4/5/06

NMOCD Engineering
Attn: David Catanach
1220 S. St. Francis Drive
Santa Fe, NM 87504

2006 APR 10 PM 1 23

RE: Buckeye Disposal LLC
State AF #3
Unit L Section 8, T18, R35
R-8596

Mr. Catanach,

This letter is to confirm that Buckeye Disposal Took operations of the above listed well from Penroc Oil. The well was and has been operated as a commercial disposal. Attached is a listing of analytical from produced water that have been put into the system or that may have been disposed in the future.

If you have any questions or need additional information please call.

Thanks,

Eddie W. Seay Agent
601 W. Illinois
Hobbs, NM 88242
(505) 392-2236
seay04@leaco.net

POOL: Lusk - Strawn

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Texaco OCD	D-32-19-32	Strawn	PW	71,710	46,612				
—	32-19-32	Strawn	PW	69,200	32,600	1950	7,600	200	
—	27-19-32	Strawn	PW	53,600	20,100	3790	8,170	—	

Pool Chloride Average (All Pool Formations).	Form. Strawn	64,839
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

POOL: Lusk - Yates

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
—	22-18-32	Yates	PW	25,600					

Pool Chloride Average (All Pool Formations).	Form. Yates	25,600
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

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Lea

POOL: Dean – Permo Penn

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Atlantic -OCD	5-16-37	Penn	PW	44,730	29,025				
Atl. Rich / Ross Sym.	35-15-36	Penn	PW	48,700	27,500	668	2680	460	

Pool Chloride Average (All Pool Formations).	Form. Permo Penn	46,915
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

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R = Reef water.

POOL: Double "A" Abo

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
—	20-17-36	Abo	PW	118,800	7,000	4165	?	Trace	

Pool Chloride Average (All Pool Formations).	Form. Abo	118,800
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

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POOL: E. K. - Queen

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Mobil-OCD	13-18-33	Queen	WF	41,890	27,228				

Pool Chloride Average (All Pool Formations).	Form. Queen	41,590
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.

LEA

POOL: Hume - Queen (Pool Abd)

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Union Calif.	9-16-34	Queen	WF	124,000					
Hudgens (Ros Sym)	9-16-34	Queen	PW	196,371	98,144	10,080	9100	468	0
OCO	9-16-34	Queen	PW	124,960	—	—	—	—	

Pool Chloride Average (All Pool Formations).	Form. Queen	148,445
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

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PW = Produced Water (Primary)

R = Reef water.

POOL: HEMNITZ – Lower Wolfcamp

LEA

All values in Parts per Million - PPM.

COMPANY	LOCATION	FORMATION	CODE	Chloride Cl.	Sodium Na.	Magesium Mg.	Calcium Ca.	Sulfate So4	Sulfide H2S
Pubco Corp. OCD	27-16-34	wolf	PW	49,345	32,074				
	27-16-34	wolf	PW	43,000	—	802	3100	1130	
Tennessee	-16-34	wolf	PW	49,500	24,700	70	5500	737	

Pool Chloride Average (All Pool Formations).	Form. Lower wolf.	47,282
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	
Pool Formation Average - PPM Cl.	Form.	

CODE:

WF = Water Flood Water

PW = Produced Water (Primary)

R = Reef water.