

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

Form C-141

Revised June 10, 2003

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	Natalie Gladden
Address	P.O. Box 1849	Eunice, NM 88231	Telephone No.	575-390-4186
Facility Name	NEDU #805		Facility Type	Produced Water Injection Well

Surface Owner	Deck Estate	Mineral Owner	API No.	30-025-06736
---------------	-------------	---------------	---------	--------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from North Line	Feet from West Line	Longitude-W	Latitude-N	County
F	22	21S	37E	1680	1500	103.1538	32.4670	Lea

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Produced Water w/ minor hydrocarbon component	Greater than 1000 bbl	420 bbl
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
2" PVC Injection Line (loss of integrity)	11/12/05	11/13/05 8:30 AM
Was Immediate Notice Given?	If YES, To Whom?	
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required	NMOCD - Hobbs - Gary Wink	
By Whom?	Date and Hour	
Clayton Frank	11/14/2005 AM	
Was a Watercourse Reached?	If YES, Volume Impacting the Watercourse	
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	NA	

If a Watercourse was Impacted, Describe Fully *

Describe Cause of Problem and Remedial Action Taken. *

Loss of integrity of 2" PVC Produced Water Injection Line. Line was excavated and repaired.

Describe Area Affected and Cleanup Action Taken. *

The release affected area comprised ~21,000-ft². Three areas (east, center and west) were remediated with a risk-based methodology incorporating excavation/disposal, blending and 20-mil polyvinyl liner installation(s). The east area demonstrated the deepest chloride contamination (55-ft bgs) and resulted in the most extensive remediation of the project. Remediation was performed by Ocotillo Environmental - Hobbs.

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: 

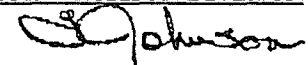
Printed Name: Natalie Gladden

Title: Environmental Tech - Permian Basin

E-Mail Address: Natalie.Gladden@usa.apachecorp.com

Date: 5/4/2009 Phone: 575-390-4186

OIL CONSERVATION DIVISION



Approved by District Supervisor ENVIRONMENTAL ENGINEER

Approval Date: 7.7.09

Expiration Date: —

Conditions of Approval:

RP#1060

☐ Attached

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1.0 Project Summary

Release Site Name: NEDU #805
Operating Company: Apache Corporation
Company Representative: Natalie Gladden, Environmental Tech Phone: 575-390-4186
Address: PO Box 1849, Eunice, NM 88231 Email: Natalie.Gladden@usa.apachecorp.com
Remediation Company: Ocotillo Environmental, LLC - Hobbs Phone: 575-393-6371

SITE SPECIFIC DATA:

Legal Description: Lea County, New Mexico UL-F Section 22 T21S R37E
General Location: 2.0 miles NNE (8.0°) of Eunice, NM.
Latitude: N32° 28.017' Longitude: W103° 9.225' Elevation: 3,420-ft amsl
Land Ownership: Private – Deck Estate
Ground Water Elevation: 60-ft bgs (monitor well data)
Water Wells within 1000-ft: none Surface Water within 1000-ft: none

RELEASE SPECIFIC DATA:

Date and Time of Release(s): 11/12/05 – discovered at 8:30 AM - - 11/13/05
Material Released: Produced Water and minor portion of Crude Oil
Volume Released: >1000-bbl Volume Recovered: 420-bbl
Cause of Release: Loss of pipe integrity – 2” PVC PW conduit
Release Affected Area: >20,000-ft²
Depth of Contamination: 56-ft bgs (@ east terminus of flow path)
NMOCD Site Ranking: 20 (ground water <50-ft below lowest contamination)

Remediation Action Levels: TPH: 100-ppm; Benzene: 10-ppm; BTEX: 50-ppm; Cl – 250-ppm

REMEDIATION SUMMARY:

Remediation of the release affected area(s) was a three-phase process, separating the project into east, west and central areas. All three areas were remediated with a risk-based protocol incorporating excavation/disposal, blending and polyvinyl liner installations.

The east area was the most seriously contaminated area (Cl contamination >250-ppm down to 56-ft bgs). The area was excavated to 37-ft bgs leaving soil with a maximum contamination level of 9,360-ppm Cl in-place. The excavation was backfilled with blended material to 5-ft bgs and covered with a 110' X 155' 20-mil liner and covered with caliche and topsoil.

The contaminated west area was excavated to 30-ft bgs, leaving soil contaminated to ~5000-ppm Cl in-place. After blending and backfill, the north portion of the west area was covered with a plastic liner and then a 3-ft cover of clean topsoil.

Contaminated areas of the central portion were excavated to contamination levels of <1500-ppm Cl, backfilled with blended material up to 3-ft bgs and covered with plastic liners. Final cover was with clean topsoil.

Two down-gradient monitor wells were installed (SE of the east area; SE of the west area). The remediation portion(s) of the project were completed on December 18, 2008.

2.0 Detailed Site Description

2.1 Geological Description

The United States Geological Survey (USGS) Ground-Water Report 6, "Geology and Ground-Water Conditions in Southern Lea County, New Mexico," A. Nicholson and A. Clebsch, 1961, describes the near surface geology of southern Lea County as "an intergrade of the Quaternary Alluvium (QA) sediments, i.e., fine to medium sand, with the mostly eroded Cenozoic Ogallala (CO) formation. Typically, the QA and CO formations in the area are capped by a thick interbed of caliche and generally overlain by sandy soil." The release site is located in the Eunice Plain physiographic subdivision, described by Nicholson & Clebsch as "covered almost entirely by reddish-brown dune sand. In some places the underlying surface consists of alluvial sediments – most commonly calcareous silt in buried valleys or Quaternary lake basins. It has a general southeast slope toward Monument Draw." The sand cover is generally 2 to 5-ft thick, but can be 20 – 30-ft thick in localized drift areas.

2.2 Ecological Description

The area is typical of the Upper Chihuahuan Desert Biome consisting primarily of hummocky sand hills covered with Harvard Shin Oak (*Quercus harvardi*) interspersed with Honey Mesquite (*Prosopis glandulosa*) along with typical desert grasses, flowering annuals and flowering perennials. Mammals represented, include Orrd's and Merriam's Kangaroo Rat, Deer Mouse, White Throated Wood Rat, Cottontail Rabbit, Black Tailed Jackrabbit, Mule Deer, Bobcat, Red Fox and Coyote. Reptiles, Amphibians, and Birds are numerous and typical of the area. A survey of Listed, Threatened, or Endangered species was not conducted.

2.3 Area Ground Water

The Chevron-Texaco water contour map (*Plate 4 of Attachments*) indicates that water in this area is 56' – 67' bgs. Two monitor wells drilled at the site resulted in 60-ft bgs water depths.

2.4 Area Water Wells

There are no recorded or observed water wells within 1000 horizontal feet of the site.

2.5 Area Surface Water Features

No permanent surface water bodies exist within 1000 horizontal feet of the site.

3.0 Contaminant and Size of Area

The primary Contaminant of Concern (COC) was total chlorides resulting from the produced water release on 11/12/05. Hydrocarbon contamination was minimal and limited to the top 2-ft of the area. The areal extent of the release was ~21,000-ft².

4.0 NMOCD Site Ranking

Contaminant delineation and site evaluation work done at this site indicate that the chemical parameters of the soil and the physical parameters of the ground water were characterized

consistent with the characterization and remediation/abatement goals and objectives set forth in the following New Mexico Oil Conservation Division (NMOCD) publications:

- *Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993)*
- *Unlined Surface Impoundment Closure Guidelines (February 1993)*

Acceptable thresholds for contaminants/constituents of concern (CoCs), i.e., TPH^{8015m}, Benzene, and the mass sum of Benzene, Toluene, Ethyl Benzene, and total Xylenes (BTEX⁸²⁶⁰), was determined based on the NMOCD Ranking Criteria as follows:

- *Depth to Ground water, i.e., distance from the lower most acceptable concentration to the ground water.*
- *Wellhead Protection Area, i.e., distance from fresh water supply wells.*
- *Distance to Surface Water Body, i.e., horizontal distance to all down gradient surface water bodies.*

Based on the proximity of the site to area water wells, surface water bodies, and depth to ground water from the lower most contamination, the NMOCD ranking score for the site is 20 points with the soil remedial goals highlighted in the Site Ranking Table.

SITE RANKING TABLE

1. GROUND WATER		2. WELLHEAD PROTECTION		3. DISTANCE TO SURFACE WATER	
DEPTH TO GW <50 FEET: 20 POINTS		IF <1000' FROM WATER SOURCE, OR; <200' FROM PRIVATE DOMESTIC WATER SOURCE: 20 POINTS		<200 HORIZONTAL FEET: 20 POINTS	
DEPTH TO GW 50 TO 99 FEET: 10 POINTS				200-1000 HORIZONTAL FEET: 10 POINTS	
DEPTH TO GW >100 FEET: 0 POINTS		IF >1000' FROM WATER SOURCE, OR; >200' FROM PRIVATE DOMESTIC WATER SOURCE: 0 POINTS		>1000 HORIZONTAL FEET: 0 POINTS	
GROUND WATER SCORE = 20		WELLHEAD PROTECTION SCORE= 0		SURFACE WATER SCORE= 0	
SITE RANK (1+2+3) = 20 + 0 + 0 = 20 POINTS					
TOTAL SITE RANKING SCORE AND ACCEPTABLE REMEDIAL GOAL CONCENTRATIONS					
PARAMETER	20+	10		0	
BENZENE	10 PPM	10 PPM		10 PPM	
BTEX	50 PPM	50 PPM		50 PPM	
TPH	100 PPM	1000 PPM		5000 PPM	

5.0 Remediation Process

Remediation of the release affected area(s) was a three-phase process, separating the project into east, west and central areas. All three areas were remediated with a risk-based protocol incorporating excavation/disposal, blending and polyvinyl liner installations.

Based on progressive field analyses for chlorides, the east area was excavated to 30-ft bgs resulting in 10,856-yd³ of contaminated soil disposal at Sundance Services. A delineation trench was extended from the 30-ft bgs level to ~59-ft bgs at the northwest area of the excavation. Field and laboratory analyses yielded the following chloride concentrations (ppm): @30'- (20,000); @37'-

(5,040); @41' - (9,360); @45' - (7,360); @55' - (928); @57' - (224); and @59' - (224). Consultation with NMOCD resulted in the approval of a risk-based closure leaving soil below the 37-ft bgs level in-place, blending the soil excavated from the 30 to 37-ft bgs zone, and covering the final backfilled excavation with a 20-mil polyvinyl liner. The 7-ft zone from 30 to 37-ft bgs was excavated and stockpiled on the surface for blending with previously stockpiled clean soil (from benching/sloping sidewalls and excavated soil that was <1000-ppm Cl). Final sidewall and bottom samples were obtained at the 37-ft bgs level. The surface stockpiles were blended and then pushed back into the excavation. Four progressive samples of this blended material were obtained over a 2-day period, all yielding chloride concentrations in the 400-450-ppm range. The blended backfill was then covered with clean caliche and brought up to the desired liner level of ~10-ft bgs. A 110' X 155' 20-mil polyvinyl liner (5-ft overlapping) was installed over the excavation. Clean topsoil was transported in and placed on top of the liner up to the 3-ft bgs level. The stockpiled native red sand was then used to bring the excavation up to approximated natural grade.

