

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

Wellfield
6-16-10 Form C-141
Revised October 10, 2003
None
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: CrownQuest Operating, LLC	Contact: Don Rogers
Address: PO Box 53310 Midland, TX 79710	Telephone No. 432 818 0300
Facility Name: State 31 Battery	Facility Type: Tank Battery
Surface Owner State	Mineral Owner
Lease No. 30-025-22464 (State 31 #1)	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	31	13S	33E					Lea

Latitude **N33 08.720** Longitude **W103 39.654**

NATURE OF RELEASE

Type of Release Hydrocarbons (Crude Oil)	Volume of Release Unknown	Volume Recovered None
Source of Release Tanks and Heater Treaters	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 18Nov09
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
The area around the heater treaters and the tanks had surface residue that appeared to be hydrocarbons.

Describe Area Affected and Cleanup Action Taken.*
The areas where the heater treaters and the tanks were located were excavated to a depth of 3'-4' BGS. Soil samples were obtained and analyzed from these 2 locations. Lab results indicated TPH, BTEX, and Chlorides were well below the limits set forth by NM OCD for a location with a Site Ranking score of 0. Approval for continuing the reclamation was obtained for Larry Johnson, NM OCD. The area was backfilled with clean material and the reclamation was completed.

***Lab analytical results are included with the closing report attached to the State 31#1 Well, 30-025-22464.
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: <i>Don Rogers</i>	Appr	APPROVED
Printed Name: Don Rogers <i>Don Rogers</i>		
Title: Manager, Special Projects	Appr	
E-mail Address: drogers@crownquest.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 18May10 Phone: 432 818 0300		<i>129-4127</i>

* Attach Additional Sheets If Necessary

Vernon Black

To: Brown, Maxey G, EMNRD

Subject: RE: CrownQuest P/A's

Maxey, I think we've got all these squared away and ready for your inspection. I'm bringing the last two C 103's (State 31 #1 and #5) along with the closing report for the State 31 Battery. The battery will be attached to the #1 well as per you instructions.

Let me know if you find any discrepancies and we'll get them cleared up.

Thanks,
Vernon

05/14/10
WAITING ON
VERNON ABOUT
C-141

From: Brown, Maxey G, EMNRD [mailto:MaxeyG.Brown@state.nm.us]

Sent: Friday, December 11, 2009 8:12 AM

To: vernon@hungry-horse.com

Subject: CrownQuest P/A's

Vernon,

Here's what I have found and will need corrected before I can release these locations.

State 5 #3 30-025-28807 No Unit Letter or Quarter/Quarter on marker. (UL-A)

New Mexico AT State #10 30-025-28145 Marker has incorrect footage listed 3505 FWL ? (should be 1650 FSL and 2305 FWL or show Unit Letter K). Again Unit Letter or Quarter/Quarter, footage will work if it is correct.

New Mexico BG State NCT-1 #2 30-025-01130 No Unit Letter or Quarter/Quarter. (UL- M). Also marker shows NCT #2, I can't tell if they left off the NCT- 1 and put well #2. Last, the concrete base for the pumping unit has 1 bolt on the West end bent over, needs to be cut off.

NM BV State NCT-2 #2 30-025-21820 Marker doesn't have Lease Name welded on marker. Also at time of my inspection there was 1 electrical pole laying on the ground west of the location.

New Mexico AT State #5 Location is okay, but the poly flow line was not removed. It has been pulled off location to the West and left in the pasture. We need to make some attempt in removing of this line.

The remainder of the C-103's submitted to me have been released. Give me a call if you have any questions. I realize that you may wait till all locations have been inspected to make needed corrections.

Thanks, Maxey
575-370-3179

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12/18/2009

CrownQuest Operating, LLC

Battery Reclamation Summary

State 31 Battery

Lea County, NM

Sec. 31, T13S, R33E

GPS N33 08.720 W103 39.654

Start date: 10Nov09

Finish date: 15Dec09

Prepared By: Vernon K. Black

Environmental Technician

Hungry Horse, LLC

PO Box 1058

Hobbs, NM 88241

(575)-393-3386



RECEIVED

DEC 18 2009

HOBBSOCD

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- Attachment 3 – One call
- Attachment 4 – Photos of Project

1.0 Introduction

This report addresses the site/battery reclamation at CrownQuest Operating's State 31 Battery. For closure purposes, this battery closing report is included with the closure of the State 31 #1 well, 30-025-22464. Analytical results, overhead maps, and a general scope of work performed are included in this document. The project manager for Hungry Horse, LLC was Shanon Rusk.

