NM2 - 21

GENERAL CORRESPONDENCE YEAR(S):

2004-2006

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

July 11, 2006

Mr. Mark J. Larson
Larson & Associates, Inc.
507 North Marienfeld, Suite 202
Midland, TX 79701

RE: Minor Permit Modification Request
John H. Hendrix Corp. Centralized Surface Waste Management Facility
NMOCD Permit Number NM-02-0021
W/2 NW/4, W/2 SW/4 Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Dear Mr. Larson:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above request submitted by Larson & Associates, Inc. on behalf of John H. Hendrix Corp. (JHHC) dated June 5, 2006. This request is hereby approved with the following understandings and conditions:

1. Cell #3 may be designated as a salt-contaminated waste cell and cells #1 through #12 may be divided into three sub-cells with the understanding that the resulting configuration of the landfarm does not exceed its originally permitted boundaries.
2. JHHC may utilize the buffer zone on either side of the "out-of-service" Southern Union Gas pipeline that crosses cells #2 and #3 for waste treatment. This portion of the approval was contingent upon the receipt of a letter from Southern Union Gas stating that they would be willing to relocate the pipeline if it were placed back in service. This letter has been received by the NMOCD.
3. The sub-cells referred to in item number 2 above are to be constructed as described in section 6.0 of the request.
4. The landfarm operation will continue to be performed according to all prior conditions placed upon it in previous correspondence.

NMOCD approval does not relieve JHHC of responsibility should its operations at this facility prove to have been harmful to public health or the environment. Nor does it relieve JHHC of its responsibility to comply with the rules and regulations of any other governmental agency.

If you have any questions contact me at (505) 476-3490 or wayne.price@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Wayne Price
Environmental Bureau Chief

Copy: NMOCD, Hobbs

Martin, Ed, EMNRD

From: Mark Larson [mark@laenvironmental.com]
Sent: Monday, July 10, 2006 10:44 AM
To: Martin, Ed, EMNRD
Cc: mburrows@valornet.com; ronniew@jhhc.org
Subject: Re: Letter from Southern Union Gas Services

Attachments: Southern Union Pipeline Letter, June 30, 2006.doc

Southern Union Pipeline Letter...

Ed: Please recall our meeting on June 5, 2006, at which time Mr. Marvin Burrows with John H. Hendrix Corporation ("JHHC") and myself presented a minor permit modification request for the JHHC centralized surface waste management facility (NM-02-0021) located in Lea County, New Mexico. The modification request included, among other things, permission from the New Mexico Oil Conservation Division ("OCD") for JHHC to place contaminated soil across the right-of-way of an out-of-service gas pipeline that is owned by Southern Union Gas Services and crosses the Facility from southeast to northwest near Cell #2 and Cell #3. The OCD requested a letter from Southern Union that states the status of the line and concurrence for rerouting the line if it is used in the future. On June 30, 2006, Southern Union issued a letter to JHHC that discusses the status of the pipeline and its willingness to accept a proposal of alternate routing should the line be needed at a future date. You may contact me with questions as listed below or contact Mr. Burrows at (505) 394-2649.
Sincerely,

Mark J. Larson
Sr. Project Manager/President
Larson and Associates, Inc.
507 N. Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 786-0901 (Office)
(432) 687-0456 (Fax)
(432) 556-8656 (Cell)
mark@laenvironmental.com

Southern Union Gas Services

201 Main Street, Suite 3000
Fort Worth, TX 76102
817.390.8600 Fax: 817.390.8686

RECEIVED

JUL 07 2006

EUNICE

6/30/2006

John H. Hendrix, Corp.
PO Box 910
Eunice, NM 88240

Attn: Mr. Marvin Burrows

In response to your letter to Mr. Royce Dunn and dated 6/08/06, Southern Union offers the following:

Despite any comments to the contrary, the line in question has not been "abandoned". At most, it has been rendered "inactive" or "idle" with all associated Rights of Way intact.

While Southern Union is not prepared to relinquish these particular rights, it would be prepared to agree to the removal of said pipeline by John H. Hendrix, Corp. to accomplish the proposed surface use.

However, in the event that the use of the pipeline was rendered necessary, Southern Union retains the right to replace the pipeline under the original Right of Way agreement.

At such time that such action was deemed necessary, Southern Union would accept proposal of alternate routing.

Thank You,

Randall Dunn
Lea County Field Manager
Southern Union Gas Services, Ltd.

Larson & Associates, Inc.
Environmental Consultants

June 5, 2006

Mr. Wayne Price, Chief
Environmental Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Minor Permit Modification Request, John H. Hendrix Corporation Centralized Surface Waste Management Facility No. NM-02-0021, W/2 NW/4, W/2 SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Price:
On behalf of John H. Hendrix Corporation ("JHHC"), Larson and Associates, Inc. ("LA"), its agent, submits the enclosed minor permit modification for the above-referenced centralized surface waste management facility (NM-02-0021). Public notice is not required for a minor permit modification therefore no affidavit of publication is attached. A copy of the application will also be forwarded to Mr. Chris Williams at the OCD District 1 office located in Hobbs, New Mexico. Please call Mr. Ron Westbrook with John H. Hendrix Corporation at (432) 684-6631, myself at (432) 687-0901or by email: **ronniew@JHHC.org** or Mark@LAEnvironmental.com.
Sincerely,
Larson & Associates, Inc.

Mark J. Larson, P.G., C.P.G., C.G.W.P.
Sr. Project Manager/President

Encl.

cc: Mr. Ron Westbrook/JHHC
Mr. Marvin Burrows/JHHC
Mr. Chris Williams/OCD – District 1

PERMIT NW-02-0021
MINOR PERMIT MODIFICATION REQUEST
JOHN H. HENDRIX CORPORATION

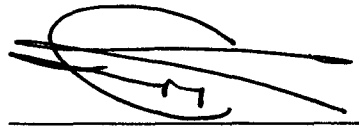
Prepared for:

John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, Texas 79701
(432) 684-6631

Prepared by:

Larson and Associates, Inc.
507 North Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 687-0901

June 5, 2006



Mark J. Larson, P.G., C.P.G., C.G.W.P.

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PERMIT NM-02-0021
MINOR PERMIT MODIFICATION REQUEST
JOHN H. HENDRIX CORPORATION

1.0 INTRODUCTION

This minor permit modification request is presented to the New Mexico Oil Conservation Division ("OCD") on behalf of John H. Hendrix Corporation ("JHHC") and is submitted by Larson and Associates, Inc. ("LA"), its consultant, for the JHHC centralized surface waste management facility ("Facility") located in Lea County, New Mexico. . The Facility is permitted by the OCD (NM-02-0021) to accept and treat non-hazardous oilfield solids ("Waste") exempt under the Resource Conservation and Recovery Act ("RCRA"), including soils contaminated by petroleum hydrocarbon and salt from remediation of spills, releases and pits.

On January 11, 2006, OCD approved a major modification request that allows the Facility to accept and treat Waste contaminated by salts from spills, releases and pits. Cell # 1 and Cell #2 are designated for treatment of salt-contaminated waste from JHHC operations.

This minor modification request is for the following:

- Designating Cell #3 for treatment of salt-contaminated waste, in addition to Cell #1 and Cell #2;
- Divide cells #1 through #12 into three (3) sub-cells; and
- Utilizing the buffer zone on either side of an out-of-service pipeline that crosses Cell #2 and Cell #3 for Waste treatment.

Appendix A presents Form C-137.

2.0 DESCRIPTION AND OPERATION

A barbed wire fence secures the Facility and a gate provides access near the southeast corner of the Facility. The gate is locked while the Facility is unattended. A staging area is located near the south end of the Facility and is used for parking, equipment staging and truck turn-around. A 100-foot buffer zone is located between the cells and perimeter fence. No waste is placed in the buffer zone or staging area. A caliche road, approximately 20 feet wide, is located adjacent to the east fence. An overhead power line is located near the south end of the Facility. An out-of-service natural gas pipeline crosses Cell #2 and Cell #3 and is owned by Southern Union Natural Gas (formerly Sid Richardson Natural Gas). The pipeline is apparently cut on the east and west sides of the Facility and is no longer used. The pipeline location is shown on Figure 4.

The Facility is comprised of twelve (12) cells (Cell #1 through Cell #12) measuring approximately 400 x 1280 feet or approximately twelve (12) acres. Cell #12 is the only cell in use for treating RCRA exempt non-hazardous oilfield Waste contaminated with petroleum hydrocarbons from remediation of spills, releases and pits using landfarm techniques. The Waste is spread on the surface approximately twelve (12) inches thick and tilled bi-weekly to reduce concentrations of benzene, toluene, ethyl benzene, xylene ("BTEX") and total petroleum hydrocarbons ("TPH"). No waste has been placed in Cell #1 or Cell #2.

3.0 OWNER

John H. Hendrix Corporation owns the property. Contact information for JHHC is as follows:

Corporate Office
110 N. Marienfeld Street
Suite 400
Midland, Texas 79701

Contact Person: Ron Westbrook
Phone Number: (432) 684-6631
Email: ronniew@jhhc.org

John H. Hendrix Corporation
Field Office
1310 18th Street
Eunice, New Mexico 88231

Contact Person: Marvin Burrows
Phone Number: (505) 394-2649
Email: mburrows@valornet.com

4.0 LOCATION

The Facility is located approximately 7 miles northwest of Jal, New Mexico, and occupies approximately 200 acres in the west half ("W/2") of the northwest quarter ("NW/4") and the west half ("W/2") of the southwest quarter ("SW/4"), Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. Figure 1 presents a topographic and location map. Figure 2 presents a Facility drawing.

Driving directions to the Facility, beginning at the intersection of New Mexico State Highway #128 and New Mexico State Highway #18 in Jal, New Mexico, are as follows:

- Proceed north on New Mexico State Highway #18 approximately 6.2 miles to Jal-Cooper Cemetery Road;
- Proceed west on Jal-Cooper Cemetery Road for approximately 3.6 miles to Facility, located on north side of road.

5.0 EXPANSION REQUEST

This is not an expansion request.

6.0 MODIFICATION REQUEST

This is a minor modification request for permit NM-02-0021 to allow the Facility to utilize Cell #3, in addition to Cell #1 and Cell #3, for treatment of RCRA exempt non-hazardous oilfield Waste contaminated by salt from produced water resulting from remediation of spills, release and pits. This minor modification also requests to divide each cell into three (3) sub-cells measuring approximately 400 x 426 feet or approximately 4 acres. The sub-cells will be labeled A, B and C. Finally, this minor modification requests permission from OCD that will allow the Facility to utilize the buffer zone on each side of an out-of-service natural gas pipeline that is located near the north end of the Facility. Figure 2 presents a Facility drawing showing the location of Cell #3, sub-cells and out-of-service pipeline.

