

AMTEX ENERGY, INC.

DAGGER LAKE 6 STATE NO. 002

API# 30-025-27573

S-6 T-22S R-33E LEA COUNTY

NOVEMBER 5TH 2010

RECEIVED

NOV 09 2010

HOBBSOCD

CLOSURE REPORT

On this site a truck driver cut netting on open top fiberglass water tank and unloaded a full load into tank without permission, this caused tank to overflow sending 5-7 barrels of BS and produced water on ground behind tank battery and ran south into pasture for approximately 75 yards. Crew had already scraped and excavated area where spill was and hauled off for disposal. 2 samples were taken on west side of pad behind tanks and 2 samples were taken south in pasture area. Chloride field analysis was done on site and came back clean, samples were then taken to Cardinal labs for a full analysis of Chlorides B-Tex and TPH.

Analytical data from lab showed to be clean, had meeting with Geoffry Lecking at OCD and was given written permission to backfill area. Crew brought in 12yds of clean topsoil to put in pasture area, used caliche on pad to cover up area behind tank battery. Pasture area will be reseeded according to OCD or whatever landowner recommends.

If you have any questions or comments please give me a call at 575-631-8037

Jacob Melancon



Environmental Supervisor

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

OCT 28 2010
HOBBSOCD

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	AMTEX ENERGY, INC.	Contact	BILL SAVAGE
Address	P.O. Box 3418, Midland, TX 79702	Telephone No.	432-686-0847
Facility Name	DAGGER LAKE 6 STATE NO. 002	Facility Type	TANK BATTERY
Surface Owner	Mineral Owner		Lease No.

LOCATION OF RELEASE

API No.: 30-025-27573

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	6	22S	33E	N/A	N/A	N/A	N/A	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	BS & OIL	Volume of Release	5-7 BBL	Volume Recovered	0
Source of Release	Open top Water tank	Date and Hour of Occurrence	9/15 11p.m.	Date and Hour of Discovery	9-16 8a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	OCD		
By Whom?	—	Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	None		

If a Watercourse was Impacted, Describe Fully.*

None

Describe Cause of Problem and Remedial Action Taken.*

Truck driver put Hose in open top of tank and ran over tank behind tank battery and south in pasture. Scraped up Contamination and hauled off to Lazy Ace for disposal

Describe Area Affected and Cleanup Action Taken.*

Area affected was west of tanks and south in pasture - Scraped up and hauled off loads to disposal Brought in Caliche and Top Soil and Backfilled areas

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: William J. Savage	OIL CONSERVATION DIVISION	
Printed Name: William J. Savage	Approved by District Supervisor: [Signature]	
Title: President	Approval Date: 11/02/10	Expiration Date: —
E-mail Address: billsavage@verizon.net	Conditions of Approval:	
Date: 11/02/10 Phone: 432-686-0847	Attached <input type="checkbox"/> IRP-10-9-2616	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

NOV 09 2010

HOBBSOCD

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

RECEIVED

SEP 23 2010

HOBBSOCD

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	<i>Am tex</i>	Contact	<i>Bill Savage</i>
Address		Telephone No.	<i>432 - 770 - 0913</i>
Facility Name	<i>Dagger Lake 6 State # 2</i>	Facility Type	<i>Production well</i>
Surface Owner		Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>G</i>	<i>6</i>	<i>22S</i>	<i>33E</i>					

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	<i>BS + oil</i>	Volume of Release	<i>5-7 BBL</i>	Volume Recovered	<i>0</i>
Source of Release	<i>open top water tank</i>	Date and Hour of Occurrence	<i>9-16</i>	Date and Hour of Discovery	<i>9-16</i>
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	<i>OCA</i>		<i>11 p.m.</i>
By Whom?	<i>none</i>	Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	<i>none</i>		

If a Watercourse was Impacted, Describe Fully.*

none

Describe Cause of Problem and Remedial Action Taken.*

Trucker dumped load in tank causing tank to overflow spilling oil on ground behind tanks and went south in Pasture - Scraped up area

Describe Area Affected and Cleanup Action Taken.*

*Area affected was west behind tanks and pasture south of location
Scraped up Contamination and hauled to Lazy Ace Land Farm
Sampled area - Field analysis clean took to lab for analysis*