2.0 Area Description

This battery is located in rural Lea County, NM west of Hwy 457 off Priscilla Road between Lovington and Maljamar, NM. The top layer of soil is topsoil which is approximately six inches thick. Below this layer, the formation begins to turn into a more of a caliche/caliche rock base. Vegetation in this area consists mainly of range grasses and small yucca plants.

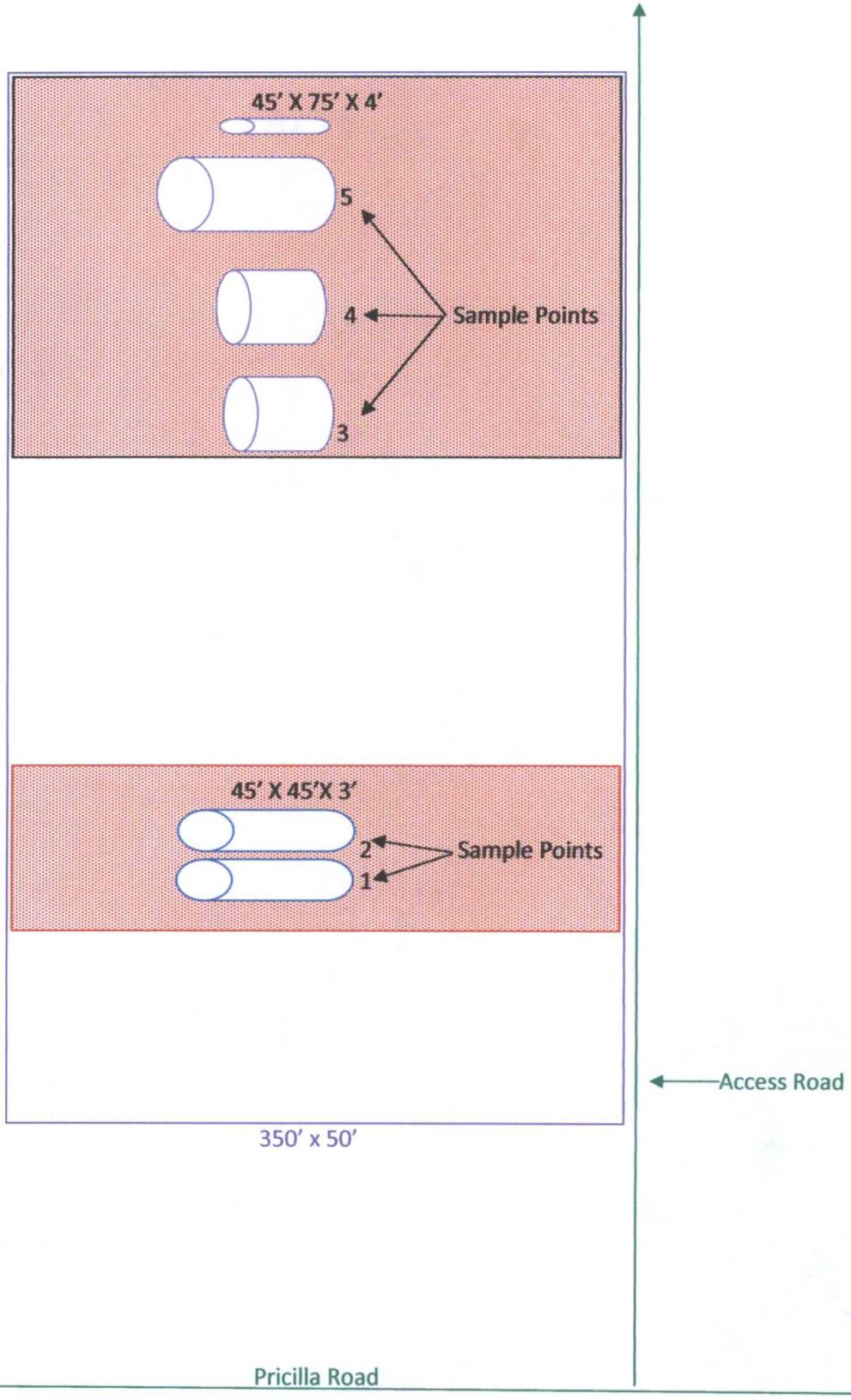
Based upon information from the New Mexico State Engineer's Website and the Lea County Depth to Groundwater Map, the depth to groundwater is approximately 135'. There are no known water wells or surface bodies of water within a half of a mile of this location. Based upon this information, the site is given a site ranking score of 0, as defined by NM OCD.