7.0 LAND OWNERSHIP

JHHC owns the Facility. Landowners within 1- mile of the Facility include:

Cooper Family Heirs c/o Bart Bishop 6202 South Bowie Amarillo, Texas 79118	Sec. 9
RRR Land and Cattle Company 2205 Bedford Drive Midland, Texas 79118	Sec. 10 Sec. 11 ("SW/4") Sec. 15 ("E/2")
Chevron USA Inc. 15 Smith Road	Sec. 14 ("W/2") Sec. 23 ("NW/4")

Midland, Texas 79705	Sec. 16
Jal Public Library Fund, Trustees P.O. Box 1166 Jal, New Mexico 88252	Sec.21 ("N/2") Sec. 22 ("N/2")

Notification of landowners within 1-mile is not required for a minor permit modification. No residences, public buildings or facilities, other than oil and gas installations, are located within one (1) mile of the Facility.

8.0 CONSTRUCTION

8.1 Fences and Signs

A barbed wire fence surrounds the Facility, and a gate is located near the southeast corner of the Facility. The gate is locked while the Facility is unattended. A sign is posted near the gate and is legible from a distance of 50 feet with the following information:

- Facility name;
- Owner;
- Legal description; and
- Emergency contact information.

8.2 Buffer Zones

A 100-foot buffer zone surrounds the Facility and separates the cells from the perimeter fence. A 20-foot wide buffer zone was previously established on either side of a pipeline that crosses the Facility diagonally between Cell #2 and Cell #3. The pipeline is no longer used and is apparently cut on the east and west sides of the Facility. The next closest pipeline is located about 200 feet west of the Facility in Section 16, Township 24 South, Range 36 East, Lea County, New Mexico. No waste is placed in the perimeter buffer zone. Figure 4 shows the buffer zones.

8.3 Berms

An earthen perimeter berm measuring approximately four (4) feet wide at the base and two (2) feet above grade separates the cells and buffer zone to prevent storm water runoff and run-on. Each cell is separated by an earthen berm no less than 2 feet above grade. Each sub-cell will be separated by an earthen berm no less than 2 feet above grade. Figure 4 shows the berms.

8.4 Treatment Zone Monitoring

The treatment zone comprises native soil beneath the base of each cell to a depth no greater than three (3) feet below the cell. A background sample was collected near the center of the Facility from approximately 2 to 3 feet below native ground surface prior to construction. The sample was analyzed for total petroleum hydrocarbons ("TPH"), benzene, toluene, ethyl benzene, xylene ("BTEX"), total RCRA metals (arsenic, cadmium, chromium, lead, mercury, selenium, silver), cations (calcium, magnesium, sodium, potassium) and anions (bicarbonate, sulfate, chloride) using EPA methods. A sample was collected from the treatment zone of Cell#12 within six (6) months after receipt of first soil using direct-push methods and analyzed for TPH and BTEX. Treatment zone samples are required on a quarterly (4 times per year) schedule, with the fourth (4^{th}) quarter sample analyzed for BTEX, TPH, total RCRA metals, cations and anions.

Treatment zone samples are currently collected on a semi-annual (2 times per year) schedule and within six (6) months after first soil are placed in a new cell. Four (4) samples are collected from each cell and analyzed for BTEX and TPH. Samples from the second (2^{nd}) semi-annual event are analyzed for TPH, BTEX, total RCRA metals, cations and anions. Direct push method utilizing a dual tube sampler is used to collect the samples in order to minimize introduction of contaminated soil from the tilled zone into the treatment zone. The direct push core barrel is equipped with polyethylene liners to prevent sample cross contamination. Sample locations are recorded using global positioning system ("GPS") technology and holes are filled with bentonite, and hydrated with potable water. The OCD is notified at least 48-hours prior to each sample event and the laboratory report is submitted to OCD within 45 days following receipt from the laboratory.

8.5 Double-Lined System

OCD approved the modification request for Cell #2 and Cell #3 without requiring a double-lined system since ground water occurs at approximately 170 feet below ground surface ("bgs"). A double-lined system is not proposed for Cell #3. The Waste will be blended with clean soil to reduce chloride below 1000 mg/Kg.

9.0 OPERATION

9.1 Facility Operation

The Facility will be operated in a manner that does not adversely impact groundwater, surface water, public health or the environment and will involve the following procedures:

a) Disposal of Waste will only occur while an attendant is present;

b) Gate will be locked when an attendant is not present;

c) Chloride contaminated Waste will only be placed in Cell #1 and Cell #2, immediately spread to a uniform thickness of approximately six (6) inches, analyzed for chloride and blended with clean soil to reduce chloride below 1000 mg/Kg;

d) Hydrocarbon Waste will placed in the remaining cells, spread to a uniform thickness of approximately 6-inches and disked within 72 hours of receipt;

e) All cells will be disked bi-weekly (every two weeks) to remediate petroleum hydrocarbons to 100 mg/Kg (TPH), 50 mg/Kg (BTEX) and 10 mg/Kg (benzene);

f) No mixing of exempt and nonexempt Waste will occur;

g) No new Waste will be spread over existing Waste without OCD approval and TPH, BTEX, benzene and chloride are below 100 mg/Kg, 50 mg/Kg, 10 mg/Kg and 1000 mg/Kg, respectively, in the existing Waste;

h) A background sample will be collected from the treatment zone of each cell no deeper than 3 feet below the cell and analyzed for TPH, BTEX, total RCRA metals, cations and anions;

i) Four (4) representative soil samples will be collected from the treatment zone of each cell no greater than 3 feet below the base of the cell on a semi-annual (2 times per year) schedule for active cells and beginning six (6) months after first waste is placed in a new cell. The samples will be analyzed for TPH and BTEX. Samples collected during the second (2^{nd}) semi-annual event will be analyzed for TPH, BTEX, total RCRA metals, cations and anions. OCD will be notified 48-hours prior to the sample event and analysis will be submitted to OCD within 45 days after receipt from the laboratory report. Sample locations will be recorded using GPS technology and documented in a field book. Samples will be collected using direct push technology and holes will be filled with bentonite and hydrated with potable water;

j) Moisture will only be added to enhance remediation and control dust, as needed;

k) No pooling of water will be allowed, and accumulated water from precipitation will be removed upon discovery;

l) Enhanced remediation through the addition of amendments will only be applied upon OCD approval;

m) No free liquid or Waste containing free liquid will be accepted at the Facility;

n) Waste will be tracked using manifests that includes the following information:
- Waste origin (well/lease);
- Shipment date;
- Waste quantity;
- Certification of exempt status or analysis for hazardous constituents if non-exempt; and
- Disposal location (cell number).

Five (5) monitoring wells (MW-1, MW-2, MW-3, MW-4 and MW-5) have been installed at the Facility to assess ground water conditions, including depth-to-ground water, ground water flow and water quality. Ground water monitoring is currently performed on a semi-annual (twice annually) and ground water samples are analyzed for New Mexico Water Quality Control Commission ("WQCC") constituents, including BTEX, anions, cations and total dissolved solids. Ground water samples are analyzed once annually for WQCC metals, including arsenic, barium, cadmium, chromium, lead, mercury, selenium and silver.

9.2 Waste Characterization and Tracking

The Facility will only accept RCRA exempt non-hazardous oilfield Waste and at no time will the hazardous waste be accepted at the Facility. A Waste manifest that includes a certification of Waste status shall be signed by the transporter and shall accompany each load of Waste brought to the Facility. Waste will only be accepted from JHHC operations and no additional material will be added to the loads during transport. The transporter shall acknowledge that no additional material has been added to the load during transport.

9.3 Spill and Leak Prevention and Reporting

No spills are anticipated at the Facility since no liquid wastes will be accepted. Water may be used as necessary to control dust and enhance remediation. JHHC will notify the OCD in accordance with Rule 116 in case of a break, spill, blow out or undesirable event.

9.4 Inspection, Maintenance and Reporting

Berms, fences and cells will be inspected frequently, and necessary repairs and maintenance will be performed immediately. Inspection information including date, type of inspection, type of repair, etc., will be recorded in a bound field book. A perimeter berm at least four (4) feet at its base and no less than two (2) feet above grade will be maintained to prevent runoff or run-on. Cells and sub-cells will be separated by berms no less than two (2) feet above grade. Berms and cells will be inspected after rainfall or windstorms and will be immediately repaired, if required. No Waste will be accepted without proper documentation, as previously discussed in Section 10.1 (n). Records of Waste accepted at the Facility will be maintained at the JHHC field office located in Eunice, New Mexico.

10.0 CLOSURE PLAN

JHHC will notify OCD one (1) month prior to cessation of operations at Facility. No new Waste will be accepted at the Facility after OCD is notified of closing and existing material will be remediated to the permit requirements. Six (6) months following cessation of disposal operations, JHHC will complete cleanup of constructed facilities and restoration will occur within the next six (6) months, unless an extension is granted by the OCD. The Facility will be seeded with natural grasses and allowed to return to its natural state. The estimate cost for Facility closure is $20,000.00.

11.0 FACILITY CHARACTERISTICS

The Facility is situated near the southern edge of the Eunice Plain physiographic province. The Eunice Plain is underlain by caliche referred to as "caprock" and is almost entirely covered by reddish-brown dune sand. In some places the underlying surface consists of alluvial sediments. The average annual precipitation is between 9 to 10 inches and no major drainages are located in close proximity to the Facility. The ground elevation ranges from about 3390 feet above mean sea level ("AMSL") near the northwest corner to about 3350 feet AMSL near the southeast corner and slopes gently to the southeast.

Soils beneath the Facility belong to the Pyote, Simona and Berino series. The surface layer is composed of light-brown fine sand and loamy fine sand and is about 12 inches thick. A subsoil of pale brown fine sandy loam underlies the surface layer and is underlain by substratum of white, platy to indurated caliche.

The Ogallala formation (Tertiary) is the upper geological stratum and consists of continental materials (clay, silt, sand, and gravel) derived from erosion of mountainous regions to the west and northwest. Caliche occurs as a secondary deposit in the upper part of the Ogallala formation in many places. An unconformity exists between the Ogallala formation and underlying Chinle formation (Triassic).

Five (5) monitoring wells (MW-1, MW-2, MW-3, MW-4 and MW-5) have been installed in the Ogallala formation beneath the Facility to assess ground water conditions. Ground water occurs from approximately 178 feet bgs near the southwest (up gradient) corner of the Facility at well MW-3 and decreases to approximately 146 feet bgs near he southeast (down gradient) corner of the Facility at well MW-1. Figure 3 presents a depth-to-ground water map.

On April 26, 2006, the elevation of the ground water surface ranged from 3213.27 feet AMSL at well MW-4 (up gradient) to 3207.80 feet AMSL at well MW-2 (down gradient). Ground water flow was generally from north to south at approximately 0.001 feet per foot. Figure 4 presents a ground water potentiometric map. Table 1 presents well drilling and completion details. Table 2 presents a summary of depth-to-ground water measurements. Appendix B presents geologic logs and completion records for wells MW-4 and MW-5.

