

9/3/05- DRILL & SURVEY TO TD @ 6862'. DRILL - 987 - 1283. SURVEY - 1283 = .75. CIRC TO RUN 8.625 CSG. T O H TO RUN SURFACE CSG. RIG UP & RUN 8.625 CSG 29 JTS. CIRC CSG SAFETY MEETING. CMT W/ BJ CMT W/ 375 SX 35.65 POZ W/ 6% GEL + 2% CACI + 25# CF = 125 BBLs 12.7# SLURRY W/ 1.88 YIELD - TAIL W/ 200 SX CLASS C + 2% CACH. 125# CF = 48 BBLs 14.8# SLURRY W/ 1.35 YIELD - PLUG BUMPED & HELD - CIRC 116 SX CMT TO PIT. WOC. CUT OFF CONDUCTOR PIPE. WELD ON HEAD. TEST TO 500 PSI. OK. NIPPLE UP BOP & CHOKE. TESTING 3 RD PARTY BLINDS, CSG, PIPE RAMS, CHOKE, KELLY COCK, DART VALVE, = 500 LOW, 2000 HIGH OKAY. TIH W/ BIT#2 TOP OF CMT. @ 1200 FT. DRILLING CMT, PLUG, FLOAT COLLAR, FLOAT SHOE. DRILG. 7.875 FORMATOIN, 1283-1420'. SURVEY @ 2487 = 1.5. SERV. RIG. CHANGE OIL IN LIGHTPLANT. DRILL - 5716' - 5936'. CUT DRILLING LINE, = 100'. SURVEY @ 5904' = 1.25. TRIP OUT HOLE FOR BIT CHANGE. PICK UP MOTOR, BIT, MAKE UP SAME, BREAK CIRC. FUNCTION TEST BOP. TIH BREAKING CIRC. @ DC & 2 JTS. DP, 50 JTS. DP INSTALL KSW'S & STRIPPING RUBBER WASH 90' TO BTM. / CIRC. BTMS UP. DRILG. W/ BIT # 3 - 5936' - 6130'. DRILL - 6700' - 6862'. LOST 350 PSI - CHECK SURFACE EQUIP, PUMP SOFTLINE, PRESS INCREASE 7.5 MINUTES. T O H FIX AIR LINES, FOUND 7" CRACK 2' ABOVE PIN ON IT # 160 LAY DOWN SAME. SAFETY MEETING, RIG UP LOGGERS & LOG. HALLIBURTON RAN COMPENSATED SONIC 6816 - 5000; DUAL LATEROLOG MICROGUARD 6864 - 5000; SPECTRAL DENSITY DUAL SPACED NEUTRON 6864 - 200. RUN 5.50" J-55 & L-80 LT&C CSG. RIG DOWN CSG CREW. CIRC CSG. BJ CMT SHOE @ 6862 - FC @ 6842 W/ 750 SX 50:50; POZ C W/ 10% GEL + 5% SALT + .125 # CF + 6 # FI-52 = 325 BBLs 11.8# SLURRY W/ 2.44 YIELD & 400 SX 50:50 POZ C W/ 5% SALT + .6% FL25 = 92 BBLs 14.2# SLURRY W/ 1.29 YIELD - DISPLACE W/ 159 BBLs 2% KCL WATER - PLUG BUMPED & HELD - CIRC 94 SX CMT TO PIT. ND BOP. SET SLIPS. CUT OFF CSG. RELEASE RIG 9/16/2005.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Lana Williams TITLE DRILLING CLERK II DATE 10/5/05
Type or print name LANA WILLIAMS E-mail address: lana.williams@apachecorp.com Telephone No. 918-491-4980

This space for State use)
APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE OCT 17 2005
Conditions of approval, if any:

WELL LOGS

API number: 30-025-37242			
OGRID:		Operator: APACHE CORP	
		Property: NORTHEAST DRINKARD UNIT	# 527

surface

ULSTR: M	10	T 21S	R 37E
	1310 FSL		330 FWL

BH Loc

ULSTR: M	10	T 21S	R 37E
	1310 FSL		330 FWL

Ground Level:	3464	DF:	3474	KB:	3475
Datum:	KB			TD:	6862

Land: **STATE**

Completion Date: (1) **10/7/2005**
 Date Logs Received: **12/5/2005** ****Late**
 Date Logs Due in: (2) **10/27/2005**

Confidential:	NO	Date out:	
---------------	-----------	-----------	--

Confidential period: 90 Days for State & Fee, 1 Year for federal

Date Due in: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	6864	Spectral Density Dual Spaced Neutron
DLL/MSFL	5000	6864	Dual Laterolog Micro Spherically Focused Log

OCD TOPS

Rustler	1276	Strawn		
Tansill		Atoka		
Yates	2637	Morrow		
7R	2858			
T. Bowers Sd				
B. Bowers Sd				
Queen	3431			
Penrose				
Grayburg	3747			
San Andres	3979			
Glorieta	5163			
Tubb	6123			
Drinkard	6440			
Abo	6722			
Wolfcamp				

Apache Corporation
 6120 S. Yale Ste 1500
 Tulsa, OK 74136

NEDU # 527
 Lea County New, Mexico

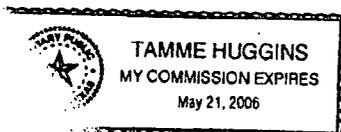
M-10-215-37e
 1310/S & 330/W
 30.025-37242



451	4.51	3/4		5.92	5.92
956	5.05	1	1.75	8.84	14.76
1283	3.27	3/4	1.31	4.29	19.05
1758	4.75	3/4	1.31	6.23	25.28
2233	4.75	2	3.50	16.63	41.91
2360	1.27	1 3/4	3.06	3.89	45.80
2487	1.27	1 1/2	2.63	3.33	49.13
2614	1.27	1	1.75	2.22	51.35
3090	4.76	1	1.75	8.33	59.68
3598	5.08	1	1.75	8.89	68.57
4072	4.74	1	1.75	8.30	76.87
4547	4.75	1	1.75	8.31	85.18
5047	5.00	1	1.75	8.75	93.93
5526	4.79	1	1.75	8.38	102.31
5904	3.78	1 1/4	2.19	8.27	110.58
6389	4.85	1	1.75	8.49	119.07
6862	4.73	1	1.75	8.28	127.35


 Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 19th day of September 2005 by
 Michael Roghair - General Manager, CapStar Drilling, L.P.




 Notary Public



State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1026 N. FRENCH DR., BOBBS, NM 88240

DISTRICT II
1804 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37242	Pool Code 22900	Pool Name Eunice; Blinebry - Tubb - Drinkard - North
Property Code 22503	Property Name NEDU	Well Number 527
OGRID No. 00873	Operator Name APACHE CORPORATION	Elevation 3464'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	21-S	37-E		1310	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

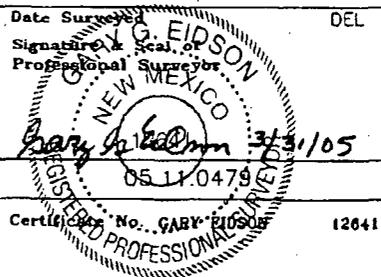
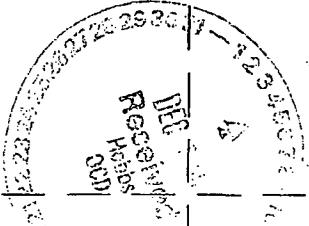
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Elaine Linton</i> Signature</p> <p>Elaine Linton Printed Name</p> <p>Engineering Technician Title</p> <p>December 2, 2005 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 22, 2005</p> <p>Date Surveyed _____ DEL</p> <p><i>G. EIDSON</i> Signature & Seal of Professional Surveyor</p> <p>NEW MEXICO GARY EIDSON 05110479</p> <p>Certificate No. GARY EIDSON 12641</p>

GEODETTIC COORDINATES
NAD 27 NME

Y=543842.7 N
X=862437.1 E

LAT.=32°29'22.72" N
LONG.=103°09'28.47" W



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

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

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Apache Corporation 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224		² OGRID Number 00873
⁴ API Number 30 -025-37242		³ Reason for Filing Code/ Effective Date NW - 10/7/2005
⁵ Pool Name Eunice; Blinebry - Tubb - Drinkard - North	⁶ Pool Code 22900	
⁷ Property Code 22503	⁸ Property Name Northeast Drinkard Unit	⁹ Well Number 527

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	10	21S	37E		1310	South	330	West	Lea

¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code S	¹³ Producing Method Code P	¹⁴ Gas Connection Date 10/07/2005	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
195739	Plains Pipeline LP Three Allen Center, 333 Clay Houston, TX 77002		O	Unit A, Sec 2, T 21S, R 37E NEDU Central Tank Battery
20809	Sid Richardson Gasoline Co. 201 Main Street, Suite 3000 Fort Worth, TX 76102		G	Unit A, Sec 2, T 21S, R 37E NEDU Central Tank Battery
024650	Dynergy Midstream Services 1000 Louisiana, Suite 5800 Houston, TX 77002		G	Unit A, Sec 2, T 21S, R 37E NEDUE Central Tank Battery

IV. Produced Water

²³ POD 2264750	²⁴ POD ULSTR Location and Description Unit A, Sec 2, T 21S, R 37E, NEDU Central Tank Battery
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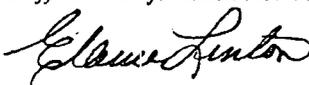
V. Well Completion Data

²⁵ Spud Date 09/02/2005	²⁶ Ready Date 10/07/2005	²⁷ TD 6862'	²⁸ PBTD 6843'	²⁹ Perforations 5629 - 6687'	³⁰ DHC:MC
³¹ Hole Size 12-1/4"	³² Casing & Tubing Size 8-5/8"	³³ Depth Set 1283'	³⁴ Sacks Cement 575 sx / circ 116 sx		
	7-7/8"	5-1/2"	6862'	1150 sx / TOC 208' CBL	

VI. Well Test Data

³⁵ Date New Oil 10/07/2005	³⁶ Gas Delivery Date 10/07/2005	³⁷ Test Date 10/19/2005	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size 70	⁴² Oil	⁴³ Water 31	⁴⁴ Gas 1030	⁴⁵ AOF	⁴⁶ Test Method Pumping

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Elaine Linton</i>		OIL CONSERVATION DIVISION	
Printed name: Elaine Linton		Approved by: <i>[Signature]</i>	
Title: Engineering Technician		Title: PETROLEUM ENGINEER	
E-mail Address: elaine.linton@apachecorp.com		Approval Date: DEC 07 2005	
Date: 12/02/2005	Phone: (918)491-5362		

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 83240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., 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-105 Revised June 10, 2003 WELL API NO. 30-025-37242 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.					
WELL COMPLETION OR RECOMPLETION REPORT AND LOG							
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER _____ BACK RESVR. <input type="checkbox"/> OTHER _____		7. Lease Name or Unit Agreement Name Northeast Drinkard Unit					
2. Name of Operator Apache Corporation		8. Well No. 527					
3. Address of Operator 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224		9. Pool name or Wildcat Eunice; Blinebry - Tubb - Drinkard - North 22900					
4. Well Location Unit Letter M 1310 Feet From The South Line and 330 Feet From The West Line Section 10 Township 21S Range 37E NMPM Lea County							
10. Date Spudded 09/02/2005	11. Date T.D. Reached 09/14/2005	12. Date Compl. (Ready to Prod.) 10/07/2005	13. Elevations (DF& RKB, RT, GR, etc.) 3464'	14. Elev. Casinghead			
15. Total Depth 6862'	16. Plug Back T.D. 6843'	17. If Multiple Compl. How Many Zones? 3	18. Intervals Drilled By X	Rotary Tools	Cable Tools		
19. Producing Interval(s), of this completion - Top, Bottom, Name Blinebry, Tubb, Drinkard				20. Was Directional Survey Made No			
21. Type Electric and Other Logs Run SD/DSN, DLL/MG			22. Was Well Cored No				
23. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED		
8-5/8"	24#	1283'	12-1/4"	575 sx / circ 116 sx			
5-1/2"	17#	6862'	7-7/8"	1150 sx / TOC 208' CBL			
24. LINER RECORD							
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN			
25. TUBING RECORD			SIZE	DEPTH SET	PACKER SET		
			2-7/8"	6713'			
26. Perforation record (interval, size, and number) BLINEBRY 5629-32,82-84,5720-24,5806-10,72-75,5930-32 & 6017-20' 2 JSPF TUBB 6134-38,93-97,6251-57 & 6329-31' 2 JSPF DRINKARD 6578-82,6614-18,54-58 & 6683-87' 2 JSPF			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 5629 - 6020' 2000gals 15%HCl, 41kgals gel+84k# 20/40 sd 6134 - 6331' 2000gals 15%HCl, 40kgals gel+82k# 20/40 sd 6578 - 6687' 2000gals 15%HCl, 42kgals gel+62k# 20/40 sd				
28. PRODUCTION							
Date First Production 10/07/2005		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping		Well Status (Prod. or Shut-in) Producing			
Date of Test 10/19/2005	Hours Tested 24 hrs	Choke Size	Prod'n For Test Period	Oil - Bbl 70	Gas - MCF 1030	Water - Bbl 31	Gas - Oil Ratio 14714
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.) 40.0	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By Apache Corporation	
30. List Attachments Logs, Deviation Report, C-102, C-104							
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief							
Signature 		Printed Name Elaine Linton		Title Engineering Technician		Date 12/02/2005	
E-mail Address elaine.linton@apachecorp.com							

Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
March 4, 2004

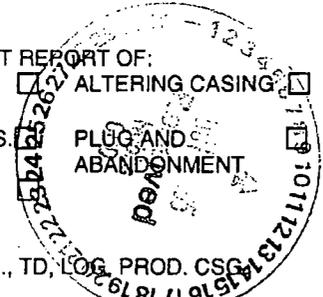
WELL API NO. 30-025-37242
5. Indicate Type of Lease STATE [X] FEB [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name NEDU
8. Well Number 527
9. OGRID Number 873
10. Pool name or Wildcat EUNICE; BLI-TU-DR, NORTH 22900

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [] Other []
2. Name of Operator APACHE CORPORATION
3. Address of Operator 6120 S. YALE, STE. 1500

4. Well Location
Unit Letter 10M : 1310 feet from the S line and 330 feet from the LEA line
Section 10 Township 21S Range 37E NMPM County LEA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,464

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)
Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng
feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPLETION []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB []
OTHER: SPUD, SURF. CSG., TD, LOG, PROD. CSG. [X]



13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
9/2/05 DRILL & SURVEY TO 1283'. CAPSTAR RIG # 14.
9/3/05- DRILL & SURVEY TO TD @ 6862'. DRILL - 987 - 1283. SURVEY - 1283 = .75. CIRC TO RUN 8.625 CSG. T O H TO RUN SURFACE CSG. RIG UP & RUN 8.625 CSG 29 JTS. CIRC CSG SAFETY MEETING. CMT W/ BJ CMT W/ 375 SX 35.65 POZ W/ 6% GEL + 2% CACI+. 25# CF = 125 BBLS 12.7# SLURRY W/ 1.88 YIELD - TAIL W/ 200 SX CLASS C + 2% CACI+. 125# CF = 48 BBLS 14.8# SLURRY W/ 1.35 YIELD - PLUG BUMPED & HELD - CIRC 116 SX CMT. TO PIT. WOC. CUT OFF CONDUCTOR PIPE. WELD ON HEAD. TEST TO 500 PSI. OK. NIPPLE UP BOP & CHOKE. TESTING 3 RD PARTY BLINDS, CSG, PIPE RAMS, CHOKE, KELLY COCK, DART VALVE, = 500 LOW, 2000 HIGH OKAY. T I H W/ BIT#2 TOP OF CMT. @ 1200 FT. DRILLING CMT, PLUG, FLOAT COLLAR, FLOAT SHOE. DRLG. 7.875 FORMATOIN, 1283-1420'. SURVEY @ 2487, = 1.5, SERV. RIG, CHANGE OIL IN LIGHTPLANT. DRILL - 5716' - 5936'. CUT DRILLING LINE, = 100'. SURVEY @ 5904' = 1.25. TRIP OUT HOLE FOR BIT CHANGE. PICK UP MOTOR, BIT, MAKE UP SAME, BREAK CIRC. FUNCTION TEST BOP. T I H BREAKING CIRC. @ DC & 2 JTS. DP, 50 JTS. DP INSTALL KSW'S & STRIPPING RUBBER WASH 90' TO BTM. /CIRC. BTMS UP. DRILG. W/ BIT # 3 - 5936' - 6130'. DRILL - 6700' - 6862'. LOST 350 PSI - CHECK SURFACE EQUIP, PUMP SOFTLINE, PRESS INCREASE 7.5 MINUTES. T O H FIX AIR LINES, FOUND 7" CRACK 2' ABOVE PIN ON JT # 160 LAY DOWN SAME. SAFETY MEETING, RIG UP LOGGERS & LOG. HALLIBURTON RAN COMPENSATED SONIC 6816 - 5000; DUAL LATEROLOG MICROGUARD 6864 - 5000; SPECTRAL DENSITY DUAL SPACED NEUTRON 6864 - 200. RUN 5.50" J-55 & L-80 LT&C CSG. RIG DOWN CSG CREW. CIRC CSG. BJ CMT SHOE @ 6862 - FC @ 6842 W/ 750 SX 50:50; POZ C W/ 10% GEL + 5% SALT + .125 # CF + 6 % FI-52 = 325 BBLS 11.8# SLURRY W/ 2.44 YIELD & 400 SX 50:50 POZ C W/ 5% SALT + .6% FL25 = 92 BBLS 14.2# SLURRY W/ 1.29 YIELD - DISPLACE W/ 159 BBLS 2% KCL WATER- PLUG BUMPED & HELD- CIRC 94 SX CMT TO PIT. ND BOP. SET SLIPS. CUT OFF CSG. RELEASE RIG 9/16/2005.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Lana Williams TITLE DRILLING CLERK II DATE 10/5/05

Type or print name LANA WILLIAMS E-mail address: lana.williams@apachecorp.com Telephone No. 918-491-4980

This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE OCT 17 2005
Conditions of approval, if any:

WELL LOGS

API number:	30-025-37242		
OGRID:		Operator:	APACHE CORP
		Property:	NORTHEAST DRINKARD UNIT # 527

surface	ULSTR:	M	10	T	21S	R	37E
			1310	FSL		330	FWL

BH Loc	ULSTR:	M	10	T	21S	R	37E
			1310	FSL		330	FWL

Ground Level:	3464	DF:	3474	KB:	3475
Datum:	KB			TD:	6862

Land: STATE
Completion Date: (1) 10/7/2005
Date Logs Received: 12/5/2005 ****Late**
Date Logs Due in: (2) 10/27/2005

Confidential:	NO		Date out:	
---------------	----	--	-----------	--

Confidential period: 90 Days for State & Fee, 1 Year for federal
 Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	6864	Spectral Density Dual Spaced Neutron
DLL/MSFL	5000	6864	Dual Laterolog Micro Specially Focused Log

OCD TOPS

Rustler	1276	Strawn		
Tansill		Atoka		
Yates	2637	Morrow		
7R	2858			
T. Bowers Sd				
B. Bowers Sd				
Queen	3431			
Penrose				
Grayburg	3747			
San Andres	3979			
Glorieta	5163			
Tubb	6123			
Drinkard	6440			
Abo	6722			
Wolfcamp				

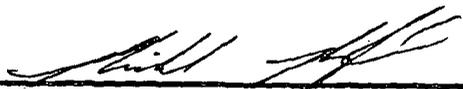
Apache Corporation
 6120 S. Yale Ste 1500
 Tulsa, OK 74136

NEDU # 527
 Lea County New, Mexico

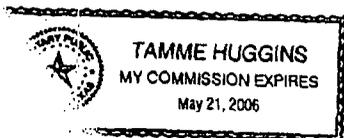
M-10-215-37e
 1310/S + 330/W
 30.025- 37242

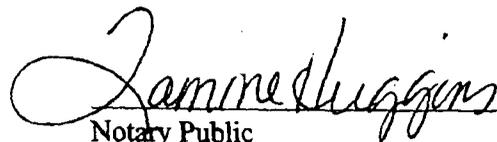


451	4.51	3/4	5.92	5.92
956	5.05	1	8.84	14.76
1283	3.27	3/4	4.29	19.05
1758	4.75	3/4	6.23	25.28
2233	4.75	2	16.63	41.91
2360	1.27	1 3/4	3.89	45.80
2487	1.27	1 1/2	3.33	49.13
2614	1.27	1	2.22	51.35
3090	4.76	1	8.33	59.68
3598	5.08	1	8.89	68.57
4072	4.74	1	8.30	76.87
4547	4.75	1	8.31	85.18
5047	5.00	1	8.75	93.93
5526	4.79	1	8.38	102.31
5904	3.78	1 1/4	8.27	110.58
6389	4.85	1	8.49	119.07
6862	4.73	1	8.28	127.35


 Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 19th day of September 2005 by Michael Roghair - General Manager, CapStar Drilling, L.P.




 Notary Public


State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37242	Pool Code 22900	Pool Name Eunice; Blinebry - Tubb - Drinkard - North
Property Code 22503	Property Name NEDU	Well Number 527
OGRID No. 00873	Operator Name APACHE CORPORATION	Elevation 3464'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	21-S	37-E		1310	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=543842.7 N X=862437.1 E</p> <p>LAT.=32°29'22.72" N LONG.=103°09'28.47" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Elaine Linton</i> Signature</p> <p>Elaine Linton Printed Name</p> <p>Engineering Technician Title</p> <p>December 2, 2005 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 22, 2005 Date Surveyed</p> <p>GARY EIDSON Signature & Seal of Professional Surveyor</p> <p>GARY EIDSON Professional Surveyor</p> <p>3/23/05 051104796</p> <p>Certificate No. GARY EIDSON 12841</p>

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Apache Corporation 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224		² OGRID Number 00873
		³ Reason for Filing Code/ Effective Date NW - 10/7/2005
⁴ API Number 30 -025-37242	⁵ Pool Name Eunice; Blinbery - Tubb - Drinkard - North	⁶ Pool Code 22900
⁷ Property Code 22503	⁸ Property Name Northeast Drinkard Unit	⁹ Well Number 527

II. ¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	10	21S	37E		1310	South	330	West	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Lse Code S	¹³ Producing Method Code P	¹⁴ Gas Connection Date 10/07/2005	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
-----------------------------	--	---	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
195739	Plains Pipeline LP Three Allen Center, 333 Clay Houston, TX 77002		O	Unit A, Sec 2, T 21S, R 37E NEDU Central Tank Battery
20809	Sid Richardson Gasoline Co. 201 Main Street, Suite 3000 Fort Worth, TX 76102		G	Unit A, Sec 2, T 21S, R 37E NEDU Central Tank Battery
024650	Dynergy Midstream Services 1000 Louisiana, Suite 5800 Houston, TX 77002		G	Unit A, Sec 2, T 21S, R 37E NEDUE Central Tank Battery

IV. Produced Water

²³ POD 2264750	²⁴ POD ULSTR Location and Description Unit A, Sec 2, T 21S, R 37E, NEDU Central Tank Battery
------------------------------	--

V. Well Completion Data

²⁵ Spud Date 09/02/2005	²⁶ Ready Date 10/07/2005	²⁷ TD 6862'	²⁸ PBDT 6843'	²⁹ Perforations 5629 - 6687'	³⁰ DHC/MC
³¹ Hole Size 12-1/4"	³² Casing & Tubing Size 8-5/8"	³³ Depth Set 1283'	³⁴ Sacks Cement 575 sx / circ 116 sx		
	7-7/8"	5-1/2"	6862'	1150 sx / TOC 208' CBL	

VI. Well Test Data

³⁵ Date New Oil 10/07/2005	³⁶ Gas Delivery Date 10/07/2005	³⁷ Test Date 10/19/2005	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size 70	⁴² Oil	⁴³ Water 31	⁴⁴ Gas 1030	⁴⁵ AOF	⁴⁶ Test Method Pumping

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete: to the best of my knowledge and belief. Signature: <i>Elaine Linton</i> Printed name: Elaine Linton Title: Engineering Technician E-mail Address: elaine.linton@apachecorp.com Date: 12/02/2005 Phone: (918)491-5362	OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> Title: <i>[Signature]</i> Approval Date: DEC 07 2005 PETROLEUM ENGINEER
--	---

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources	Form C-105 Revised June 10, 2003
	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	
	WELL API NO. 30-025-37242	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name Northeast Drinkard Unit
2. Name of Operator Apache Corporation	8. Well No. 527
3. Address of Operator 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224	9. Pool name or Wildcat Eunice; Blinebry - Tubb - Drinkard - North 22900

4. Well Location

Unit Letter **M** **1310** Feet From The **South** Line and **330** Feet From The **West** Line

Section **10** Township **21S** Range **37E** NMPM Lea County

10. Date Spudded 09/02/2005	11. Date T.D. Reached 09/14/2005	12. Date Compl. (Ready to Prod.) 10/07/2005	13. Elevations (DF& RKB, RT, GR, etc.) 3464'	14. Elev. Casinghead
15. Total Depth 6862'	16. Plug Back T.D. 6843'	17. If Multiple Compl. How Many Zones? 3	18. Intervals Drilled By X	Rotary Tools X
19. Producing Interval(s), of this completion - Top, Bottom, Name Blinebry, Tubb, Drinkard				20. Was Directional Survey Made No
21. Type Electric and Other Logs Run SD/DSN, DLL/MG			22. Was Well Cored No	

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	1283'	12-1/4"	575 sx / circ 116 sx	
5-1/2"	17#	6862'	7-7/8"	1150 sx / TOC 208' CBL	

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
					2-7/8"	6713'

26. Perforation record (interval, size, and number) BLINEBRY 5629-32,82-84,5720-24,5806-10,72-75,5930-32 & 6017-20' 2 JSPF TUBB 6134-38,93-97,6251-57 & 6329-31' 2 JSPF DRINKARD 6578-82,6614-18,54-58 & 6683-87' 2 JSPF	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	5629 - 6020'	2000gals 15%HCl, 41kgals gel+84k# 20/40 sd
	6134 - 6331'	2000gals 15%HCl, 40kgals gel+82k# 20/40 sd
6578 - 6687'	2000gals 15%HCl, 42kgals gel+62k# 20/40 sd	

28. PRODUCTION

Date First Production 10/07/2005		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping			Well Status (Prod. or Shut-in) Producing		
Date of Test 10/19/2005	Hours Tested 24 hrs	Choke Size	Prod'n For Test Period	Oil - Bbl 70	Gas - MCF 1030	Water - Bbl 31	Gas - Oil Ratio 14714
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.) 40.0	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Apache Corporation
---	--

30. List Attachments
Logs, Deviation Report, C-102, C-104

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature 	Printed Name Elaine Linton	Title Engineering Technician	Date 12/02/2005
E-mail Address elaine.linton@apachecorp.com	KES		

VonGonten, Glenn, EMNRD

From: jerry brian [jrbrian@verizon.net]
Sent: Monday, February 05, 2007 1:12 PM
To: Larry Johnson; Johnson, Larry, EMNRD; Larry Johnson; VonGonten, Glenn, EMNRD
Cc: Page McNeill; Page McNeil; Harold Swain; Guinn Burks; David Woolf
Subject: Hungry Horse - Apache NEDU # 527-Work Plan

Hi Glen/Larry

Glen, as I indicated in prior discussions, we were in the process of conducting a "dig & haul" remediation closure on this site. I faxed all analyticals, the approved C-141, and a "Site Summary" to you on the 11/8/06.