The contaminated west area (running parallel with two major gas lines) was excavated to 30-ft bgs at the northern extent. Analyses indicated a chloride concentration of 5000-ppm at the 30-ft level between the gas lines and ~1400-ppm at 17-ft bgs west of the gas lines. The center and southern portions of the west area were heavily contaminated with iron sulfide, however, this iron sulfide tested very low (<250-ppm) for chlorides indicating that it was the result of a natural gas leak. This iron sulfide was excavated, allowed to reduce back to iron oxide and then utilized to blend the material excavated at the north end. The north end was backfilled with blended material (<1000-ppm Cl) and covered with a 60' X 136' 20-mil polyvinyl liner and a final 3-ft layer of clean red sand. The center and south excavation was backfilled with the remainder of the excavated soil blended to <250-ppm Cl. -place.

The northern portion of the central area was delineated with five trenches aligned on either side of the injection line running east-west through the release area. The five trenches displayed chloride concentrations <1500-ppm at the 12-ft bgs level. Two 24' X 170' areas on the north and south sides of the injection line were excavated to 3-ft bgs and were lined with 12-mil polyvinyl liners. Backfill was with clean sand obtained from lateral areas.

The southern portion of the central affected area was delineated down to 38-ft bgs, yielding a Cl concentration of 128-ppm at that level. The highest concentration was ~2500-ppm at the 28-ft bgs level. This area was excavated to a dimension of 80' X 65' at which clean sidewalls were obtained. The excavation was backfilled with blended material, the sides were extended 5-ft and a 90' X 75' 12-mil polyvinyl liner was installed over the excavation. Final cover was clean topsoil.

A small pooling area on the west side of the road adjacent to the east area was excavated, blended and covered with a 60' X 25' 12-mil polyvinyl liner. The liner was covered with clean red sand.

Two down-gradient monitor wells were installed (SE of the east area; SE of the west area). The remediation portion(s) of the project were completed on December 18, 2008.

Based on the contents and data contained herein, Apache Corporation requests that NMOCD require "no further action" as regards the soil contamination resulting from the November 12, 2005 release of produced water at this location.

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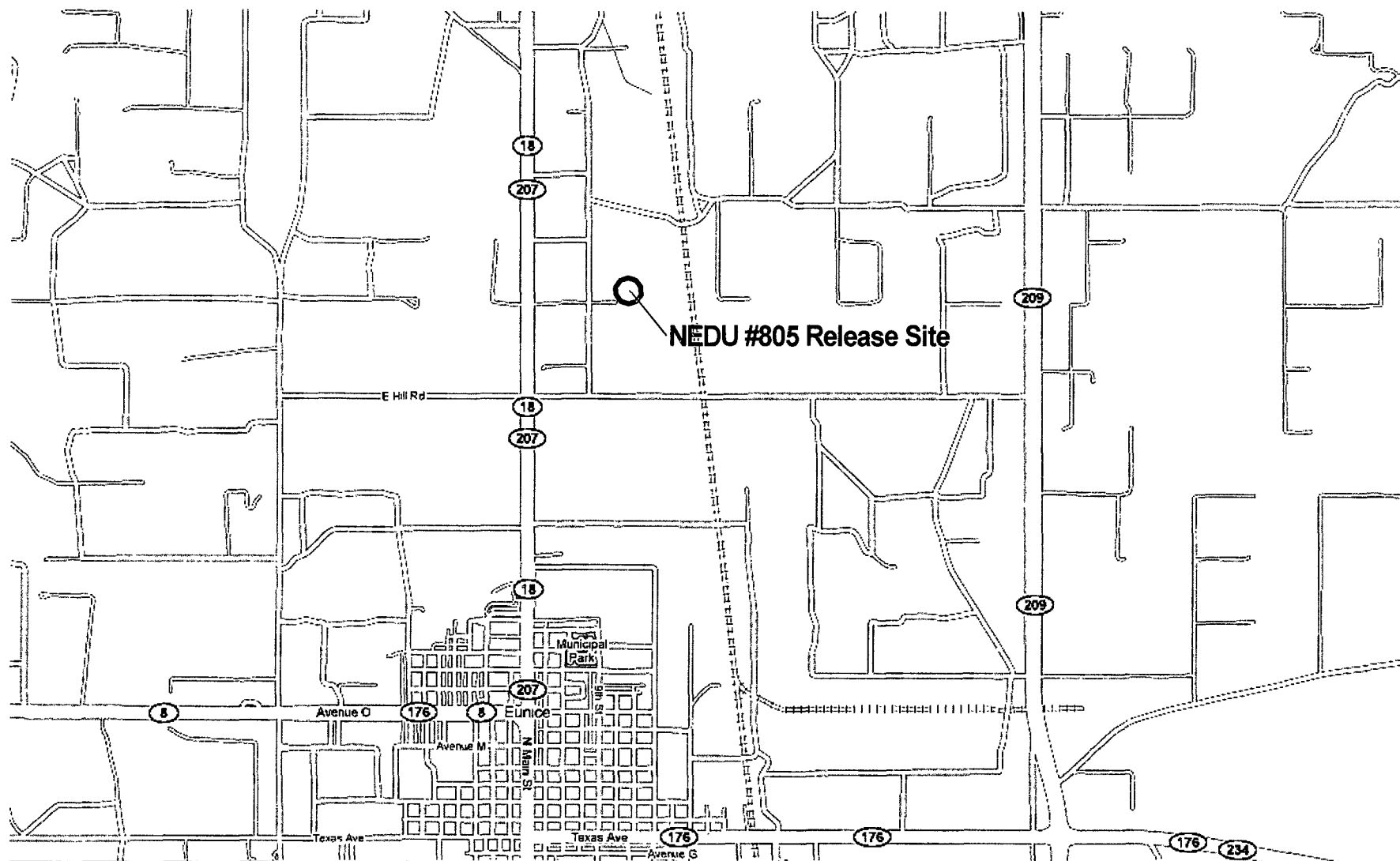


Plate 1
Release Site Location
Apache Corporation
NEDU #805

Lea County, New Mexico
UL-F SECTION 22 T21S R37E
N 32° 28.017', W 103° 9.225'
Elevation: ~3420-ft amsl

Drawing by: John Good
April - 2009

Rev:
1

SCALE:



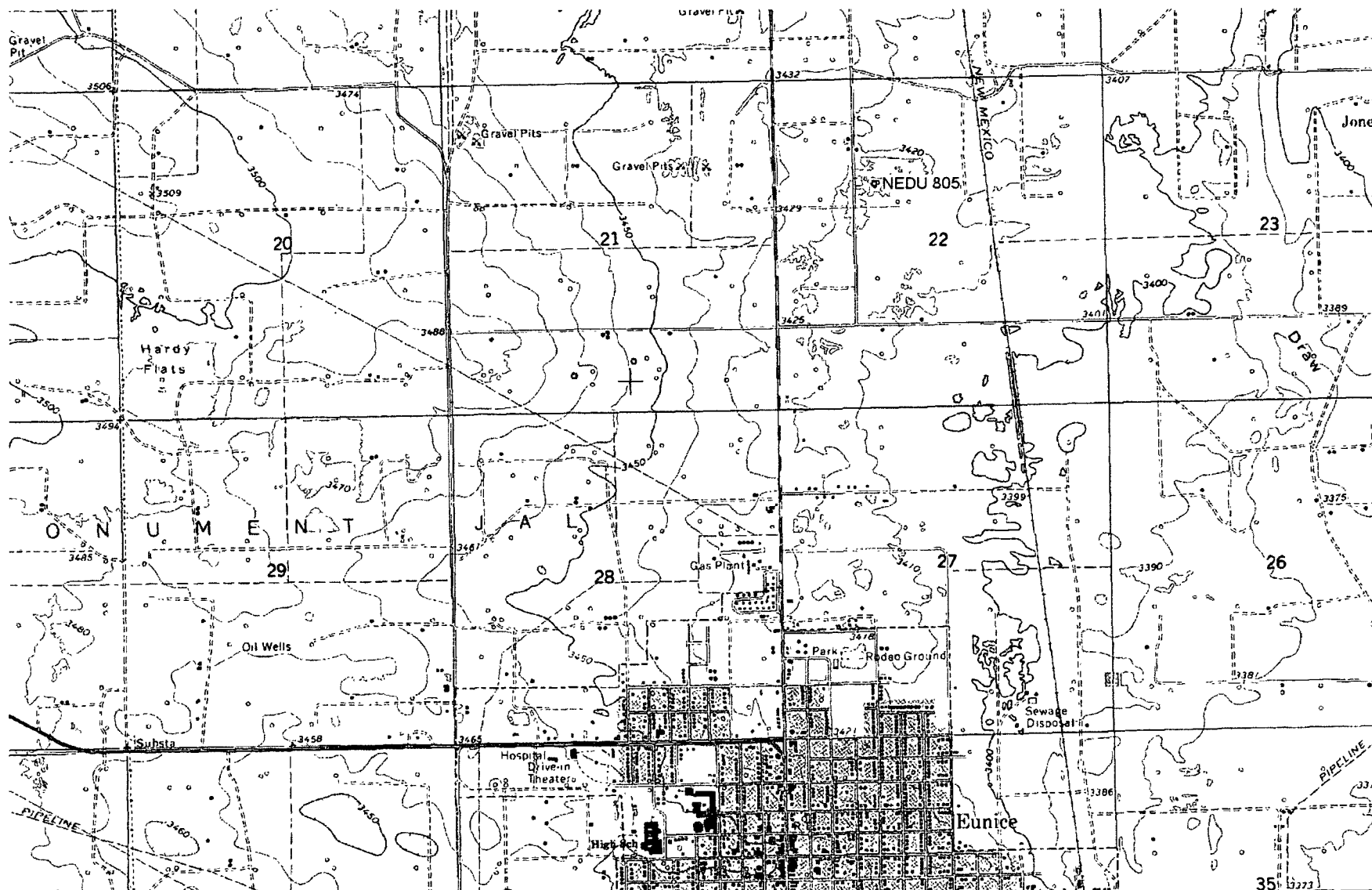


Plate 2
Release Site Topography
Apache Corporation
NEDU #805

Lea County, New Mexico
UL-F SECTION 22 T21S R37E
N 32° 28.017', W 103° 9.225'
Elevation: ~3420-ft amsl

Drawing by: John Good
April - 2009

Rev:
1

SCALE:
0 4000
Feet





Plate 3
Release Site Aerial Photo
Apache Corporation
NEDU #805

Lea County, New Mexico
UL-F SECTION 22 T21S R37E
N 32° 28.017', W 103° 9.225'
Elevation: ~3420-ft amsl

Drawing by: John Good
April - 2009

Rev:
1

SCALE:

