

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-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Chi Operating Telephone: 1-432-685-5201 e-mail address: _____
Address: P.O. Box 1799 Midland TX 79702
Facility or well name: Crow Flats 18 API #: 3001534808 U/L or Qtr/Qtr A Sec 18 T 16S R 28E
County: Eddy Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) <u>50 feet or more, but less than 100 feet</u> (10 points) <u>10</u> 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <u>NO</u> (0 points) <u>0</u>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points) <u>0</u>
Ranking Score (Total Points) <u>10.</u>	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Chi plans to trench bury the drill pits at the Crow Flats 18. As per rule 50 of the Pit and Below-Grade Tank Guidelines, we will line the trench with 12 mil liner and bury pit contents and liner, then cover with 20 mil plastic. Will cap with 3' of native material capable of supporting native plant growth, we will contour the pit area to prevent erosion and ponding of rainwater. oversite, 2" moni for well drilled approx. 10' from location. Reserve pit 70' deep. After 24 hours, no water enc.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 3-14-07
Printed Name/Title: Brad Larson / Agent Signature: Brad Larson

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: _____
Printed Name/Title: _____ Signature: Mike Semore Date: MAR 22 2007

ECO/ENVIRO DRILLING LLC

357 Wilks Road
Lovington, NM 88260

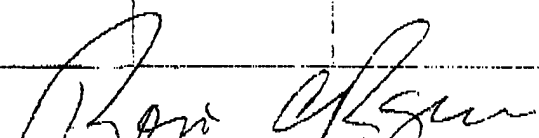
Invoice

Date	Invoice #
03/01/2007	88

Bill To

CHI Operating Inc.
PO Box 1799
Midland, TX 79702
Attn: Gary Womack
A

P.O. No.	Terms	Project
	Due on receipt	

Item	Qty	Description	Rate	Amount
Services		Crow Flats "18" Federal Com. # 1	0.00	0.00T
Monitor Well 2"		70' 2-20-07	2,500.00	2,500.00T
Mileage Drilling Rig	150		1.50	225.00T
Mileage Support T...	150		1.00	150.00T
Services		Crow Flats "9" State Com. #1	0.00	0.00T
Monitor Well 2"		70' 2-21-07	2,500.00	2,500.00T
Mileage Drilling Rig	150		1.50	225.00T
Mileage Support T...	150		1.00	150.00T
Services		Diamond Vista 10 Federal Com. #1	0.00	0.00T
Monitor Well 2"		70' 2-22-07	2,500.00	2,500.00T
Mileage Drilling Rig	150		1.50	225.00T
Mileage Support T...	150		1.00	150.00T
Services		Beaver Tail	0.00	0.00T
Monitor Well 2"		70' 2-23-07	2,500.00	2,500.00T
Mileage Drilling Rig	145		1.50	217.50T
Mileage Support T...	145		1.00	145.00T
Services		Federal Com. State #2	0.00	0.00T
Monitor Well 2"		70' 2-26-07	2,500.00	2,500.00T
Mileage Drilling Rig	180		1.50	270.00T
Mileage Support T...	180		1.00	180.00T
Decon Tools	1		200.00	200.00T
		Gross Receipts Tax	5.375%	786.77
			Total	\$15,424.27