

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768
Phone (432) 366-0043 Fax (432) 366-0884

April 13, 2007

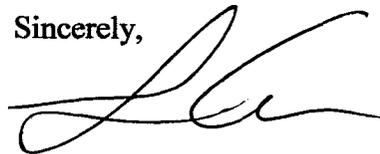
New Mexico Oil Conservation Division
Mr. Larry Johnson
1625 French Drive
Hobbs, New Mexico 88240

Re: Drilling Pit Closure of Seely Oil – E-K Penrose Sand Unit #701
UL 'D' Sec.30 T18S R34E Lea County
API # 30-025-37572

Mr. Larry Johnson,

Elke Environmental was contracted by Seely Oil Company to complete the closure of the E-K Penrose Sand Unit #701 drilling pit. As per the C-144 filed and signed by Larry Johnson on 4-12-07 a burial pit was constructed and lined with 20 mil liner. The drilling mud was mixed with Elke Environmental Solidification Product at a 20(mud) : 1(product) ratio to solidify the contents then placed in the burial pit. 5 bottom points were delineated and tested with NMOCD standards for chlorides being achieved on all points with the deepest point at 23' below ground surface. Lab samples were taken for confirmation. As per the conversation between Larry Johnson and Robert Spangler on 3-20-07, with groundwater at 46' in this area all test points were excavated until chlorides were below 3,000ppm and solidified then placed in a second burial pit built inside the left horseshoe of the drilling pit. Both burial pits and the remainder of the drilling pit were capped with a 20 mil impervious liner then backfilled with clean native soil and doomed to prevent pooling. If you have any questions about the enclosed report please contact me at the office.