On April 26, 2006, ground water samples were collected wells MW-1 through MW-5 and were analyzed for BTEX, dissolved RCRA metals (arsenic, cadmium, chromium, lead, mercury, selenium, silver), anions (carbonate, sulfate, chloride), cations (calcium, magnesium, potassium, sodium) and total dissolved solids ("TDS"). No BTEX was reported in the samples and the metals were below WQCC human health standards. Chloride ranged from 55 milligrams per liter ("mg/L") in sample MW-3 to 438 mg/L in sample MW-5. Samples from wells MW-1 (342 mg/L) and MW-5 (438 mg/L) exceeded the WQCC domestic water quality standard of 250 mg/L. Figure 5 presents an isopleth map for chloride in ground water. Sulfate ranged from 42.3 mg/L in sample MW-3 to 427 mg/L in sample MW-5. Sulfate was below the WQQCC domestic water quality

standard of 600 mg/L. Figure 6 presents an isopleth map for sulfate ion ground water. TDS ranged from 328 mg/L in sample MW-3 to 1,770 mg/L in sample MW-5. TDS exceeded the WQCC domestic water quality standard of 1,000 mg/L in samples MW-1 (1,030 mg/L) and MW-5 (1,770 mg/L). Figure 7 presents an isopleth map for TDS in ground water. Table 3 presents a summary of the BTEX analysis. Table 4 presents a summary of the anion, cation and TDS analysis. Table 5 presents a summary of the dissolved metals analysis. Appendix C presents the laboratory report.

12.0 PROOF OF NOTICE

No adjacent landowner notification is required for a minor permit modification.

13.0 H_2S CONTINGENCY PLAN

A H_2S contingency plan is not applicable to this Facility since H_2S will not be generated.

14.0 ADDITIONAL INFORMATION

JHHC issued financial assurance to OCD in the amount of $25,000.00 upon approval of permit NM-02-0021.

TABLES

Table 1
Summary of Monitoring Well Drilling and Completion Details
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well Number	Date Drilled	Depth Drilled (Feet BGS)	Well Diameter (Inches)	Top-of-Casing Elevation (Feet AMSL)	Ground Elevation (Feet AMSL)	Casing Stickup (Feet)	Screen Interval (Feet BGS)
MW-1	07/01/05	165	2	3357.29	3355.45	1.84	144.41 - 164.41
MW-2	07/01/05	160	2	3356.46	3354.20	2.26	139.41 - 159.41
MW-3	07/01/05	190	2	3,391.74	3389.92	1.82	169.41 - 189.41
MW-4	4/26/2006	195	2	3,390.38	3,387.88	2.50	174.49 - 194.49
MW-5	4/26/2006	190	4	3,389.33	3,386.88	2.45	163.49- 188.49

Notes: Wells constructed with 2-inch Schedule 40 threaded PVC casing and 0.010-inch factory-slotted screen.

1. BGS: Depth in feet below ground surface
2. AMSL: Elevation in feet above mean sea level

Table 2
Summary of Depth to Ground Water Measuurements from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste management Facility (NM-02-0021)
W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Date	MW-1	MW-2	MW-3	MW-4	M-5
08/01/05	148.48 (3207.98)	148.55 (3208.74)	179.33 (3,212,41)	-- --	-- --
04/26/2006	148.61 (3207.85)	148.66 (3208.63)	179.59 (3212.15)	177.11 (3213.27)	177.28 (3212.05)

Notes:
1. (*3554.18*): Groundwater elevation in feet above mean sea level (AMSL)
2. --: No data available

All measurements presented in feet below top of PVC well casing.

Table 3
Summary of BTEX Analysis of Groundwater Samples from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well Number	Sample Date	Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Total Xylene (mg/L)	BTEX (mg/L)
NMWQCC Standard:		**0.01**	**0.75**	**0.75**	**0.62**	
MW-1	08/30/05	<0.001	<0.001	<0.001	<0.001	<0.005
	04/26/06	<0.001	<0.001	<0.001	<0.001	<0.005
MW-2	08/30/05	<0.001	<0.001	<0.001	<0.001	<0.005
	04/26/06	<0.001	<0.001	<0.001	<0.001	<0.005
MW-3	08/30/05	<0.001	<0.001	<0.001	<0.001	<0.005
	04/26/06	<0.001	<0.001	<0.001	<0.001	<0.005
MW-4	04/26/06	<0.001	<0.001	<0.001	<0.001	<0.005
MW-5	04/26/06	<0.001	<0.001	<0.001	<0.001	<0.005

Notes: Analysis performed by Environmental Lab of Texas, inc., Odessa, Texas, using method SW-846-8021B.
1. mg/L: Milligrams per liter
2. <: Less than method detection limit

Table 4
Summary of General Chemistry Analysis of Groundwater Samples from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4, W/s SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well Number	Sample Date	Calcium (mg/L)	Potassium (mg/L)	Magnesium (mg/L)	Sodium (mg/L)	Carbonate Alkalinity (mg/L)	Bicarbonate Alkalinity (mg/L)	Hydroxide Alkalinity (mg/L)	Chloride (mg/L)	Sulfate (mg/L)	TDS (mg/L)
NMWQCC Standard:		--	--	--	--	--	--	--	**250**	**600**	**1,000**
MW-1	08/30/05	260	8.30	80.2	329	<0.1	186	<0.1	511	486	1,970
	04/26/06	157	5.48	39.4	66.3	--	--	--	342	42.3	1,030
MW-2	08/30/05	185	6.48	49.2	330	<0.1	202	<0.1	360	457	1,610
	04/26/06	64.3	3.18	17.6	36.4	--	--	--	109	90	408
MW-3	08/30/05	279	7.62	82.1	407	<0.1	210	<0.1	508	650	2,390
	04/26/06	56.3	3.06	16.1	47.0	--	--	--	55	47	328
MW-4	04/26/06	92.6	5.09	20.90	94.20	--	--	--	169	179	584
MW-5	04/26/06	345	7.74	52.60	270	--	---	--	438	427	1,770

Notes: All analysis performed by Environmental Lab of Texas, Inc., Odessa, Texas.

1. mg/L: Milligrams per liter
2. <: Less than method detection limit
3. --: No standard

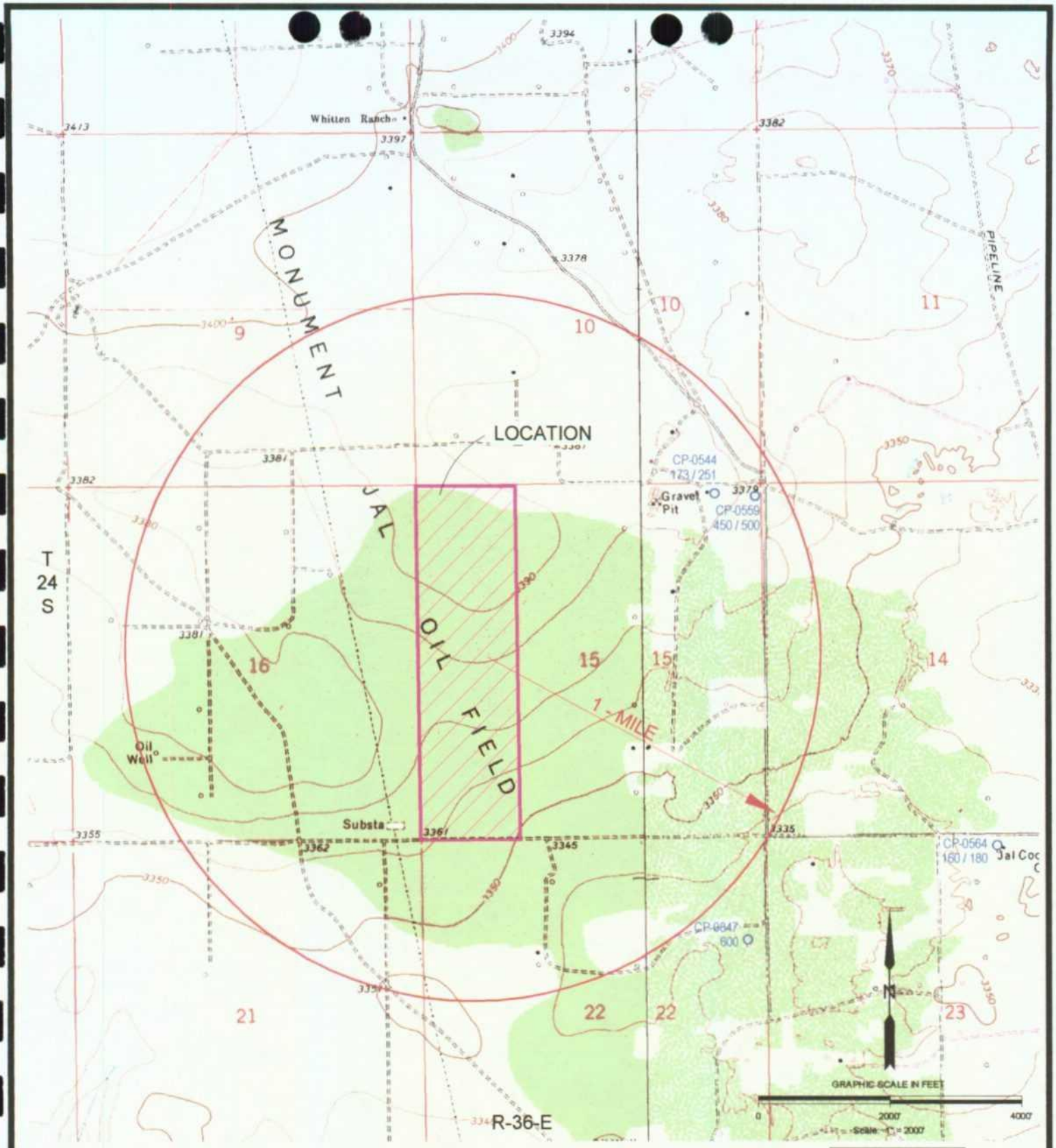
Table 5
Summary of Dissolved Metals Analysis of Groundwater Samples from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4, W/s SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well	Sample Date	Arsenic (mg/L)	Barium (mg/L)	Cadmium (mg/L)	Chromium (mg/L)	Lead (mg/L)	Mercury (mg/L)	Silver (mg/L)	Selenium (mg/L)
NMWQCC Standard:		**0.1**	**1.0**	**0.01**	**0.05**	**0.05**	**0.002**	**0.05**	**0.05**
MW-1	08/30/05	<0.008	0.07	<0.001	<0.005	0.0052	<0.001	<0.005	0.0133
	04/26/06	<0.00170	0.138	<0.000692	0.00301	0.000303	<0.000250	<0.000405	0.00767
MW-2	08/30/05	0.0076	0.125	0.0018	0.0016	0.0103	<0.001	<0.005	<0.004
	04/26/06	<0.00170	0.0951	<0.000692	0.00363	<0.000296	<0.000250	<0.000405	0.00998
MW-3	08/30/05	<0.008	0.111	<0.001	<0.005	<0.011	<0.001	<0.005	0.0198
	04/26/06	<0.00170	0.0831	<0.000692	0.00448	<0.000296	<0.000250	<0.000405	0.0104
MW-4	04/26/06	<0.00170	0.0591	<0.000692	0.00413	<0.000296	<0.000250	<0.000405	0.0106
MW-5	04/26/06	<0.00170	0.0682	<0.000692	0.00305	<0.000296	0.00022	<0.000405	0.0148

Notes: All analysis performed by Environmental Lab of Texas, Inc., Odessa, Texas.

