

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OFFICE OF BOX 1980
HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE

EXHIBIT AGREEMENT NO. 1007

LEAST DESIGNATION AND SERIAL NO.

NM-0354427 A

IF INDIAN ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

1. RETURN TO THE BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR, WASHINGTON, D.C. 20500, OR TO THE FIELD OFFICE, DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, FOR PERMIT - for each proposal.

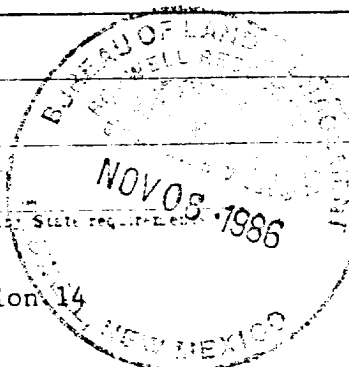
2. NAME OF OPERATOR

APOLLO ENERGY, INC.

P.O. Box 5315, Hobbs NM 88241

3. ADDRESS OF OPERATOR
4. STATE OF NEW MEXICO
5. COUNTY OF LINCOLN
6. TOWNSHIP OF CATO
7. RANGE OF 30
8. SECTION OF 14
9. ELEVATION (Show whether DE, RT, GR, etc.)

Storage System II located NW/4 SE/4 Section 14



10. UNIT AGREEMENT NAME

Cato Storage System II

11. FARM OR LEASE NAME

See Item 17

12. FIELD NO.

See Item 17

13. FIELD AND POOL, OR WELLS

Cato San Andres

14. SURVEY, T. R. M. OF BLK. AND SURVEY OR AREA

Township 8 S., Range 30 E

15. COUNTY OR PARISH 16. STATE

Chaves

NM

16

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRAC TREATMENT

MULTIPLE COMPLETION

SHOOTING OF ACIDIZING

ABANDON*

REPAIR WELL

CHANGE PLANT

Commingled Cato SSII Tests

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRAC TREATMENT

ALTERING CASING

SHOOTING OF ACIDIZING

ABANDONMENT*

(Other)

(Note: Report results of multiple completion or Well Completion Report and log form)

17. DESCRIPTION OF NOTICE OR COMPLETED OPERATIONS, including state of pertinent details, and give pertinent dates including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and solve pertinent work.

APOLLO ENERGY requests approval to continue current practice of testing wells by a portable well tester rather than using mostly "out of service" separator meters at each battery in the Cato San Andres Field.

Almost all wells in the Cato Field are stripper averaging 2-3 BOPD and some water. It has been APOLLO'S experience over the last 4½ years in this field, the well tests are more dependable & cost effective under the present system than the previous ones which I believe were not used in years (I suspect the tests were "boiler house").

CATO STORAGE SYSTEM II:

NM-0177517 Cato A Federal - SW/4 Section 15, Wells #1 & #2
NM-0177517 Cato B Federal - SW/4 Section 14 & NW/4 Section 23, Wells #1, #2, #3, #4, #5, #6, #7 & #8
NM-444628 Cato C Federal - SE/4 Section 14, Wells #1, #2, #3, & #4
NM-0354427A Cato D Federal - NE/4 Section 23, Wells #1, #2, & #3
NM-0354427A Crosby C Federal - N/2 NW/4 Section 22, Well #1
NM-0254700 Fischer Federal - W/2 Section 12, Wells #1 & #2

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE PRESIDENT

DATE 11-5-86

(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
PETER W. CHESTER

DEC 3 1986

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make or attempt to make any statement or representation as to any matter with jurisdiction.