Sincerely,

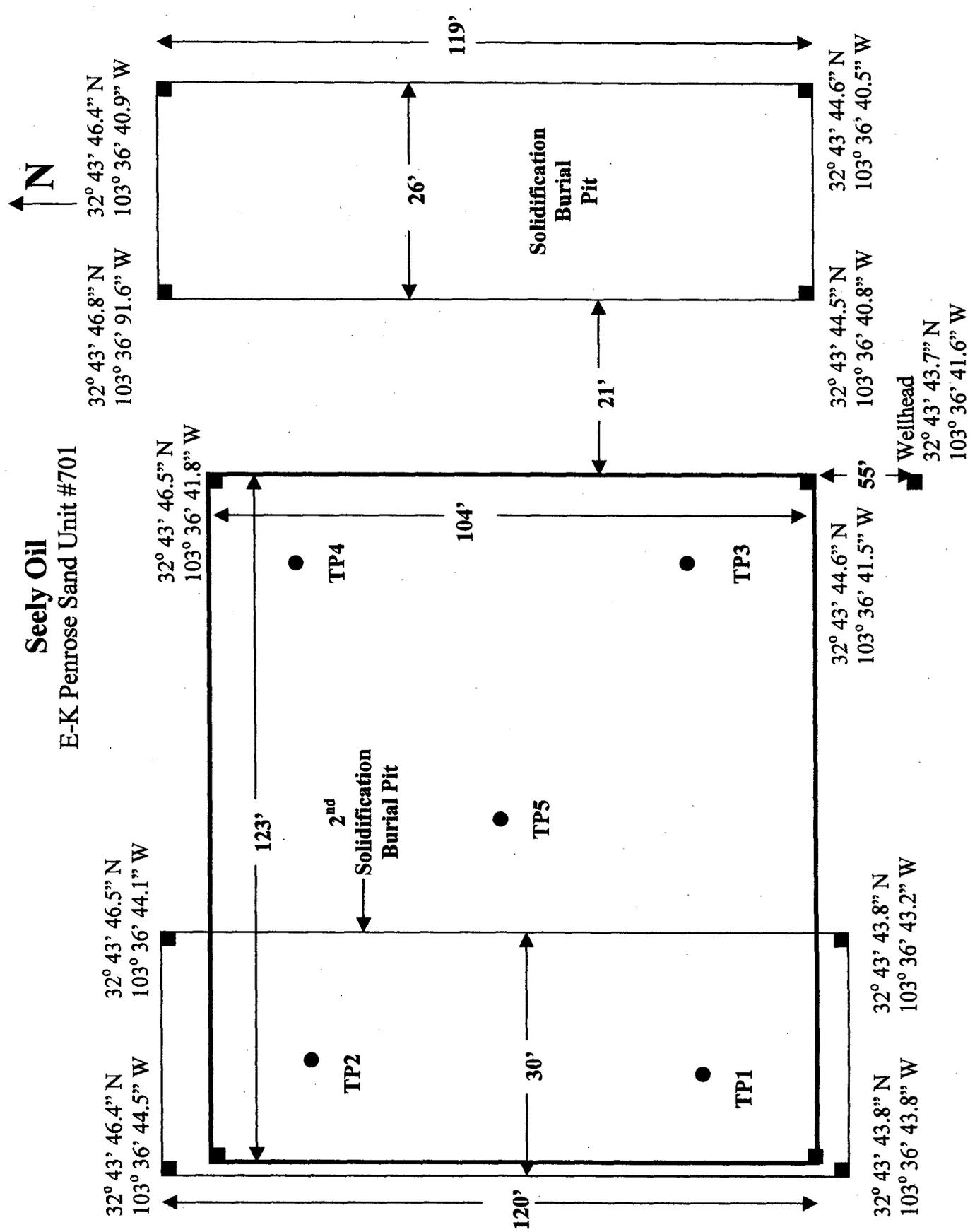


Logan Anderson

application - pPA 0711731117
RP# 1302



Seely Oil
E-K Penrose Sand Unit #701



Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Seely Oil

Analyst Robert Spangler

Site E-K Penrose Sand Unit #701

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP1	3-19-07	7'		22,721		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	9'		21,953		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	11'		3,500		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	15'		2,010		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	17'		1,811		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	19'		243		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	21'		241	6.7	32° 43' 44.4" N 103° 36' 43.7" W
TP2	3-19-07	7'		7,780		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	9'		7,000		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	11'		6,560		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	13'		3,500		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	15'		2,000		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	17'		591		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	19'		415		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	21'		270		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	23'		230	5.1	32° 43' 45.8" N 103° 36' 44.2" W
TP3	3-19-07	7'		17,409		32° 43' 44.8" N 103° 36' 41.6" W
TP3	3-19-07	9'		14,040		32° 43' 44.8" N 103° 36' 41.6" W

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Field Analytical Report Form

Client Seely Oil

Analyst Robert Spangler

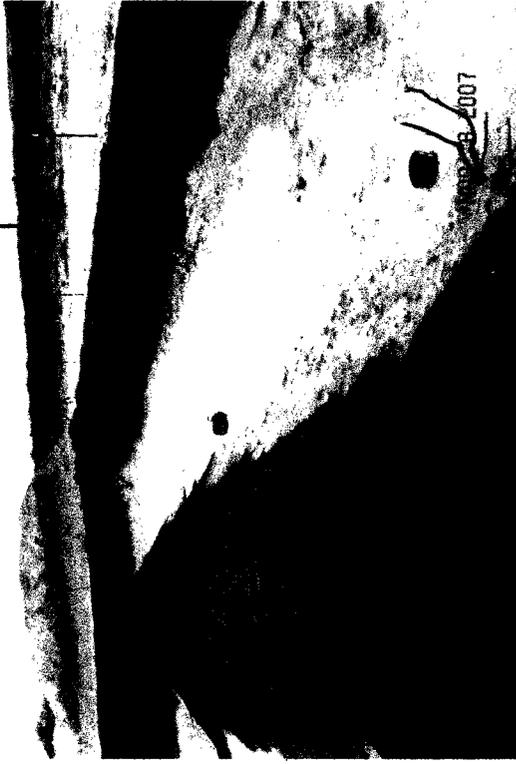
Site E-K Penrose Sand Unit #701

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP3	3-19-07	11'		2,948		32° 43' 44.8" N 103° 36' 41.6" W
TP3	3-19-07	13'		290		32° 43' 44.8" N 103° 36' 41.6" W
TP3	3-19-07	15'		201	11.7	32° 43' 44.8" N 103° 36' 41.6" W
TP4	3-19-07	7'		35,048		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	9'		20,291		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	11'		15,375		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	13'		6,200		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	15'		1,085		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	17'		485		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	19'		345		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	21'		274		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	23'		209	7.9	32° 43' 46.2" N 103° 36' 42.0" W
TP5	3-19-07	7'		3,502		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	9'		1,000		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	11'		740		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	13'		293		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	17'		287		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	19'		262		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	21'		170	5.1	32° 43' 45.1" N 103° 36' 42.3" W

Seely Oil - E-K Penrose Sand Unit #701



Left side of drilling pit before closure.