0 Feet 1200



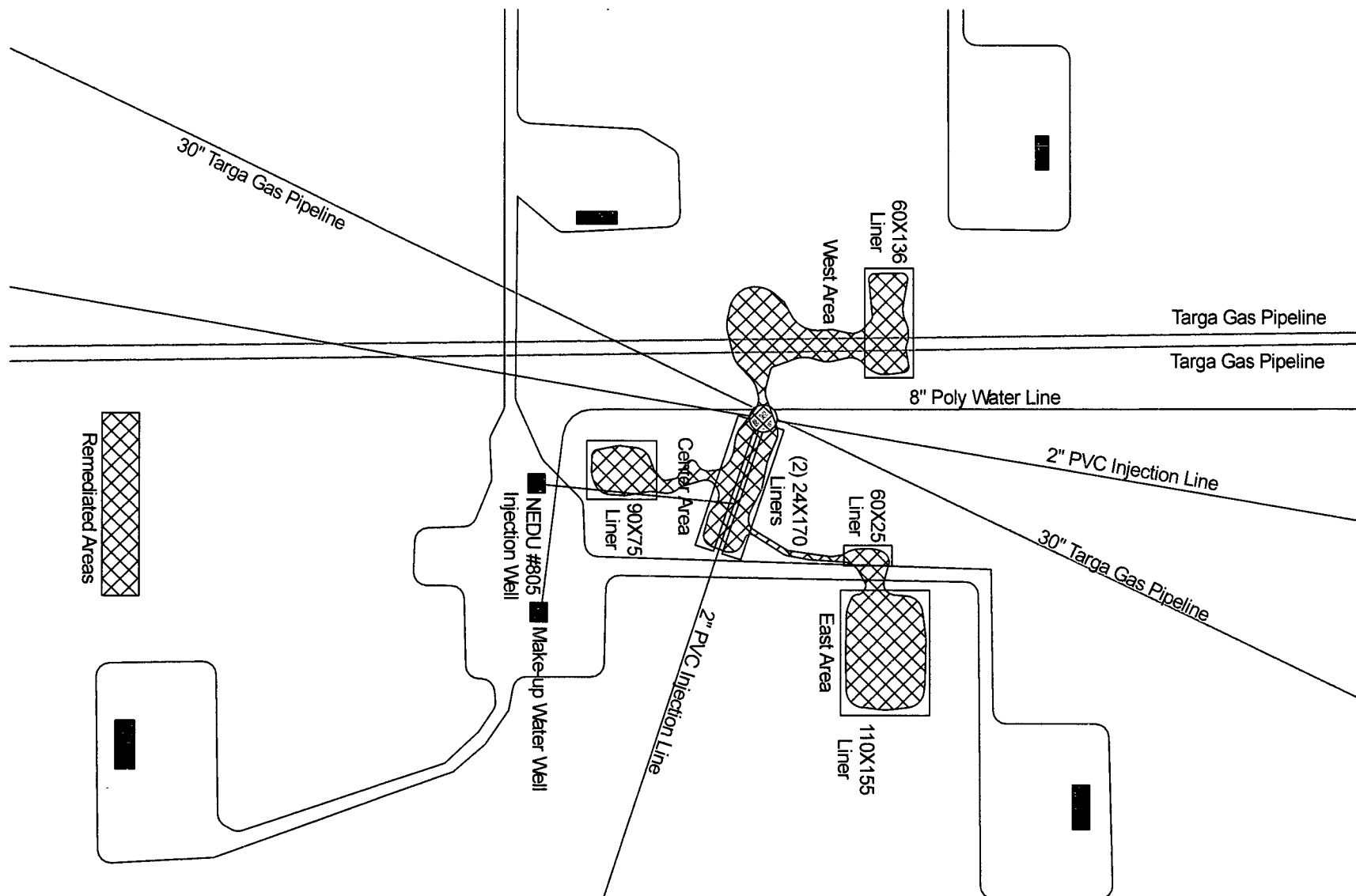


Plate 5
Release Site Diagram
Apache Corporation
NEDU #805

Lea County, New Mexico
UL-F SECTION 22 T21S R37E
N 32° 28.017', W 103° 9.225'
Elevation: ~3420-ft amsl

Drawing by: John Good
April - 2009

Rev:
1

SCALE:

0 Feet 360



NEDU #805: LABORATORY ANALYTICAL RESULTS SUMMARY TABLE

Sample Number	Sample Depth	Sample Location	Chlorides mg/Kg	Sample Number	Sample Depth	Sample Location	Chlorides mg/Kg
BH-55	55-ft	East Bottom	928	BH1	30-ft	West Bottom	5000
BH-57	57-ft	East Bottom	224	BH2	17-ft	West Bottom	1380
BH-59	59-ft	East Bottom	224	WSW3	5-ft	West Sidewall	144
BH1	37-ft	East Bottom	32	NSW4	5-ft	North Sidewall	48
BH2	37-ft	East Bottom	240	ESW5	5-ft	East Sidewall	176
BH3	37-ft	East Bottom	784	BH6	30-ft	S-West Bottom	208
BH4	37-ft	East Bottom	48	BHT1	12-ft	Center Bottom	1410
BH5	37-ft	East Bottom	544	BHT2	12-ft	Center Bottom	1070
BH6	37-ft	East Bottom	4120	BHT3	12-ft	Center Bottom	928
BH7	37-ft	East Bottom	1380	BHT4	12-ft	Center Bottom	1330
BH8	37-ft	East Bottom	496	BHT5	12-ft	Center Bottom	1250
BH9	37-ft	East Bottom	480	BH-28	28-ft	S-Center Bottom	2480
SSW10	30-ft	East Sidewall	64	BH-30	30-ft	S-Center Bottom	1120
SSW11	30-ft	East Sidewall	48	BH-32	32-ft	S-Center Bottom	608
ESW12	30-ft	East Sidewall	64	BH-38	38-ft	S-Center Bottom	128
ESW13	30-ft	East Sidewall	48	NSW	5-ft	S-Center Sidewall	96
NSW14	30-ft	East Sidewall	48	WSW	5-ft	S-Center Sidewall	16
NSW15	30-ft	East Sidewall	48	SSW	5-ft	S-Center Sidewall	64
WSW16	30-ft	East Sidewall	64	ESW	5-ft	S-Center Sidewall	288
WSW17	30-ft	East Sidewall	65	Blend 1	20-ft	S-Center Blend	80
Blend1	25-ft	East Blend	432	Blend 2	15-ft	S-Center Blend	96
Blend2	20-ft	East Blend	432	Blend 3	10-ft	S-Center Blend	288
Blend3	15-ft	East Blend	448	Blend 4	5-ft	S-Center Blend	272
Blend4	10-ft	East Blend	400				



ARDINAL LABORATORIES

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ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN: JOHN GOOD
P.O. BOX 1816
HOBBS, NM 88241

Receiving Date: 09/30/08
Reporting Date: 09/30/08
Project Owner: APACHE
Project Name: NEDU 805
Project Location: NOT GIVEN

Analysis Date: 09/30/08
Sampling Date: 09/28/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16007-1	BH-55	928
H16007-2	BH-57	224
H16007-3	BH-59	224
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.

Kyle S. Moore
Chemist

10-01-08
Date

H16007 OCO

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101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

Company Name: <u>OCOTILLO ENV</u>				BILL TO				ANALYSIS REQUEST																	
Project Manager: <u>J. Good</u>				P.O. #:				<div style="writing-mode: vertical-rl; transform: rotate(180deg);">Chlorides</div>																	
Address:				Company: <u>APACHE</u>																					
City: _____ State: _____ Zip: _____				Attn: <u>N. Gladden</u>																					
Phone #: <u>631-3277</u> Fax #: _____				Address:																					
Project #: _____ Project Owner: <u>APACHE</u>				City: <u>EUNICE</u>																					
Project Name: <u>NEDU 805</u>				State: <u>NM</u> Zip: _____																					
Project Location:				Phone #: _____																					
Sampler Name: <u>J. GOOD</u>				Fax #: _____																					
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING																	
Lab I.D.	Sample I.D.	GIRAB OR (COMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACIDBASE	ICE / COOL	OTHER	DATE	TIME											
H 16007-1	BH-55	6	1			X				X			9/28	2:30	X										
-2	BH-57	6	1			X				X			9/28	2:45	X										
-3	BH-59	6	1			X				X			9/28	2:50	X										
<p>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 this 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 licensees arising out of or in connection with the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.</p> <p>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.</p>																									
Sampler Relinquished By: <u>John Good</u>		Date: <u>9/30/08</u>		Received By: <u>Natasha L. Bat</u>		Time: <u>10:30</u>		Date: _____		Received By: _____		Time: _____		Phone Result: <input type="checkbox"/> No Add'l Phone #: _____ Fax Result: <input type="checkbox"/> No Add'l Fax #: _____ REMARKS: <u>Fax to Natalie-e-mail</u> <u>Call J. Good 631-3277</u>											
Delivered By: (Circle One)				Temp. _____		Sample Condition		CHECKED BY:																	
Sampler - UPS - Bus - Other: <u>UPS</u>						Cool Intact		(Initials)																	
						<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																	

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



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ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN: JOHN GOOD
P.O. BOX 1816
HOBBS, NM 88241

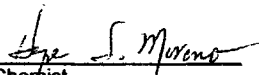
Receiving Date: 10/21/08
Reporting Date: 10/22/08
Project Owner: APACHE CORP.
Project Name: NEDU 805
Project Location: UL-F S22 T21S R37E

Analysis Date: 10/21/08
Sampling Date: 10/09/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16152-1	BH1-37	32
H16152-2	BH2-37	240
H16152-3	BH3-37	784
H16152-4	BH4-37	48
H16152-5	BH5-37	544
H16152-6	BH6-37	4,120
H16152-7	BH7-37	1,380
H16152-8	BH8-37	496
H16152-9	BH9-37	480
H16152-10	SSW10	64
H16152-11	SSW11	48
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist

10-23-08
Date

H16152 OCO

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 client for 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 thirty (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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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**ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN: JOHN GOOD
P.O. BOX 1816
HOBBS, NM 88241**

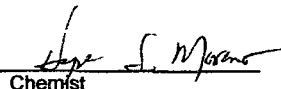
Receiving Date: 10/21/08
Reporting Date: 10/22/08
Project Owner: APACHE CORP.
Project Name: NEDU 805
Project Location: UL-F S22 T21S R37E

Analysis Date: 10/21/08
Sampling Date: 10/09/08 & 10/10/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16152-12	ESW12	64
H16152-13	ESW13	48
H16152-14	NSW14	48
H16152-15	NSW15	48
H16152-16	WSW16	64
H16152-17	WSW17	64
H16152-18	BLEND-1	432
H16152-19	BLEND-2	432
H16152-20	BLEND-3	448
H16152-21	BLEND-4	400
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist

10-22-08
Date

H16152 OCO

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 client for 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 thirty (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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2328 • 101 E MARLAND • HOBBS, NM 88240

Sheet 1 of 1

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



PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS NM 88240

Sheet 2 of 2

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



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**ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN: JOHN GOOD
P.O. BOX 1816
HOBBS, NM 88241**

Receiving Date: 01/05/09
Reporting Date: 01/06/09
Project Owner: APACHE CORP.
Project Name: NEDU 805W
Project Location: UL-F S22 T21S R37E

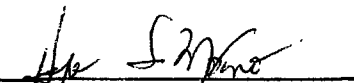
Analysis Date: 01/06/09
Sampling Date: 11/21/08 TO 12/16/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: TR

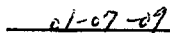
LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16606-1	BH1-30	5,000
H16606-2	BH2-17	1,380
H16606-3	WSW-3	144
H16606-4	NSW-4	48
H16606-5	ESW-5	176
H16606-6	BH6-30	208
H16606-7	BHT1-12	1,410
H16606-8	BHT3-12	1,070
H16606-9	BHT2-12	928
H16606-10	BHT4-12	1,330
H16606-11	BHT5-12	1,250
H16606-12	BH-28	2,480
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H16606 OCO

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**ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN: JOHN GOOD
P.O. BOX 1816
HOBBS, NM 88241**

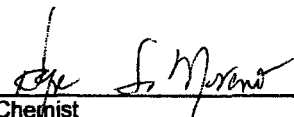
Receiving Date: 01/05/09
Reporting Date: 01/06/09
Project Owner: APACHE CORP.
Project Name: NEDU 805W
Project Location: UL-F S22 T21S R37E

Analysis Date: 01/06/09
Sampling Date: 12/16/08 - 12/18/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: TR

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16606-13	BH-30	1,120
H16606-14	BH-32	608
H16606-15	BH-38	128
H16606-16	NSW	96
H16606-17	WSW	16
H16606-18	SSW	64
H16606-19	ESW	288
H16606-20	BLEND-1	80
H16606-21	BLEND-2	96
H16606-22	BLEND-3	288
H16606-23	BLEND-4	272
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-ClB
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Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist
H16606 OCO