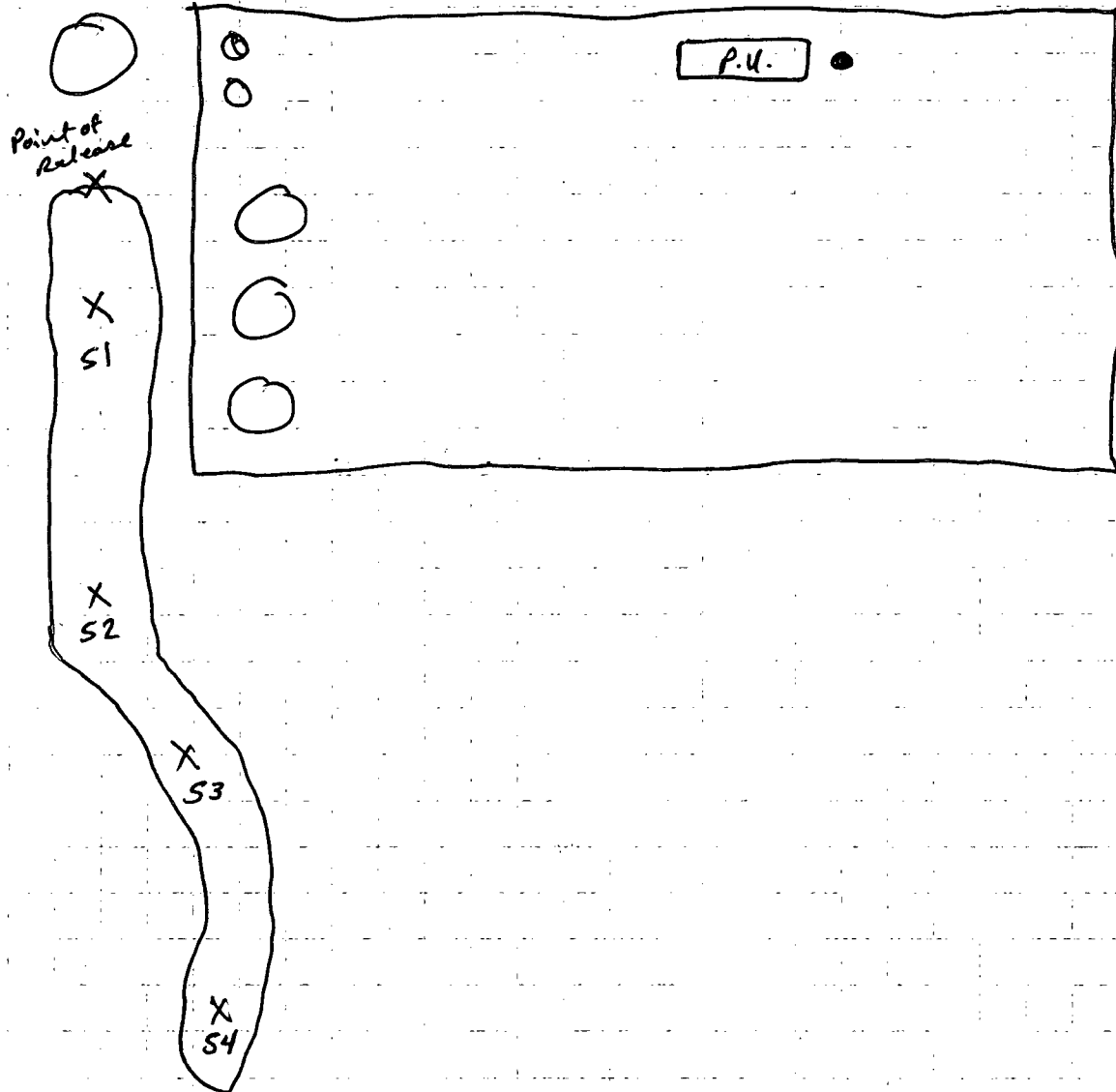
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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.

OIL CONSERVATION DIVISION

Signature: <i>William J Savage</i>	ENV. ENGINEER: Approved by District Supervisor: <i>Jeffrey LeKing</i>	
Printed Name: <i>William J. Savage</i>	Approval Date: <i>09/24/10</i>	Expiration Date: <i>11/24/10</i>
Title: <i>President</i>	Conditions of Approval: <i>SUBMIT FINAL C-141 BY 11/24/10</i>	Attached <input type="checkbox"/>
E-mail Address: <i>bill.savage@verizon.net</i>		<i>IRP-10-9-2616</i>
Date: <i>9-23-2010</i>	Phone: <i>432-770-0913</i>	

* Attach Additional Sheets If Necessary

Am tex Operating
 Dagger Lab 6 state #2
 9.22.2010



	<u>Depth</u>	<u>Time</u>	<u>Reading</u>
S1 -	6"-1	9:35	16x20 = 320
S2 -	↓	9:41	12x20 = 240
S3 -		9:47	12x20 = 240
S4 -		10:00	12x20 = 240

