

1R - 434

**GENERAL
CORRESPONDENCE**

YEAR(S):
2008

HOLLAND & HART LLP



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law
- New Mexico Board of Legal
Specialization

mfeldewert@hollandhart.com

August 28, 2008

Via Hand Delivery

Mr. Wayne Price
Environmental Bureau Chief
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
AUG 28 PM 3 22

**Re: Paladin's Howard Fleet #4 Salt Water Disposal Well in UL O, Section 35,
Township 13 South, Range 37 East, Lea County.**

Dear Mr. Price:

Since receipt of your August 21st letter, it is my understanding you have conferred with Cliff Brunson (BBC International) and agree that Paladin should be provided with an opportunity to access the two wells referenced in your letter (the Alexander Farms irrigation well and the nearby abandoned McCorry ranch stock well) for the purpose of obtaining current data on the water conditions. Upon receipt of the lab data, Paladin will forward the lab results to you for further consultation. Paladin intends to accomplish this analysis and consultation before October 11, 2008.

By copy of this letter to Patrick McMahon, the attorney for Alexander Farms, I am requesting that he provide my office with permission and dates in September to conduct sampling at these two wells.

Paladin appreciates the Division's cooperation in this matter.

Sincerely,

Michael H. Feldewert

cc. Patrick McMahon, attorney for Alexander Farms
Cliff Brunson, BBC International
Edward Hansen, Division Hydrologist
George Fenton, Paladin Energy Corp.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

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New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
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Cabinet Secretary

Reese Fullerton
Deputy Cabinet Secretary



Mark Fesmire
Division Director
Oil Conservation Division

August 21, 2008

Ocean Munds-Dry
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Re: Paladin Energy Corp., OGRID 164070
Groundwater Monitoring Well(s) Required
at the "Howard Fleet #4" Salt Water Disposal Well
UL O, Section 35, Township 13 South, Range 37 East, NMPM
Lea County, New Mexico near Alexander Farms (1R0434)

Dear Ms. Munds-Dry:

The New Mexico Oil Conservation Division (OCD) is in receipt of your letter, dated July 18, 2008, regarding the OCD's request that Paladin Energy Corp. (Paladin) install a groundwater monitoring well or wells between the "Howard Fleet #4" well and two wells in which groundwater contamination has been discovered. As explained in previous letters from the OCD to Paladin, chloride contamination has been discovered at the Alexander Farms irrigation well and the nearby abandoned McCrory ranch stock well. The plugged and abandoned "Howard Fleet #4" salt water disposal well is located near and up-gradient from those two wells and is the apparent source of the contamination. The "Howard Fleet #4" was operated by Paladin and is located on Paladin's lease.

OCD Rule 19.15.3.116.D NMAC requires the responsible person to complete division-approved corrective action for releases which endanger public health or the environment. Releases must be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC. The installation of a monitor well or wells will help in delineating



the extent of the contamination and in preparing a remediation or abatement plan. I understand that Paladin takes the position that the "Howard Fleet #4" is not responsible for the contamination; the groundwater monitoring well(s) should also provide information on the source of the contamination.

A plan for installing a groundwater monitoring well or wells must be submitted to the OCD by Thursday, September 11, 2008. The plan must include a proposed location map, construction diagram, and sampling and analysis plan, and a schedule for installation. (See the Division's letter of April 23, 2008).

The OCD is writing this final letter regarding the installation of groundwater monitoring well(s) in hopes of mutual cooperation. Failure to install groundwater monitoring well(s) as directed above will result in the OCD filing an application for hearing to obtain an order requiring Paladin to submit and complete an abatement or remediation plan.

If you have any questions regarding this matter, please do not hesitate to contact Edward J. Hansen at (505) 476-3489 or edwardj.hansen@state.nm.us.

Sincerely,



Wayne Price
Environmental Bureau Chief

LWP:EJH:ejh

cc: OCD District I Office, Hobbs, NM
Gail MacQuesten, OCD, Santa Fe, NM
Michael Horn, Paladin Energy Corp., 4006 Dunkirk, Midland, TX 79707 w/att.
Patrick B. McMahon, Heidel, Samberson, Newell, Cox & McMahon, P.O. Drawer 1599,
Lovington, NM 88260



July 18, 2008

VIA HAND-DELIVERY

Wayne Price
Environmental Bureau Chief
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Paladin's Howard Fleet #4 Well in UL O, Section 35, Township 13 South,
Range 37 East, Lea County, New Mexico.**

Dear Mr. Price:

We are in receipt of your letter dated July 1, 2008, requesting that a groundwater monitoring well be installed by Paladin Energy Corporation ("Paladin"). Your letter is in response to our letter dated June 24, 2008.