Right side of drilling pit before closure.



Excavation of burial pit before liner.



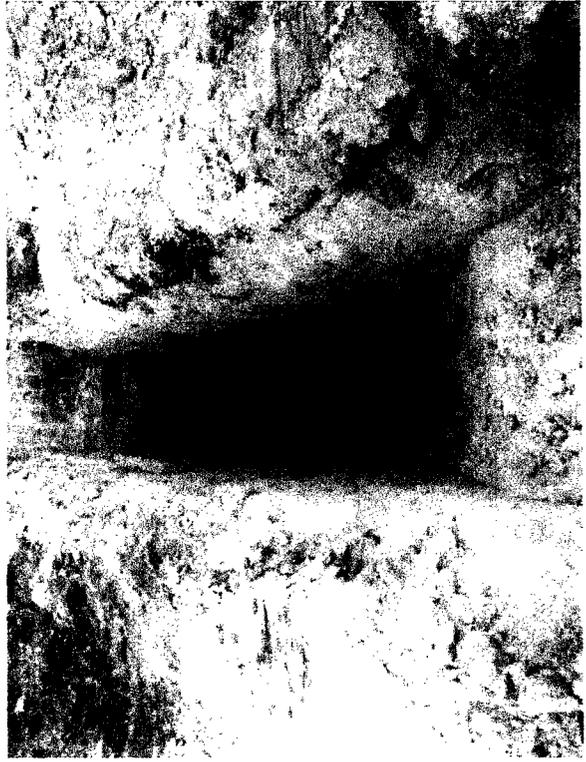
Burial pit lined with a 20 mil impervious liner.



Delivery of Elke Environmental Solidification Product.



Placing solidified mud in burial pit.



Delineation trench of TP2 at 23' deep.



Delineation trench of TP3 at 15' deep.



Excavation of second burial pit before liner.



Second burial pit after installation 20 mil impervious liner.



Trackhoe mixing contamination with Elke Solidification Product.



Drilling pit after all contamination above 3,000ppm is removed.



20 mil impervious cap over drilling pit for risk based closure.



Burial pits and drilling pit after backfill and contour.

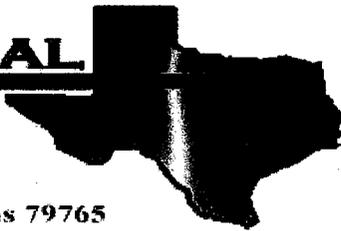


20 mil impervious cap over second burial pit.



Burial pits and drilling pit after backfill and contour.

E NVIRONMENTAL
LAB OF



12600 West I-20 East - Odessa, Texas 79765

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Analytical Report

Prepared for:

Robert Spangler

Elke Environmental

P.O. Box 14167

Odessa, TX 79768

Project: Seely Oil

Project Number: E.K. Penrose Sand Unit #701

Location: None Given

Lab Order Number: 7C26003

Report Date: 04/02/07

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Seely Oil
Project Number: E.K. Penrose Sand Unit #701
Project Manager: Robert Spangler

Fax: (432) 366-0884

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
TP1 @ 21'	7C26003-01	Soil	03/19/07 17:30	03-26-2007 09:40
TP2 @ 23'	7C26003-02	Soil	03/19/07 13:00	03-26-2007 09:40
TP3 @ 15'	7C26003-03	Soil	03/19/07 11:00	03-26-2007 09:40
TP4 @ 23'	7C26003-04	Soil	03/19/07 14:00	03-26-2007 09:40
TP5 @ 21'	7C26003-05	Soil	03/19/07 10:00	03-26-2007 09:40