1. mg/L: Milligrams per liter
2. <: Less than method detection limit
3. --: No standard

FIGURES



LEGEND

- WATER WELL LOCATION
- 160 / 180 — DEPTH TO GROUND (UPPER NUMBER) WELL DEPTH (LOWER NUMBER)
- CP-0564 — NEW MEXICO STATE ENGINEER PERMIT NUMBER

FIGURE # 1

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTERALIZED LANDFARM

W/2, W/2, SECTION 15, T-24-S, R-36-E

TOPOGRAPHICAL MAP

DATE 05-19-06

NAME: SJA

FILE: 4-0110

Larson & Associates, inc.
Environmental Consultants

9

10

ACCESS ROAD

BUFFER ZONE

MW - 4

MW - 3

PL

PL

MW - 5

SID RICHARDSON PIPELINE (OUT OF SERVICE AND CUT ON BOTH ENDS)

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

ACCESS ROAD

ACCESS ROAD

MW - 1

MW - 2

100'

PARKING AND EQUIPMENT STAGING AREA

PRIVATE ROAD

GATE

21

22

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3357.29	3355.45
MW-2	3356.46	3354.20
MW-3	3391.74	3389.92
MW-4	3390.38	3387.88
MW-5	3389.33	3386.88

LEGEND

MW-1 - MONITORING WELL LOCATION

- TREATMENT CELL BACKGROUND SAMPLE LOCATION (APPROXIMATE)

- FACILITY BACKGROUND SAMPLE LOCATION (APPROXIMATE)

A - CELL LETTER

1 - CELL NUMBER

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

FIGURE # 2

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

SITE DRAWING

DATE 06-02-06

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

9

10

ACCESS ROAD

BUFFER ZONE

174.61
MW - 4

PL
177.77
MW - 3

PIPELINE BUFFER ZONE

PL

SID RICHARDSON PIPELINE (OUT OF SERVICE AND CUT ON BOTH ENDS)

MW - 5
174.83

175.00

170.00

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

165.00

16

15

160.00

ACCESS ROAD

155.00

150.00

ACCESS ROAD

145.00

146.77
MW - 1

146.40
MW - 2

100'

PARKING AND EQUIPMENT STAGING AREA

PRIVATE ROAD

GATE

21

22

1	A	B	C
2	A	B	C
3	A	B	C
4		B	C
5	A	B	C
6	A	B	C
7	A	B	C
8	A	B	C
9	A	B	C
10	A	B	C
11	A	B	C
12	A	B	C

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3357.29	3355.45
MW-2	3356.46	3354.20
MW-3	3391.74	3389.92
MW-4	3390.38	3387.88
MW-5	3389.33	3386.88

LEGEND

MW-1
146.77 - MONITORING WELL LOCATION AND DEPTH TO GROUNDWATER, FEET BGS, APRIL 26, 2006

150.00 - CONTOUR OF DEPTH TO GROUNDWATER, FEET BGS, APRIL 26, 2006

▲ - TREATMENT CELL BACKGROUND SAMPLE LOCATION (APPROXIMATE)

▲ - FACILITY BACKGROUND SAMPLE LOCATION (APPROXIMATE)

A - CELL LETTER

1 - CELL NUMBER

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

FIGURE # 3

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

DEPTH TO GROUNDWATER MAP
APRIL, 26, 2006

DATE: 06-02-06

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

9

10

BUFFER ZONE

ACCESS ROAD

3213.27
MW - 4

3213.00

3212.50

3212.15
MW - 3

PIPELINE BUFFER ZONE

3212.00

MW - 5

3212.05

3211.50

3211.00

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

3210.50

3210.00

3209.50

ACCESS ROAD

3209.00

3208.68
MW - 1

ACCESS ROAD

3208.50

3207.80
MW - 2

3208.00

100'

PARKING AND EQUIPMENT STAGING AREA

PRIVATE ROAD

GATE

21

22

SID RICHARDSON PIPELINE (OUT OF SERVICE AND CUT ON BOTH ENDS)

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3357.29	3355.45
MW-2	3356.46	3354.20
MW-3	3391.74	3389.92
MW-4	3390.38	3387.88
MW-5	3389.33	3386.88

LEGEND

MW-1
3208.68 - MONITORING WELL LOCATION AND GROUNDWATER POTENTIOMETERIC SURFACE ELEVATION, FEET AMSL, APRIL 26, 2006

3210.00 - CONTOUR OF GROUNDWATER POTENTIOMETERIC SURFACE ELEVATION, FEET AMSL, APRIL 26, 2006

- TREATMENT CELL BACKGROUND SAMPLE LOCATION (APPROXIMATE)

- FACILITY BACKGROUND SAMPLE LOCATION (APPROXIMATE)

A - CELL LETTER

1 - CELL NUMBER

- GROUND WATER FLOW DIRECTION

GRAPHIC SCALE IN FEET
0 400' 800'
Scale: 1" = 400'

FIGURE # 4

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

GROUNDWATER POTEMIOMETRIC SURFACE MAP
APRIL, 26, 2006

DATE 06-02-06
NAME: SJA
FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

9

10

ACCESS ROAD

BUFFER ZONE

169
MW - 4

PL
55
MW - 3

PL

SID RICHARDSON PIPELINE (OUT OF SERVICE AND CUT ON BOTH ENDS)

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3357.29	3355.45
MW-2	3356.46	3354.20
MW-3	3391.74	3389.92
MW-4	3390.38	3387.88
MW-5	3389.33	3386.88

MW - 5
438

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

ACCESS ROAD

ACCESS ROAD

MW - 1
342

109
MW - 2

100'

PARKING AND EQUIPMENT STAGING AREA

PRIVATE ROAD

GATE

21

22

LEGEND

MW-1
342 - MONITORING WELL LOCATION AND CHLORIDE CONCENTRATION IN GROUNDWATER, (MG/L), APRIL 26, 2006

500 - CONTOUR OF CHLORIDE CONCENTRATION IN GROUNDWATER, (MG/L), APRIL 26, 2006

- TREATMENT CELL BACKGROUND SAMPLE LOCATION (APPROXIMATE)

- FACILITY BACKGROUND SAMPLE LOCATION (APPROXIMATE)

A - CELL LETTER

1 - CELL NUMBER

WQCC STANDARD = 250 MG/L

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

FIGURE # 5

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

CHLORIDE ISOPLETH MAP
APRIL 26, 2006

DATE 06-02-06

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

9

10

ACCESS ROAD

BUFFER ZONE

179
MW - 4

PL

47
MW - 3

PL

SID RICHARDSON PIPELINE (OUT OF SERVICE AND CUT ON BOTH ENDS)

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3357.29	3355.45
MW-2	3356.46	3354.20
MW-3	3391.74	3389.92
MW-4	3390.38	3387.88
MW-5	3389.33	3386.88

MW - 5
427

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

ACCESS ROAD

ACCESS ROAD

MW - 1
42.3

MW - 2
90

100'

PARKING AND EQUIPMENT STAGING AREA

PRIVATE ROAD

GATE

21

22

LEGEND

MW-1 — MONITORING WELL LOCATION AND SULFATE CONCENTRATION IN GROUNDWATER, (MG/L), APRIL 26, 2006

42.3 / 100 — CONTOUR OF SULFATE CONCENTRATION IN GROUNDWATER, (MG/L), APRIL 26, 2006

▲ — TREATMENT CELL BACKGROUND SAMPLE LOCATION (APPROXIMATE)

◉ — FACILITY BACKGROUND SAMPLE LOCATION (APPROXIMATE)

• — SOIL SAMPLE LOCATION (APPROXIMATE)

A — CELL LETTER

1 — CELL NUMBER

WQCC STANDARD = 600 MG/L

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

FIGURE # 6

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

SULFATE ISOPLETH MAP
APRIL 26, 2006

DATE 06–02–06

NAME: SJA

FILE: 4–0110

Larson & Associates, Inc.
Environmental Consultants

9

10

ACCESS ROAD

BUFFER ZONE

584
MW - 4

328
PL
MW - 3

MW - 5
A 1,770

PL

SID RICHARDSON PIPELINE (OUT OF SERVICE AND CUT ON BOTH ENDS)

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

ACCESS ROAD

MW - 1
1,030

ACCESS ROAD

408
MW - 2

100'

PARKING AND EQUIPMENT STAGING AREA

PRIVATE ROAD

GATE

21

22

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3357.29	3355.45
MW-2	3356.46	3354.20
MW-3	3391.74	3389.92
MW-4	3390.38	3387.88
MW-5	3389.33	3386.88

LEGEND

- MW-1 / 1,030 - MONITORING WELL LOCATION AND TDS CONCENTRATION IN GROUNDWATER, (MG/L), APRIL 26, 2006
- 500 - CONTOUR OF TDS CONCENTRATION IN GROUNDWATER, (MG/L), APRIL 26, 2006
- ▲ - TREATMENT CELL BACKGROUND SAMPLE LOCATION (APPROXIMATE)
- ◉ - FACILITY BACKGROUND SAMPLE LOCATION (APPROXIMATE)
- ● - SOIL SAMPLE LOCATION (APPROXIMATE)
- A - CELL LETTER
- 1 - CELL NUMBER

WQCC STANDARD = 1000 MG/L

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

FIGURE # 7

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

TOTAL DISSOLVED SOLIDS ISOPLETH MAP
APRIL 26, 2006

DATE 06-02-06
NAME: SJA
FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

APPENDIX A

Form C-137

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-137
Revised June 10, 2003

Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

☐ Commercial ☑ Centralized

1. Type: ☐ Evaporation ☐ Injection ☐ Other
   ☑ Solids/Landfarm ☐ Treating Plant
2. Operator: John H. Hendrix Corporation

   Address: 110 N. Marienfeld Street, Suite 400, Midland, Texas 79701

   Contact Person: Ron Westbrook Phone: (432) 684-6631

3. Location: W/2 NW/4 and W/2 NW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

   Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? ☑ Yes ☐ No
5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.
8. Attach a contingency plan for reporting and clean-up for spills or releases.
9. Attach a routine inspection and maintenance plan to ensure permit compliance.
10. Attach a closure plan.
11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.
12. Attach proof that the notice requirements of OCD Rule 711 have been met.
13. Attach a contingency plan in the event of a release of H_2S.
14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.
15. CERTIFICATION

    I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Mark J. Larson (Agent for John H. Hendrix Corporation) Title: Sr. Project Manager/President