Our June 24th letter requested specific information from the Division in order to evaluate its requests. Your response simply refers us to the Division's electronic files. A review of those referenced electronic files leaves a number of Paladin's inquiries left unanswered, specifically:

- A. Paladin requested the exact location of the "Alexander Farms irrigation well" (the well first referenced in the Division's June 7, 2007, letter) and the depth of groundwater utilized by that well.
- B. Paladin requested any analysis of the water from the Alexander Farms irrigation well. A February 11, 2005 e-mail from you to Mr. Patrick McMahon, attorney for Alexander Farms, states the district office collected groundwater samples and one of the field inspectors reviewed well files for some of the closest wells near the Alexander Farm. None of this information has been provided to Paladin.
- D. Information on the gradient relationship between the Manzano Rum Point State Well No. 1 and the Alexander Farms irrigation well and now the "abandoned McCrory ranch stock well."
- E. Any maps that reflect the gradient of the groundwater in the area.



In addition to failing to provide this basic information, the Division's first letter to Paladin dated June 7, 2007, requested a groundwater monitoring well between the Howard Fleet Well No. 4 and an irrigation well in Section 2, Township 13 South, Range 37 East. Now the Division requests that Paladin install a groundwater monitoring well between the Howard Fleet Well No. 4 and the abandoned McCrory ranch stock well located in the SE/4 SE/4 of Section 35, Township 13 South, Range 37 East. Since the Division's requests have now changed, and its files reference a number of wells, please identify:


1. The exact location of the "abandoned McCrory ranch stock well;"
2. The date when this stock well was abandoned;
3. The depth of this abandoned stock well;
4. The reason that the location of the Division's request for a monitor well has changed (from the irrigation well in Section 2 to the abandoned stock well in Section 35);
5. The owner of the property containing this abandoned stock well;
6. The basis for the Division's belief that the Howard Fleet well is a contributor or source of the chlorides in this abandoned stock well; and
7. Whether the Division required any other oil and gas operators of properties with wells in the area to install groundwater monitoring wells, and if so, the name of the operator(s) and the results of the Division's requirements.

Please appreciate that without this basic information, Paladin is not in a position to evaluate the Division's new request for a monitoring well or to submit any plan by Tuesday, July 22, 2008.

Sincerely,


Ocean Munds-Dry
for Holland & Hart^{LLP}

cc: Edward J. Hansen, OCD
Gail MacQuesten, OCD
David Plaisance, Paladin

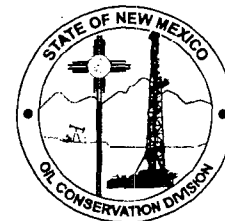


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Reese Fullerton
Deputy Cabinet Secretary



Mark Fesmire
Division Director
Oil Conservation Division

July 1, 2008

Michael H. Feldewert
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

**Re: Groundwater Monitoring Well(s) Required
at the "Howard Fleet #4" Salt Water Disposal Well
UL O, Section 35, Township 13 South, Range 37 East, NMPM
Lea County, New Mexico near Alexander Farms (1R0434)**

Dear Ms. Feldewert:

The New Mexico Oil Conservation Division (OCD) is in receipt of your letter, dated June 24, 2008, regarding the above referenced well. Regarding the information requested in your letter, please find the information available to the OCD at the following:

<http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pLWP0504252270>

If you feel additional information is needed, the OCD recommends that Palandin obtain the services of an environmental consultant. However, the OCD cannot recommend a specific company.

Please keep in mind that the OCD is requiring that a groundwater monitoring well(s) be installed by Palandin Energy Corp. between the plugged disposal well and the contaminated McCrory ranch stock well. A plan must be submitted to the OCD by Tuesday, July 22, 2008. The Plan must include a proposed location map, construction diagram, and sampling and analysis plan, and a schedule for installation for the groundwater monitoring well(s). (see the Division's letter of April 23, 2008).