3.0 Site Remediation/Reclamation Process

The battery location to be reclaimed was 350' x 50' and contained 1- 750 barrel and 2-500 barrel tanks, two heater treaters, and connecting pipes and lines. All surface equipment was dismantled and removed prior to the start of the reclamation/remediation efforts.

Reclamation efforts began with the excavation of 3'-4' of soil from the areas where the heater treaters and tanks were previously located. The excavated areas were 45'W X 45'L X 3'D and 45'W X 75'L X 4'D respectively. Soil samples were obtained at each excavated location. Sample Points 1&2 were obtained at the heater treater site and Sample Points 3-5 were obtained at the tank locations. An additional composite sample of the stockpile was also obtained. All samples were transported under chain of custody to Cardinal Laboratories in Hobbs, NM for analysis. Lab analysis was conducted to determine the levels, if any, of Chlorides, TPH, and BTEX. Lab results indicate all sample points had levels below the limits set forth by NM OCD for an area with a site ranking score of 0. Mr. Larry Johnson, NM OCD Dist 1, gave approval for closure. A total of 940 yards of contaminated material was excavated from the two areas and transported to a division approved land farm for disposal.

The excavated areas were backfilled using clean material from a nearby source. The areas were contoured to match the surrounding terrain, ripped, and seeded.



Note: Drawing is not to scale



State 31 Battery

N33 08.720 W103 39.654

Good Road

County Road 159/Priscilla Road

County Road 159

Good Rd

© 2009 Europa Technologies
© 2009 Google
Image NMR GIS
Image © 2009 Digital Globe

Google

33° 08' 39.14" N 103° 39' 30.73" W

Eye alt: 7889 ft



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

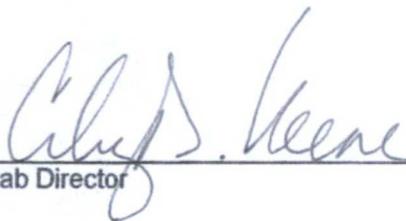
Receiving Date: 11/18/09
Reporting Date: 11/20/09
Project Owner: CROWN QUEST OPERATING
Project Name: STATE 31 BATTERY
Project Location: LEA COUNTY, NM

Sampling Date: 11/18/09
Sample Type: SOIL
Sample Condition: INTACT @ 12°C
Sample Received By: ML
Analyzed By: AB/ZL

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE:		11/20/09	11/20/09	11/19/09	11/19/09	11/19/09	11/19/09
H18758-2	SP1 HEATER TREATER 3' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
H18758-3	SP2 HEATER TREATER 3' BGS	<10.0	13.1	<0.050	<0.050	<0.050	<0.300
H18758-4	SP3 TANK AREA 4' BGS	114	1,540	0.325	1.70	3.06	8.92
H18758-5	SP4 TANK AREA 4' BGS	66.3	1,160	<0.050	0.234	1.32	2.01
H18758-6	SP5 TANK AREA 4' BGS	<10.0	428	<0.050	<0.050	<0.050	<0.300
Quality Control		473	566	0.050	0.049	0.052	0.163
True Value QC		500	500	0.050	0.050	0.050	0.150
% Recovery		94.6	113	100	98.0	104	109
Relative Percent Difference		3.6	6.7	<1.0	<1.0	1.6	2.1

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Not accredited for GRO/DRO.