Signature: _____ Date: June 5, 2006

E-mail Address: mark@laenvironmental.com

APPENDIX B

Well Logs

Client: John H. Hendrix Corporation

Project: Centralized Landfarm

Project No.: 4-0110

Location: Lea County, New Mexico

Log: MW - 4

Geologist: C. Crain

Page: 1 of 1

SUBSURFACE PROFILE				SAMPLE			PID Measurement (PPM) 50 100 150	Well Detail	Notes
Depth	Description	Symbol	Ground Elevation	Number	Type	Recovery			
5–45	***Sand*** 2.5 YR 5/8, Red, quartz sand, very fine grained, moderately well sorted, dry								Well secured with locking cover 0.0' - 2.0' BGS Cement surface seal
25–45	***Caliche*** 7.5YR 7/4, Pink, quartz sand, non-indurated, dry								
50–135	***Gravelly Sand*** 5 YR 7/4, Pink quartz sand and gravel, fine grained, very poorly sorted, dry								2.0' - 169.0' BGS Cement-bentonite grout
140–195	***Sand*** 5 YR 6/6, Reddish yellow, quartz sand, very fine grained, well sorted, loose								169.0' - 172.0' BGS Bentonite Pellets 172.0' - 195.0' BGS CSSI Sand 174.49' - 194.49' BGS Sch. 40 PVC Screen Slot 0.020" 195.0' BGS 2" Threaded Sch. 40 PVC Cap
195	***TD: 195'***								

Drilled By: Scarborough Drilling

Drill Method: Water Rotary

Drill Date: 3/29/06

Larson and Associates Inc.
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Well Size: 2"

TOC Elevation: 3390.38'

Checked By: CC

Client: John H. Hendrix Corporation

Project: Centralized Landfarm

Project No.: 4-0110

Location: Lea County, New Mexico

Log: MW - 5

Geologist: C. Crain

Page: 1 of 1

SUBSURFACE PROFILE				SAMPLE			PID Measurement (PPM) 50 100 150	Well Detail	Notes
Depth	Description	Symbol	Ground Elevation	Number	Type	Recovery			
5–25	***Sand*** 2.5 YR 5/8, Red, quartz sand, very fine grained, moderately well sorted, dry								Well secured with locking cover 0.0' - 2.0' BGS Cement surface seal
25–40	***Caliche*** 7.5YR 7/4, Pink, quartz sand, non-indurated, dry								
40–60	***Gravelly Sand*** 5 YR 7/4, Pink quartz sand and gravel, fine grained, very poorly sorted, dry								2.0' - 158.0' BGS Cement-bentonite grout
60–190	***Sand*** 5 YR 6/6, Reddish yellow, quartz sand, very fine grained, well sorted, loose								158.0' - 161.0' BGS Bentonite Pellets 161.0' - 189.0' BGS CSSI Sand 163.49' - 188.49' BGS Sch. 40 PVC Screen Slot 0.040" 189.0' BGS 2" Threaded Sch. 40 PVC Cap
190	***TD: 190'***								

Drilled By: Scarborough Drilling

Drill Method: Water Rotary

Drill Date: 3/30/06

Larson and Associates Inc.
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Well Size: 4"

TOC Elevation: 3389.33'

Checked By: CC

APPENDIX C

Laboratory Report

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Mark Larson

Larson & Associates, Inc.

P.O. Box 50685

Midland, TX 79710

Project: John Hendrix/ Land Farm

Project Number: 4-0110

Location: None Given

Lab Order Number: 6D27023

Report Date: 05/05/06

Larson & Associates, Inc.
P.O. Box 50685
Midland TX, 79710

Project: John Hendrix/ Land Farm
Project Number: 4-0110
Project Manager: Mark Larson

Fax: (432) 687-0456

Reported:
05/05/06 11:09

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
MW-1	6D27023-01	Water	04/26/06 08:35	04/27/06 16:40
MW-2	6D27023-02	Water	04/26/06 09:46	04/27/06 16:40
MW-3	6D27023-03	Water	04/26/06 10:32	04/27/06 16:40
MW-4	6D27023-04	Water	04/26/06 11:38	04/27/06 16:40
MW-5	6D27023-05	Water	04/26/06 12:49	04/27/06 16:40

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 (6D27023-01) Water									
Benzene	ND	0.00100	mg/L	1	ED62807	04/28/06	05/01/06	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*99.8 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*99.2 %*	*80-120*		"	"	"	"	
MW-2 (6D27023-02) Water									
Benzene	ND	0.00100	mg/L	1	ED62807	04/28/06	05/01/06	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*98.5 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*102 %*	*80-120*		"	"	"	"	
MW-3 (6D27023-03) Water									
Benzene	ND	0.00100	mg/L	1	ED62807	04/28/06	05/01/06	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*100 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*99.2 %*	*80-120*		"	"	"	"	
MW-4 (6D27023-04) Water									
Benzene	ND	0.00100	mg/L	1	ED62807	04/28/06	05/01/06	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*95.8 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*93.8 %*	*80-120*		"	"	"	"	

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-5 (6D27023-05) Water									
Benzene	ND	0.00100	mg/L	1	ED62807	04/28/06	05/01/06	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*95.5 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*95.2 %*	*80-120*		"	"	"	"	

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 (6D27023-01) Water									
Total Alkalinity	**133**	2.00	mg/L	1	EE60302	05/03/06	05/03/06	EPA 310.1M	
Chloride	**342**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
Total Dissolved Solids	**1030**	5.00	"	1	EE60308	05/02/06	05/04/06	EPA 160.1	
Sulfate	**42.3**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
MW-2 (6D27023-02) Water									
Total Alkalinity	**170**	2.00	mg/L	1	EE60302	05/03/06	05/03/06	EPA 310.1M	
Chloride	**109**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
Total Dissolved Solids	**408**	5.00	"	1	EE60308	05/02/06	05/04/06	EPA 160.1	
Sulfate	**89.7**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
MW-3 (6D27023-03) Water									
Total Alkalinity	**177**	2.00	mg/L	1	EE60302	05/03/06	05/03/06	EPA 310.1M	
Chloride	**55.0**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
Total Dissolved Solids	**328**	5.00	"	1	EE60308	05/02/06	05/04/06	EPA 160.1	
Sulfate	**46.7**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
MW-4 (6D27023-04) Water									
Total Alkalinity	**170**	2.00	mg/L	1	EE60302	05/03/06	05/03/06	EPA 310.1M	
Chloride	**169**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
Total Dissolved Solids	**584**	5.00	"	1	EE60308	05/02/06	05/04/06	EPA 160.1	
Sulfate	**179**	5.00	"	10	EE60116	05/01/06	05/01/06	EPA 300.0	
MW-5 (6D27023-05) Water									
Total Alkalinity	**176**	2.00	mg/L	1	EE60302	05/03/06	05/03/06	EPA 310.1M	
Chloride	**438**	12.5	"	25	EE60116	05/01/06	05/01/06	EPA 300.0	
Total Dissolved Solids	**1770**	5.00	"	1	EE60308	05/02/06	05/04/06	EPA 160.1	
Sulfate	**427**	12.5	"	25	EE60116	05/01/06	05/01/06	EPA 300.0	

Total Metals by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 (6D27023-01) Water									
Calcium	**157**	0.500	mg/L	50	EE60304	05/03/06	05/03/06	EPA 6010B	
Magnesium	**39.4**	0.0100	"	10	"	"	"	"	
Potassium	**5.48**	0.500	"	"	"	"	"	"	
Sodium	**66.3**	0.100	"	"	"	"	"	"	
Mercury	**ND**	0.000250	"	1	EE60120	04/28/06	05/01/06	EPA 7470A	
Chromium	**0.00301**	0.000698	"	"	EE60114	04/28/06	05/01/06	EPA 6020A	
Arsenic	**ND**	0.00170	"	"	"	"	"	"	
Selenium	**0.00767**	0.00300	"	"	"	"	"	"	
Silver	ND	0.000405	"	"	"	"	"	"	
Cadmium	ND	0.000692	"	"	"	"	"	"	
Barium	**0.138**	0.000489	"	"	"	"	"	"	
Lead	**0.000303**	0.000296	"	"	"	"	"	"	
MW-2 (6D27023-02) Water									
Calcium	**64.3**	0.100	mg/L	10	EE60304	05/03/06	05/03/06	EPA 6010B	
Magnesium	**17.6**	0.0100	"	"	"	"	"	"	
Potassium	**3.18**	0.500	"	"	"	"	"	"	
Sodium	**36.4**	0.100	"	"	"	"	"	"	
Mercury	**ND**	0.000250	"	1	EE60120	04/28/06	05/01/06	EPA 7470A	
Chromium	**0.00363**	0.000698	"	"	EE60114	04/28/06	05/01/06	EPA 6020A	
Arsenic	**ND**	0.00170	"	"	"	"	"	"	
Selenium	**0.00998**	0.00300	"	"	"	"	"	"	
Silver	ND	0.000405	"	"	"	"	"	"	
Cadmium	ND	0.000692	"	"	"	"	"	"	
Barium	**0.0951**	0.000489	"	"	"	"	"	"	
Lead	ND	0.000296	"	"	"	"	"	"	
MW-3 (6D27023-03) Water									
Calcium	**56.3**	0.100	mg/L	10	EE60304	05/03/06	05/03/06	EPA 6010B	
Magnesium	**16.1**	0.0100	"	"	"	"	"	"	
Potassium	**3.06**	0.500	"	"	"	"	"	"	
Sodium	**47.0**	0.100	"	"	"	"	"	"	
Mercury	**ND**	0.000250	"	1	EE60120	04/28/06	05/01/06	EPA 7470A	
Chromium	**0.00448**	0.000698	"	"	EE60114	04/28/06	05/01/06	EPA 6020A	
Arsenic	ND	0.00170	"	"	"	"	"	"	
Selenium	**0.0104**	0.00300	"	"	"	"	"	"	
Silver	ND	0.000405	"	"	"	"	"	"	
Cadmium	ND	0.000692	"	"	"	"	"	"	