PHONE (575) 351-2326 • 101 E. MARLAND • HOBBS, NM 88240

September 29, 2010

JACOB MELANCON

3 K OIL & GAS

101 E. PANTHER

JAL, NM 88252

RE: DAGGER LAKE 6 STATE #2

Enclosed are the results of analyses for samples received by the laboratory on 09/22/10 15:30.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene
Lab Director/Quality Manager

Approved by
[Signature]
Environmental Engineer
NMCCD-Hobbs
10/12/10



PHONE (725) 393-2164 • 301 E. HURLAND • HONOLULU, NM 88240

Analytical Results For:

3 K OIL & GAS
JACOB MELANCON
101 E. PANTHER
JAL NM, 88252
Fax To: 395-2164

Received: 09/22/2010
Reported: 09/29/2010
Project Name: DAGGER LAKE 6 STATE #2
Project Number: #135
Project Location: DAGGER LAKE 6 STATE #2

Sampling Date: 09/22/2010
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S1 6" - 1' (H020898-01)

BTX 8021B		mg/kg		Analyzed By: cms				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.025	0.025	09/24/2010	ND	1.89	94.4	2.00	4.90	
Toluene*	<0.025	0.025	09/24/2010	ND	2.20	110	2.00	6.46	
Ethylbenzene*	<0.025	0.025	09/24/2010	ND	2.26	113	2.00	8.22	
Total Xylenes*	<0.075	0.075	09/24/2010	ND	6.76	113	6.00	8.01	

Surrogate: 4-Bromofluorobenzene (PIL) 125 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	09/24/2010	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/26/2010	ND	168	83.9	200	6.68	
DRO >C10-C28	<10.0	10.0	09/26/2010	ND	191	95.6	200	8.79	

Surrogate: 1-Chlorooctane 85.6 % 70-130

Surrogate: 1-Chlorooctadecane 87.2 % 70-130

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analytical Results For:

3 K OIL & GAS
JACOB MELANCON
101 E. PANTHER
JAL NM, 88252
Fax To: 395-2164

Received: 09/22/2010
Reported: 09/29/2010
Project Name: DAGGER LAKE 6 STATE #2
Project Number: #135
Project Location: DAGGER LAKE 6 STATE #2

Sampling Date: 09/22/2010
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S2 6" - 1' (H020898-02)

BTEX 8021B		mg/kg		Analyzed By: cms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.025	0.025	09/24/2010	ND	1.89	94.4	2.00	4.90	
Toluene*	<0.025	0.025	09/24/2010	ND	2.20	110	2.00	6.46	
Ethylbenzene*	<0.025	0.025	09/24/2010	ND	2.26	113	2.00	8.22	
Total Xylenes*	<0.075	0.075	09/24/2010	ND	6.76	113	6.00	8.01	

Surrogate: 4-Bromofluorobenzene (PIL) 104 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	09/24/2010	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/26/2010	ND	173	86.6	200	1.68	
DRO >C10-C28	<10.0	10.0	09/26/2010	ND	152	75.9	200	4.78	

Surrogate: 1-Chloronadane 96.6 % 70-130

Surrogate: 1-Chlorooctadecane 96.1 % 70-130

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* = Accredited Analyte

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Celest D. Keene, Lab Director/Quality Manager



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Analytical Results For:

3 K OIL & GAS
JACOB MELANCON
101 E. PANTHER
JAL NM, 88252
Fax To: 395-2164

Received: 09/22/2010
Reported: 09/29/2010
Project Name: DAGGER LAKE 6 STATE #2
Project Number: #135
Project Location: DAGGER LAKE 6 STATE #2

Sampling Date: 09/22/2010
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S3 6" - 1' (H020898-03)

BTX 8021B		mg/kg		Analyzed By: cms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.025	0.025	09/24/2010	ND	1.89	94.4	2.00	4.90	
Toluene*	<0.025	0.025	09/24/2010	ND	2.20	110	2.00	6.46	
Ethylbenzene*	<0.025	0.025	09/24/2010	ND	2.26	113	2.00	8.22	
Total Xylenes*	<0.075	0.075	09/24/2010	ND	6.76	113	6.00	8.01	

Surrogate: 4-Bromofluorobenzene (PIL) 105 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	112	16.0	09/24/2010	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/26/2010	ND	173	86.6	200	1.68	
DRO >C10-C28	<10.0	10.0	09/26/2010	ND	152	75.9	200	4.78	