Michael H. Feldewert
July 1, 2008
Page 2

If you have any questions regarding this matter, please do not hesitate to contact Edward J. Hansen at (505) 476-3489 or edwardj.hansen@state.nm.us.

Sincerely,



Wayne Price
Environmental Bureau Chief

LWP:EJH:ejh

cc: OCD District I Office, Hobbs, NM
 Gail MacQuesten, OCD, Santa Fe, NM
 Michael Horn, Palandin Energy Corp., 4006 Dunkirk, Midland, TX 79707 w/att.
 Patrick B. McMahon, Heidel, Samberson, Newell, Cox & McMahon, P.O. Drawer 1599,
 Lovington, NM 88260

HOLLAND & HART LLP



RECEIVED

2008 JUN 23 PM 3 00

Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law
- New Mexico Board of Legal
Specialization

mfeldewert@hollandhart.com

June 20, 2008

1R434

Mr. Wayne Price
Environmental Bureau Chief
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Paladin's Howard Fleet #4 Salt Water Disposal Well in UL O, Section 35,
Township 13 South, Range 37 East, Lea County.**

Dear Mr. Price:

By letter dated June 7, 2007, the Division informed Paladin that it had received a "complaint regarding the water quality of an irrigation well" at the Alexander Farms. The Division indicated the irrigation well was located in the NW/4 NE/4 of Section 2, T14S, R37E at an undisclosed distance "south of" a plugged well (the Howard Fleet No. 4) located on acreage leased by Paladin in the SW/4 SE/4 of Section 35. Without providing additional information, the Division suggested this plugged well on Paladin's acreage was a potential source of the "water quality" issues in the irrigation well and requested that Paladin drill a groundwater monitoring well somewhere between this plugged well and the "contaminated irrigation well."

By letter dated June 26, 2007, our office informed the Division that Paladin acquired the leased acreage in 1997, that Paladin had never utilized or operated the Howard Fleet No. 4 well, that this well had been plugged and abandoned in 1975 by Cabot Corporation, and that Division records approving the plugging operations show four cement plugs set at various intervals from the surface to 4600 feet. Paladin also noted that a Manzano operated well (the Rum Point State Well No. 1) located in Section 2 and re-completed in the Devonian formation in 2002 was a more likely candidate for whatever "contamination" existed at the irrigation well. Paladin asked the Division to provide more information about the nature of the complaint, the type of "contamination" noted, the location of the irrigation well, and the depth of the irrigation well.

Holland & Hart LLP

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The Division's April 23, 2008, response letter does not provide any of the information requested by Paladin. Instead, the Division references recent sampling done by Eddie Seay at an abandoned "McCory ranch stock well" in the SE/4 SE/4 of Section 35. This stock well is apparently located Northeast of the irrigation well and was "abandoned several years earlier with a cap welded on top." According to the sampling, this abandoned McCory ranch stock well has elevated levels of chlorides. A handwritten note on Mr. Seay's April 14th letter states "[t]his is the most recent development with Alexander Farms."

In order to understand the issues, Paladin again requests information about whatever water quality issues exist at the irrigation well, including the following:

- A. A copy of the "complaint" giving rise to the Division's June 7, 2007, letter;
- B. The location of the irrigation well and the depth of the groundwater utilized by that irrigation well;
- C. The nature of the "water quality" issues at the irrigation well and any analysis of the water from that well;
- D. The gradient relationship between the Manzano Rum Point State Well No. 1 and the irrigation well;
- E. The depth of the groundwater extracted and sampled from the abandoned McCory ranch stock well;
- F. Identification of any other "developments" with Alexander Farms other than the "most recent development" reflected on Mr. Seay's April 14, 2008 letter; and
- G. Any maps provided to or generated by the Division that reflect the gradient of the groundwater in the area.


If you have any questions about these requests, please feel free to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", is written over the typed name.

Michael H. Feldewert

MHF



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Reese Fullerton
Deputy Cabinet Secretary



Mark Fesmire
Division Director
Oil Conservation Division

April 23, 2008

Ocean Munds-Dry
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

**Re: Groundwater Monitoring Well(s) Required
at the "Howard Fleet #4" Salt Water Disposal Well
UL O, Section 35, Township 13 South, Range 37 East, NMPM
Lea County, New Mexico near Alexander Farms (1R0434)**

Dear Ms. Munds-Dry:

The New Mexico Oil Conservation Division (OCD) is in receipt of your letter, dated June 26, 2007, regarding the above referenced well. Since then the OCD has received additional information regarding this site (see attached). The chloride and TDS concentration at the McCrory ranch stock well (sampled this month) at 1,860 mg/L and 3,990 mg/L, respectively, is a clear indication of groundwater contamination. The background chloride concentration in this area ranges from ~50 to ~100 mg/L.