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 ED62807 - EPA 5030C (GC)										
Blank (ED62807-BLK1)				Prepared: 04/28/06 Analyzed: 04/30/06						
Benzene	ND	0.00100	mg/L							
Toluene	ND	0.00100	"							
Ethylbenzene	ND	0.00100	"							
Xylene (p/m)	ND	0.00100	"							
Xylene (o)	ND	0.00100	"							
Surrogate: a,a,a-Trifluorotoluene	*42.7*		*ug/l*	*40.0*		*107*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*42.2*		*"*	*40.0*		*106*	*80-120*			
LCS (ED62807-BS1)				Prepared: 04/28/06 Analyzed: 04/30/06						
Benzene	0.0599	0.00100	mg/L	0.0500		120	80-120			
Toluene	0.0580	0.00100	"	0.0500		116	80-120			
Ethylbenzene	0.0551	0.00100	"	0.0500		110	80-120			
Xylene (p/m)	0.120	0.00100	"	0.100		120	80-120			
Xylene (o)	0.0596	0.00100	"	0.0500		119	80-120			
Surrogate: a,a,a-Trifluorotoluene	*43.0*		*ug/l*	*40.0*		*108*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*42.2*		*"*	*40.0*		*106*	*80-120*			
Calibration Check (ED62807-CCV1)				Prepared: 04/28/06 Analyzed: 05/01/06						
Benzene	55.0		ug/l	50.0		110	80-120			
Toluene	53.0		"	50.0		106	80-120			
Ethylbenzene	55.9		"	50.0		112	80-120			
Xylene (p/m)	110		"	100		110	80-120			
Xylene (o)	55.9		"	50.0		112	80-120			
Surrogate: a,a,a-Trifluorotoluene	*39.0*		*"*	*40.0*		*97.5*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*39.1*		*"*	*40.0*		*97.8*	*80-120*			
Matrix Spike (ED62807-MS1)		**Source: 6D27008-01**		Prepared: 04/28/06 Analyzed: 05/01/06						
Benzene	0.0576	0.00100	mg/L	0.0500	ND	115	80-120			
Toluene	0.0568	0.00100	"	0.0500	ND	114	80-120			
Ethylbenzene	0.0587	0.00100	"	0.0500	ND	117	80-120			
Xylene (p/m)	0.120	0.00100	"	0.100	ND	120	80-120			
Xylene (o)	0.0600	0.00100	"	0.0500	ND	120	80-120			
Surrogate: a,a,a-Trifluorotoluene	*41.7*		*ug/l*	*40.0*		*104*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*47.5*		*"*	*40.0*		*119*	*80-120*			

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 ED62807 - EPA 5030C (GC)										
Matrix Spike Dup (ED62807-MSD1)	**Source: 6D27008-01**			Prepared: 04/28/06	Analyzed: 05/01/06					
Benzene	0.0597	0.00100	mg/L	0.0500	ND	119	80-120	3.42	20	
Toluene	0.0579	0.00100	"	0.0500	ND	116	80-120	1.74	20	
Ethylbenzene	0.0585	0.00100	"	0.0500	ND	117	80-120	0.00	20	
Xylene (p/m)	0.120	0.00100	"	0.100	ND	120	80-120	0.00	20	
Xylene (o)	0.0598	0.00100	"	0.0500	ND	120	80-120	0.00	20	
Surrogate: a,a,a-Trifluorotoluene	*43.5*		*ug/l*	*40.0*		*109*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*46.4*		*"*	*40.0*		*116*	*80-120*			

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 EE60116 - General Preparation (WetChem)										
Blank (EE60116-BLK1)				Prepared & Analyzed: 05/01/06						
Sulfate	ND	0.500	mg/L							
Chloride	ND	0.500	"							
LCS (EE60116-BS1)				Prepared & Analyzed: 05/01/06						
Chloride	9.71	0.500	mg/L	10.0		97.1	80-120			
Sulfate	9.47	0.500	"	10.0		94.7	80-120			
Calibration Check (EE60116-CCV1)				Prepared & Analyzed: 05/01/06						
Chloride	9.86		mg/L	10.0		98.6	80-120			
Sulfate	8.11		"	10.0		81.1	80-120			
Duplicate (EE60116-DUP1)		**Source: 6D27008-01**		Prepared & Analyzed: 05/01/06						
Chloride	49.3	2.50	mg/L		49.0			0.610	20	
Sulfate	80.0	2.50	"		79.2			1.01	20	
Batch EE60302 - General Preparation (WetChem)										
Blank (EE60302-BLK1)				Prepared & Analyzed: 05/03/06						
Total Alkalinity	ND	2.00	mg/L							
LCS (EE60302-BS1)				Prepared & Analyzed: 05/03/06						
Bicarbonate Alkalinity	215		mg/L	200		108	85-115			
Reference (EE60302-SRM1)				Prepared & Analyzed: 05/03/06						
Total Alkalinity	96.0		mg/L	100		96.0	90-110			

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 EE60308 - Filtration Preparation										
Blank (EE60308-BLK1)				Prepared: 05/02/06 Analyzed: 05/04/06						
Total Dissolved Solids	ND	5.00	mg/L							
Duplicate (EE60308-DUP1)		**Source: 6D27023-01**		Prepared: 05/02/06 Analyzed: 05/04/06						
Total Dissolved Solids	2240	5.00	mg/L		2310			3.08	5	

Total Metals 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 EE60114 - EPA 3005A										
Blank (EE60114-BLK1)				Prepared: 04/28/06 Analyzed: 05/01/06						
Chromium	ND	0.000698	mg/L							
Arsenic	ND	0.00170	"							
Selenium	ND	0.00300	"							
Silver	ND	0.000405	"							
Cadmium	ND	0.000692	"							
Barium	ND	0.000489	"							
Lead	ND	0.000296	"							
LCS (EE60114-BS1)				Prepared: 04/28/06 Analyzed: 05/01/06						
Chromium	0.222	0.000698	mg/L	0.200		111	85-115			
Arsenic	0.771	0.00170	"	0.800		96.4	85-115			
Selenium	0.415	0.00300	"	0.400		104	85-115			
Silver	0.107	0.000405	"	0.100		107	85-115			
Cadmium	0.219	0.000692	"	0.200		110	85-115			
Barium	0.217	0.000489	"	0.200		108	85-115			
Lead	1.20	0.000296	"	1.10		109	85-115			
LCS Dup (EE60114-BSD1)				Prepared: 04/28/06 Analyzed: 05/01/06						
Chromium	0.226	0.000698	mg/L	0.200		113	85-115	1.79	20	
Arsenic	0.767	0.00170	"	0.800		95.9	85-115	0.520	20	
Selenium	0.423	0.00300	"	0.400		106	85-115	1.91	20	
Silver	0.108	0.000405	"	0.100		108	85-115	0.930	20	
Cadmium	0.219	0.000692	"	0.200		110	85-115	0.00	20	
Barium	0.216	0.000489	"	0.200		108	85-115	0.462	20	
Lead	1.20	0.000296	"	1.10		109	85-115	0.00	20	
Calibration Check (EE60114-CCV1)				Prepared: 04/28/06 Analyzed: 05/01/06						
Chromium	0.0500		mg/L	0.0500		100	90-110			
Arsenic	0.0486		"	0.0500		97.2	90-110			
Selenium	0.0502		"	0.0500		100	90-110			
Silver	0.0481		"	0.0500		96.2	90-110			
Cadmium	0.0498		"	0.0500		99.6	90-110			
Barium	0.0510		"	0.0500		102	90-110			
Lead	0.0501		"	0.0500		100	90-110			

Total Metals 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 EE60114 - EPA 3005A										
Matrix Spike (EE60114-MS1)	**Source: 6D27023-01**			Prepared: 04/28/06	Analyzed: 05/01/06					
Chromium	0.220	0.00698	mg/L	0.200	0.00301	108	75-125			
Arsenic	0.765	0.0170	"	0.800	ND	95.6	75-125			
Selenium	0.444	0.0300	"	0.400	0.00767	109	75-125			
Silver	0.0990	0.00405	"	0.100	ND	99.0	75-125			
Cadmium	0.216	0.00692	"	0.200	ND	108	75-125			
Barium	0.353	0.00489	"	0.200	0.138	108	75-125			
Lead	1.15	0.00296	"	1.10	0.000303	105	75-125			
Matrix Spike Dup (EE60114-MSD1)	**Source: 6D27023-01**			Prepared: 04/28/06	Analyzed: 05/01/06					
Chromium	0.221	0.00698	mg/L	0.200	0.00301	109	75-125	0.454	20	
Arsenic	0.770	0.0170	"	0.800	ND	96.2	75-125	0.651	20	
Selenium	0.450	0.0300	"	0.400	0.00767	111	75-125	1.34	20	
Silver	0.0986	0.00405	"	0.100	ND	98.6	75-125	0.405	20	
Cadmium	0.217	0.00692	"	0.200	ND	108	75-125	0.462	20	
Barium	0.353	0.00489	"	0.200	0.138	108	75-125	0.00	20	
Lead	1.15	0.00296	"	1.10	0.000303	105	75-125	0.00	20	
Batch EE60120 - EPA 7470A										
Blank (EE60120-BLK1)				Prepared: 04/28/06	Analyzed: 05/01/06					
Mercury	ND	0.000250	mg/L							
LCS (EE60120-BS1)				Prepared: 04/28/06	Analyzed: 05/01/06					
Mercury	0.00100	0.000250	mg/L	0.00100		100	85-115			
LCS Dup (EE60120-BSD1)				Prepared: 04/28/06	Analyzed: 05/01/06					
Mercury	0.00102	0.000250	mg/L	0.00100		102	85-115	1.98	20	

Total Metals 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 EE60120 - EPA 7470A										
Calibration Check (EE60120-CCV1)				Prepared: 04/28/06 Analyzed: 05/01/06						
Mercury	0.00103		mg/L	0.00100		103	90-110			
Matrix Spike (EE60120-MS1)		Source: 6D27023-01		Prepared: 04/28/06 Analyzed: 05/01/06						
Mercury	0.00120	0.000250	mg/L	0.00100	ND	120	75-125			
Matrix Spike Dup (EE60120-MSD1)		Source: 6D27023-01		Prepared: 04/28/06 Analyzed: 05/01/06						
Mercury	0.00124	0.000250	mg/L	0.00100	ND	124	75-125	3.28	20	
Batch EE60304 - 6010B/No Digestion										
Blank (EE60304-BLK1)				Prepared & Analyzed: 05/03/06						
Calcium	ND	0.0100	mg/L							
Magnesium	ND	0.00100	"							
Potassium	ND	0.0500	"							
Sodium	ND	0.0100	"							
Calibration Check (EE60304-CCV1)				Prepared & Analyzed: 05/03/06						
Calcium	2.07		mg/L	2.00		104	85-115			
Magnesium	2.19		"	2.00		110	85-115			
Potassium	1.88		"	2.00		94.0	85-115			
Sodium	1.90		"	2.00		95.0	85-115			
Duplicate (EE60304-DUP1)		Source: 6D27023-01		Prepared & Analyzed: 05/03/06						
Calcium	150	0.500	mg/L		157			4.56	20	
Magnesium	39.0	0.0100	"		39.4			1.02	20	
Potassium	5.48	0.500	"		5.48			0.00	20	
Sodium	64.6	0.100	"		66.3			2.60	20	

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Notes and Definitions

J	Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).
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: Raland K Tuttle Date: 5-09-06

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer
Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

Environmental Lab of Texas
Variance / Corrective Action Report – Sample Log-In

Client: Larson + Associates

Date/Time: 04-27-06 @ 1640

Order #: 6D27023

Initials: JMM

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	0.5 C not frozen
Shipping container/cooler in good condition?	Yes	No	
Custody Seals intact on shipping container/cooler?	Yes	No	Not present
Custody Seals intact on sample bottles?	Yes	No	Not present
Chain of custody present?	Yes	No	
Sample Instructions complete on Chain of Custody?	Yes	No	
Chain of Custody signed when relinquished and received?	Yes	No	
Chain of custody agrees with sample label(s)	Yes	No	
Container labels legible and intact?	Yes	No	
Sample Matrix and properties same as on chain of custody?	Yes	No	
Samples in proper container/bottle?	Yes	No	
Samples properly preserved?	Yes	No	
Sample bottles intact?	Yes	No	
Preservations documented on Chain of Custody?	Yes	No	
Containers documented on Chain of Custody?	Yes	No	
Sufficient sample amount for indicated test?	Yes	No	
All samples received within sufficient hold time?	Yes	No	
VOC samples have zero headspace?	Yes	No	Not Applicable