Surrogate: 1-Chlorooctane 90.2 % 70-130

Surrogate: 1-Chlorooctadecane 90.4 % 70-130

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



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Analytical Results For:

3 K OIL & GAS
JACOB MELANCON
101 E. PANTHER
JAL NM, 88252
Fax To: 395-2164

Received: 09/22/2010
Reported: 09/29/2010
Project Name: DAGGER LAKE 6 STATE #2
Project Number: #135
Project Location: DAGGER LAKE 6 STATE #2

Sampling Date: 09/22/2010
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: 54 6" - 1' (H020898-04)

BTX 8021B		mg/kg		Analyzed By: cms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.025	0.025	09/24/2010	ND	1.89	94.4	2.00	4.90	
Toluene*	<0.025	0.025	09/24/2010	ND	2.20	110	2.00	6.46	
Ethylbenzene*	<0.025	0.025	09/24/2010	ND	2.26	113	2.00	8.22	
Total Xylenes*	<0.075	0.075	09/24/2010	ND	6.76	113	6.00	8.01	

Surrogate: 4-Bromofluorobenzene (PIL) 101 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	09/24/2010	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/26/2010	ND	173	86.6	200	1.68	
DRO >C10-C28	<10.0	10.0	09/26/2010	ND	152	75.9	200	4.78	

Surrogate: 1-Chlorooctane 91.3 % 70-130

Surrogate: 1-Chlorooctadecane 89.5 % 70-130

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* = Accredited Analyte

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Celest D. Keene, Lab Director/Quality Manager

PHONE (575) 393-2326 • 101 E. MARLAND • MORGAN, NM 88240

Notes and Definitions

- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- QM-05 The spike recovery was outside acceptance limits for the MS and/or MSD due to matrix interference. The LCS and/or LCSD were within acceptance limits showing that the laboratory is in control and the data is acceptable.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Cefey D. Keene, Lab Director/Quality Manager



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: 3K oil and gas		BILL TO		ANALYSIS REQUEST																				
Project Manager: Jacobs Mulan.com		P.O. #: 3418		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">U-TPH-BTEX</div> </div>																				
Address: 101 E. Panther		Company: Amtex Energy																						
City: Jal State: N.M. Zip: 88252		Attn: Energy																						
Phone #: 575-395-2654 Fax #: 575-395-2164		Address:																						
Project #: #135 Project Owner: Amtex operating		City: midland																						
Project Name: Dagger Lake 6 state #2		State: TX Zip: 79702-3418																						
Project Location: Dagger Lake 6 state #2		Phone #:																						
Sampler Name:		Fax #:																						
FOR LAB USE ONLY																								
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX				PRESERV.		SAMPLING														
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME										
H20898-1	S1 6"-1'	5	1			X							9-22	9:35										
2	S2 6"-1'	5	1			X							9-22	9:41										
3	S3 6"-1'	5	1			X							9-22	9:47										
4	S4 6"-1'	5	1			X							9-22	10:00										

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Relinquished By:	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 #:
REMARKS:				
Relinquished By: <i>Jacobs</i>	Date: 9/22/10	Received By: <i>Jodi Benson</i>	Email Results to Jacobs @ 3K oil and gas.com	
Time: 3:30				
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: <i>JAH</i>		

#26



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>3K oil and gas</u>				BILL TO				ANALYSIS REQUEST													
Project Manager: <u>Jacob Mulencom</u>				P.O. #: <u>3418</u>																	
Address: <u>101 E. Panther</u>				Company: <u>Amtex Energy</u>																	
City: <u>Tul</u> State: <u>N.M.</u> Zip: <u>88252</u>				Attn: <u>Energy</u>																	
Phone #: <u>575-395-2654</u> Fax #: <u>575-395-2164</u>				Address:																	
Project #: <u>9135</u> Project Owner: <u>Amtex Operating</u>				City: <u>Midland</u>																	
Project Name: <u>Dagger Lake 6 State #2</u>				State: <u>TX</u> Zip: <u>79702-3418</u>																	
Project Location: <u>Dagger Lake 6 State #2</u>				Phone #:																	
Sampler Name:				Fax #:																	
FOR LAB USE ONLY																					
Lab I.D.	Sample I.D.	(GRAB OR (COMP. # CONTAINERS	(GROUNDWATER WASTEWATER SOIL TOIL SLUDGE OTHER	PRESERV. ACID/BASE: ICE / COOL OTHER	SAMPLING DATE	TIME	1	TPH	BTEX												
120848-1	S1 6"-1'	B 1	X		9-22	9:35															
2	S2 6"-1'	B 1	X		9-22	9:41															
3	S3 6"-1'	B 1	X		9-22	9:47															
4	S4 6"-1'	B 1	X		9-22	10:00															