The Palandin "Howard Fleet #4" Salt Water Disposal Well and related tank battery are upgradient in close proximity to the McCrory ranch stock well, which is located in the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 35, T13S, R37E (see 3rd photo with tank battery in background). As opposed to the Manzano Rum Point State Well #1, as referenced in your letter of June 26, 2007, which is located downgradient of the McCrory ranch stock well. Therefore, the OCD restates its requirement that a groundwater monitoring well(s) be installed by Palandin Energy Corp. between the plugged disposal well and the contaminated McCrory ranch stock well.



The New Mexico Oil Conservation Division (OCD) has received a complaint regarding the water quality of an irrigation well (in UL B, Section 2, T14S, R37E) at Alexander Farms south of the above referenced plugged salt water disposal well. Since the above referenced well is in close proximity to the contaminated irrigation well, the OCD is requiring a groundwater monitoring well(s) be installed by Palandin Energy Corp. between the plugged disposal well and the contaminated irrigation well.

The groundwater monitoring well(s) location and construction must be approved by the OCD prior to installation of the well. The groundwater monitoring well(s) must be sampled and analyzed for TPH, BTEX, TDS and Chlorides. Please submit a proposed location map, construction diagram and sampling and analysis plan for the groundwater monitoring well(s) within 60 days of receipt of this letter. The construction must include the groundwater bearing zones of the contaminated irrigation well (and any other zones that may be hydraulically interconnected) and be capable of obtaining representative samples from across the thickness of each water bearing zone. This may require multiple wells at varying depths.

Once the well(s) is installed and the samples analyzed in accordance with the approved plan, then a report must be submitted to the OCD within a specified time frame. If it is determined that a release to groundwater from the above-referenced well has likely occurred, then further action will be required on the part of Palandin Energy Corporation, including the submittal of a proposed Stage I & II abatement plan in accordance with Rule 19, NMAC.

If you have any questions regarding this matter, please do not hesitate to contact Edward J. Hansen at (505) 476-3489 or edwardj.hansen@state.nm.us.

Sincerely,

Wayne Price
Environmental Bureau Chief

LWP:EJH:ejh

attachment

cc: OCD District I Office, Hobbs, NM w/att.
Gail MacQuesten, OCD, Santa Fe, NM
Michael Horn, Palandin Energy Corp., 4006 Dunkirk, Midland, TX 79707 w/att.
Patrick B. McMahon, Heidel, Samberson, Newell, Cox & McMahon, P.O. Drawer 1599,
Lovington, NM 88260

April 14, 2008

Heidel, Samberson, Newell, Cox & McMahon
ATTN: Patrick McMahon
P.O. Drawer 1599
311 North First
Lovington, NM 88260

RE: Alexander Farms
Groundwater
McDonald, NM

Mr. McMahon:

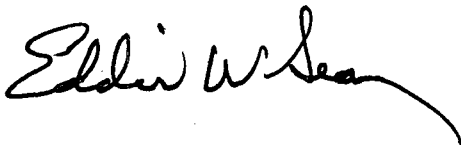
On 4/3/2008, I was asked to sample a water well for the Alexander farms. The water well is located in the SE 1/4 of Section 35, Township 13 S., Range 37 E., Northeast of the original Alexander irrigation well, which was reported to OCD earlier.

The new well belongs to the McCrory ranch. This well was abandoned several years earlier with a cap welded on top. The top was removed, well was cleaned out and a two horse pump installed. The well was pumped off and on the several days before sampling.

The well was sampled 4/3/08, I first pumped the well by extracting approximately 75 gallons of water, three casing volumes should have been approximately 60 gallons. Samples were taken for both TPH (Total Petroleum Hydrocarbon), cations and anions. The results of the water test showed no TPH, but the chlorides and other constituents were greatly elevated.

Find enclosed analytical and maps of location. If you have any questions, please call.