Other observations:

Variance Documentation:

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

Regarding:

Corrective Action Taken:

CHAIN—OF—CUSTODY RECORD

Larson & Associates, Inc.
Environmental Consultants
Fax: 432-687-0456
432-687-0901
507 N. Marienfeld, Ste. 202 • Midland, TX 79701

CLIENT NAME: John Hendrix Corp

SITE MANAGER: MARK Larson

PROJECT NO.: 4-0110

PROJECT NAME: Landfarm MW's

PAGE 1 OF 1

LAB. PO #

DATE	TIME	WATER	SOIL	OTHER	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	PARAMETERS/METHOD NUMBER: BTEX	CATIONS	ANIONS	TDS	TOTAL METALS	LAB. I.D. NUMBER (LAB USE ONLY)	REMARKS (I.E., FILTERED, UNFILTERED, PRESERVED, UNPRESERVED, GRAB COMPOSITE)
4/26/06	0835	✓			MW-1	4	2	1	1	1	1	6D27023-01	
	0946				MW-2							-02	
	1032				MW-3							-03	
	1138				MW-4							-04	
	1245				MW-5							-05	

SAMPLED BY: (Signature) DATE: 4/26 TIME: 1325

RELINQUISHED BY: (Signature) DATE: 4/27 TIME: 1640

RECEIVED BY: (Signature) DATE: TIME:

RELINQUISHED BY: (Signature) DATE: TIME:

RECEIVED BY: (Signature) DATE: 4/27 TIME: 1640

SAMPLE SHIPPED BY: (Circle)

FEDEX BUS AIRBILL #:

HAND DELIVERED UPS OTHER:

COMMENTS:

TURNAROUND TIME NEEDED

WHITE – RECEIVING LAB
YELLOW – RECEIVING LAB (TO BE RETURNED TO LA AFTER RECEIPT)
PINK – PROJECT MANAGER
GOLD – QA/QC COORDINATOR

RECEIVING LABORATORY:

ADDRESS:

CITY: STATE: ZIP:

CONTACT: PHONE:

RECEIVED BY: (Signature)

DATE: TIME:

SAMPLE CONDITION WHEN RECEIVED:

LA CONTACT PERSON:

SAMPLE TYPE:

0.5 w/Label

not frozen

1L-poly / VOAs / 500ml poly HNO3

Martin, Ed, EMNRD

To: Mark Larson
Subject: RE: Notice for Monitoring Well Installations at the John H. Hendrix Corporation, Centralized Surface Waste Management Facility (Permit NM-02-0021), W/2 SW/4 and w/2 NW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Thanks for the notification.

Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505
Phone: 505-476-3492
Fax: 505-476-3462
email: ed.martin@state.nm.us

-----Original Message-----
From: Mark Larson [mailto:mark@laenvironmental.com]
Sent: Monday, March 27, 2006 7:41 AM
To: Martin, Ed, EMNRD
Cc: Martin, Ed, EMNRD; Ron H. Westbrook; Price, Wayne, EMNRD; chris.william@state.nm.us; Sheeley, Paul, EMNRD; Johnson, Larry, EMNRD
Subject: Re: Notice for Monitoring Well Installations at the John H. Hendrix Corporation, Centralized Surface Waste Management Facility (Permit NM-02-0021), W/2 SW/4 and w/2 NW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Martin: This message is submitted to the New Mexico Oil Conservation Division ("OCD") on behalf of John H. Hendrix Corporation ("JHHC") by Larson and Associates, Inc. ("LA"), its agent, and provide notification of pending monitoring well installations at the above-referenced facility. A drilling rig is scheduled to be mobilized to the location as early as today (3/27/06) and drilling will proceed through Wednesday, March 29, 2006, barring no unforeseen problems. Two (2) monitoring wells will be installed in accordance with the modification request for permit NM-02-0021, which was submitted to the OCD on November 24, 2005 and approved on January 4, 2006. You may call Mr. Marvin Burrows with JHHC at (505) 394-2649 or email mburrows@valornet.com, if you have questions. I may reached with questions at the contact information presented below.
Sincerely,
Mark J. Larson
Sr. Project Manager/President
Larson and Associates, Inc.
507 N. Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 687-0901 (Office)
(432) 687-0456 (Fax)
(432) 556-8656 (Cell)
mark@laenvironmental.com

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 4, 2006

Mr. Ron Westbrook
John H. Hendrix Corp.
110 N. Marienfeld St., Suite 400
Midland, TX 79701-4412

RE: Application for Modification to NMOCD Permit No. NM-2-0021
For Operation of a Surface Waste Management Facility (Landfarm)
Located in the W/2 SW/4 and the W/2 NW/4 of Section 15, Township 24 South, Range 36 East NMPM, Lea County, New Mexico

Dear Mr. Westbrook:

The New Mexico Oil Conservation Division (NMOCD) has reviewed the application, submitted on behalf of John H. Hendrix Corp. (JHHC) by Mark J. Larson of Larson and Associates, Inc. NMOCD permit number NM-2-0021 is hereby modified as follows:

1. All permit conditions previously agreed to by you on December 4, 2004 remain in effect except for condition #3 under the heading "Treatment Zone Monitoring".
2. JHHC will now be able to accept RCRA-exempt, non-hazardous waste contaminated by salts from remediation of produced water releases and pits.
3. The origin of such waste shall be JHHC properties, either leased or owned for oil and gas exploration.
4. Prior to placement in the landfarm operating areas, such salt-contaminated soils shall be blended with fresh soils so that the chloride concentration in the resulting blend is less than 1,000 mg/Kg (1,000 parts per million). This standard may be modified upon the promulgation of NMOCD Rule 53. At least six samples of the resulting blend will be analyzed for chlorides for verification prior to placement in the landfarm cells. JHHC will maintain records of such sampling and analyses for NMOCD inspection.
5. Only landfarm operating areas designated as cells #1 and #2 will be used for the placement of such salt-contaminated waste.
6. Cells #1 and #2 shall continue to be tilled bi-weekly to remediate hydrocarbon-contaminated materials in the cells.
7. Treatment Zone Monitoring: JHHC or its agent will collect a background treatment zone sample from each landfarm cell. Treatment zone samples will be collected semi-annually thereafter in active cells, and within six (6) months after waste is first placed in a new cell.

Four (4) samples will be collected from each cell and analyzed for BTEX (benzene, toluene, ethylbenzene, and xylene) and TPH (total petroleum hydrocarbons). Samples from every second semi-annual sampling event will be analyzed for TPH, BTEX, total RCRA metals, and major cations and anions. JHHC will notify the NMOCD 48 hours prior to each sampling event. Laboratory analyses will be submitted to the NMOCD Santa Fe office within 45 days following receipt of the laboratory report.

8. JHHC will install two (2) additional groundwater-monitoring wells. One of these will be up gradient and one will be down gradient of landfarm cells #1 and #2. Groundwater samples from these new wells and the three existing wells at the facility will be collected semi-annually and analyzed for BTEX, TPH, and chlorides. Analyses results shall be submitted to the NMOCD Santa Fe office within 45 days after the receipt of the laboratory report.
9. Your attention is called to 19.15.1.41 NMAC which states, in pertinent part, "Any person who conducts any activity pursuant to a permit . . . from the division shall comply with every term, condition and provision of such permit, ..."

If you have any questions, please contact Ed Martin at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Roger C. Anderson
Environmental Bureau Chief

Copy: NMOCD, Hobbs, NM
Mark J. Larson, Larson and Associates

Larson & Associates, Inc.
Environmental Consultants

RECEIVED
DEC 5 - 2005
OIL CONSERVATION DIVISION

December 2, 2005

VIA EMAIL: Ed.Martin@state.nm.us

Mr. Ed Martin
Environmental Engineer
State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Documentation of Notification and Publication, John H. Hendrix Corporation, Centralized Surface Waste Management (NM-02-0021) Permit Modification Request, W/2 NW/4, W/2 SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Ed:
The enclosed documents are submitted to the State of New Mexico Oil Conservation Division ("OCD") on behalf of John H. Hendrix Corporation ("JHHC") by Larson and Associates, Inc. ("LA"), its consultant, with regard to the proposed modification request for centralized surface waste management permit NM-02-0021. The documents include return receipts for notification made to landowners within 1-mile of the Facility and affidavit of publication of the public notice published by the Hobbs News Sun on November 27, 2005. The notification submitted to the Cooper Family Estate in care of Mr. Bart Bishop was returned undelivered. Please call Mr. Ron Westbrook with JHHC at (432) 684-6631, myself at (432) 687-0901 or email ronniew@jhhc.org or Mark@LAEnvironmental.com if you have questions.
Sincerely,
Larson & Associates, Inc.

Mark J. Larson, P.G., C.P.G., C.G.W.P.
Sr. Project Manager/President

Encl.

cc: Ron Westbrook/JHHC
Marvin Burrows/JHHC
Chris Williams/OCD District 1

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Jal Public Library Fund
P.O. Box 11616
Jal, NM 88252

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7004 2510 0001 1869 2914

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA
15 Smith Rd.
Midland, TX 79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery
11/9/05

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7004 2510 0001 1869 2891

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

RR Land & Cattle, Co
2205 Bedford Dr
Amarillo, TX 79118

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Beth Crawford | C. Date of Delivery 11-21-05

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

MIDLAND DOWNTOWN TX NOV 21 2005 USPS

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7004 2510 0001 1869 2853

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

County Commissioners
County of Lea, NM
100 N. Main, Ste. 4
Lovington, NM 88260

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Jose Bonilla | C. Date of Delivery 11-9-05

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7004 2510 0001 1869 2587

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

November 27 2005

and ending with the issue dated

November 27 2005

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 28th day of

November 2005

Notary Public.

My Commission expires
February 07, 2009
(Seal)

OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: _____

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE
November 27, 2005

John H. Hendrix Corporation, located at 1310 18th Street, Eunice, New Mexico 88231 has submitted for approval an application to modify its permit (NM-02-0021) to operate a Rule 711 centralized landfarm facility located in the W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East N.M.P.M., Lea County, New Mexico. The permit modification is for treating non-hazardous soil contaminated by petroleum hydrocarbons from crude oil and salts from produced waters, which are exempt under Subtitle C of RCRA. The permit modification request addresses the construction, operation, spill/leak prevention and monitoring procedures to be incorporated at the Facility.