The current status of this site is that it has been excavated to a depth of 21' bgs. We were in the process of delineating the SW Quadrant to determine the vertical extent of chloride impact. Once that had been established, we were planning on capping the bottom of the entire pit area with a 20 ml liner and backfilling to grade with clean caliche.

We encountered groundwater at 62' in BH #3. The analyticals indicated that the chloride concentration is 2007 ppm. The analytical results for chlorides are as follows:

	Depth (bgs)	Chlorides (ppm)
NW Quadrant (BH # 4)	25'	1408
	30'	1871
	35'	512
	40'	432
	45'	560
	50'	400
	55'	16
NE Quadrant (BH #1)	19'	288
	25'	240
	30'	112
Center	17'	112
SE Quadrant (BH #2)	19'	1935
	25'	4319
	30'	1328
	35'	128
SW Wrk. Pit	19'	5118
SE Wrk. Pit	19'	224
SW Quadrant (BH #4)	19'	8717
	25'	10,157
	30'	11,436
	35'	8237
	40'	3071
	45'	2159
	50'	1695
	57'	1663
	60'	656
	62'	2007(groundwater sample)

We would like to propose the following for your consideration and approval :

1. excavate the SW Quadrant to a depth of 38' bgs (which would put us at an extrapolated chloride concentration of approximately 5000 ppm) and cap with a 20 ml liner, and then backfill to 21' bgs with clean caliche
2. cap the entire excavated pit bottom (21' bgs) with a second 20 ml liner and backfill to grade with clean caliche
3. drill three monitor wells (two up-gradient and one down-gradient) to determine groundwater flow and gradient
4. begin to establish plume boundaries
5. evaluate data and modify plan accordingly

A drilling rig is available this week fo drill the monitoring wells.

Please advise.

Thanks,
JBrian - REM, REPA
Geologist

VonGonten, Glenn, EMNRD

From: jerry brian [jrbrian@verizon.net]
Sent: Tuesday, February 06, 2007 12:48 AM
To: Larry Johnson; Johnson, Larry, EMNRD; Larry Johnson; VonGonten, Glenn, EMNRD
Subject: Hungry Horse - Apache NEDU #527 Site Photos
Attachments: NEDU.527 002.jpg; NEDU # 527 003.jpg; NEDU # 527 002.jpg

Hi Glen,

I am still trying to get this to you...

Thanks,
JB

AP - 068

**GENERAL
CORRESPONDENCE**

YEAR(S):

2006/2007

AP - 068

**GENERAL
CORRESPONDENCE**

YEAR(S):

2006/2007

AP - 068

**GENERAL
CORRESPONDENCE**

YEAR(S):

2006/2007

VonGonten, Glenn, EMNRD

From: VonGonten, Glenn, EMNRD
Sent: Tuesday, February 06, 2007 7:55 AM
To: 'jerry brian'; Larry Johnson; Johnson, Larry, EMNRD; Larry Johnson
Subject: RE: Hungry Horse - Apache NEDU #527 Stage 1 Abatement Plan
Follow Up Flag: Follow up
Flag Status: Red

Jerry,

How about making it due on February 12, 2007? Would that be enough time?

Glenn

From: jerry brian [mailto:jrbrian@verizon.net]
Sent: Tuesday, February 06, 2007 12:31 AM
To: Larry Johnson; Johnson, Larry, EMNRD; Larry Johnson; VonGonten, Glenn, EMNRD
Subject: Hungry Horse - Apache NEDU #527 Stage 1 Abatement Plan

Hi Glen,

Well it is early in the morning and I really tried to get this to you under the deadline....I ran out of time and lost my file when I started to email it to you. I had printed a rough draft out thankfully and faxed it to you.

If you think that it might be possible to for me to obtain an extension on this, it would be give me time to be more professional.

If not, I understand, and this will have to do for the time being.

I will contact you tomorrow.

Thanks,
JBrian

3/24/2008

APACHE ENERGY CORPORATION

NEDU # 527

API#30-025-37242

STAGE 1 ABATEMENT PLAN (AP068)

UL-M OF SECTION 10 T21S R37E

LATITUDE: N32⁰ 29.387'

LONGITUDE: 103⁰ 09.502'

LEA COUNTY, NEW MEXICO

FEB. 5, 2007

PREPARED FOR APACHE CORPORATION BY:

Hungry Horse, LLC
P.O. Box 1058, Hobbs, New Mexico 88241
Phone (505) 393-3386; Fax (505) 391-4585

1.0 Company Contacts

CONTACT INFORMATION

Apache Corporation:

Harold Swain, Permian Basin Drilling Foreman

Phone: 915-527-3311

email: Harold.Swain@USA.ApacheCorp.com

Mailing Address: P.O. Box 848, Wink, TX 79789

Hungry Horse, LLC: Jerry Brian, General Manager/Environmental Consultant

Phone: 505-393-3386 email: jrbrian@verizon.net

Mailing Address: P.O. Box 1058, Hobbs, NM 88241

2.0 Introduction

By letter dated November 29, 2006, the New Mexico Oil Conservation Division is requiring Apache Corporation to submit a State 1 investigation proposal to complete the definition of the lateral and vertical extent of groundwater contamination at the Apache NEDU # 527 well site located in Unit M, Section 10, T21S – R37E, Lea County New Mexico. The plan is being required pursuant to OCD Rule 19.E.1 and OCD Rule 19.E.3. The stage 1 abatement plan presented herein complies with the requirements of these rules and incorporates work already performed at the site prior to detection of the groundwater impact.

3.0 Background

On the 7/23/06, Hungry Horse, LLC began to conduct a “dig & haul” remediation pit closure procedure on the NEDU # 527. All drilling material and chloride impacted material below the liner was removed to a depth of 10’ bgs and disposed of at Sundance disposal facility.

On the 7/31/06, we began extracting samples beneath the pit liner for chloride analysis. Chloride impacted material has been removed to a depth of 21’ bgs. Approximately 9000 yds³ have been removed and disposed of at Sundance disposal facility.

Vertical delineation continued until impacted groundwater was encountered in the SW Quadrant (BH # 3) at 62’ bgs. The impact was reported to the New Mexico

Oil Conservation Division (OCD) District One office in Hobbs and to Glen Von Gotten at the OCD office in Santa Fe, NM on the 7/19/06.

4.0 Investigation Status

Prior to presentation of the Abatement Plan later in the document, the soil and groundwater work performed to date will be briefly reviewed below.

Based on investigation results and pursuant to NMOCD guidelines ("**Guidelines for Remediation of Leaks, Spills and Releases**" *New Mexico Oil Conservation Division* – August 13, 1993), Hungry Horse, LLC submitted a Risk Based remedial/clean-up work plan to the NMOCD on the 2/5/07. The work plan included further excavation of high chloride impacted materials above the water table, utilizing a double cap method to prevent any further vertical downward migration of chlorides. It also proposed drilling three initial groundwater-monitoring wells to establish groundwater gradient and water quality.

4.1 Vertical and Horizontal Extent of Contamination in the Vadose Zone

Preliminary investigation of the extent of soil contamination was performed from the 7/31/06 until the 9/19/06.

On the 7/31/06, we began extracting samples beneath the pit liner for chloride analysis. A 5-point sampling plan (see site sampling map) was conducted in the pit area (NW quadrant, NE quadrant, Center, SW quadrant). Sample points were located in the center of each quadrant, and one sample point located in the center of the pit area.

The working pit area closest to the wellhead was divided into 3 areas (E Wrk Pit, Center Wrk Pit, and SW Wrk Pit). Sample points were located in the center of each area.

Samples were extracted from 10' bgs to 19' bgs. Field chloride tests were conducted to determine if chloride concentrations exceeded the acceptable MCL of 250 ppm.

A total of 16 confirmation grab samples were retrieved. These samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-ClB).

Confirmation samples were extracted in the NE quadrant at 10'bgs, and 19' bgs. Analytical results indicated chloride concentrations were 17275 ppm, and 288 ppm, respectively (see table).

Confirmation samples were extracted in the NW quadrant at 12', 16' and 19' bgs. Analytical results indicated chloride concentrations were 16315 ppm, 8797 ppm, and 8557 ppm, respectively (see table).

Confirmation samples were extracted in the Center quadrant at 10', 12', 16' and 17' bgs. Analytical results indicated chloride concentrations were 2255 ppm, 272 ppm, 6158 ppm, and 112 ppm, respectively (see table).

Confirmation samples were extracted in the SW quadrant at 12', 16', 17', and 19' bgs. Analytical results indicated chloride concentrations were 26872 ppm, 37988 ppm, 10477 ppm, and 8717 ppm, respectively (see table).

Confirmation samples were extracted in the SE quadrant at 10', 16', and 19' bgs. Analytical results indicated chloride concentrations were 12396 ppm, 5806 ppm, and 1935 ppm, respectively (see table).

Confirmation samples were extracted in the Center Wrk Pit at 14' bgs. Analytical results indicated the chloride concentration was 176 ppm (see table).

Confirmation samples were extracted in the SW Wrk Pit at 14', and 19' bgs. Analytical results indicated chloride concentrations were 9677 ppm, and 5118 ppm, respectively (see table).

Confirmation samples were extracted in the E Wrk Pit at 19' bgs. Analytical results indicated the chloride concentration was 224 ppm (see table).

DATE	ID		Cl
7/31/06	NE	10' BGS	17275
9/6/06	NE	19' BGS	288
7/31/06	NW	12' BGS	16315
8/8/06	NW	16' BGS	8797
9/6/06	NW	19' BGS	8557
7/31/06	C	10' BGS	2255
7/31/06	C	12' BGS	272
8/8/06	C	16' BGS	6158
8/8/06	C	17' BGS	112
7/31/06	SW	12' BGS	26872
8/8/06	SW	16' BGS	37988
8/8/06	SW	17' BGS	10477
9/6/06	SW	19' BGS	8717
7/31/06	SE	10' BGS	12396
8/8/06	SE	16' BGS	5806
9/6/06	SE	19' BGS	1935
8/8/06	C.WRK.PIT	14' BGS	176
8/8/06	SW.WRK.PIT	14' BGS	9677
8/28/06	SW.WRK.PIT	19' BGS	5118

9/6/06	E.WRK.PIT	19' BGS	224
9/14/06	BH #1	25' BGS	240
9/14/06	BH #1	30' BGS	112
9/14/06	BH #1	35' BGS	48
9/14/06	BH #2	25' BGS	4319
9/14/06	BH #2	30' BGS	1328
9/14/06	BH #2	35' BGS	128
9/14/06	BH #3	25' BGS	10157
9/14/06	BH #3	30' BGS	11436
9/14/06	BH #3	35' BGS	8237
9/14/06	BH #3	40' BGS	3071
9/14/06	BH #3	45' BGS	2159
9/14/06	BH #3	50' BGS	1695
9/19/06	BH #3	57' BGS	1663
9/19/06	BH #3	60' BGS	656
9/19/06	BH #3	62' BGS	2007*
9/19/06	BH #4	25' BGS	1408
9/19/06	BH #4	30' BGS	1871
9/19/06	BH #4	35' BGS	512
9/19/06	BH #4	40' BGS	432
9/19/06	BH #4	45' BGS	560
9/19/06	BH #4	50' BGS	400
9/19/06	BH #4	55' BGS	16

*** - Saturated Zone (groundwater sample)**

On the 9/14/06 and the 9/19/06, four bore holes (BH #1 - NE quadrant, BH #2 - SE quadrant, BH #3 - SW Quadrant, BH #4 - NW quadrant) (see site sampling map) were drilled and split spoon sampling conducted every 5'. A total of 22 discrete grab samples were retrieved.

The samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-Cl⁻B).

BH # 1- NE quadrant and BH #2 - SE quadrant were sampled at 25', 30', and 35' bgs respectively.

Chloride analysis at 25', 30', and 35' bgs indicated concentrations at BH #1 were 240 ppm, 112 ppm, and 48 ppm, respectively (see table,).

Chloride analysis at 25', 30', and 35' bgs indicated concentrations at BH #2 were 4319 ppm, 1328 ppm, and 128 ppm, respectively (see table,).

BH #3 – SW Quadrant was sampled at 25', 30', 35', 40', 45', 50', 55', 57', 60', and 62' bgs respectively.