Sincerely,



Eddie W. Seay
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

Wayne, 4-23-08
This is the most recent
development with Alexander
farms. Thank you for your
attention



RECEIVED

APR 23 2008
Environmental Bureau
Oil Conservation Division

<p>J.M. Brigham Teague (memo Jr. et al of opt.) no term</p> <p>F.J. Danglader</p> <p>Tenneco Kukui, Inc. 1/2 3-18-99</p> <p>27</p> <p>Shell, 1/2 M.I. J.D. Doran (S)</p>	<p>Tenneco Kukui, Inc. 1/2 3-18-99</p> <p>Tenneco Kukui, Inc. 1/2 4-1-2001 V-4845 275 92</p> <p>Rand Paulson State TD11950 DA1-19-98 State</p> <p>26</p> <p>Foreste, Houston State TD13495 D/A 10-30-53 Kukui, Inc. 1/2 Tenneco 9-1-98 V-4192 78 33</p> <p>State</p> <p>Kukui, Inc. 1/2 Tenneco 4-27-97 4-26-97 Pearl Roy 1/2 M.I. J.D. Doran</p>	<p>Rand Paulson Oil 1/2 Tenneco 9-1-98 V-4192 78 33 State</p> <p>BTA, et al</p> <p>Cotton Pat. Lowe Ld. TD12547</p> <p>Ventura Lowe TD6300 11-C Cabot Lowe 1-8 Larry Lowe</p> <p>Cabot Lowe TD11536 1-16-30-56 GECKO GECKO (Cabot Pat.) Lowe TD11200 J.L. Reed</p> <p>Cabot Pat. Fleet (Dex Disc.) Fleet 1-63 Howard Fleet Mary McCrory</p>	<p>Sullivan E. Co. 2-28-98 7-31-97 6-26-98 Mary McCrory</p> <p>Bahlburg Expl, et al</p> <p>Sullivan E. Co. Lowe TD12800</p> <p>(Forest) Lowe TD13145 B609 J.P. Paladin A Lowe CIO-26-51 Lowe Larry Lowe</p> <p>Manzano Oil E-8176 C State</p> <p>Yates Pet., et al 12-1-2000 VB-460 Williamson 15 53 Phillips St. TD10250 DA12-11-54 State, MI Mary McCrory</p>	<p>J. M. Huber 6-11-88 5-30-88 W. Newkumet 4-7-89</p> <p>T.R. & T. Sawyer, et al, M.I. David Portin, et al, (S)</p> <p>25</p> <p>KING</p> <p>Mary McCrory</p> <p>M.E. Dayton 5-1-99 V-4347 36 29</p>	
<p>Rand Paulson Oil 1/2 Tenneco 7-1-98</p> <p>34</p> <p>Lois C. Hobbs & C.E. Alexander & Sons</p>	<p>O.W. McWhorter, Jr. Tr. 1/4 M.I. H.L. Lowe, et al, M.I.</p> <p>Rand Paulson Oil 1/2 Tenneco 4-21-97 7-1-98</p> <p>C.E. Alexander & Sons</p> <p>Larry Lowe</p>	<p>Rand Paulson Oil 1/2 Tenneco 4-21-97</p> <p>Rand Paulson Oil 1/2 Tenneco 7-1-98</p> <p>Lois Hobbs & C.E. Alexander & Sons</p> <p>Rand Paulson Oil 1/2 Tenneco 4-21-97 Larry Lowe</p>	<p>Cabot Lowe TD11536 1-16-30-56 GECKO GECKO (Cabot Pat.) Lowe TD11200 J.L. Reed</p> <p>Cabot Pat. Fleet (Dex Disc.) Fleet 1-63 Howard Fleet Mary McCrory</p>	<p>Manzano Oil E-8176 C State</p> <p>Yates Pet., et al 12-1-2000 VB-460 Williamson 15 53 Phillips St. TD10250 DA12-11-54 State, MI Mary McCrory</p>	<p>M.E. Dayton 5-1-99 V-4347 36 29</p>
<p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Rand Paulson Oil 1/2 Tenneco 7-1-98</p> <p>Amerada Hobbs TD11754 DA16-23-53</p> <p>3</p> <p>Rand Paulson Oil 1/2 Tenneco 2-10-98</p> <p>O.W. McWhorter, Jr. Tr. 1/4 M.I. H.L. Lowe, et al, M.I.</p> <p>Lois C. Hobbs & C.E. Alexander & Sons</p>	<p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Kukui, Inc. 1/2 Tenneco 6-1-99 V-4372 45 33</p> <p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Manzano Oil B Hess 6-1-2005 Tex-Pac V-5839 215 98 ARCO Reed TD12864</p> <p>AN-SON Corp. McCrory 1 Carry Disc. F272</p> <p>J.R. McCrory</p>	<p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Kukui, Inc. 1/2 Tenneco 6-1-99 V-4372 45 33</p> <p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Manzano Oil B Hess 6-1-2005 Tex-Pac V-5839 215 98 ARCO Reed TD12864</p> <p>AN-SON Corp. McCrory 1 Carry Disc. F272</p> <p>J.R. McCrory</p>	<p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Kukui, Inc. 1/2 Tenneco 6-1-99 V-4372 45 33</p> <p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Manzano Oil B Hess 6-1-2005 Tex-Pac V-5839 215 98 ARCO Reed TD12864</p> <p>AN-SON Corp. McCrory 1 Carry Disc. F272</p> <p>J.R. McCrory</p>	<p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Kukui, Inc. 1/2 Tenneco 6-1-99 V-4372 45 33</p> <p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Manzano Oil B Hess 6-1-2005 Tex-Pac V-5839 215 98 ARCO Reed TD12864</p> <p>AN-SON Corp. McCrory 1 Carry Disc. F272</p> <p>J.R. McCrory</p>	<p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Kukui, Inc. 1/2 Tenneco 6-1-99 V-4372 45 33</p> <p>4873 Ac 2 4880 Ac 3 4886 Ac 2 4893 Ac 1 Manzano Oil B Hess 6-1-2005 Tex-Pac V-5839 215 98 ARCO Reed TD12864</p> <p>AN-SON Corp. McCrory 1 Carry Disc. F272</p> <p>J.R. McCrory</p>
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PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (575) 392-6949