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Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP1 @ 21' (7C26003-01) Soil									
Carbon Ranges C6-C12	18.4	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	67.4	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	27.3	10.0	"	"	"	"	"	"	
Total Hydrocarbons	113	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		96.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		109 %	70-130		"	"	"	"	
TP2 @ 23' (7C26003-02) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		97.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		111 %	70-130		"	"	"	"	
TP3 @ 15' (7C26003-03) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		99.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		118 %	70-130		"	"	"	"	
TP4 @ 23' (7C26003-04) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	21.0	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	21.0	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		92.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		118 %	70-130		"	"	"	"	

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Seely Oil
Project Number: E.K. Penrose Sand Unit #701
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP5 @ 21' (7C26003-05) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		91.2 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		106 %	70-130		"	"	"	"	

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General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP1 @ 21' (7C26003-01) Soil									
Chloride	170	40.0	mg/kg Wet	2	EC72809	03/28/07	03/28/07	SW 846 9253	
% Moisture	15.4	0.1	%	1	EC72707	03/26/07	03/27/07	% calculation	
TP2 @ 23' (7C26003-02) Soil									
Chloride	213	40.0	mg/kg Wet	2	EC72809	03/28/07	03/28/07	SW 846 9253	
% Moisture	8.6	0.1	%	1	EC72707	03/26/07	03/26/07	% calculation	
TP3 @ 15' (7C26003-03) Soil									
Chloride	85.1	40.0	mg/kg Wet	2	EC72810	03/28/07	03/28/07	SW 846 9253	
% Moisture	8.6	0.1	%	1	EC72707	03/26/07	03/27/07	% calculation	
TP4 @ 23' (7C26003-04) Soil									
Chloride	362	40.0	mg/kg Wet	2	EC72810	03/28/07	03/28/07	SW 846 9253	
% Moisture	13.9	0.1	%	1	EC72707	03/26/07	03/26/07	% calculation	
TP5 @ 21' (7C26003-05) Soil									
Chloride	319	40.0	mg/kg Wet	2	EC72810	03/28/07	03/28/07	SW 846 9253	
% Moisture	9.4	0.1	%	1	EC72707	03/26/07	03/27/07	% calculation	

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Odessa TX, 79768

Project: Seely Oil
Project Number: E.K. Penrose Sand Unit #701
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EC72806 - Solvent Extraction (GC)										
Blank (EC72806-BLK1)				Prepared: 03/28/07 Analyzed: 03/30/07						
Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbons	ND	10.0	"							
Surrogate: 1-Chlorooctane	45.7		mg/kg	50.0		91.4	70-130			
Surrogate: 1-Chlorooctadecane	52.1		"	50.0		104	70-130			
LCS (EC72806-BS1)				Prepared: 03/28/07 Analyzed: 03/30/07						
Carbon Ranges C6-C12	625	10.0	mg/kg wet	500		125	75-125			
Carbon Ranges C12-C28	529	10.0	"	500		106	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00			75-125			
Total Hydrocarbons	1150	10.0	"	1000		115	75-125			
Surrogate: 1-Chlorooctane	53.7		mg/kg	50.0		107	70-130			
Surrogate: 1-Chlorooctadecane	56.6		"	50.0		113	70-130			
Calibration Check (EC72806-CCV1)				Prepared: 03/28/07 Analyzed: 04/02/07						
Carbon Ranges C6-C12	219		mg/kg	250		87.6	80-120			
Carbon Ranges C12-C28	221		"	250		88.4	80-120			
Total Hydrocarbons	439		"	500		87.8	80-120			
Surrogate: 1-Chlorooctane	56.8		"	50.0		114	70-130			
Surrogate: 1-Chlorooctadecane	58.2		"	50.0		116	70-130			
Matrix Spike (EC72806-MS1)				Source: 7C26003-03		Prepared: 03/28/07 Analyzed: 04/02/07				
Carbon Ranges C6-C12	684	10.0	mg/kg dry	547	ND	125	75-125			
Carbon Ranges C12-C28	679	10.0	"	547	ND	124	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125			
Total Hydrocarbons	1360	10.0	"	1090	ND	125	75-125			
Surrogate: 1-Chlorooctane	63.4		mg/kg	50.0		127	70-130			
Surrogate: 1-Chlorooctadecane	58.8		"	50.0		118	70-130			