Chloride analysis at 25', 30', 35', 40', 45', 50', 57', 60', and 62' bgs indicated concentrations at BH #3 were 10,157 ppm, 11,436 ppm, 8237 ppm, 3071 ppm, 2159 ppm, 1695 ppm, 1663 ppm, 656 ppm, and 2007 ppm (saturated zone), respectively (see table,).

BH #4 – NW Quadrant was sampled at 25', 30', 35', 40', 45', 50', and 55' bgs respectively.

Chloride analysis at 25', 30', 35', 40', 45', 50', and 55' bgs indicated concentrations at BH #4 were 1408 ppm, 1871 ppm, 512 ppm, 432 ppm, 560 ppm, 400 ppm, and 16 ppm, respectively (see table,).

4.2 Groundwater Characterization

Groundwater was encountered in BH #3 at 62' bgs with a chloride concentration of 2007 ppm.

The samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-Cl⁻B).

5.0 Abatement Plan

The purpose of the Stage 1 abatement plan is “to design and conduct a site investigation that will adequately define site conditions, and provide the data necessary to select and design an effective abatement option.” Pursuant to OCD Rule 19.E.3, a State 1 abatement plan may include but not be limited to information as needed to select and implement an abatement option. Accordingly, Apache will generate and include the following information and data in the report to be submitted following such site investigation as necessary to determine abatement options. Information previously generated and included with this report is expected to satisfy some to the investigation report requirements.

- a. *Descriptions of the site, including a site map, and of site history including the nature of the release that caused the water impact, and a summary of previous investigations;*
Information satisfying much of the requirement is submitted herein. It will be updated as necessary for submittal with the Stage 1 report.
- b. *Additional site investigation to define (i) site geology and hydrogeology, the vertical and horizontal extent and magnitude of*

groundwater contamination, subsurface hydraulic conductivity, transmissivity, storativity, and rate and direction of contaminant migration, inventory of water wells inside and within one (1) mile from the perimeter of the three dimensional body where the standards set forth in [the rule] are exceeded, and location and number of such wells actually or potentially affected by the impact; and (ii) surface-water hydrology, seasonal stream flow characteristics, groundwater/surface-water relationships, ...[etc.]

Additional investigation is necessary to fill gaps in data already collected at the site, including the drilling and installation of monitor wells, and measurement of aquifer properties. An inventory of water wells will be conducted within one mile of the perimeter of the site and wells that potentially could be affected by the contamination identified. Three temporary monitor wells will be installed and completed as permanent wells with a bentonite seal to within 2 ft. of the surface and a metal protective locking box cemented at the surface. Following evaluation of data collected from the initial monitor wells, additional monitoring wells will be drilled as deemed necessary.

To determine the hydraulic conductivity and transmissivity of the sediments, groundwater slug-tests will be conducted on the monitor wells and the draw down and recovery data analyzed with procedures commonly utilized for the purpose. Determination of storativity usually requires installation of closely spaced monitor wells so that one can serve as an observation well for the pumping well. At this location with a shallow water table, storativity can be estimated from technical publications and a separate monitor well solely for this purpose is not necessary.

No intermittent, ephemeral or permanent sources of surface water are present in the area of the impact, so no hydrological or biological studies of the impact of the release on surface water are necessary.

c.

Monitoring program, including sampling stations and frequencies, for the duration of the abatement plan that may be modified, after approval by the Director, as additional sampling stations are created.

Following installation of the monitoring wells, they will be developed to remove any mud, silt and sand inadvertently introduced during the drilling process. The well locations and elevations will be located and surveyed by a registered professional surveyor. Water levels will be measured quarterly and wells will be sampled quarterly for CoC's following purging to ensure a fresh sample. In addition, the initial sampling will also include major cations and anions to establish a baseline condition for these constituents.

d.

Quality assurance plan, consistent with the sampling and analytical techniques listed in [the Water Quality Control Commission regulations] for all work to be conducted pursuant to the abatement plan.

Samples will be collected and handled in accordance with appropriate protocols for collection, preservation and transport of samples including maintaining a chain-of-custody and record keeping. The analytical laboratory selected to perform the analyses will be monitored for compliance with the applicable QA/QC standards.

e.

A schedule for all Stage 1 abatement plan activities, including the submission of summary quarterly progress reports, and the submission, for approval by the Director, of a detailed final site investigation report.

It is expected that all investigation work proposed within the Stage 1 abatement plan will be completed within three months of the date of approval. Quarterly progress reports will be submitted within 30 days following the end of the previous quarter. The report will include work performed and analytical results from testing of water quality in new and existing monitor wells. A final report will be prepared and submitted within 60 days of the completion of the work.

f.

Any additional information that may be required to design and perform an adequate site investigation.

The information necessary to design and perform an adequate site investigation is included in the above paragraphs.

AP - 068

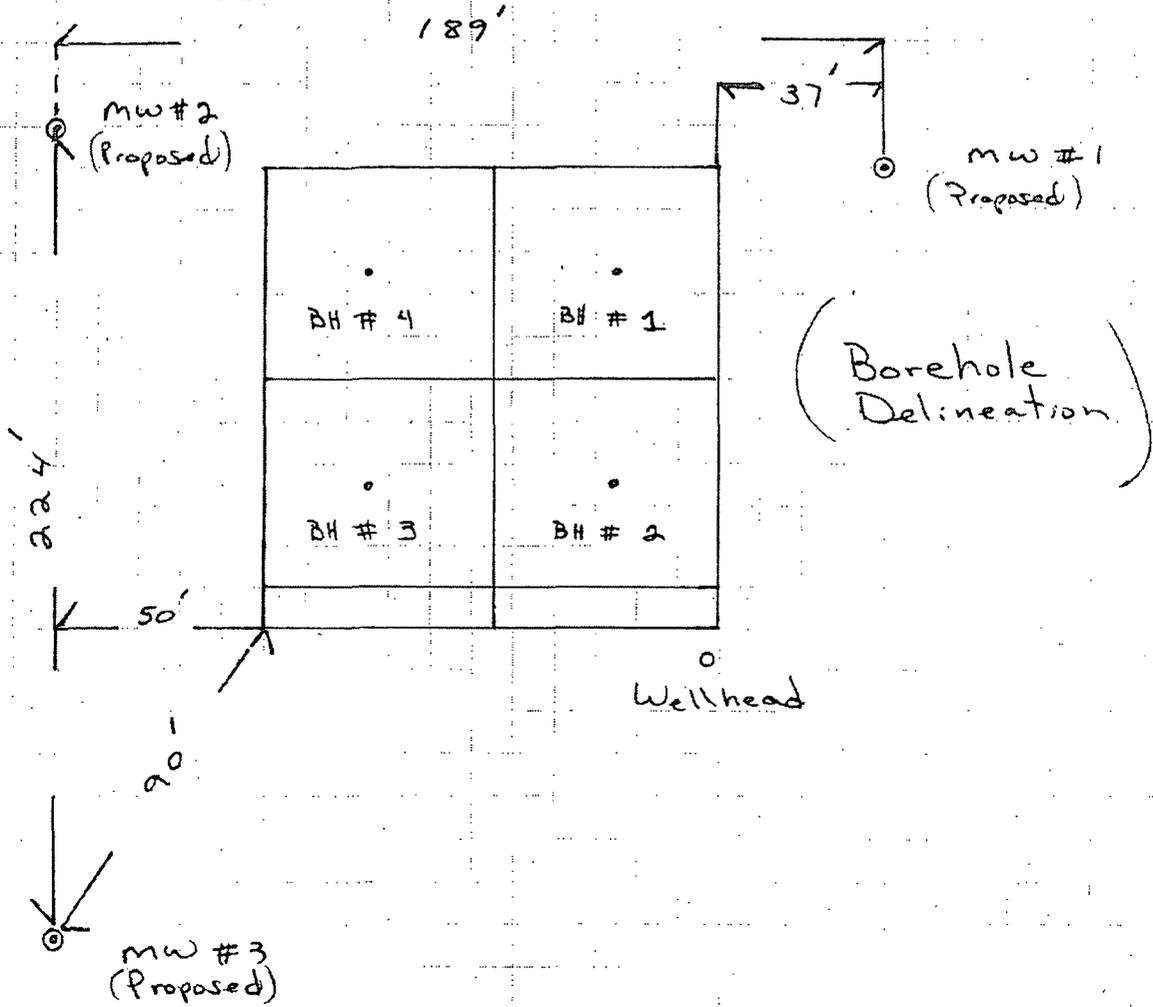
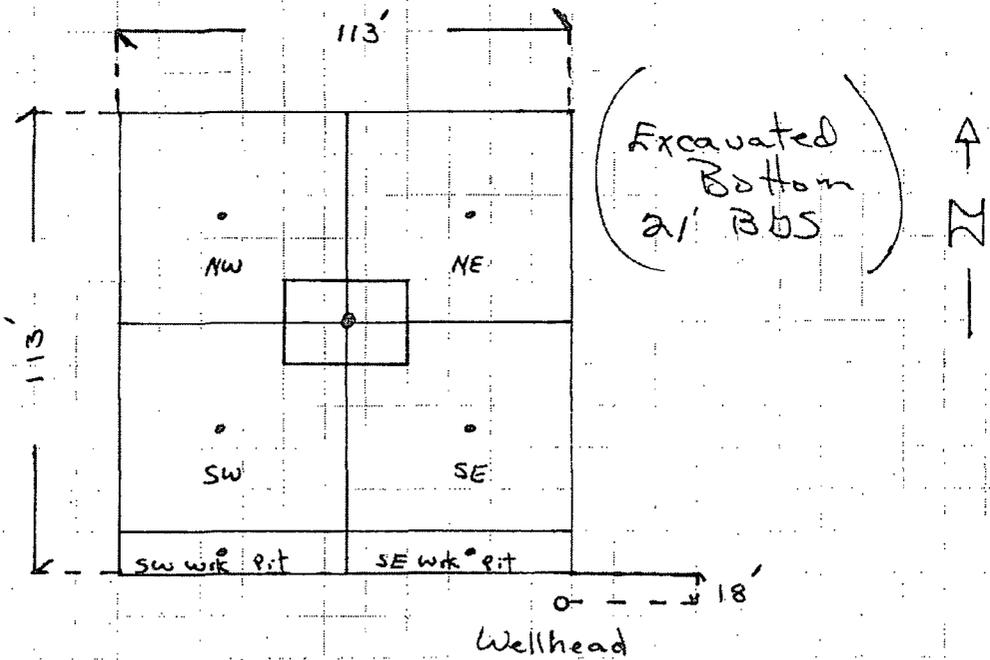
**GENERAL
CORRESPONDENCE**

YEAR(S):

2006/2007

APACHE - NED 4 #527

SITE SAMPLING MAP





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

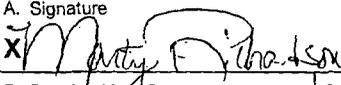
Mr. Harold Swain
Apache Corporation
P.O. Box 849
Wink, TX 79789

**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 of 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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee <i>X</i> </p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>12-5-06</u></p>
<p>1. Article Addressed to:</p> <p>MR HAROLD SWAIN APACHE CORPORATION P.O. BOX 849 WINK, TX 79789</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>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.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7001 1940 0000 4229 4229</u></p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-01-M-2509</p>	

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 or my staff at (505) 476-3488.

Sincerely,



Wayne Price
Environmental Bureau Chief

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

RECEIVED

NOV 27 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

November 6, 2006

Mr. Glen Von Gonten
Environmental Engineer Specialist
NM Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Reference:

Pit Delineation Plan- Apache Corporation
NEDU # 527
Section 10, T21S-R37E
API No.: 30-025-37242
Lea County, NM

Mr. Von Gotten:

On the 7/23/06, we began to conduct our "dig & haul" remediation on the NEDU # 527. All contents of the pit were removed and transported to Sundance Disposal Facility, Eunice, NM.

Depth to groundwater is < 50' bgs.

On the 7/31/06, we began extracting samples beneath the pit liner for chloride analysis. A 5-point sampling plan was conducted in the pit area (NW quadrant, NE quadrant, Center, SW quadrant). Sample points were located in the center of each quadrant, and one sample point located in the center of the pit area.

The working pit area closest to the wellhead was divided into 3 areas (E Wrk Pit, Center Wrk Pit, and SW Wrk Pit). Sample points were located in the center of each area.

Samples were extracted from 10' bgs to 19' bgs. Field chloride tests were conducted to determine if chloride concentrations exceeded the acceptable MCL of 250 ppm.

A total of 16 confirmation grab samples were retrieved. These samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-ClB).

Confirmation samples were extracted in the NE quadrant at 10' bgs, and 19' bgs. Analytical results indicated chloride concentrations were 17275 ppm, and 288 ppm, respectively (see table).

Confirmation samples were extracted in the NW quadrant at 12', 16' and 19' bgs. Analytical results indicated chloride concentrations were 16315 ppm, 8797 ppm, and 8557 ppm, respectively (see table).

Confirmation samples were extracted in the Center quadrant at 10', 12', 16' and 17' bgs. Analytical results indicated chloride concentrations were 2255 ppm, 272 ppm, 6158 ppm, and 112 ppm, respectively (see table).

Confirmation samples were extracted in the SW quadrant at 12', 16', 17', and 19' bgs. Analytical results indicated chloride concentrations were 26872 ppm, 37988 ppm, 10477 ppm, and 8717 ppm, respectively (see table).