01-07-09
Date

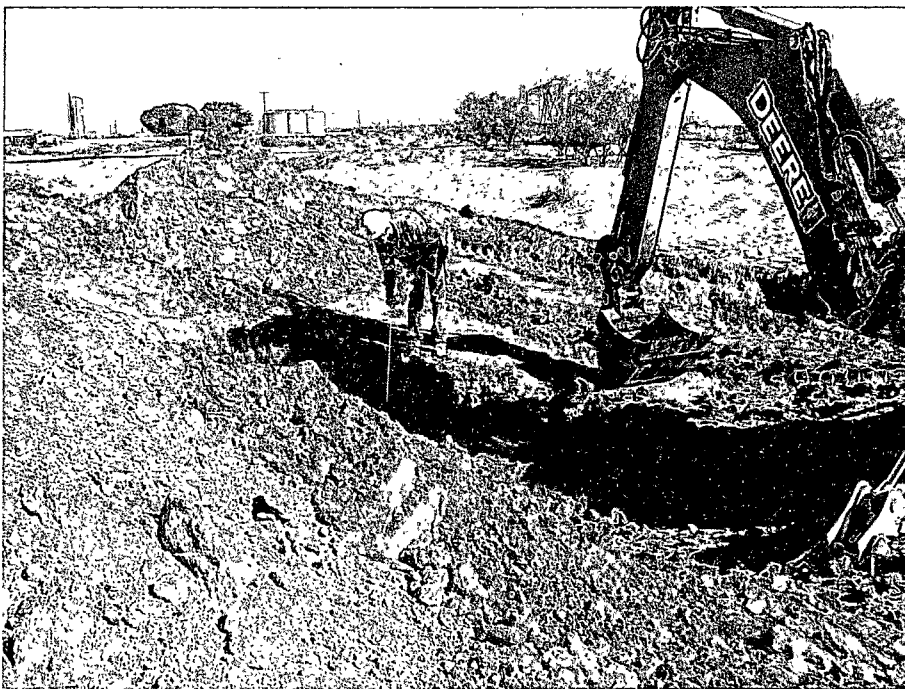
PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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Relinquished by: <i>John Good</i>		Date: <i>1/15/09</i>	Received By: <i>CB</i>	Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Phone#:
		Time: <i>1:50</i>		Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:
Relinquished by:		Date	Received By:	Remarks: FAX results to Natalie Gladden. John Good or Natalie Gladden will pickup results when completed - - please do not mail. Thanks.
		Time:		
Delivered By: (Circle One) <i>Sampler</i> - UPS - Bus - Other		Sample Condition Cool <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) <i>CB</i>	Note: Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



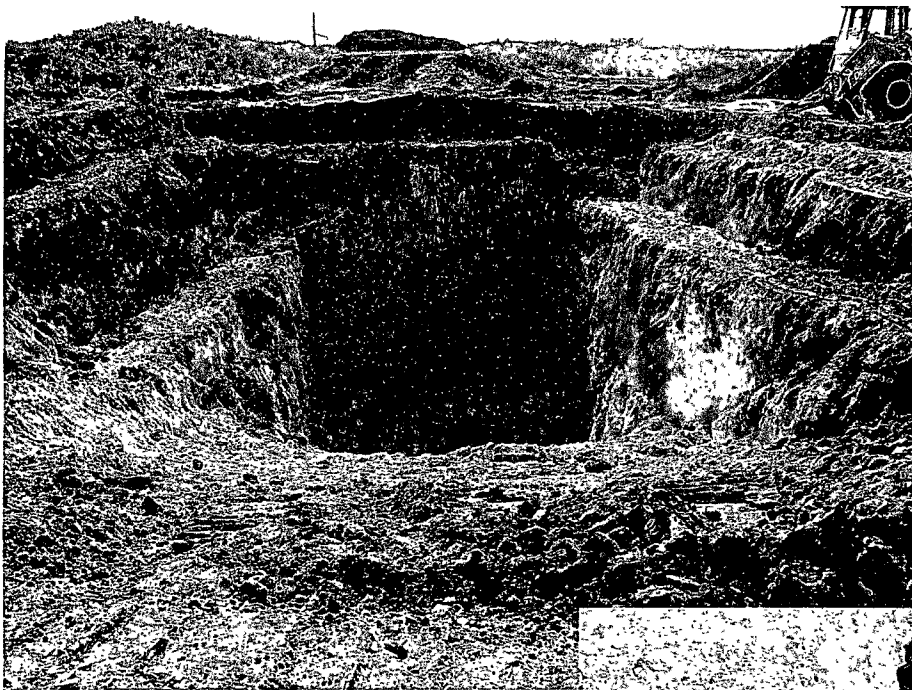
< 08/1/08 – Delineation trench at east release area



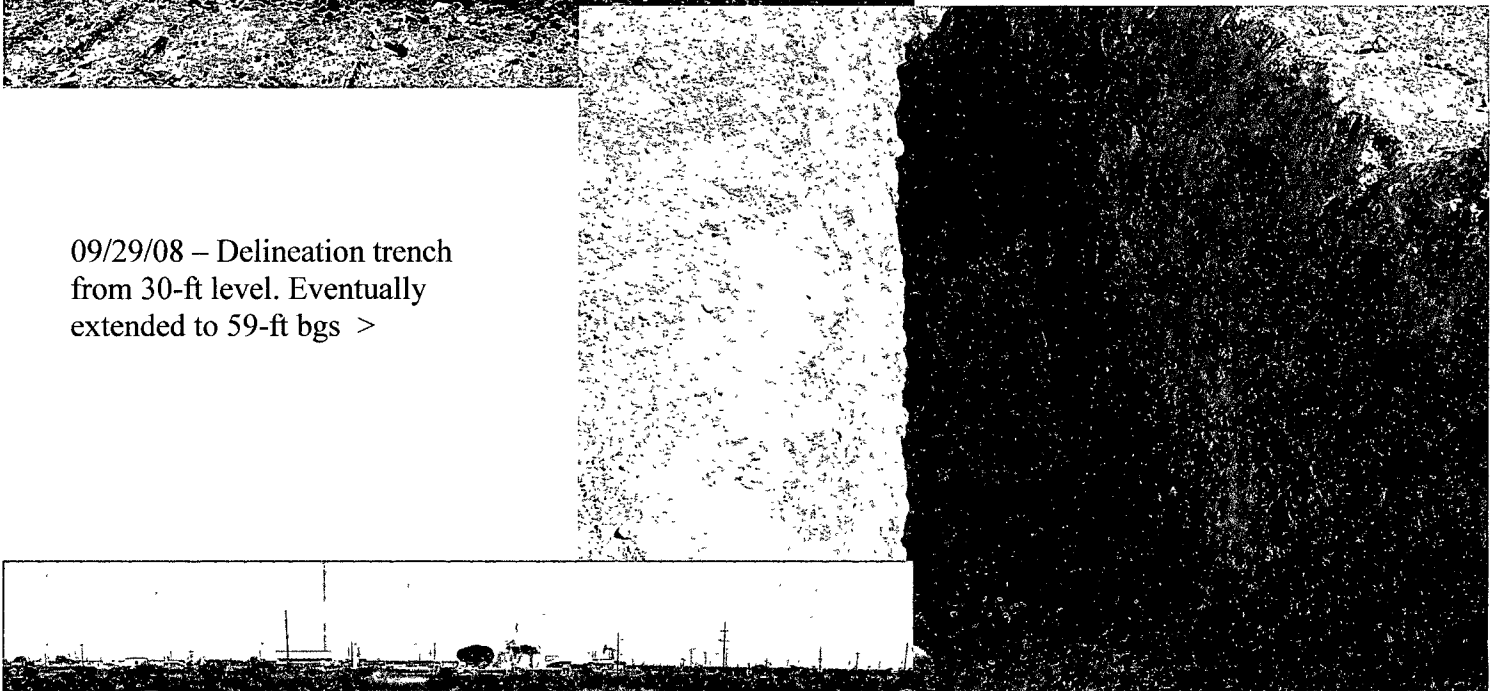
08/1/08 – Delineation trench in central release area >



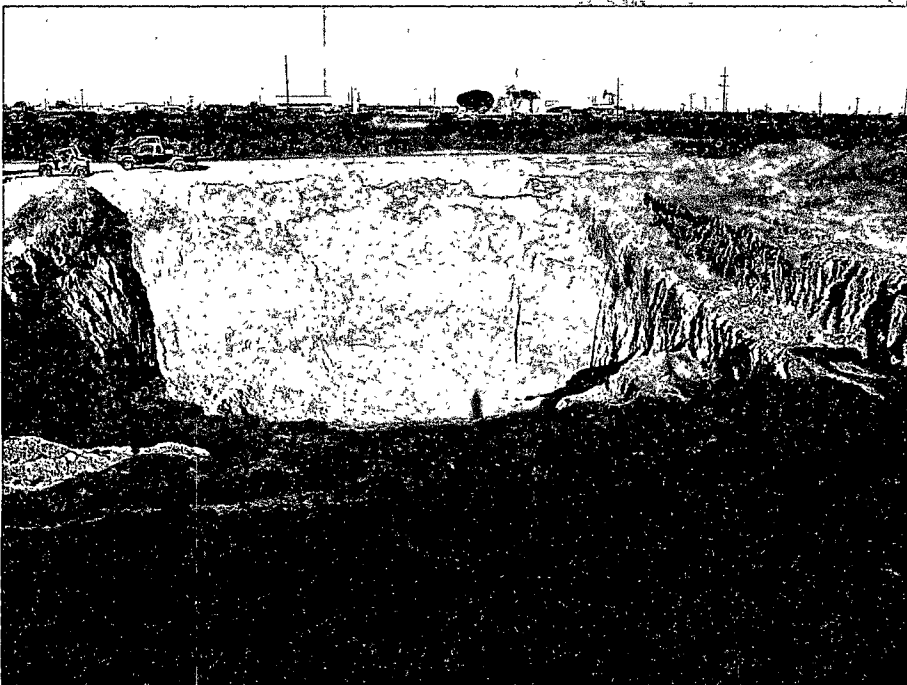
< 08/1/08 – Delineation trench in south portion of west release area. Note reduced iron sulfide.



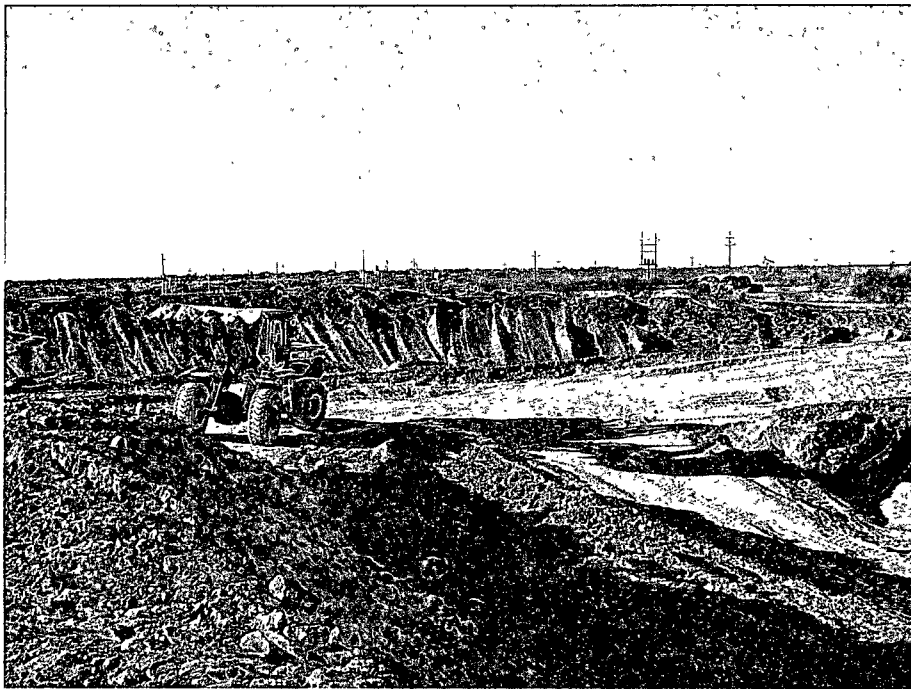
< 09/04/08 – Excavating east area.