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Project: Seely Oil
Project Number: E.K. Penrose Sand Unit #701
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD	RPD Limit	Notes
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Batch EC72806 - Solvent Extraction (GC)

Matrix Spike Dup (EC72806-MSD1)	Source: 7C26003-03	Prepared: 03/28/07	Analyzed: 04/02/07						
Carbon Ranges C6-C12	684	10.0	mg/kg dry	547	ND	125	75-125	0.00	20
Carbon Ranges C12-C28	675	10.0	"	547	ND	123	75-125	0.810	20
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125		20
Total Hydrocarbons	1360	10.0	"	1090	ND	125	75-125	0.00	20
Surrogate: 1-Chlorooctane	63.5		mg/kg	50.0		127	70-130		
Surrogate: 1-Chlorooctadecane	59.5		"	50.0		119	70-130		

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Project: Seely Oil
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Fax: (432) 366-0884

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EC72707 - General Preparation (Prep)										
Blank (EC72707-BLK1) Prepared: 03/26/07 Analyzed: 03/27/07										
% Solids	100		%							
Duplicate (EC72707-DUP1) Source: 7C26006-01 Prepared: 03/26/07 Analyzed: 03/27/07										
% Solids	92.3		%		92.4			0.108	20	
Batch EC72809 - General Preparation (WetChem)										
Blank (EC72809-BLK1) Prepared & Analyzed: 03/28/07										
Chloride	ND	20.0	mg/kg Wet							
LCS (EC72809-BS1) Prepared & Analyzed: 03/28/07										
Chloride	95.7	20.0	mg/kg Wet	100		95.7	80-120			
Matrix Spike (EC72809-MS1) Source: 7C21014-12 Prepared & Analyzed: 03/28/07										
Chloride	723	40.0	mg/kg Wet	500	191	106	80-120			
Matrix Spike Dup (EC72809-MSD1) Source: 7C21014-12 Prepared & Analyzed: 03/28/07										
Chloride	702	40.0	mg/kg Wet	500	191	102	80-120	2.95	20	
Reference (EC72809-SRM1) Prepared & Analyzed: 03/28/07										
Chloride	51.0	20.0	mg/kg Wet	50.0		102	80-120			
Batch EC72810 - General Preparation (WetChem)										
Blank (EC72810-BLK1) Prepared & Analyzed: 03/28/07										
Chloride	ND	20.0	mg/kg Wet							

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General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EC72810 - General Preparation (WetChem)										
LCS (EC72810-BS1) Prepared & Analyzed: 03/28/07										
Chloride	94.7	20.0	mg/kg Wet	100		94.7	80-120			
Matrix Spike (EC72810-MS1) Source: 7C26003-03 Prepared & Analyzed: 03/28/07										
Chloride	617	40.0	mg/kg Wet	500	85.1	106	80-120			
Matrix Spike Dup (EC72810-MSD1) Source: 7C26003-03 Prepared & Analyzed: 03/28/07										
Chloride	617	40.0	mg/kg Wet	500	85.1	106	80-120	0.00	20	
Reference (EC72810-SRM1) Prepared & Analyzed: 03/28/07										
Chloride	51.0	20.0	mg/kg Wet	50.0		102	80-120			

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Project: Seely Oil
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Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By:



Date: 4/2/2007

Brent Barron, Laboratory Director/Corp. Technical Director
Celey D. Keene, Org. Tech Director
Raland K. Tuttle, Laboratory Consultant

James Mathis, QA/QC Officer
Jeanne Mc Murrey, Inorg. Tech Director

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If you have received this material in error, please notify us immediately at 432-563-1800.