Confirmation samples were extracted in the SE quadrant at 10', 16', and 19' bgs. Analytical results indicated chloride concentrations were 12396 ppm, 5806 ppm, and 1935 ppm, respectively (see table).

Confirmation samples were extracted in the Center Wrk Pit at 14' bgs. Analytical results indicated the chloride concentration was 176 ppm (see table).

Confirmation samples were extracted in the SW Wrk Pit at 14', and 19' bgs. Analytical results indicated chloride concentrations were 9677 ppm, and 5118 ppm, respectively (see table).

Confirmation samples were extracted in the E Wrk Pit at 19' bgs. Analytical results indicated the chloride concentration was 224 ppm (see table).

DATE	ID		Cl ⁻
7/31/06	NE	10' BGS	17275
9/6/06	NE	19' BGS	288
7/31/06	NW	12' BGS	16315
8/8/06	NW	16' BGS	8797
9/6/06	NW	19' BGS	8557
7/31/06	C	10' BGS	2255
7/31/06	C	12' BGS	272
8/8/06	C	16' BGS	6158
8/8/06	C	17' BGS	112
7/31/06	SW	12' BGS	26872
8/8/06	SW	16' BGS	37988
8/8/06	SW	17' BGS	10477
9/6/06	SW	19' BGS	8717
7/31/06	SE	10' BGS	12396
8/8/06	SE	16' BGS	5806

9/6/06	SE	19' BGS	1935
8/8/06	C.WRK.PIT	14' BGS	176
8/8/06	SW.WRK.PIT	14' BGS	9677
8/28/06	SW.WRK.PIT	19' BGS	5118
9/6/06	E.WRK.PIT	19' BGS	224
9/14/06	BH #1	25' BGS	240
9/14/06	BH #1	30' BGS	112
9/14/06	BH #1	35' BGS	48
9/14/06	BH #2	25' BGS	4319
9/14/06	BH #2	30' BGS	1328
9/14/06	BH #2	35' BGS	128
9/14/06	BH #3	25' BGS	10157
9/14/06	BH #3	30' BGS	11436
9/14/06	BH #3	35' BGS	8237
9/14/06	BH #3	40' BGS	3071
9/14/06	BH #3	45' BGS	2159
9/14/06	BH #3	50' BGS	1695
9/19/06	BH #3	57' BGS	1663
9/19/06	BH #3	60' BGS	656
9/19/06	BH #3	62' BGS	2007*
9/19/06	BH #4	25' BGS	1408
9/19/06	BH #4	30' BGS	1871
9/19/06	BH #4	35' BGS	512
9/19/06	BH #4	40' BGS	432
9/19/06	BH #4	45' BGS	560
9/19/06	BH #4	50' BGS	400
9/19/06	BH #4	55' BGS	16

* - Saturated Zone (groundwater sample)

On the 9/14/06 and the 9/19/06, four bore holes (BH #1 - NE quadrant, BH #2 - SE quadrant, BH #3 - SW Quadrant, BH #4 - NW quadrant) were drilled and split spoon sampling conducted every 5'. A total of 22 discrete grab samples were retrieved.

The samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-Cl⁻B).

BH # 1- NE quadrant and BH #2 - SE quadrant were sampled at 25', 30', and 35' bgs respectively.

Chloride analysis at 25', 30', and 35' bgs indicated concentrations at BH #1 were 240 ppm, 112 ppm, and 48 ppm, respectively (see table,).

Chloride analysis at 25', 30', and 35' bgs indicated concentrations at BH #2 were 4319 ppm, 1328 ppm, and 128 ppm, respectively (see table,).

BH #3 – SW Quadrant was sampled at 25', 30', 35', 40', 45', 50', 55', 57', 60', and 62' bgs respectively.

Chloride analysis at 25', 30', 35', 40', 45', 50', 57', 60', and 62' bgs indicated concentrations at BH #3 were 10,157 ppm, 11,436 ppm, 8237 ppm, 3071 ppm, 2159 ppm, 1695 ppm, 1663 ppm, 656 ppm, and 2007 ppm (saturated zone), respectively (see table,).

BH #4 – NW Quadrant was sampled at 25', 30', 35', 40', 45', 50', and 55' bgs respectively.

Chloride analysis at 25', 30', 35', 40', 45', 50', and 55' bgs indicated concentrations at BH #4 were 1408 ppm, 1871 ppm, 512 ppm, 432 ppm, 560 ppm, 400 ppm, and 16 ppm, respectively (see table,).

Groundwater was encountered in BH #3 at 62' bgs with a chloride concentration of 2007 ppm.

Sincerely,



Jerry R. Brian - REM, REPA
Geologist
Hungry Horse Environmental
P.O. Box 1058
Hobbs, NM 88241

RECEIVED

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

NOV 27 2008

Form C-14
Revised October 10, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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	Lease No.
---------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section 10	Township 21S	Range 37E	1310 Feet from the	South Line	330 Feet from the	West Line
-------------	---------------	-----------------	--------------	-----------------------	------------	----------------------	-----------

Latitude - N 32 degrees 29.387' Longitude - W 103 degrees 09.502'

NATURE OF RELEASE

Type of Release - Brine Water	Volume of Release	Volume Recovered
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.*

1 RP # 1113

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: Jerry Brian	Approved by District Supervisor: <i>Edward Eliaz</i>	
Title: Environmental Manager - Hungry Horse Environmental	Approval Date: 11-9-06	Expiration Date: 2-9-07
E-mail Address: jrbrian@curryon.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 11/6/06	Phone: 505-390-6149	

DP# 111



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Hungry Horse, LLC</u>		BILL TO		ANALYSIS REQUEST																				
Project Manager: <u>A. Brim</u>		P.O. #:																						
Address: <u>P.O. Box 1058</u>		Company:																						
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:																						
Phone #: <u>390-6149</u> Fax #: <u>393-3386</u>		Address:																						
Project #: _____ Project Owner: <u>Apache</u>		City:																						
Project Name: <u>WED4 #527</u>		State: _____ Zip: _____																						
Project Location: <u>Dea Cruth</u>		Phone #:																						
Sampler Name: <u>A. Brim</u>		Fax #:																						
FOR LAB USE ONLY																								
Lab I.D.	Sample I.D.	(G/RAB OR C) OMP.	# CONTAINERS											MATRIX				PRESERV.			SAMPLING			
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME										
A11550-1	BH #3 - 57 BBS	D				X							9/15/06	9 AM										
-2	BH #3 - 60' BBS	D				X																		
-3	BH #3 - 62' BBS			X																				
-4	BH #4 - 25' BBS	D				X																		
-5	" - 30' "					X																		
-6	" - 35' "					X																		
-7	" 40' "					X																		
-8	" 45' "					X																		
-9	" 50' "					X																		

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: <u>A. Brim</u>		Date: <u>9/10/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
		Time: <u>1:35 PM</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date:	Received By: (Lab Staff)	REMARKS:	
		Time:	<u>Lab Staff</u>		
Delivered By: (Circle One)			Sample Condition	CHECKED BY:	
Sampler - UPS - Bus - Other:			Cool Intact	(Initials)	
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<u>7/14</u>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



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2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Hungry Horse, LLC</u>		BILL TO		ANALYSIS REQUEST										
Project Manager: <u>A. Brim</u>		P.O. #:												
Address: <u>P.O. Box 1058</u>		Company:												
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:												
Phone #: <u>390-6149</u> Fax #: <u>393-3386</u>		Address:												
Project #: _____ Project Owner: <u>Apache</u>		City:												
Project Name: <u>NEDU #527</u>		State: _____ Zip: _____												
Project Location: <u>Lea County</u>		Phone #:												
Sampler Name: <u>A. Brim</u>		Fax #:												
FOR LAB USE ONLY														
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX					PRESERV.		SAMPLING		DATE	TIME
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :	ACID/BASE:	ICE / COOL	OTHER :		
H1550-10	BH#4-55 BBS	D			X							9/19/06	9AM	X

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated remedies or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: <u>A. Brim</u>		Date: <u>9/20/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Time: <u>1:35pm</u>	Received By: (Lab Staff) <u>[Signature]</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) <input checked="" type="checkbox"/> Sampler - UPS - Bus - Other:		Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) <u>[Signature]</u>	REMARKS:	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



ARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 2

Company Name: <u>Hungry Horse LLC</u>	BILL TO	ANALYSIS REQUEST											
Project Manager: <u>Jerry Brian</u>	P.O. #:												
Address:	Company: <u>Hungry Horse</u>												
City: <u>HOBBS</u> State: <u>NM</u> Zip: <u>88241</u>	Attn:												
Phone #: <u>505-390-6149</u> Fax #:	Address:												
Project #: <u>APA-06-002</u> Project Owner: <u>APACHE</u>	City:												
Project Name: <u>NEDK # 527</u>	State: Zip:												
Project Location:	Phone #:												
Sampler Name: <u>JOHN GOOD</u>	Fax #:												

Lab I.D.	Sample I.D.	(GRAB OR (C)OMP. # CONTAINERS	MATRIX					PRESERV.			SAMPLING		DATE	TIME
			GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:			
H11539-1	5091406-BH1-25	X 1			X							9-14	1:00	
-2	-BH1-30	X 1			X								1:20	
-3	-BH1-35	X 1			X								1:40	
-4	-BH2-25	X 1			X								2:20	
-5	-BH2-30	X 1			X								2:40	
-6	-BH2-35	X 1			X								3:00	
-7	-BH3-25	X 1			X								3:40	
-8	-BH3-30	X 1			X								4:00	
-9	-BH3-35	X 1			X								4:20	
-10	-BH3-40	X 1			X								4:40	

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished By: <u>John Good</u>	Date: <u>9-15-06</u> Time: <u>11:00</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Date:	Received By: (Lab Staff) <u>Brian J. Egan</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) <u>Sampler</u> - UPS - Bus - Other:	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	CHECKED BY: (Initials)	REMARKS:	

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CARDINAL LABORATORIES, INC.

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 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Hugry Horse LLC</u>		BILL TO		ANALYSIS REQUEST																						
Project Manager: <u>Jerry Brian</u>		P.O. #:																								
Address:		Company:																								
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:																								
Phone #: <u>505-390-6149</u> Fax #:		Address:																								
Project #: <u>APA-06-002</u> Project Owner: <u>APACHE</u>		City:																								
Project Name: <u>NRDW #527</u>		State: Zip:																								
Project Location:		Phone #:																								
Sampler Name: <u>JOHN GOOD</u>		Fax #:																								
FOR LAB USE ONLY				MATRIX		PRESERV		SAMPLING																		
Lab I.D.	Sample I.D.	(GRAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME												
<u>H11539-11</u>	<u>5091406-BH3-45</u>	<u>X</u>	<u>1</u>			<u>X</u>							<u>9-14</u>	<u>5:00</u>												
<u>-12</u>	<u>+ BH3-50</u>	<u>X</u>	<u>1</u>			<u>X</u>							<u>9-14</u>	<u>5:20</u>												

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Sampler Relinquished:		Date:	Received By:		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
		Time:			Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date: <u>9/15/06</u>	Received By: (Lab Staff)		REMARKS:	
		Time: <u>11:00</u>	<u>BC</u>			
Delivered By: (Circle One)				Sample Condition		
Sampler - UPS - Bus - Other:				Cool Intact	(Initials)	
				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
				<input type="checkbox"/> No <input type="checkbox"/> No		

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page _____ of _____

Company Name: <u>Hungry Horse</u>				BILL TO				ANALYSIS REQUEST															
Project Manager: <u>Jerry Bacon</u>				P.O. #:																			
Address:				Company:																			
City: <u>Hobbs</u>		State: <u>NM</u>		Zip: <u>88240</u>		Attn:																	
Phone #:		Fax #:		Address:																			
Project #:		Project Owner: <u>Apache</u>		City:																			
Project Name: <u>Apache NEDU #527</u>				State:		Zip:																	
Project Location: <u>11 11 11</u>				Phone #:																			
Sampler Name:				Fax #:																			
FOR LAB USE ONLY																							
Lab I.D.		Sample I.D.						(GRAB OR C)OMP. # CONTAINERS		MATRIX		PRESERV.		SAMPLING									
				GROUNDWATER		WASTEWATER		SOIL		OIL		SLUDGE		OTHER:		ACID/BASE:		ICE / COOL		OTHER:			



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: <u>Hungary Horse</u>		BILL TO		ANALYSIS REQUEST								
Project Manager: <u>A. Brown</u>		P.O. #:										
Address: <u>PO Box 1058</u>		Company:										
City: <u>Hobbs</u>	State: <u>NM</u>	Zip: <u>88240</u>	Attn:									
Phone #: <u>390-6149</u>	Fax #: <u>393-3386</u>	Address:										
Project #:	Project Owner: <u>Apache</u>		City:									
Project Name: <u>WED 4 # 527</u>	State:		Zip:									
Project Location: <u>Lea County</u>	Phone #:											
Sampler Name: <u>FB</u>	Fax #:											
FOR LAB USE ONLY												
Lab I.D.	Sample I.D.	(GRAB OR (C)OMP. # CONTAINERS)	MATRIX			PRESERV.	SAMPLING					
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE
H11500-1	NW-19 BBS	↓			X						8/28/06	
-2	SW-19 BBS	↓									8/28/06	
-3	SW-Wrk Pit-19 BBS	↓									8/28/06	