09/29/08 – Delineation trench from 30-ft level. Eventually extended to 59-ft bgs >

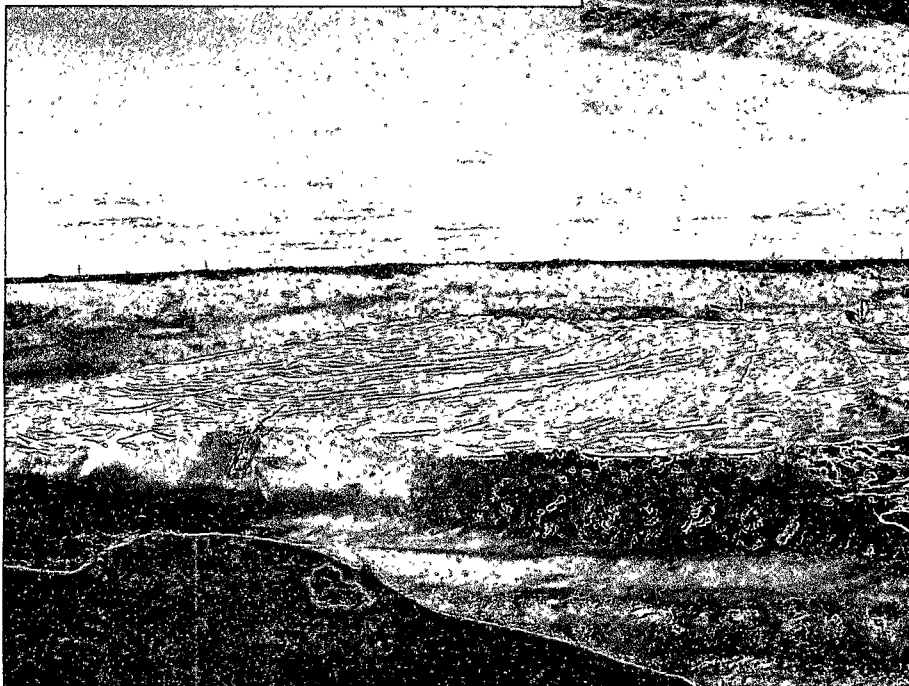
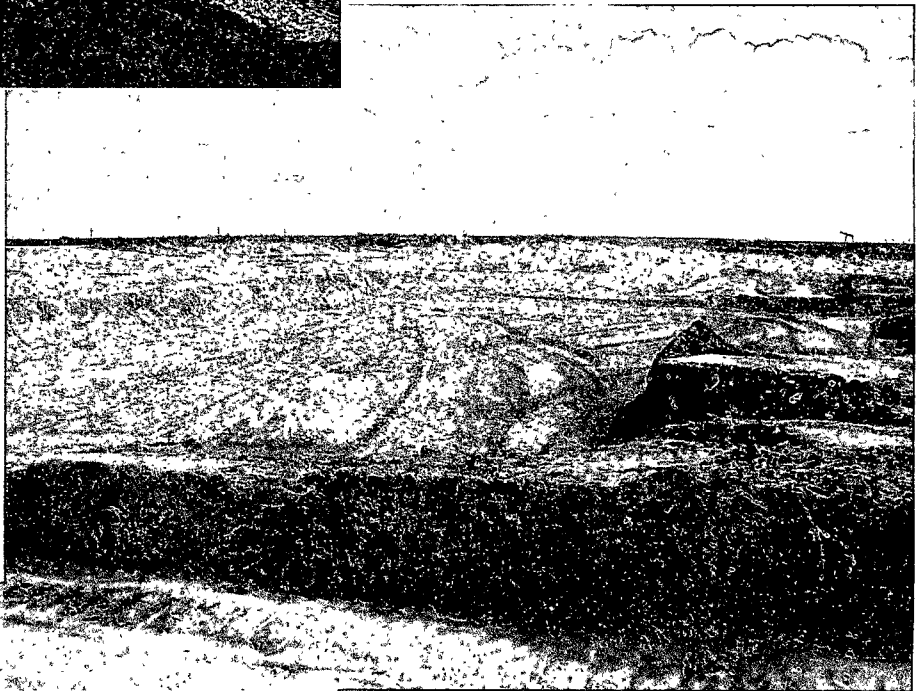


< 10/08/08 – Excavating from 30-ft to 37-ft bgs

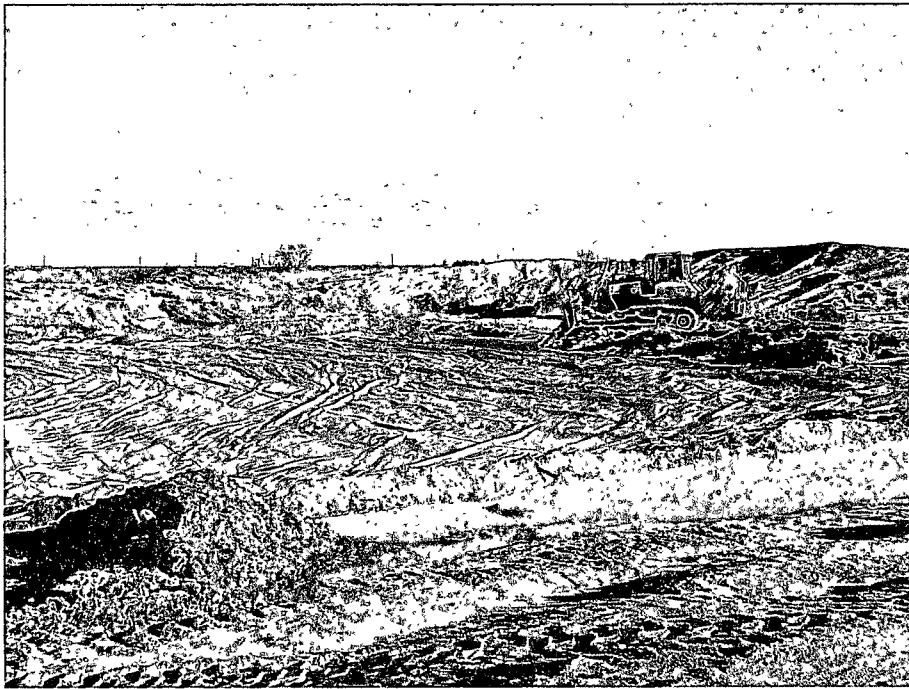


< 10/08/08 – stockpiling material for blending. Note clean topsoil stockpiled in background.

10/13/08 – East excavation backfilled up to liner level with blended and additional soil >