Receiving Date: 04/03/08
Reporting Date: 04/09/08
Project Owner: ALEXANDER
Project Name: ALEXANDER - McCORY
Project Location: EAST OF McDONALD SECTION 34

Sampling Date: 04/03/08
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM/KS

LAB NUMBER SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (u S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:	04/08/08	04/08/08	04/08/08	04/08/08	04/04/08	04/04/08
H14569-1 AM #1 WW	743	479	48.4	12.4	6,440	208
Quality Control	NR	49.2	50.0	3.07	1,433	NR
True Value QC	NR	50.0	50.0	3.00	1,413	NR
% Recovery	NR	98.5	100	102	101	NR
Relative Percent Difference	NR	2.8	1.6	1.6	0.8	NR

METHODS:	SM3500-Ca-D	3500-Mg E	8049	120.1	310.1
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	Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	04/04/08	04/07/08	04/04/08	04/04/08	04/04/08	04/07/08
H14569-1 AM #1 WW	1,860	191	0	254	7.08	3,990
Quality Control	490	25.6	NR	988	7.05	NR
True Value QC	500	25.0	NR	1000	7.00	NR
% Recovery	98.0	102	NR	98.8	101	NR
Relative Percent Difference	< 0.1	4.7	NR	1.2	0.1	NR

METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1
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Buster Suputer
Chemist

04/09/08
Date

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ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO: (575) 392-6949

Receiving Date: 04/03/08
Reporting Date: 04/09/08
Project Owner: ALEXANDER
Project Name: ALEXANDER - McCORY
Project Location: EAST OF McDONALD SECTION 34

Sampling Date: 04/03/08
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: CK

LAB NUMBER SAMPLE ID		GRO (C ₆ -C ₁₀) (mg/L)	DRO (>C ₁₀ -C ₂₈) (mg/L)
ANALYSIS DATE		04/09/08	04/09/08
H14569-1	AM #1 WW	<5.0	<5.0
Quality Control		44.2	54.5
True Value QC		50.0	50.0
% Recovery		88.4	109
Relative Percent Difference		5.0	5.6

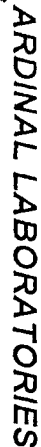
METHODS: TPH GRO & DRO: EPA SW-846 8015 M

Aly S. Keene
Chemist

04/09/08
Date

H14569T SEAY

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(505) 393-2326 Fax (505) 393-2476

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

Groundwater Map