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Sampler Relinquished: <u>A. Brown</u>	Date: <u>9/5/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
	Time: <u>1:50pm</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By:	Date:	Received By: (Lab Staff) <u>[Signature]</u>	REMARKS:
	Time:		
Delivered By: (Circle One)	Sample Condition	Temp, °C	Intact?
<input checked="" type="checkbox"/> Sampler <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Checked By:	(Initials) <u>[Signature]</u>	

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST



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Page ____ of ____

Company Name: Hungary Horse	BILL TO	ANALYSIS REQUEST
Project Manager: JB	P.O. #:	
Address: P.O. Box 1058	Company:	
City: Hobbs State: NM Zip: 88241	Attn:	
Phone #: 390-6149 Fax #: 393-3386	Address:	
Project #: Project Owner: Apache	City:	
Project Name: NEDU #527	State: Zip:	
Project Location: Lea Cnty	Phone #:	
Sampler Name: JB	Fax #:	

FOR LAB USE ONLY	Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX							PRESERV.		SAMPLING		DATE	TIME
					GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :	ACID/BASE:	ICE / COOL	OTHER :				
	H11451-1	C - 16' BBS	5				X								8/8/06		
	-2	SE - 16' BBS													↓		
	-3	NW - 16' BBS															
	-4	SW - 16' BBS															
	-5	C Wok Pit - 14' BBS													8/16/06		
	-6	SW Wok Pit - 17' BBS															
	-7	C - 17' BBS															
	-8	SW - 17' BBS															

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Sampler Relinquished: JB	Date: 8/1/06	Time: 12:30PM	Received By: Bryan Cooke	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Date:	Time:	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) <input checked="" type="checkbox"/> Sampler <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No		CHECKED BY: (Initials)	REMARKS:	

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Hungry Horse</u>		Project Manager: <u>Jerry Brian</u>		BILL TO		PO #:		ANALYSIS REQUEST																							
Address: <u>P.O. Box 1058</u>		City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Phone #: <u>390-6149</u>		Fax #: <u>393-3386</u>		Project #: _____		Project Owner: <u>Apache</u>		Project Name: <u>WEDU #527</u>		Project Location: <u>Lea County</u>		Company:		Attn:		Address:		City:		State:		Zip:		Phone #:		Fax #:	
FOR LAB USE ONLY		LAB I.D.		Sample I.D.		# CONTAINERS		GROUNDWATER		WASTEWATER		SOIL		OIL		SLUDGE		OTHER:		ACID:		ICE / COOL		OTHER:		DATE		TIME			
		H11417-1		SE-10' BGS		2						X														7-31-06					
		-2		NE-10' BGS		2																				7-31-06					
		-3		C-10' BGS		2																				7-31-06					
		-4		C-12' BGS		2																				8-7-06		2:05pm			
		-5		SW-12' BGS		2																				8-7-06		2:05pm			
		-6		WLS-12' BGS		2																				8-7-06		2:07pm			

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Sampler Relinquished:		Date: <u>8-7-06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Additional Fax #: _____
<u>[Signature]</u>		Time: <u>3:04</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	REMARKS:
Relinquished By:		Date: <u>08-07-06</u>	Received By: (Lab Staff)		
		Time: <u>3:04</u>	<u>[Signature]</u>		
Delivered By: (Circle One)		Sample Condition		CHECKED BY:	
<u>Sample</u> - UPS - Bus - Other:		Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		(Initials)	

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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
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	1310 Feet	South Line	330 Feet from	West Line	County
	10	21S	37E	from the		the		Lea

Latitude - N 32 degrees 29.387' Longitude - W 103 degrees 09.502'

NATURE OF RELEASE

Type of Release - Brine Water	Volume of Release	Volume Recovered
Source of Release - compromised pit liner	Date and Hour of Occurrence	Date and Hour of Discovery 7/19/06
	unknown	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:	
Title: <i>Environmental Manager - Hungry Horse Environmental</i>	Approval Date:	Expiration Date:
E-mail Address: <i>j.brian@verizon.net</i>	Conditions of Approval:	
Date: <i>11/6/06</i> Phone: <i>505-390-6149</i>	Attached <input type="checkbox"/>	

November 6, 2006

Mr. Glen Von Gotten
Environmental Engineer Specialist
NM Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

Reference:

Pit Delineation Plan- Apache Corporation
NEDU # 527
Section 10, T21S-R37E
API No.: 30-025-37242
Lea County, NM

Mr. Von Gotten:

On the 7/23/06, we began to conduct our "dig & haul" remediation on the NEDU # 527. All contents of the pit were removed and transported to Sundance Disposal Facility, Eunice, NM.

Depth to groundwater is < 50' bgs.

On the 7/31/06, we began extracting samples beneath the pit liner for chloride analysis. A 5-point sampling plan was conducted in the pit area (NW quadrant, NE quadrant, Center, SW quadrant). Sample points were located in the center of each quadrant, and one sample point located in the center of the pit area.

The working pit area closest to the wellhead was divided into 3 areas (E Wrk Pit, Center Wrk Pit, and SW Wrk Pit). Sample points were located in the center of each area.

Samples were extracted from 10' bgs to 19' bgs. Field chloride tests were conducted to determine if chloride concentrations exceeded the acceptable MCL of 250 ppm.

A total of 16 confirmation grab samples were retrieved. These samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-ClB).

Confirmation samples were extracted in the NE quadrant at 10' bgs, and 19' bgs. Analytical results indicated chloride concentrations were 17, 275 ppm, and 288 ppm, respectively (see table).

Confirmation samples were extracted in the NW quadrant at 12', 16' and 19' bgs. Analytical results indicated chloride concentrations were 16315 ppm, 8797 ppm, and 8557 ppm, respectively (see table).

Confirmation samples were extracted in the Center quadrant at 10', 12', 16' and 17' bgs. Analytical results indicated chloride concentrations were 2255 ppm, 272 ppm, 6158 ppm, and 112 ppm, respectively (see table).

Confirmation samples were extracted in the SW quadrant at 12', 16', 17', and 19' bgs. Analytical results indicated chloride concentrations were 26872 ppm, 37988 ppm, 10477 ppm, and 8717 ppm, respectively (see table).

Confirmation samples were extracted in the SE quadrant at 10', 16', and 19' bgs. Analytical results indicated chloride concentrations were 12396 ppm, 5806 ppm, and 1935 ppm, respectively (see table).

Confirmation samples were extracted in the Center Wrk Pit at 14' bgs. Analytical results indicated the chloride concentration was 176 ppm (see table).

Confirmation samples were extracted in the SW Wrk Pit at 14', and 19' bgs. Analytical results indicated chloride concentrations were 9677 ppm, and 5118 ppm, respectively (see table).

Confirmation samples were extracted in the E Wrk Pit at 19' bgs. Analytical results indicated the chloride concentration was 224 ppm (see table).

7/31/06	NE	10' BGS	17275
9/6/06	NE	19' BGS	288
7/31/06	NW	12' BGS	16315
8/8/06	NW	16' BGS	8797
9/6/06	NW	19' BGS	8557
7/31/06	C	10' BGS	2255
7/31/06	C	12' BGS	272
8/8/06	C	16' BGS	6158
8/8/06	C	17' BGS	112
7/31/06	SW	12' BGS	26872
8/8/06	SW	16' BGS	37988
8/8/06	SW	17' BGS	10477
9/6/06	SW	19' BGS	8717

7/31/06	SE	10' BGS	12396
8/8/06	SE	16' BGS	5806
9/6/06	SE	19' BGS	1935
8/8/06	C.WRK.PIT	14' BGS	176
8/8/06	SW.WRK.PIT	14' BGS	9677
8/28/06	SW.WRK.PIT	19' BGS	5118
9/6/06	E.WRK.PIT	19' BGS	224
9/14/06	BH #1	25' BGS	240
9/14/06	BH #1	30' BGS	112
9/14/06	BH #1	35' BGS	48
9/14/06	BH #2	25' BGS	4319
9/14/06	BH #2	30' BGS	1328
9/14/06	BH #2	35' BGS	128
9/14/06	BH #3	25' BGS	10157
9/14/06	BH #3	30' BGS	11436
9/14/06	BH #3	35' BGS	8237
9/14/06	BH #3	40' BGS	3071
9/14/06	BH #3	45' BGS	2159
9/14/06	BH #3	50' BGS	1695
9/19/06	BH #3	57' BGS	1663
9/19/06	BH #3	60' BGS	656
9/19/06	BH #3	62' BGS	2007
9/19/06	BH #4	25' BGS	1408
9/19/06	BH #4	30' BGS	1871
9/19/06	BH #4	35' BGS	512
9/19/06	BH #4	40' BGS	432
9/19/06	BH #4	45' BGS	560
9/19/06	BH #4	50' BGS	400
9/19/06	BH #4	55' BGS	16

On the 9/14/06 and the 9/19/06, four bore holes (BH #1 - NE quadrant, BH #2 - SE quadrant, BH #3 - SW Quadrant, BH #4 - NW quadrant) were drilled and split spoon sampling conducted every 5'. A total of 22 discrete grab samples were retrieved.

The samples were properly packaged, preserved, and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. All samples were analyzed for Chlorides (EPA Method: 4500-ClB).

BH # 1- NE quadrant and BH #2 - SE quadrant were sampled at 25', 30', and 35' bgs respectively.

Chloride analysis at 25', 30', and 35' bgs indicated concentrations at BH #1 were 240 ppm, 112 ppm, and 48 ppm, respectively (see table.).

Chloride analysis at 25', 30', and 35' bgs indicated concentrations at BH #2 were 4319 ppm, 1328 ppm, and 128 ppm, respectively (see table.).

BH #3 – SW Quadrant was sampled at 25', 30', 35', 40', 45', 50', 55', 57', 60', and 62' bgs respectively.

Chloride analysis at 25', 30', 35', 40', 45', 50', 57', 60', and 62' bgs indicated concentrations at BH #3 were 10,157 ppm, 11,436 ppm, 8237 ppm, 3071 ppm, 2159 ppm, 1695 ppm, 1663 ppm, 656 ppm, and 2007 ppm (saturated zone), respectively (see table.).

BH #4 – NW Quadrant was sampled at 25', 30', 35', 40', 45', 50', and 55' bgs respectively.

Chloride analysis at 25', 30', 35', 40', 45', 50', and 55' bgs indicated concentrations at BH #4 were 1408 ppm, 1871 ppm, 512 ppm, 432 ppm, 560 ppm, 400 ppm, and 16 ppm, respectively (see table.).

Groundwater was encountered in BH #3 at 62' bgs with a chloride concentration of 2007 ppm.

Sincerely,



Jerry R. Brian - REM, REPA
Geologist
Hungry Horse Environmental
P.O. Box 1058
Hobbs, NM 88241



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 2

Company Name: <u>Hungry Horse LLC</u>	BILL TO	ANALYSIS REQUEST											
Project Manager: <u>Jerry Brian</u>	P.O. #:												
Address:	Company: <u>Hungry Horse</u>												
City: <u>HOBBS</u> State: <u>NM</u> Zip: <u>88241</u>	Attn:												
Phone #: <u>505-390-6149</u> Fax #:	Address:												
Project #: <u>APA-06-002</u> Project Owner: <u>APACHE</u>	City:												
Project Name: <u>NEDU # 527</u>	State: Zip:												
Project Location:	Phone #:												
Sampler Name: <u>JOHN GOOD</u>	Fax #:												

Lab I.D.	Sample I.D.	ID/RAB OR (COMP. #)	# CONTAINERS	MATRIX					PRESERV		SAMPLING		DATE	TIME											
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE	ICE/COOL	OTHER:													
H153A-1	S091406-BH1-25	R	1			X						9-14	1:00												
-2	-BH1-30	R	1			X							1:20												
-3	-BH1-35	X	1			X							1:40												
-4	-BH2-25	X	1			X							2:20												
-5	-BH2-30	X	1			X							2:40												
-6	-BH2-35	X	1			X							3:00												
-7	-BH3-25	X	1			X							3:40												
-8	-BH3-30	X	1			X							4:00												
-9	-BH3-35	X	1			X							4:20												
-10	-BH3-40	X	1			X							4:40												

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's acceptance hereby for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts receivable 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Released By: <u>John Good</u> Date: <u>9-15-06</u> Time: <u>11:00</u>	Received by: Date: _____ Time: _____	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #: _____ Add'l Fax #: _____
	Received By: (Lab Staff) <u>Brian J. Cook</u>	CHECKED BY: (Initials)
Delivered By: (Circle One) <input checked="" type="checkbox"/> Sampler - <input type="checkbox"/> UPS - <input type="checkbox"/> Bus - <input type="checkbox"/> Other:	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No	REMARKS:

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

Nov 09 2006 7:28AM HUNGRY HORSE

391-4585

P.11



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2328 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 2 of 2