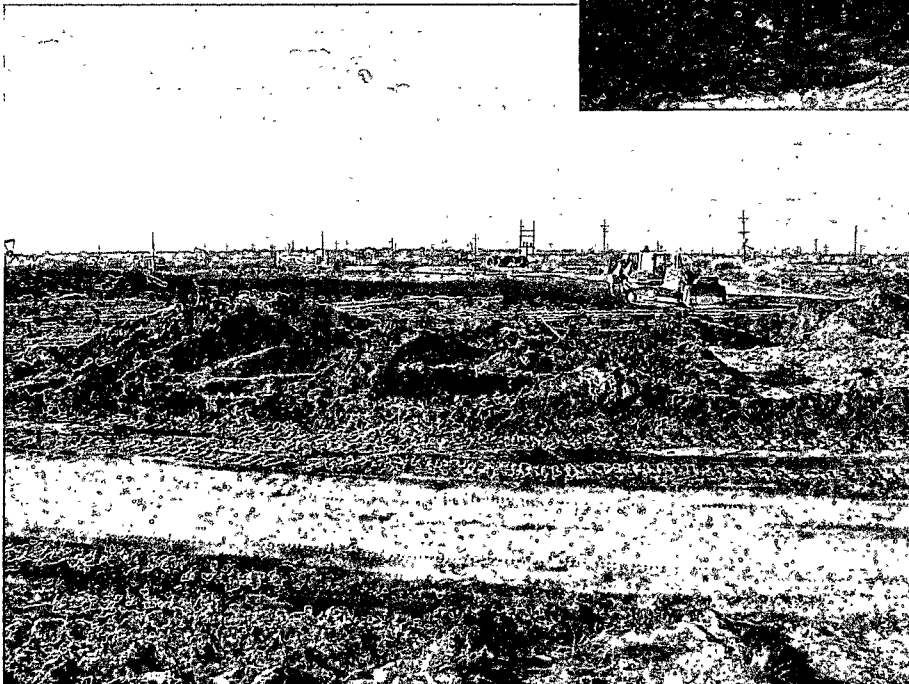


< 10/15/08 – Installing 110' X 155' liner over east excavation

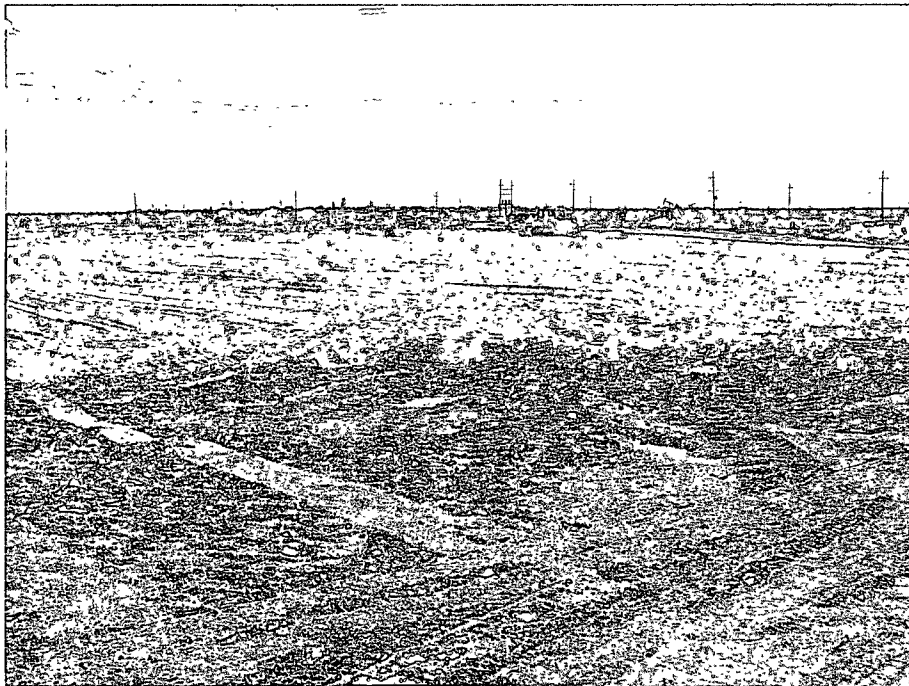


< 10/15/08 – placing red sand bedding layer over liner at east area

10/16/08 – placing additional clean caliche over liner at east area. >



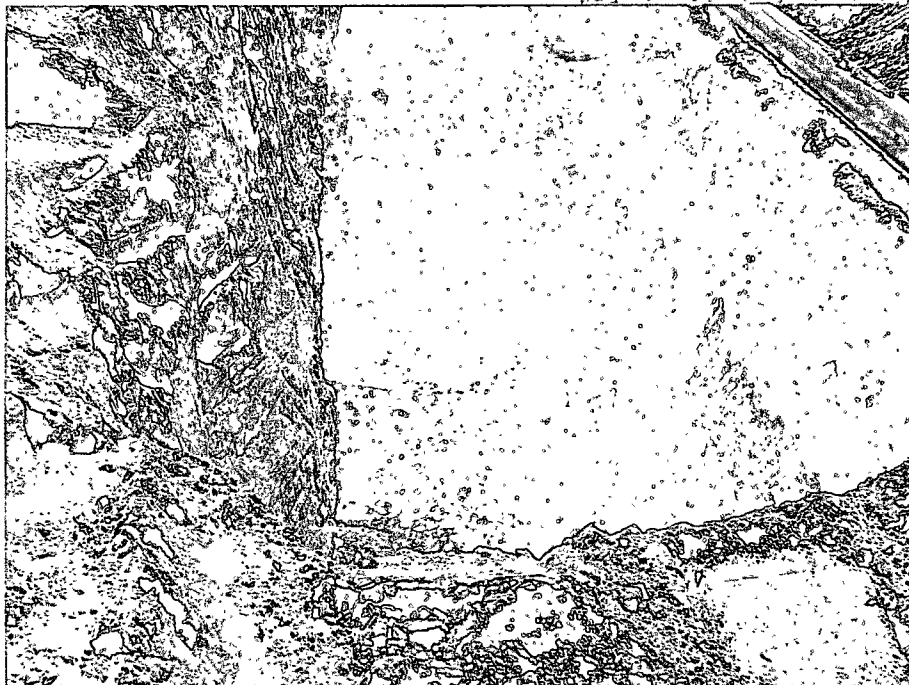
< 10/21/08 – placing final red sand topsoil layer over excavation at east area



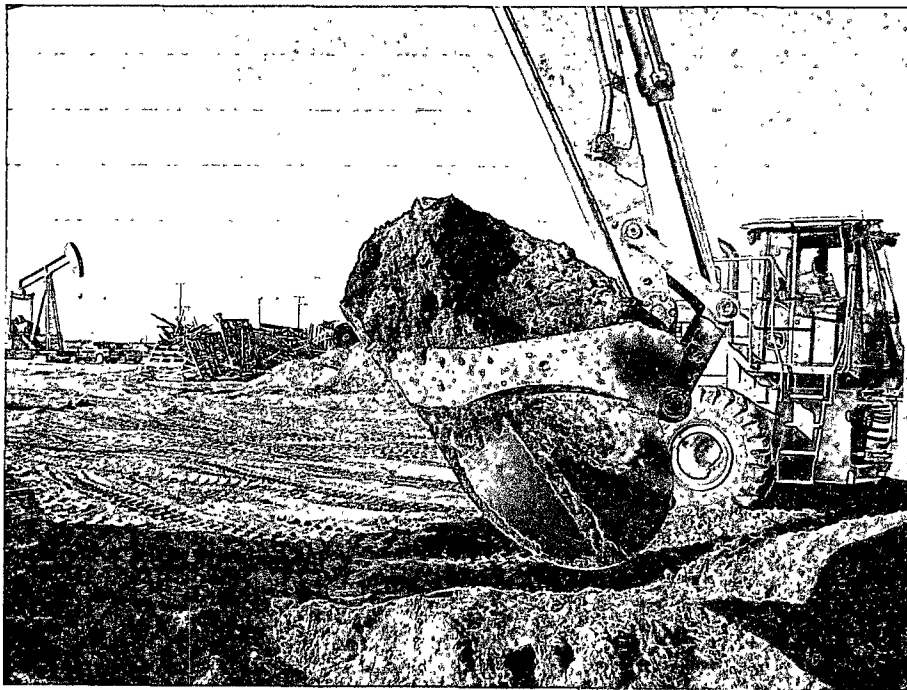
< 10/21/08 – final contouring
of east area excavation.



10/21/08 – east area portion of
project completed >

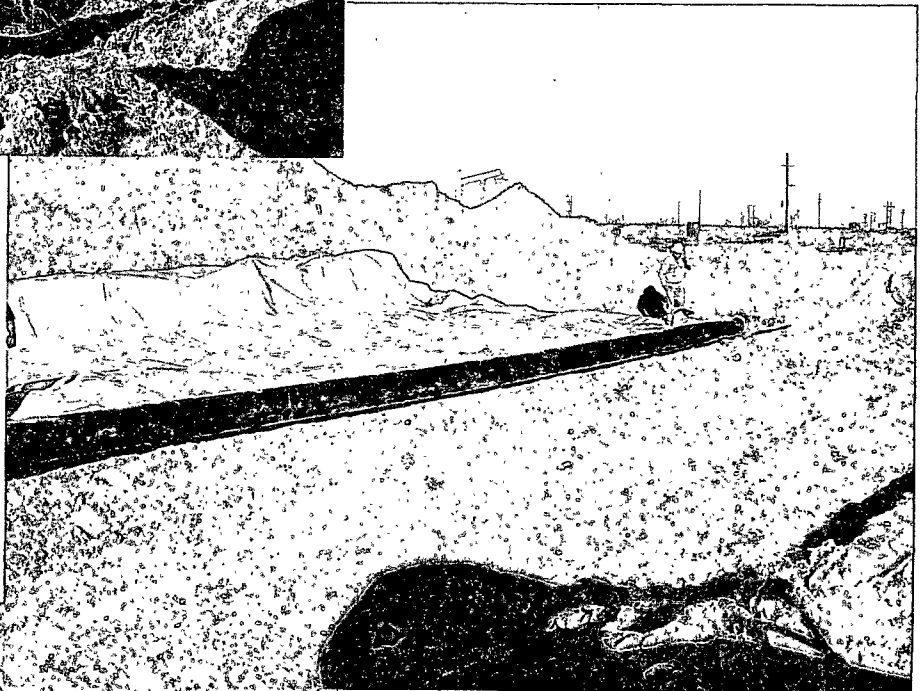


< 11/20/08 – 30-ft excavation at
north end of west affected area. Targa
gas line to right and left (not exposed
yet)

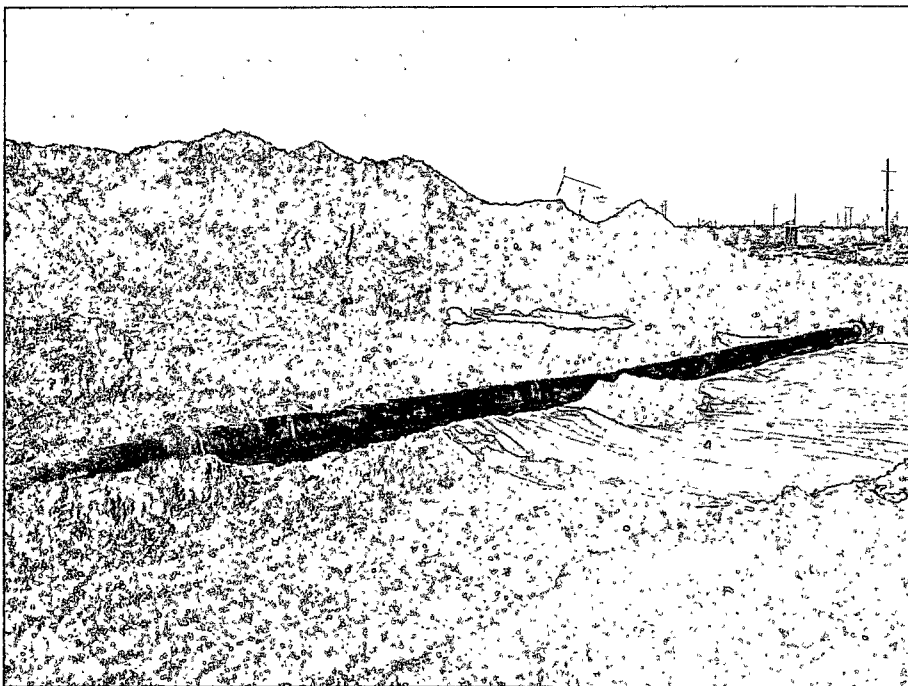


< 11/22/08 – low chloride
content iron sulfide excavated from
south end of west area.

12/2/08 –. Installing 60' X 136' liner
at north end of west area >



< 12/2/08 – north end liner was
placed under both Targa gas lines
present.



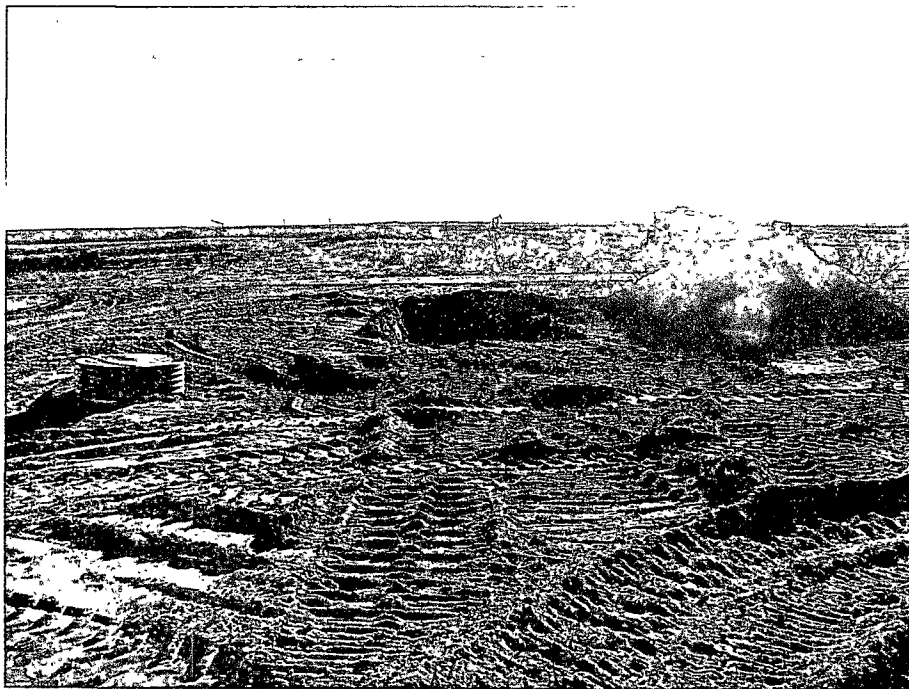
< 12/2/08 – north end liner installed and being covered with clean topsoil.