Lab Director

11/24/09

Date

H18758 BTEX8015 HHE

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CARDINAL LABORATORIES
 101 East Marland, Hobbs, NM 88240
 (575) 393-2326 Fax (575) 393-2476

Company Name: Hungry Horse Environmental Services
Project Manager: Vernon K. Black
Address: PO Box 1058
City: Hobbs **State:** NM **Zip:** 88241
Phone #: 575-393-3386 **Fax #:** 575-391-4585
Project #: _____ **Project Owner:** CoanQuest Corp.
Project Name: State 31 Better!
Project Location: Lea County NM
Sampler Name: Vernon K. Black

BILL TO
P.O. #: _____
Company: SAME
Altin: _____
Address: _____
City: _____
State: _____ **Zip:** _____
Phone #: _____
Fax #: _____

ANALYSIS REQUEST	
Chlorides	X
TPH	X
BTEX	X
X Paint filter added in filter	

Lab I.D.	Sample I.D.	PRESERV		SAMPLING		DATE	TIME
		MATRIX	ICE / COOL	ACIDBASE	OTHER		
H15700-1	Stackpile Comp	WASTEWATER	X	X		12/05/1000	
-2	SPL Heater Tracer 3105 G	GROUNDWATER	X	X			
-3	SP2 Heater Tracer 3105 G	GROUNDWATER	X	X			
-4	SP3 Tank Area 4105 G	GROUNDWATER	X	X			
-5	SP4 Tank Area 4105 G	GROUNDWATER	X	X			
-6	SP5 Tank Area 4105 G	GROUNDWATER	X	X			

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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 collection, including attorney's fees.

Sampler Relinquished: _____ **Date:** _____ **Received By:** _____

Relinquished By: _____ **Date:** _____ **Received By:** _____

Delivered By: (Circle One) UPS Bus Other: _____

Sample Condition: Cool Intact Yes No

CHECKED BY: _____ (Initials)

Phone Result: No Add'l Phone #: _____

Fax Result: No Add'l Fax #: _____

REMARKS:

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

*samples in ice packing process had begun

New Mexico One Call

Locate Request Confirmation

Header Code: STANDARD LOCATE
Request Type:

Ticket No: 2009462906 Seq. No: 0

Update of:

Original Call Date:	11/12/2009	Time:	09:17:27 AM	OP: 240
Transmit Date:	11/12/2009	Time:	09:22:21 AM	
Work to Begin Date:	11/16/2009	Time:	09:17:00 AM	

Company: HUNGRY HORSE LLC

Contact Name: SHANON RUSK

Contact Phone: (575)631-0983

Alternate Contact: VERNON

Alternate Phone:

Best Time to Call:

Fax No: (575)391-4585

Cell Phone:

Pager No:

Email:

State: NM County: LEA City: RURAL LEA

Address: , STATE 31 BATTERY

To Address:

Nearest Intersecting Street:

2nd Intersecting Street:

Subdivision:

Latitude: 33.14439450 Longitude: -103.65755250

Zip Code:

Township: 13S Range: 33E Section 1/4: 31 SW

Location of Work: REMOVE AND RECLAIM BATTERY LOCATION
 FROM LOVINGTON - WEST ON HWY82, T/N ON HWY457, GO
 15.9M T/L -WEST CR158/PRISCILLA RD 2.9M T/R ONTO
 LEASE RD APX. 0.4M -BATTERY LOCATION ON LEFT.
 >>FROM CENTER OF BATTERY SPOT 200FT RADIUS

Remarks:

Type of Work: OIL/GAS-WELL/PIT REPAIR

Private Property:

Street:

Overhead Lines:

Blasting:

Easement:

Mechanical Boring:

Premarked:

Work Being Done For: CROWN QUEST OPERATING

The following utility owners have been notified:

SPHB

SAUN

IMPORTANT CONFIRMATION NOTICE

Your fax request has been received and processed. It is your responsibility to review the information provided on this faxback confirmation ticket and ensure it has been correctly interpreted from your request. Notify us immediately of any corrections or errors. Acceptance of this faxback confirmation ticket means you accept responsibility for the accuracy of the information contained in the ticket and you agree to indemnify New Mexico One Call Systems, Inc. of all liability, claims, fees, or damages, including reasonable attorney fees arising from or resulting from the use of the information provided on this confirmation ticket.

New Mexico Law requires you to wait two working days from the date and time of this confirmation notice before you begin excavation. This request is valid for ten working days. Only the facility owners listed on this ticket will be notified.

You can check the Locate Status of this ticket and request other tickets by visiting the our website at www.nmonecall.org.