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Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Eike Environmental
 Date/ Time: 03 26 07 @ 0940
 Lab ID #: 7026003
 Initials: JMM

Sample Receipt Checklist

Client Initials

Question	Yes	No	Response	Client Initials
#1 Temperature of container/ cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	35 °C	
#2 Shipping container in good condition?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#3 Custody Seals intact on shipping container/ cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Present	
#4 Custody Seals intact on sample bottles/ container?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Present	
#5 Chain of Custody present?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#6 Sample instructions complete of Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#7 Chain of Custody signed when relinquished/ received?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#8 Chain of Custody agrees with sample label(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	ID written on Cont./ Lid	
#9 Container label(s) legible and intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable	
#10 Sample matrix/ properties agree with Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#11 Containers supplied by ELOT?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#12 Samples in proper container/ bottle?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#13 Samples properly preserved?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#14 Sample bottles intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#15 Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#16 Containers documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#17 Sufficient sample amount for indicated test(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#18 All samples received within sufficient hold time?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#19 Subcontract of sample(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable	
#20 VOC samples have zero headspace?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable	

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

- Check all that Apply:
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event

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-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

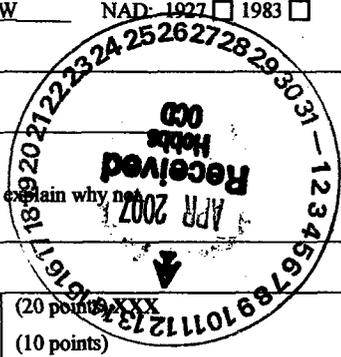
Pit or Below-Grade Tank Registration or Closure

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: Seely Oil Company Telephone: 817-332-1377 e-mail address: _____
Address: 815 W. 10th Street Fort Worth, TX 76102
Facility or well name: E-K Penrose Sand Unit #701 API #: 30-025-37572 U/L or Qtr/Qtr D Sec 30 T 18S R 34E
County: Lea Latitude 32-43-26.2N Longitude 103-36-24.9W NAD: 1927 1983
Surface Owner: Federal State Private Indian

Pit 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	Below-grade tank 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) 50 feet or more, but less than 100 feet (10 points) 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) No (0 points) XXX
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) 1000 feet or more (0 points) XXX
	Ranking Score (Total Points) 20 points



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: All excess water will be removed. A burial pit will be constructed and lined with a 20mil impervious liner. The drilling pit contents will be mixed with Elke Environmental Solidification Product at a 20 (mud) to 1 (product) ratio to solidify the contents. After all mixed contents are placed in the burial pit, the contents will be covered with a 20 mil impervious liner with a minimum of 3 ft. overlap on all sides and a minimum of 3 ft. below ground level. The burial pit will then be covered with clean Native soil and doomed to prevent pooling. 5 bottom sample points will be taken after the pit contents are removed and a final report will be given at the end of the job. NMOCD Artesia will be notified 48 hrs before work starts.

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: 2-21-07
Printed Name/Title Logan Anderson / Agent Signature [Signature]

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 L. JOHNSON - ENVIRONMENTAL ENGINEER Signature [Signature] Date: 4.12.07

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Santa Fe, NM 87505

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: Seely Oil Company Telephone: 817-332-1377 e-mail address: _____
Address: 815 W. 10th Street Fort Worth, TX 76102
Facility or well name: E-K Penrose Sand Unit #701 API #: 30-025-37572 U/L or Qtr/Qtr D Sec 30 T 18S R 34E
County: Lea Latitude 32-43-26.2N Longitude 103-36-24.9W NAD: 1927 1983
Surface Owner: Federal State Private Indian

Pit 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	Below-grade tank 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) XXX 50 feet or more, but less than 100 feet (10 points) 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) No (0 points) XXX	
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) 1000 feet or more (0 points) XXX	
Ranking Score (Total Points)		20 points

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: A burial pit was constructed and lined with a 20mil impervious liner. The drilling pit contents were mixed with Elke Environmental Solidification Product at a 20 (mud) to 1 (product) ratio to solidify the contents and placed in the burial pit. The bottom of the drilling pit was tested, plat map and analytical are attached. All contamination above 3,000ppm chlorides was removed and solidified as described above and placed in a second burial pit. Both burial pits were capped with a 20 mil impervious liner with a minimum of 3 ft. overlap on all sides and a minimum of 3 ft. below ground level. The drilling pit was also capped with a 20 mil impervious liner. The entire site was backfilled with clean native soil and doomed to prevent pooling.

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: 4-17-07
Printed Name/Title Executive VP Signature Daniel L. Henderson

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 L. JOHNSON - ENVIRO ENGR Signature [Signature] Date: 4.26.07