12/11/08 – Excavation at point of release. >

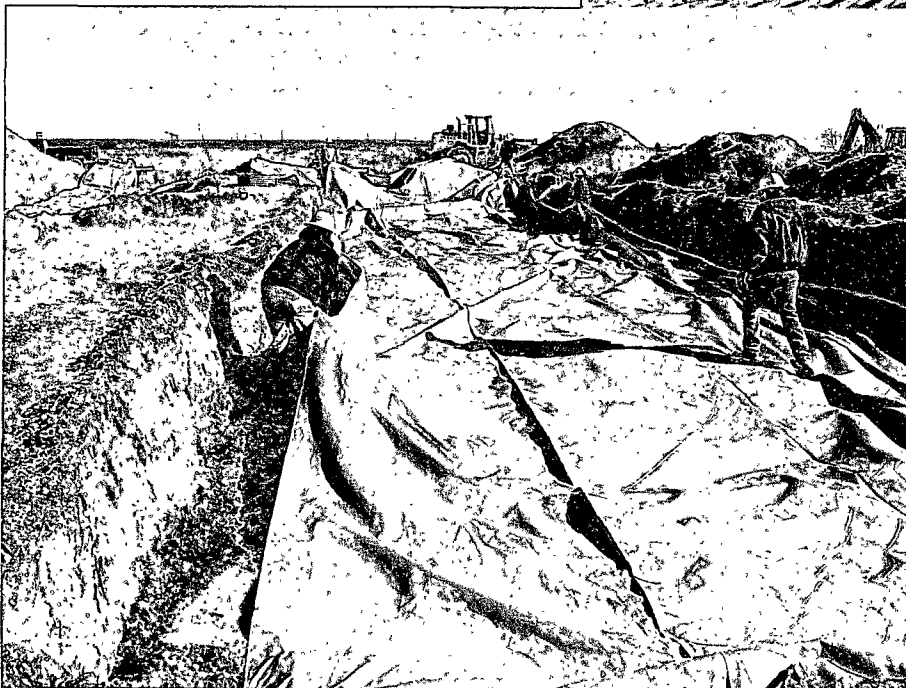
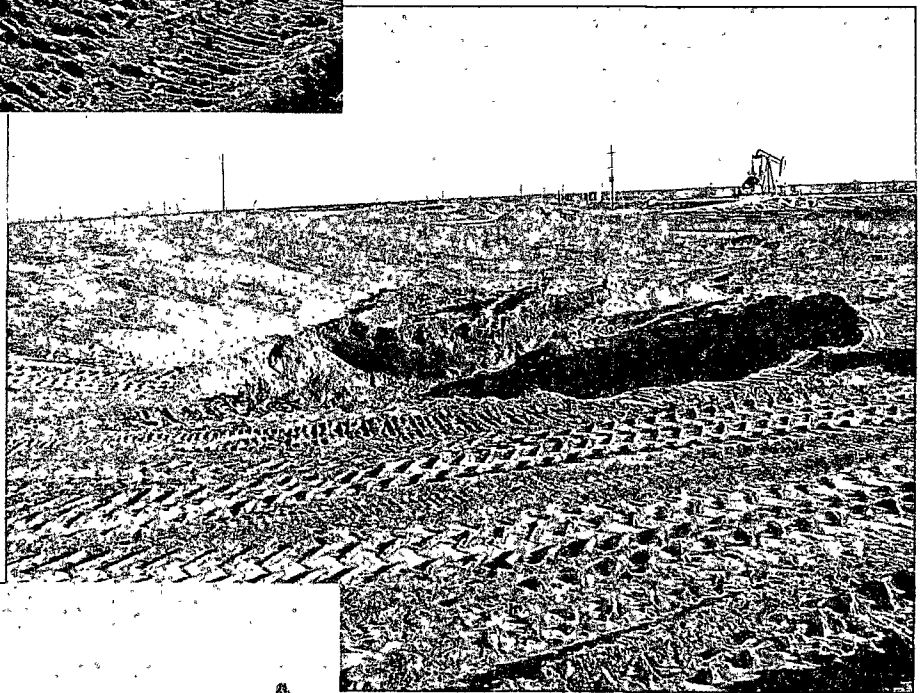


< 12/11/08 – Delineation Trench #1 on NW side of E/W injection line.

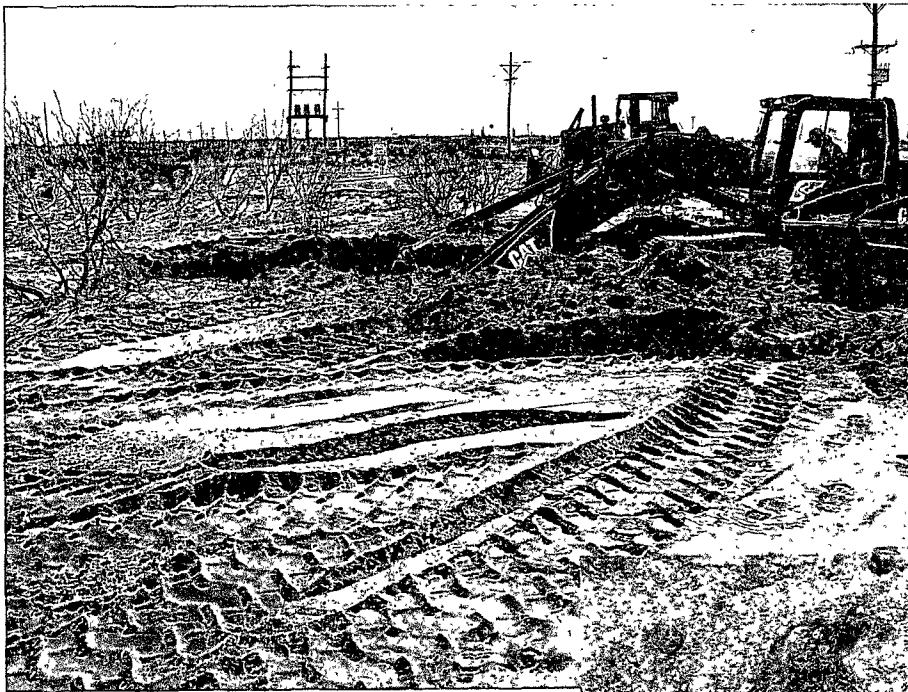


< 12/11/08 – Delineation Trench #4 on SE side of E/W injection line.

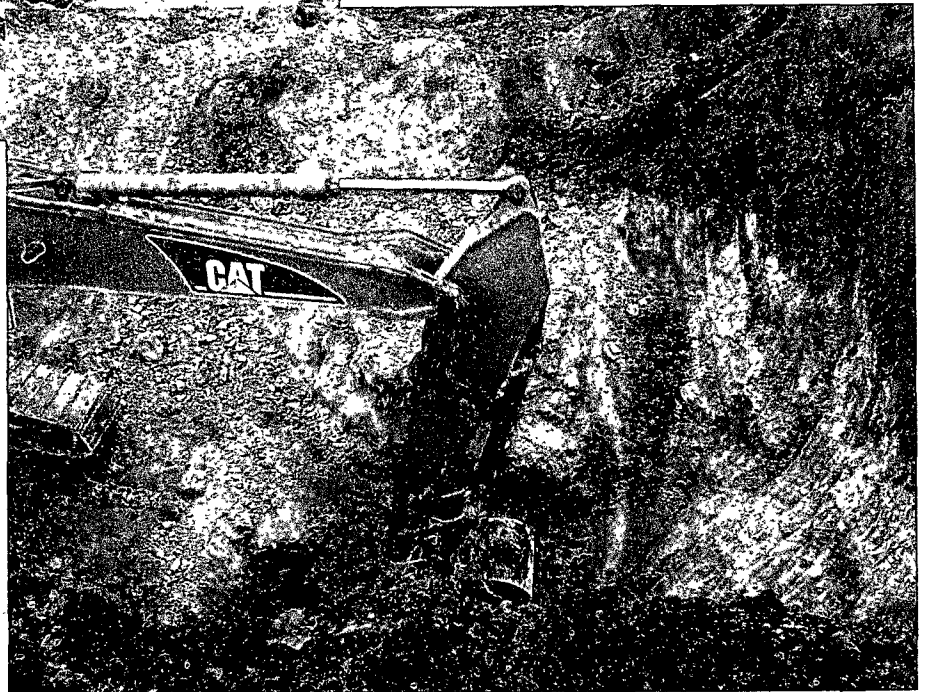
12/11/08 – Delineation Trench #3 on north side center of E/W injection line. >



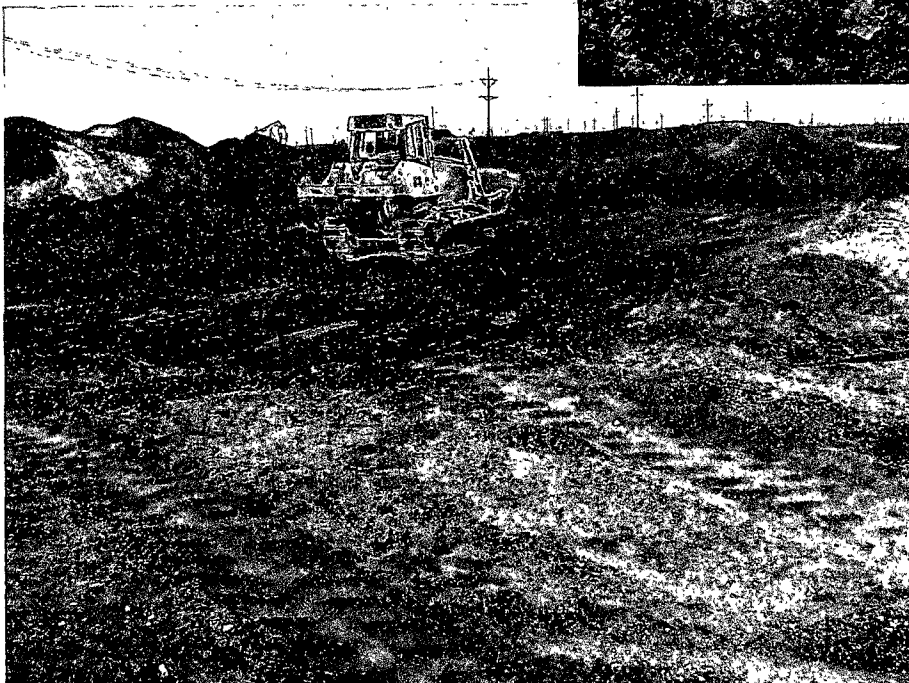
< 12/12/08 – installing two parallel 24' X 170' 20-mil liners on north and south sides of E/W injection line



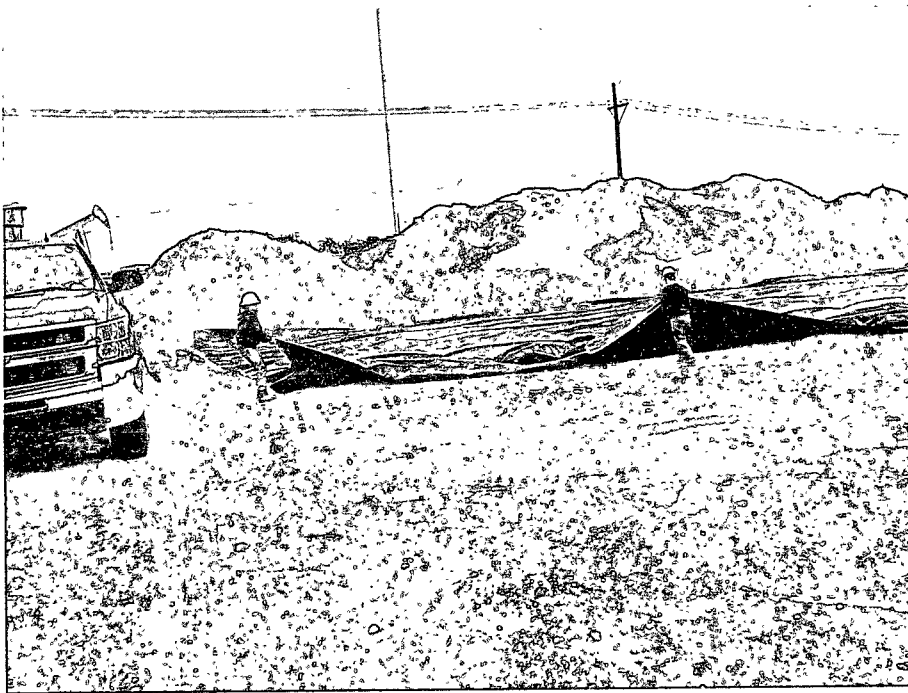
< 12/15/08 –
Commencing excavation at
south portion of central area.