PLEASE NOTE: Liability and Damages. Cardinal's liability and claims are limited to the amount of the fee paid by the client for the analysis. No liability shall be assumed for negligence and no other claim shall be accepted unless made in writing and received by Cardinal within 30 days after completion of the analysis. No liability shall be assumed for consequential damages, including indirect or special damages, or for any loss of profits or business. The client agrees to indemnify and hold Cardinal harmless from all claims, damages, or losses, including reasonable attorneys' fees, arising out of or from the use of the analysis. The client agrees to release and hold Cardinal harmless from all claims, damages, or losses, including reasonable attorneys' fees, arising out of or from the use of the analysis.

Relinquished By:	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: <u>Jacob Mulencom</u>	Date: <u>9/22/10</u>	Received By: <u>Jodi Benson</u>	REMARKS:	
Delivered By: (Circle One)	Sample Condition: Cool - Intact	CHECKED BY: <u>JRM</u>	Email Results to	
Sampler - UPS - Bus - Other:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Jacob @ 3K oil and gas.com	

FORM-006
Revision 1.0

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476

#26

P. O. Box 3418
MIDLAND, TX 79702
432-686-0847
888-789-5245 FAX
432-770-0913 CELL



AMTEX ENERGY, INC.

November 10, 2010

New Mexico Oil Conservation Division
District 1 Office
1625 N. French Drive
Hobbs, New Mexico 88240
Attn: Mr. Mark Whitaker and Mr. Geoffrey Leking

Re: DAGGER LAKE 6 STATE No. 002 API 30-025-27573-00-00
G-06-22S-33E Inspection No. iMAW1025647927
Inspection Date 09/13/2010

Mr. Mark Whitaker and Mr. Geoffrey Leking:

Amtex Energy, Inc. has completed all corrective actions that were indicated for this well from the Inspection No. iMAW1025647927, while staying in contact and updating the OCD on the progress.

- The Well is pumping and is produced one 1 day (24 hours) and then is shut in 5 days and this cycle repeats.
- The valve on the tubing is open when the well is producing and is closed when the well is off line.
- Well sign replaced 11/9/2010, and has been put within 50' of well.
- Restoration is complete for the water tank that overflowed. The C-141 has been submitted to Geoffrey Leking in the Hobbs District Office for the cleanup of the spill in accordance with the OCD.
- The fiberglass tank is cleaned out and all piping is disconnected from the tank so that this tank is no longer in service. Per the phone discussion between Bill Savage and Mark Whitaker, it was agreed that no netting will need to be installed.

After your re-inspection, will you please send Amtex Energy, Inc. a letter notifying us that we are in compliance? If you should have any questions regarding this matter, please contact Bill Savage at (432) 770-0913.

Very truly yours,

William J. Savage
President

WS: ka/c: NMOCD.30-025-27573
Attachments



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Field Inspection Program
Protecting the Integrity of Our Environment*

14-Sep-10

AMTEX ENERGY INC
PO BOX 3418
MIDLAND TX 79702

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

DAGGER LAKE 6 STATE No.002

G-6-22S-33E

30-025-27573-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/13/2010	Routine/Periodic	Mark Whitaker	Yes	No	11/12/2010	iMAW1025647927
Violations						
Surface Leaks/Spills						

Comments on Inspection: Not pumping. Valve on the closed. No well sign within 50' of well. Water tank has overflowed and run over 200' south of battery. Fiberglass tank is full and netting needs to be repaired. REMOVE FLUIDS FROM TANK AND PROPERLY DISPOSE OF. REPLACE NETTING ON TANK. NEED TO SUBMIT C141 TO GEOFFREY LEKING IN THE HOBBS DISTRICT OFFICE FOR CLEAN UP OF SPILL. INSTALL WELL SIGN AT LOCATION. 1st notice.

ABE UNIT No.001

O-28-21S-33E

30-025-33061-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/13/2010	Routine/Periodic	Mark Whitaker	Yes	No	11/12/2010	iMAW1025645603
Violations						
Absent Well Identification Signs (Rule 103)						

Comments on Inspection: Well status shows T/A'd. Expires 02/2011. Wrong operator on well sign. NEED TO CORRECT WELL SIGN TO REFLECT CURRENT OPERATOR.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


COMPLIANCE OFFICER

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.