Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - *Other instructions on reverse side.*

5. Lease Serial No.
NM-094867

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Lea County Federal 2

2. Name of Operator
Apache Corporation

9. API Well No.
30-025-37236

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

3b. Phone No. *(include area code)*
(918)491-5362

10. Field and Pool, or Exploratory Area
Blinebry O&G, Tubb O&G, Drinkard

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
3630' FNL & 330' FEL (Lot 9), Sec 5, T 21S, R 37E

11. County or Parish, State
Lea
New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[X] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[X] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[X] Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Request approval to dispose of produced water from this lease. See attached "Water Production & Disposal Information", "Water Analysis Report" and "Administrative Order SWD-859".

MAR
Recd
Hobbs
OCD

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Elaine Linton

Title Engineering Technician

Signature Elaine Linton

Date 03/14/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) DAVID R. GLASS

Title PETROLEUM ENGINEER

Date MAR 17 2006

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

(Instructions on page 2)

GWW

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Names(s) of all formation(s) producing water on the lease.
   Blinebry, Tubb & Drinkard.

2. Amount of water produced from all formations in barrels per day.
   93 bbls per day.

3. A Current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.
   attached

4. How water is stored on the lease.
   1 - 500 bbl fiberglass tank.

5. How water is moved to the disposal facility.
   pipeline.

6. Identify the Disposal Facility by:
   A. Facility Operator Name Apache Corporation.

   B. Name of facility of well name & number Eunice SWD, Argo #6 & #7.

   C. Type of facility of well (WDW)(WIW), etc. SWD.

   D. Location by ¼, ¼, Section, Township and Range NWSW, Sec 22, T21S, R37E

7. Attach a copy of the State issued permit for the Disposal Facility. Permit #859

Submit all of the above required information to this office, 414 West Taylor, Hobbs, NM 88240, on a Sundry Notice Form 3160-5, 1 Original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call (505) 393-3612 if you need to further discuss this matter.

South Permian Basin Region
10520 West I-20 East
Odessa, TX 79765
(432) 498-9191
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	APACHE CORPORATION	Sales RDT:	33102
Region:	PERMIAN BASIN	Account Manager:	MIKE EDWARDS (505) 631-9312
Area:	EUNICE, NM	Sample #:	196942
Lease/Platform:	LEA COUNTY FEDERAL LEASE	Analysis ID #:	59290
Entity (or well #):	A 2	Analysis Cost:	$40.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary	
Sampling Date:	3/10/06
Analysis Date:	3/10/06
Analyst:	LISA HAMILTON
TDS (mg/l or g/m3):	145185.6
Density (g/cm3, tonne/m3):	1.098
Anion/Cation Ratio:	1
Carbon Dioxide:	
Oxygen:	
Comments:	

Analysis of Sample 196942 @ 75 °F

Anions	mg/l	meq/l
Chloride:	**86002.0**	**2425.8**
Bicarbonate:	**477.0**	**7.82**
Carbonate:	**0.0**	**0.**
Sulfate:	**3087.0**	**64.27**
Phosphate:		
Borate:		
Silicate:		
Hydrogen Sulfide:		
pH at time of sampling:		
pH at time of analysis:		7.1
pH used in Calculation:		**7.1**

Cations	mg/l	meq/l
Sodium:	**48248.9**	**2098.71**
Magnesium:	**1589.0**	**130.72**
Calcium:	**4966.0**	**247.8**
Strontium:	**90.0**	**2.05**
Barium:	**0.4**	**0.01**
Iron:	**5.0**	**0.18**
Potassium:	720.0	18.41
Aluminum:		
Chromium:		
Copper:		
Lead:		
Manganese:	0.300	0.01
Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite $CaCO_3$		Gypsum $CaSO_4{*}2H_2O$		Anhydrite $CaSO_4$		Celestite $SrSO_4$		Barite $BaSO_4$		CO_2 Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
100	0	1.17	56.88	0.08	251.54	0.14	340.96	0.11	12.77	0.69	0.30	0.39
120	0	1.20	62.05	0.03	100.98	0.18	403.32	0.10	11.86	0.53	0.30	0.53
140	0	1.24	67.52	-0.01	0.00	0.23	502.47	0.10	11.86	0.38	0.00	0.71
160	0	1.27	73.30	-0.04	0.00	0.30	622.01	0.10	12.77	0.26	0.00	0.92