Company Name: <u>Hungry Horse LLC</u>		BILL TO		ANALYSIS REQUEST																			
Project Manager: <u>Jerry Brian</u>		P.O. #:																					
Address:		Company:																					
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:																					
Phone #: <u>505-390-6149</u> Fax #:		Address:																					
Project #: <u>APA-06-002</u> Project Owner: <u>APACHE</u>		City:																					
Project Name: <u>NR04 #527</u>		State: Zip:																					
Project Location:		Phone #:																					
Sampler Name: <u>JOHN GOOD</u>		Fax #:																					
FOR LAB USE ONLY																							
Lab I.D.	Sample I.D.	(GRAB OR COMP.)	# CONTAINERS	MATRIX					PRESERV			SAMPLING											
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:	DATE	TIME									
<u>H11539-11</u>	<u>5091406-BH3-4J</u>	<u>K</u>	<u>1</u>			<u>X</u>						<u>9:14</u>	<u>5:00</u>										
<u>-12</u>	<u>-BH3-50</u>	<u>X</u>	<u>1</u>			<u>X</u>						<u>9:14</u>	<u>5:20</u>										
PLEASE NOTE: Liability and Damages. Cardinal's liability and always exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated remedy or otherwise.												Terms and Conditions: charges will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.											
Sampler Relinquished:		Date:		Received By:		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #:															
		Time:				Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Fax #:															
Relinquished By:		Date: <u>7/5/04</u>		Received By: (Lab Staff)		REMARKS:																	
		Time: <u>11:00</u>		<u>bc</u>																			
Delivered By: (Circle One)				Sample Condition		CHECKED BY:																	
Sampler - UPS - Bus - Other:				Cool <input type="checkbox"/> Intact <input type="checkbox"/>		(Initials)																	
				Yes <input type="checkbox"/> No <input type="checkbox"/>																			

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

NOV 09 2006 7:29AM

HUNGRY HORSE

391-4585

P.12



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: Hungry Horse				BILL TO				ANALYSIS REQUEST						
Project Manager: Brian				P.O. #:										
Address: PO Box 1058				Company:										
City: Hobbs		State: NM		Zip: 88240		Attn:								
Phone #: 390-6149		Fax #: 393-3386		Address:										
Project #:		Project Owner: Apache		City:										
Project Name: WED 4 # 527				State:				Zip:						
Project Location: Lea County				Phone #:										
Sampler Name: FB				Fax #:										
FOR LAB USE ONLY		GIRAS OR (COMP. #) CONTAINERS	MATRIX					PRESERV.		SAMPLING		DATE	TIME	C1
Lab I.D.	Sample I.D.		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE	ICE/COOL	OTHER:			
H11500-1	NW-19 BBS	5			X							8/28/06		XXX
-2	SW-19 BBS											8/28/06		XXX
-3	SW-Wrk Pit-19 BBS											8/28/06		XXX

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 90 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services rendered by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished By: Brian	Date: 9/5/06	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
	Time: 1:50 PM	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By:	Date:	Received By: [Signature]	REMARKS:
Delivered By: (Circle One)	Sample Condition	Temp, °C	Intact? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Sample <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:	Checked By: [Signature]	(Initials)	

† Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79803 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2328 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Hungry Horse</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>JB</u>		P.O. #:													
Address: <u>P.O. Box 1058</u>		Company:													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:													
Phone #: <u>390-6149</u> Fax #: <u>393-3386</u>		Address:													
Project #: _____ Project Owner: <u>Apache</u>		City:													
Project Name: <u>NEDU F527</u>		State: _____ Zip: _____													
Project Location: <u>leg cutin</u>		Phone #:													
Sampler Name: <u>JB</u>		Fax #:													

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX						PRESERV.			SAMPLING		DATE	TIME
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:				
H11451-1	C - 16' BBS	8				X								8/16/06		
	2 SE - 16' BBS															
	3 NW - 16' BBS															
	4 SW - 16' BBS															
	5 C Wk P# - 14' BBS													8/16/06		
	6 SW Wk P# - 17' BBS															
	7 C - 17' BBS															
	8 SW - 17' BBS															

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's recourse remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services heretofore by Cardinal, regardless of whether such claim is based upon any of the above stated causes or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 3% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: <u>JB</u>		Date: <u>8/16/06</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By: <u>JB</u>		Date: <u>8/16/06</u>	Received By: (Lab Staff) <u>Burton Cooke</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) <u>Sampler</u> UPS - Bus - Other:		Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY: (Initials)	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79803 101 East Marland, Hobbs, NM 88240
 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2478

Page _____ of _____

Company Name: Hungry Horse
 Project Manager: Jerry Brown PO #:
 Address: P.O. Box 1058 Company:
 City: Hobbs State: NM Zip: 88241 Attn:
 Phone #: 390-6149 Address:
 Fax #: 393-3386 City:
 Project #: _____ Project Owner: Apache State: _____ Zip: _____
 Project Name: WEDU #527 Phone #:
 Project Location: Lea County Fax #:

FOR LAB USE ONLY		ANALYSIS REQUEST											
LAB I.D.	Sample I.D.	# CONTAINERS	MATRIX					PRES.		SAMPLING		DATE	TIME
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID	ICE / COOL	OTHER:		
H11417-1	SG-10' BGS	1			X							7-31-06	
-2	WE-10' BGS	1			X							7-3-06	
-3	C-10' BGS	1			X							7-3-06	
-4	C-12' BGS	1			X							8-7-06 2:05pm	
-5	SW-12' BGS	1			X							8-7-06 2:05pm	
-6	SL-12' BGS	1			X							8-7-06 2:07pm	

PLEASE NOTE: Liability and Damages. Cardinal's liability and their's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived (unless made in writing and received by Cardinal within 30 days after completion of the applicable service). In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated warranties or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: <u>[Signature]</u>	Date: <u>8-7-06</u> Time: <u>3:04</u>	Received By: <u>[Signature]</u>	Phone Result <input type="checkbox"/> Yes <input type="checkbox"/> No Fax Result <input type="checkbox"/> Yes <input type="checkbox"/> No Additional Fax <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: <u>[Signature]</u>	Date: <u>08-07-06</u> Time: <u>3:04</u>	Received By: (Lab Staff) <u>[Signature]</u>	REMARKS:
Delivered By: (Circle One) <u>Sample</u> - UPS - Bus - Other:	Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CHECKED BY: (Initials)	

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.

P.20
391-4585
Hungry Horse
Nov 09 2006 7:33AM

TRANSACTION REPORT

P. 01

NOV-09-2006 THU 06:44 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-09	06:35 AM	391 4585	9' 49"	20	RECEIVE	OK		

HUNGRY HORSE, LLC

ENVIRONMENTAL SERVICES

P.O. Box 1058 • HOBBS, NM 88241

CELL: 505.390.6149 • PHONE/FAX 505.393.3386

DIRT WORK • ON-SITE REMEDIATION • SOIL TESTING • EXCAVATION

FAX MESSAGE

TO: Dan Von Bortem

FAX NUMBER: 505-476-3462

FROM: J. Brown

DATE: 11/8/06 TIME: _____

NUMBER OF PAGES TO FOLLOW: ~~20~~ 19

IF THERE ARE ANY QUESTIONS CONCERNING THIS MESSAGE, PLEASE CONTACT:

PHONE/FAX: 505.393.3386

CELL: 505.390.6149

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Brazos Rd., 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 11271

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address APACHE CORP 6120 S. Yale, Suite 1500 Tulsa, OK 74136-4224		OGRID Number 873
		API Number 30-025-37242
Property Code 22503	Property Name NORTHEAST DRINKARD UNIT	Well No. 527

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	10	21S	37E	M	1310	S	330	W	Lea

Proposed Pools

EUNICE,BLI-TU-DR, NORTH 22900				
Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3464
Multiple N	Proposed Depth 6925	Formation Drinkard	Contractor	Spud Date

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1300	575	
Prod	7.825	5.5	17	6925	1100	

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	

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

Electronically Signed By: Lana Williams

Title: Drilling Clerk

Date: 05/17/2005

Phone: 918-491-4900

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 05/18/2005 Expiration Date: 05/18/2006

Conditions of Approval:
There are conditions. See Attached.

WELL LOGS

API number:	30-025-37242		
OGRID:		Operator:	APACHE CORP
		Property:	NORTHEAST DRINKARD UNIT # 527

surface

ULSTR:	M	10	T 21S	R 37E
		1310	FSL	330
				FWL

BH Loc

ULSTR:	M	10	T 21S	R 37E
		1310	FSL	330
				FWL

Ground Level:	3464	DF:	3474	KB:	3475
Datum:	KB			TD:	6862

Land: STATE

Completion Date: (1) 10/7/2005
 Date Logs Received: 12/5/2005 ****Late**
 Date Logs Due in: (2) 10/27/2005

Confidential:	NO			Date out:	
---------------	----	--	--	-----------	--

Confidential period: 90 Days for State & Fee, 1 Year for federal

Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	6864	Spectral Density Dual Spaced Neutron
DLL/MSFL	5000	6864	Dual Laterolog Micro Spherically Focused Log

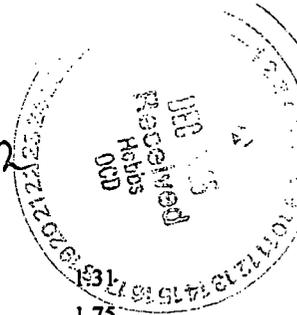
OCD TOPS

Rustler	1276	Strawn		
Tansill		Atoka		
Yates	2637	Morrow		
7R	2858			
T. Bowers Sd				
B. Bowers Sd				
Queen	3431			
Penrose				
Grayburg	3747			
San Andres	3979			
Glorieta	5163			
Tubb	6123			
Drinkard	6440			
Abo	6722			
Wolfcamp				

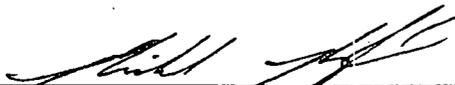
Apache Corporation
 6120 S. Yale Ste 1500
 Tulsa, OK 74136

NEDU # 527
 Lea County New, Mexico

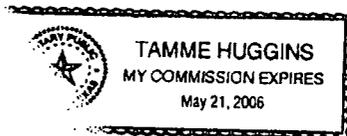
M-10-215-37e
 1310/S + 330/W
 30.025-37242



451	4.51	3/4	5.92	5.92
956	5.05	1	8.84	14.76
1283	3.27	3/4	4.29	19.05
1758	4.75	3/4	6.23	25.28
2233	4.75	2	16.63	41.91
2360	1.27	1 3/4	3.89	45.80
2487	1.27	1 1/2	3.33	49.13
2614	1.27	1	2.22	51.35
3090	4.76	1	8.33	59.68
3598	5.08	1	8.89	68.57
4072	4.74	1	8.30	76.87
4547	4.75	1	8.31	85.18
5047	5.00	1	8.75	93.93
5526	4.79	1	8.38	102.31
5904	3.78	1 1/4	8.27	110.58
6389	4.85	1	8.49	119.07
6862	4.73	1	8.28	127.35


 Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 19th day of September 2005 by Michael Roghair - General Manager, CapStar Drilling, L.P.




 Notary Public



State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1625 N. FRANCES DR., HOHES, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87506

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37242	Pool Code 22900	Pool Name Eunice; Blinebry - Tubb - Drinkard - North
Property Code 22503	Property Name NEDU	Well Number 527
OGRID No. 00873	Operator Name APACHE CORPORATION	Elevation 3464'

Surface Location

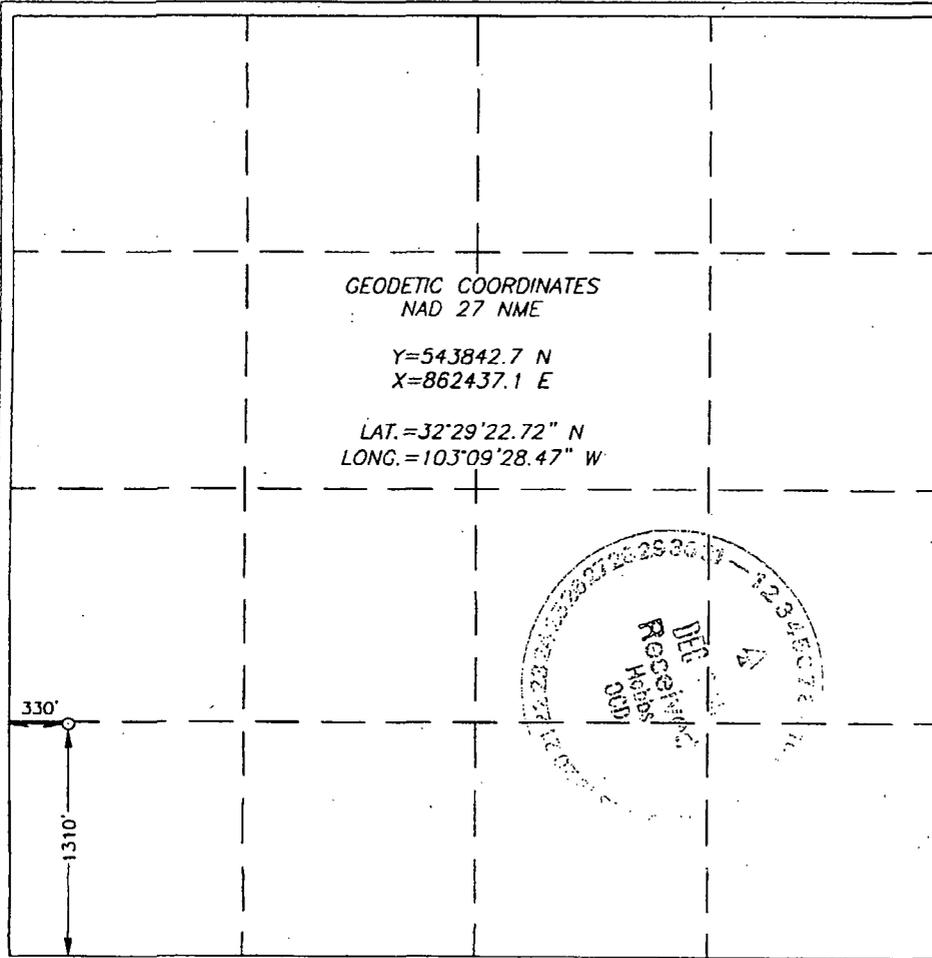
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	21-S	37-E		1310	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