12/17/08 – Excavating to 38'-
bgs to determine depth of
contamination. >

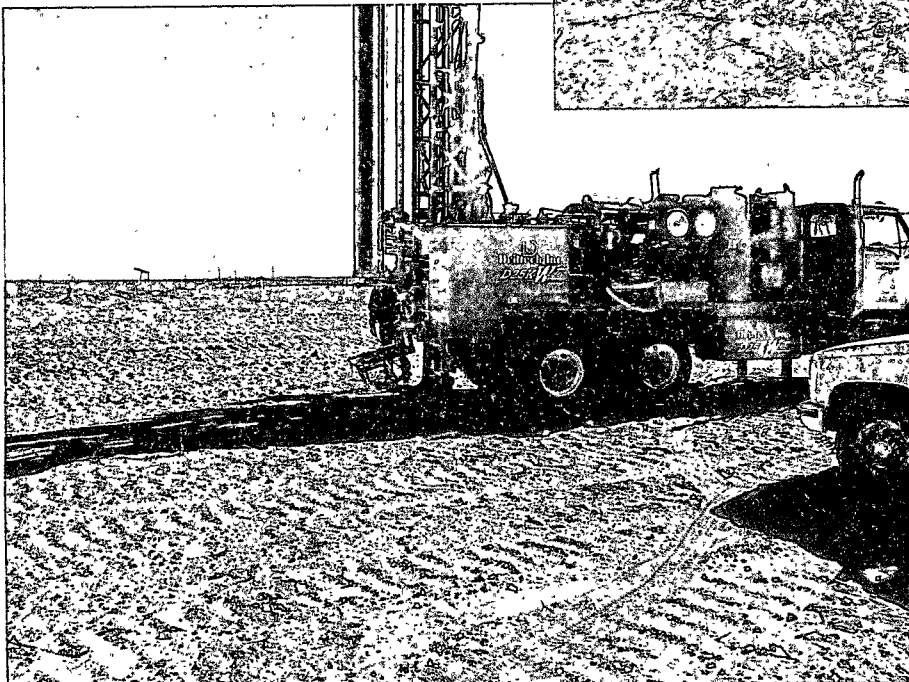


< 12/18/08 – preparing south
part of central area for liner
installation.



< 12/18/08 – installing 90' X 75' 12-mil liner over the south portion of the central area.

12/18/08 – Installing 60' X 25' 12-mil liner over pooling area opposite the east area.



< 01/12/09 – commencing drilling of monitor well on SE side of east area remediation.

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		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company: Apache Corporation		Contact: Mike Warren	
Address: P.O. Box 1849		Telephone No.: (505) 394-2743	
Facility Name: N.E.D.U. Well #805		Facility Type: Pipeline	

Surface Owner: Millard Deck Estate	Mineral Owner:	Lease No.:
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LOCATION OF RELEASE

Unit Letter F	Section 22	Township 21 S	Range 37 E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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Latitude: N 32° 28' 0.73" Longitude: W 103° 09' 12.19"

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release: 1,000 bbls	Volume Recovered: 420 bbls
Source of Release: 2 inch Fiberglass Injection Line.	Date and Hour of Occurrence: 12 November 2005	Date and Hour of Discovery: 13 November 2005 @ 0830
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink, OCD	
By Whom? Clayton Frank, Apache	Date and Hour: 14 November 2005 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: Not Applicable	

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Describe Cause of Problem and Remedial Action Taken.* Structural integrity of 2" injection line comprised. Pipeline was excavated and line clamped.

Describe Area Affected and Cleanup Action Taken.* Approximately 20,900 square feet of surface area was impacted by the release. The point of release was exposed and a line clamp installed. Saturated soil has been excavated from the vicinity of the point of release and stockpiled on plastic. Once initial excavation activities are complete, samples will be collected to delineate the lateral and vertical extents of impacts associated with this release. Upon receipt of analytical results, the remediation plan will be developed and submitted to the NMOCD for approval. The excavated soil will be disposed of at an approved land treatment facility. Remedial Goals: TPH 8015m = 1,000 mg/Kg, benzene = 10 mg/Kg, BTEX = 50 mg/Kg and chloride residuals not capable of impacting groundwater above 250 mg/l.

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		OIL CONSERVATION DIVISION	
Signature:		Approved by District Supervisor:	
Printed Name: Mike Warren		Approval Date:	
Title: Area Supervisor		Expiration Date:	
E-mail Address: mike.warren@apachecorp.com		Conditions of Approval:	
Date:		Attached <input type="checkbox"/>	
Phone: (505) 394-2743			

* Attach Additional Sheets If Necessary

Apache - 873
incident - pPAC0606636141
application - pPAC0606638140

N.E.D.U. Well #805
240012

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 March 17, 1999

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

Release Notification and Corrective Action

OPERATOR

Name of Company Apache Corporation	Contact Mike Warren	
Address PO Box 1849 1.5 miles North of Eunice Eunice, New Mexico 88231	Telephone No. 505.394.2743	
Facility Name NEDU 805	Facility Type Water injection system 2" fiberglass pipeline	
Surface Owner Millard Deck Estate	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter 22	Section 22	Township T21S	Range 37E	Feet from the North/South Line	Feet from the East/West Line	County: Lea
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Latitude: 32°28'0.73"N

Longitude: 103°09'12.19"W

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 1,000 barrels	Volume Recovered 420 barrels
Source of Release Water injection system 2" fiberglass pipeline	Date and Hour of Occurrence 11-12-2005	Date and Hour of Discovery 11-13-05 @ 8:30AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink	
By Whom? Clayton Frank, Apache	Date and Hour 11-14-05 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	
If a Watercourse was Impacted, Describe Fully.* NA		
Describe Cause of Problem and Remedial Action Taken.* The Apache NEDU 805 2" Fiberglass injection pipeline failed. Dynegy also experienced a leak in the same location.		
Describe Area Affected and Cleanup Action Taken.* The site will be delineated and remediated in accordance with the NMOCD guidelines. Remedial Goals: TPH 8015m = 1000 mg/Kg, Benzene = 10 mg/Kg, and BTEX, i.e., the mass sum of Benzene, Ethyl Benzene, Toluene, and Xylenes = 50 mg/Kg.		
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:

Printed Name: Mike Warren

Title: Area Supervisor

email: mike.warren@apachecorp.com

Date: 11/18/2005

Phone: 505.394.2743

OIL CONSERVATION DIVISION

Approved by District Supervisor:

Approval Date: 6-27-07

Expiration Date: 8-27-07

Conditions of Approval: SUBMIT

Attached ☐

* Attach Additional Sheets If Necessary

incident - nPAC 0606636141
application - nPAC 0627638860

RP# 1060



Incident Date: 11/12/05 NMOCD Notified: 11/13/05

SITE: NEDU #805		API No. 30-025-06736	
Company: Apache Corporation			
Street Address: North Eunice Loop, Hwy 207			
Mailing Address: P.O. Box 1849			
City, State, Zip: Eunice, NM 88231			
Representative: Natalie Gladden			
Representative Telephone: 575-390-4186			
Telephone:			
Fluid Volume Released (bbl): > 1000		Volume Recovered (bbl): 420	Net Release: > 580
>25 bbl: Notify NMOCD verbally within 24 hours and submit C-141 within 15 days.			
5-25 bbl: Submit Form C-141 within 15 days. (Also applies to unauthorized release of >50 mcf Natural Gas).			
Leak, Spill, or Pit (LSP) Name: NEDU #805			
Source of Contamination: 2" PVC Injection Line (loss of integrity)			
Land Owner, i.e. BLM, ST, Fee, Other: Deck Estate			
LSP Dimensions: Irregular - reference site diagram			
LSP Area ~ 20000 -ft ²			
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: North 32 28.017			
Longitude: West 103 9.225			
Elevation above mean sea level (amsl): 3420 feet 1042 meters			
Distance from North Section Line (feet): 1680			
Distance from West Section Line (feet): 1500			
Location - Unit Letter and 1/4 1/4: UL- F SE 1/4 of NW 1/4			
Location - Section 22			
Location - Township 21S			
Location - Range 37E			
Location - County Lea			
Surface water body within 1000' radius of site: 0			
Surface water body within 1000' radius of site: 0			
Domestic water wells within 1000' radius of site: 0			
Domestic water wells within 1000' radius of site: 0			
Agricultural water wells within 1000' radius of site: 0			
Agricultural water wells within 1000' radius of site: 0			
Public water supply wells within 1000' radius of site: 0			
Public water supply wells within 1000' radius of site: 0			
Depth (feet) from land surface to Ground Water (DG): ~ 60			
Depth (feet) of lowest contamination (DC): 56			
Depth (feet) to Ground Water (DG - DC = DtGW): ~ 4			
1. Ground Water		2. Wellhead Protection Area	3. Distance to Surface Water
If Depth to GW <50-feet: 20 points	If <1000' from water source, or, <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points	
If Depth to GW 50 to 100-feet: 10 points	If >1000' from water source, or, >200' from private domestic water source: 0 points	200-1000 horizontal feet: 10 points	
If Depth to GW >100-feet: 0 points		>1000 horizontal feet: 0 points	
Ground Water Score: 20	Wellhead Protection Score: 0	Surface Water Score: 0	
Site Ranking (1 + 2 + 3): 20			
Total Site Ranking Score and Acceptable Concentrations			
Parameter	20 or >	10	0
Benzene ¹	10-ppm	10-ppm	10-ppm
BTEX ¹	50-ppm	50-ppm	50-ppm
TPH	100-ppm	1000-ppm	5000-ppm

District I
1625 N French Dr, Hobbs, NM 88240

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised June 10, 2003

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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.

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	Apache Corporation	Contact	Natalie Gladden
Address	P.O. Box 1849	Eunice, NM 88231	Telephone No. 575-390-4186
Facility Name	NEDU #805	Facility Type	Produced Water Injection Well

Surface Owner	Deck Estate	Mineral Owner	API No. 30-025-06736
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from North Line	Feet from West Line	Longitude-W	Latitude-N	County
F	22	21S	37E	1680	1500	103.1538	32.4670	Lea

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Produced Water w/ minor hydrocarbon component	Greater than 1000 bbl	420 bbl
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
2" PVC Injection Line (loss of integrity)	11/12/05	11/13/05 8:30 AM
Was Immediate Notice Given?	If YES, To Whom?	
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required	NMOCD - Hobbs - Gary Wink	
By Whom?	Date and Hour	
Clayton Frank	11/14/2005 AM	
Was a Watercourse Reached?	If YES, Volume Impacting the Watercourse	
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	NA	

If a Watercourse was Impacted, Describe Fully*

Describe Cause of Problem and Remedial Action Taken. *

Loss of integrity of 2" PVC Produced Water Injection Line. Line was excavated and repaired.

Describe Area Affected and Cleanup Action Taken. *

The release affected area comprised ~21,000-ft². Three areas (east, center and west) were remediated with a risk-based methodology incorporating excavation/disposal, blending and 20-mil polyvinyl liner installation(s). The east area demonstrated the deepest chloride contamination (55-ft bgs) and resulted in the most extensive remediation of the project. Remediation was performed by Ocotillo Environmental - Hobbs.

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:	OIL CONSERVATION DIVISION		
Printed Name:	Natalie Gladden		
Title:	Environmental Tech - Permian Basin		
E-Mail Address:	Natalie.Gladden@usa.apachecorp.com		
Date:	5/4/2009	Phone:	575-390-4186
Approved by District Supervisor:		Approval Date:	Expiration Date:
Conditions of Approval:		RP# 1060	<input type="checkbox"/> Attached