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

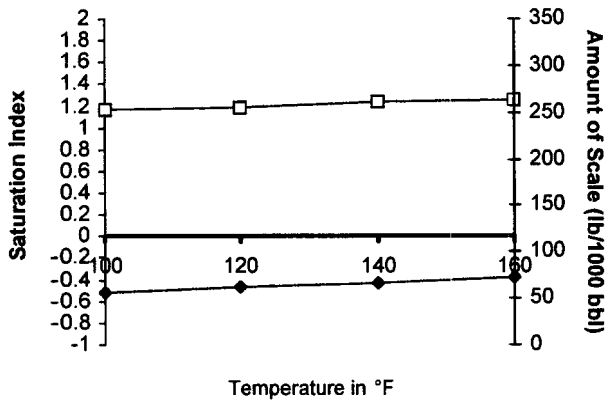
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

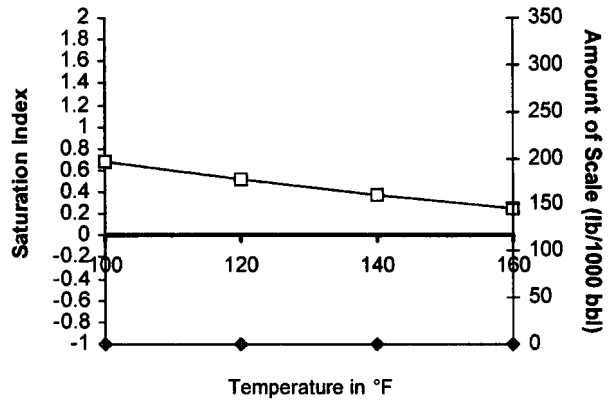
Scale Predictions from Baker Petrolite

Analysis of Sample 196942 @ 75 °F for APACHE CORPORATION, 3/10/06

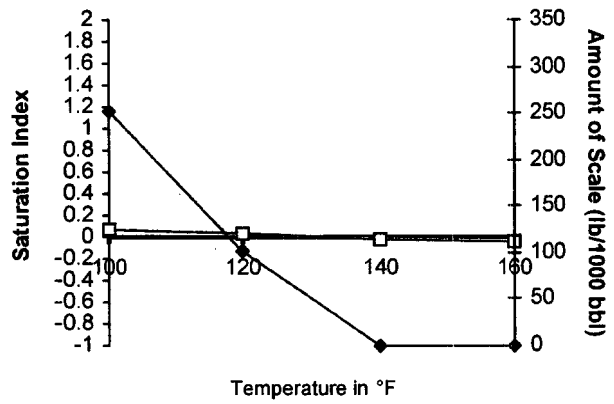
Calcite - CaCO3



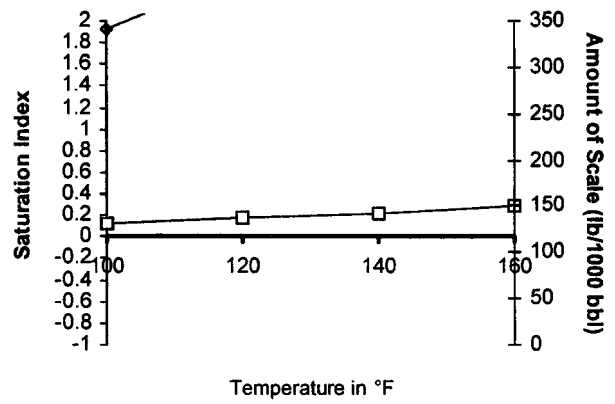
Barite - BaSO4



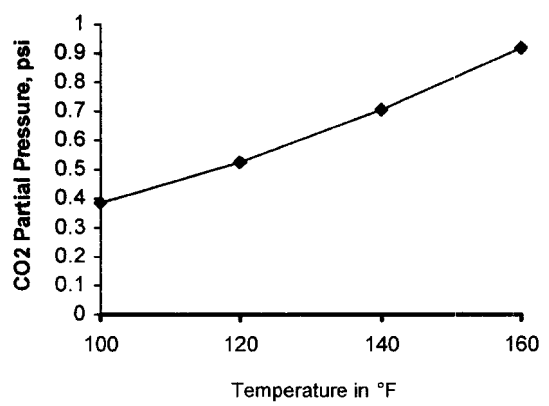
Gypsum - CaSO4*2H20



Anhydrite - CaSO4



Carbon Dioxide Partial Pressure



Celestite - SrSO4