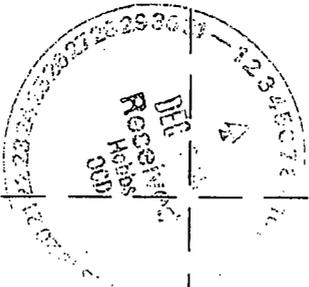
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



GEODETIC COORDINATES
NAD 27 NME

Y=543842.7 N
X=862437.1 E

LAT.=32°29'22.72" N
LONG.=103°09'28.47" W



OPERATOR CERTIFICATION

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

Elaine Linton
Signature

Elaine Linton
Printed Name

Engineering Technician
Title

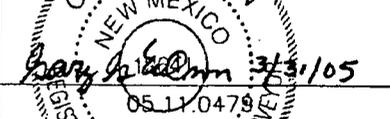
December 2, 2005
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

MARCH 22, 2005

Date Surveyed
Signature & Seal of Professional Surveyor



Certificate No. GARY EDISON 12841

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 March 4, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-37242
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name NEDU
8. Well Number 527
9. OGRID Number 873
10. Pool name or Wildcat EUNICE; BLI-TU-DR, NORTH 22900

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

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 APACHE CORPORATION

3. Address of Operator
 6120 S. YALE, STE. 1500

4. Well Location
 Unit Letter 18N : 1310 feet from the S line and 330 feet from the W line
 Section 10 Township 21S Range 37E NMPM Ccounty LEA

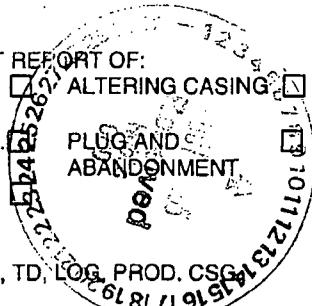
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,464

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
 Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
 feet from the line and feet from the line

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input checked="" type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: SPUD, SURF. CSG., TD, LOG, PROD. CSG. <input checked="" type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

9/2/05 DRILL & SURVEY TO 1283'. CAPSTAR RIG # 14.

9/3/05- DRILL & SURVEY TO TD @ 6862'. DRILL - 987 - 1283. SURVEY - 1283 = .75. CIRC TO RUN 8.625 CSG. T O H TO RUN SURFACE CSG. RIG UP & RUN 8.625 CSG 29 JTS. CIRC CSG SAFETY MEETING. CMT W/ BJ CMT W/ 375 SX 35:65 POZ W/ 6% GEL + 2% CACI+.25# CF = 125 BBLs 12.7# SLURRY W/ 1.88 YIELD - TAIL W/ 200 SX CLASS C + 2% CACI+.125# CF = 48 BBLs 14.8# SLURRY W/ 1.35 YIELD - PLUG BUMPED & HELD - CIRC 116 SX CMT. TO PIT. WOC. CUT OFF CONDUCTOR PIPE. WELD ON HEAD. TEST TO 500 PSI. OK. NIPPLE UP BOP & CHOKE. TESTING 3 RD PARTY BLINDS, CSG, PIPE RAMS, CHOKE, KELLY COCK, DART VALVE, = 500 LOW, 2000 HIGH OKAY. TIH W/ BIT#2 TOP OF CMT. @ 1200 FT. DRILLING CMT, PLUG, FLOAT COLLAR, FLOAT SHOE. DRIG. 7.875 FORMATOIN, 1283-1420. SURVEY @ 2487 = 1.5. SERV. RIG, CHANGE OIL IN LIGHTPLANT. DRILL - 5716' - 5936'. CUT DRILLING LINE, = 100'. SURVEY @ 5904' = 1.25. TRIP OUT HOLE FOR BIT CHANGE. PICK UP MOTOR, BIT, MAKE UP SAME, BREAK CIRC. FUNCTION TEST BOP. T I H BREAKING CIRC. @ DC & 2 JTS. DP, 50 JTS. DP INSTALL KSW'S & STRIPPING RUBBER
 WASH 90' TO BTM. / CIRC. BTMS UP. DRILG. W/ BIT # 3 - 5936' - 6130'. DRILL - 6700' - 6862'. LOST 350 PSI - CHECK SURFACE EQUIP, PUMP SOFTLINE, PRESS INCREASE 7.5 MINUTES. T O H FIX AIR LINES, FOUND 7" CRACK 2' ABOVE PIN ON JT # 160 LAY DOWN SAME. SAFETY MEETING, RIG UP LOGGERS & LOG. HALLIBURTON RAN COMPENSATED SONIC 6816 - 5000; DUAL LATEROLOG MICROGUARD 6864 - 5000; SPECTRAL DENSITY DUAL SPACED NEUTRON 6864 - 200. RUN 5.50" J-55 & L-80 LT&C CSG. RIG DOWN CSG CREW. CIRC CSG. BJ CMT SHOE @ 6862 - FC @ 6842 W/ 750 SX 50:50. POZ C W/ 10% GEL + 5% SALT + .125 # CF + 6 % FL-52 = 325 BBLs 11.8# SLURRY W/ 2.44 YIELD & 400 SX 50:50 POZ C W/ 5% SALT + .6% FL25 = 92 BBLs 14.2# SLURRY W/ 1.29 YIELD - DISPLACE W/ 159 BBLs 2% KCL WATER- PLUG BUMPED & HELD- CIRC 94 SX CMT TO PIT. ND BOP. SET SLIPS. CUT OFF CSG.
 RELEASE RIG 9/16/2005.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Lana Williams TITLE DRILLING CLERK II DATE 10/5/05

Type or print name LANA WILLIAMS E-mail address: lana.williams@apachecorp.com Telephone No. 918-491-4980

This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE 10/7/2005

Conditions of approval, if any:

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

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator name and Address Apache Corporation 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224		2 OGRID Number 00873
4 API Number 30 -025-37242		3 Reason for Filing Code/ Effective Date NW - 10/7/2005
5 Pool Name Eunice; Blmebry - Tubb - Drinkard - North	6 Pool Code 22900	
7 Property Code 22503	8 Property Name Northeast Drinkard Unit	9 Well Number 527

II. 10 Surface Location

UI or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	10	21S	37E		1310	South	330	West	Lea

11 Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Lse Code S	13 Producing Method Code P	14 Gas Connection Date 10/07/2005	15 C-129 Permit Number	16 C-129 Effective Date	17 C-129 Expiration Date				

III. Oil and Gas Transporters

18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description
195739	Plains Pipeline LP Three Allen Center, 333 Clay Houston, TX 77002		O	Unit A, Sec 2, T 21S, R 37E NEDU Central Tank Battery
20809	Sid Richardson Gasoline Co. 201 Main Street, Suite 3000 Fort Worth, TX 76102		G	Unit A, Sec 2, T 21S, R 37E NEDU Central Tank Battery
024650	Dynergy Midstream Services 1000 Louisiana, Suite 5800 Houston, TX 77002		G	Unit A, Sec 2, T 21S, R 37E NEDUE Central Tank Battery

IV. Produced Water

23 POD 2264750	24 POD ULSTR Location and Description Unit A, Sec 2, T 21S, R 37E, NEDU Central Tank Battery
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V. Well Completion Data

25 Spud Date 09/02/2005	26 Ready Date 10/07/2005	27 TD 6862'	28 PBSD 6843'	29 Perforations 5629 - 6687'	30 DHC/MC
31 Hole Size 12-1/4"	32 Casing & Tubing Size 8-5/8"	33 Depth Set 1283'	34 Sacks Cement 575 sx / circ 116 sx		
	7-7/8"	5-1/2"	6862'	1150 sx / TOC 208' CBL	

VI. Well Test Data

35 Date New Oil 10/07/2005	36 Gas Delivery Date 10/07/2005	37 Test Date 10/19/2005	38 Test Length 24 hrs	39 Tbg. Pressure	40 Csg. Pressure
41 Choke Size 70	42 Oil	43 Water 31	44 Gas 1030	45 AOF	46 Test Method Pumping

47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Elaine Linton</i>		OIL CONSERVATION DIVISION	
Printed name: Elaine Linton		Approved by: <i>[Signature]</i>	
Title: Engineering Technician		Title: PETROLEUM ENGINEER	
E-mail Address: elaine.linton@apachecorp.com		Approval Date: DEC 07 2005	
Date: 12/02/2005	Phone: (918)491-5362		

Submit To Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-105
 Revised June 10, 2003

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-025-37242

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WORK DEEPEN PLUG DIFF.
 WELL OVER BACK RESVR. OTHER

7. Lease Name or Unit Agreement Name
 Northeast Drinkard Unit

2. Name of Operator
 Apache Corporation

8. Well No.
 527

3. Address of Operator
 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224

9. Pool name or Wildcat
 Eunice; Blinebry - Tubb - Drinkard - North 22900

4. Well Location
 Unit Letter **M** 1310 Feet From The **South** Line and 330 Feet From The **West** Line
 Section **10** Township **21S** Range **37E** NMPM **10a** County

10. Date Spudded 09/02/2005 11. Date T.D. Reached 09/14/2005 12. Date Compl. (Ready to Prod.) 10/07/2005 13. Elevations (DF& RKB, RT, GR, etc.) 3464' 14. Elev. Casinghead
 15. Total Depth 6862' 16. Plug Back T.D. 6843' 17. If Multiple Compl. How Many Zones? 3 18. Intervals Drilled By X Rotary Tools Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
 Blinebry, Tubb, Drinkard 20. Was Directional Survey Made No
 21. Type Electric and Other Logs Run SD/DSN, DLL/MG 22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	1283'	12-1/4"	575 sx / circ 116 sx	
5-1/2"	17#	6862'	7-7/8"	1150 sx / TOC 208' CBL	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	6713'	

26. Perforation record (interval, size, and number)
 BLINEBRY 5629-32,82-84,5720-24,5806-10,72-75,5930-32 & 6017-20' 2 JSPF
 TUBB 6134-38,93-97,6251-57 & 6329-31' 2 JSPF
 DRINKARD 6578-82,6614-18,54-58 & 6683-87' 2 JSPF

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
 5629 - 6020' 2000gals 15%^HCl, 41kgals gel+84k# 20/40 sd
 6134 - 6331' 2000gals 15%^HCl, 40kgals gel+82k# 20/40 sd
 6578 - 6687' 2000gals 15%^HCl, 42kgals gel+62k# 20/40 sd

PRODUCTION

28. Date First Production 10/07/2005 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping Well Status (Prod. or Shut-in) Producing
 Date of Test 10/19/2005 Hours Tested 24 hrs Choke Size Prod'n For Test Period Oil - Bbl 70 Gas - MCF 1030 Water - Bbl 31 Gas - Oil Ratio 14714
 Flow Tubing Press. Casing Pressure Calculated 24-Hour Rate Oil - Bbl Gas - MCF Water - Bbl Oil Gravity - API - (Corr.) 40.0

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Test Witnessed By Apache Corporation

30. List Attachments
 Logs, Deviation Report, C-102, C-104

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief
 Signature *Elaine Linton* Printed Name Elaine Linton Title Engineering Technician Date 12/02/2005
 E-mail Address elaine.linton@apachecorp.com

District I
1625 N. French Dr., Hobbs, NM 88240

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87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 11271

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37242	Pool Name EUNICE;BLI-TU-DR, NORTH	Pool Code 22900
Property Code 22503	Property Name NORTHEAST DRINKARD UNIT	Well No. 527
GRID No. 873	Operator Name APACHE CORP	Elevation 3464

Surface And Bottom Hole Location

UL or Lot M	Section 10	Township 21S	Range 37E	Lot Ltn M	Feet From 1310	N/S Line S	Feet From 330	E/W Line W	County Lea
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

<input checked="" type="checkbox"/>			

OPERATOR CERTIFICATION

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

Electronically Signed By: Lana Williams

Title: Drilling Clerk

Date: 05/17/2005

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: GARY EIDSON

Date of Survey: 03/22/2005

Certificate Number: 12641

Permit Conditions Of Approval
C-101, Permit 11271

Operator: APACHE CORP , 873

Well: NORTHEAST DRINKARD UNIT #527

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

9/22/2008

VMAIL

• EVELYN WITNAS. SVCS. - DATES OF TVL

476-1947

• 4:16 -

• 4:01 - MIKE GRIFFIN 201-394-2050

• 7:39 - JERRY BROWN - HUSBAND HOW

APALKE NEDU 527 30-025-37242

of 10^M, 215, 37E

GW CONTAMINATION

505-380-6149

MIKE GRIFFIN - 9:13

• JERRY BROWN -

↳ PIT CLOSURE - DON'T WANT TO LEAVE OPEN

DTW @ REMOVE BOOK YAS.

~~SE CORNER.~~

SE CORNER BH-3-60' CE-656

DTW @ 62' @ 2007

BOTTOM @ 20'

⊙ Monument Draw

GRAB TO NE.