Any interested person may obtain further information from the State of New Mexico Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone 505-476-3440. The application may be viewed at the above address or at the Hobbs district office at 1625 N. French Drive, Hobbs, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed permit modification, the Director of the Oil and Gas Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and any interested person may request public hearing. Request for a public hearing shall set forth the reasons why a public hearing shall be held. A hearing will be held if the director determines that there is significant public interest.
#21967

02105581000 67534695

LARSON AND ASSOCIATES
507 NORTH MARIENFELD SUITE 202
MIDLAND, TX 79701

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 21, 2005

Mr. Mark J. Larson, P.G.
Larson and Associates, Inc.
507 North Marienfeld
Suite 202
Midland, TX 79701

RE: Centralized Surface Waste Management Facility Permit NM-02-0021
Modification Request, November 9, 2005, John H. Hendrix Corporation
W/2 NW/4, W/2, SW/4, Section 15, Township 24 South, Range 35 East
Lea County, New Mexico

Dear Mr. Larson:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above application submitted by you on behalf of John H. Hendrix Corp. (JHHC). This application is hereby deemed administratively complete. Please complete public notice requirements by publishing the notice shown as appendix E of the application.

Please forward to this office the publisher's affidavit as promised in your cover letter to the application.

NMOCD approval does not relieve JHHC of liability should its operations at its centralized facility shown above prove to have been harmful to the public or the environment. Nor does it relieve JHHC of its responsibility to comply with the rules and regulations of any other local, state or federal governmental agency.

If you have any questions, contact Ed Martin at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Roger C. Anderson
Environmental Bureau Chief

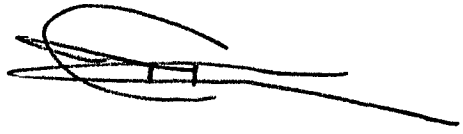
Larson & Associates, Inc.
Environmental Consultants

November 25, 2005

Mr. Edwin Martin
Environmental Engineer
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Centralized Surface Waste Management Facility Permit NM-02-0021 Modification Request, John H. Hendrix Corporation, W/2 NW/4, W/2 SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Martin:
On behalf of John H. Hendrix Corporation ("JHHC"), Larson and Associates, Inc. ("LA"), its agent, submits the enclosed centralized surface waste management facility (NM-02-0021) modification request. This submittal replaces the initial submittal on November 9, 2005. A public notice will be published in the Hobbs News-Sun on November 26, 2005 or November 27, 2005, and an affidavit of publication will be sent to the New Mexico Oil and Gas Conservation Division ("OCD") upon its receipt from the publisher. A copy of the application will also be forwarded to Mr. Chris Williams at the OCD District 1 office located in Hobbs, New Mexico. Please call Mr. Ron Westbrook with John H. Hendrix Corporation at (432) 684-6631, myself at (432) 687-0901or by email: ronniew@JHHC.org or Mark@LAEnvironmental.com.
Sincerely,
Larson & Associates, Inc.



Mark J. Larson, P.G., C.P.G., C.G.W.P.
Sr. Project Manager/President

Encl.

cc: Mr. Ron Westbrook/JHHC
Mr. Marvin Burrows/JHHC
Mr. Chris Williams/OCD – District 1

PERMIT NW-02-0021
MODIFICATION REQUEST
JOHN H. HENDRIX CORPORATION

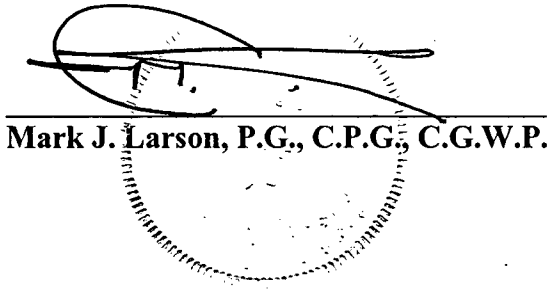
Prepared for:

John H. Hendrix Corporation
110 North Marienfeld Street, Suite 400
Midland, Texas 79701
(432) 684-6631

Prepared by:

Larson and Associates, Inc.
507 North Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 687-0901

November 24, 2005



Mark J. Larson, P.G., C.P.G., C.G.W.P.

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PERMIT NM-02-0021
MODIFICATION REQUEST
JOHN H. HENDRIX CORPORATION

1.0 INTRODUCTION

John H. Hendrix Corporation ("JHHC") is the owner and operator of a centralized surface waste management facility ("Facility") permitted by the New Mexico Oil Conservation Division ("OCD") to accept and treat non-hazardous oilfield solids ("Waste") exempt under the Resource Conservation and Recovery Act ("RCRA"), including soils contaminated by petroleum hydrocarbons resulting from remediation of spills, releases and pits.

On March 4, 2005, OCD issued an administrative modification to owners and operators of commercial and centralized surface waste management facilities in New Mexico that prohibits these facilities from accepting Waste contaminated with salts. A facility may submit an application for permit modification under OCD Rule 711.B (1) and follow notification requirements of OCD Rule 711B(2) to obtain authorization to accept Waste contaminated with salts. This modification request is for permit NM-021-0021 and is submitted to OCD in accordance with Rule 711.B (1) and 711.B (2) to allow the Facility to accept and treat RCRA exempt non-hazardous Waste contaminated by petroleum hydrocarbons from crude oil and salts from produced waters. The Facility is a centralized facility that only accepts Waste from JHHC operations. Appendix A presents OCD Form C-137.

2.0 OPERATION

The Facility is a centralized surface waste management facility that is permitted by OCD (NM-02-0021) to accept and treat RCRA exempt non-hazardous oilfield Waste. The Facility treats Waste contaminated with petroleum hydrocarbons from crude oil resulting from remediation of spills, releases and pits using landfarm techniques. The Waste is spread on the surface and tilled to remediate petroleum hydrocarbons. The Facility only accepts Waste from JHHC operations.

3.0 OWNER

John H. Hendrix Corporation
Corporate Office
110 N. Marienfeld Street
Suite 400
Midland, Texas 79701

Contact Person: Ron Westbrook
Phone Number: (432) 684-6631

John H. Hendrix Corporation
Eunice Field Office
1310 18th Street
Eunice, New Mexico 88231

Contact Person: Marvin Burrows
Phone Number: (505) 394-2649

4.0 LOCATION

The Facility is located approximately 7 miles northwest of Jal, New Mexico, in the west half ("W/2") of the northwest quarter ("NW/4") and the west half ("W/2") of the southwest quarter ("SW/4"), Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. The Facility occupies approximately 200 acres, which is owned by JHHC. Figure 1 presents a general location map. Figure 2 presents a topographic map.

Driving directions:

- Beginning at the intersection of New Mexico State Highway #128 and New Mexico State Highway #18 in Jal, New Mexico;
- Proceed north on New Mexico State Highway #18 approximately 6.2 miles to Jal-Cooper Cemetery Road;
- Proceed west on Jal-Cooper Cemetery Road for approximately 3.0 miles where pavement ends;
- Continue west on gravel road approximately 0.6 miles to Facility located on north side of road.

5.0 EXPANSION REQUEST

This is not an expansion request.

6.0 MODIFICATION REQUEST

This is a request to modify permit NM-02-0021 to allow the Facility to accept and treat RCRA exempt non-hazardous oilfield Waste contaminated by petroleum hydrocarbons from crude oil and salts from produced waters resulting from remediation of spills, release and pits.

7.0 LAND OWNERSHIP

JHHC owns approximately 200-acres in the west half ("W/2") of the northwest quarter ("NW/4") and the west half ("W/2") of the southwest quarter ("SW/4"), Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. Landowners within 1- mile of the Facility include:

Cooper Family Heirs c/o Bart Bishop 6202 South Bowie Amarillo, Texas 79118	Sec. 9
RRR Land and Cattle Company 2205 Bedford Drive Midland, Texas 79118	Sec. 10 Sec. 11 ("SW/4") Sec. 15 ("E/2")
Chevron USA Inc. 15 Smith Road Midland, Texas 79705	Sec. 14 ("W/2") Sec. 23 ("NW/4") Sec. 16
Jal Public Library Fund, Trustees P.O. Box 1166 Jal, New Mexico 88252	Sec.21 ("N/2") Sec. 22 ("N/2")

No residences, public buildings or facilities, other than oil and gas installations, are located within one (1) mile of the Facility. Figure 3 presents a land ownership map.

8.0 FACILITY DESCRIPTION

The Facility is permitted by OCD to accept and treat RCRA exempt non-hazardous oilfield Waste in twelve (12) cells, each measuring approximately 400 x 1450 feet. The Facility is bordered on the south by a gravel road owned by the Woolworth Estate and administered by the Jal Public Library Fund, Trustees, located in Jal, New Mexico. The land bordering the Facility to the east, west and north is used for livestock grazing and oil and gas production. A gate provides access near the southeast corner of the Facility and is locked while unattended. A staging area is located near the south end of the Facility and is used for parking, equipment staging and truck turn-around. A 100-foot buffer zone is located between the cells and perimeter fence. No waste is placed in the buffer zone or staging area. A caliche road, approximately 20 feet wide, is located adjacent to the east fence. An overhead power line is located near the south end of the Facility, and a pipeline crosses the Facility diagonally between Cell #2 and Cell

#3. The pipeline is out-of-service and owned by Sid Richardson Gasoline Company. No waste is placed within twenty (20) feet of the pipeline. Figure 4 presents a Facility drawing.

The Facility currently uses Cell #12 to treat RCRA exempt non-hazardous oilfield Waste contaminated by petroleum hydrocarbons from crude oil resulting from remediation of spills, releases and pits. The Waste is delivered to the Facility in end or belly dump trucks, unloaded into the cell, spread to a uniform thickness of approximately 6 to 12 inches and tilled bi-weekly (every 2 weeks) to remediate petroleum hydrocarbons.

This modification request will allow the Facility to accept and treat RCRA exempt non-hazardous oilfield Waste contaminated by petroleum hydrocarbons from crude oil and salts from produced waters resulting from remediation of spills, release and pits. Waste contaminated with salts will only be placed in Cell #1 and Cell #2. The Waste will be delivered to the Facility in end or belly dump trucks, unloaded in the cells and immediately spread to a uniform thickness of approximately 6 inches. Approximately six (6) to twelve (12) samples of the Waste will be collected after spreading and analyzed for chloride using field methods. Clean soil will be blended into the Waste to reduce the chloride below 1,000 milligrams per kilogram ("mg/Kg") and tilled bi-weekly (every 2 weeks) to remediate petroleum hydrocarbons.

9.0 CONSTRUCTION

9.1 Fences and Signs

A barbed wire fence surrounds the Facility, and a gate is located near the southeast corner of the Facility. The gate is locked while the Facility is unattended. A sign is posted near the gate and is legible from a distance of 50 feet with the following information:

- Facility name;
- Owner;
- Legal description; and
- Emergency contact information.

9.2 Buffer Zones

A 100-foot buffer zone surrounds the Facility and separates the cells from the perimeter fence. A 20-foot wide buffer zone is present on either side of a pipeline that crosses the Facility diagonally between Cell #2 and Cell #3. The pipeline is out-of-service and owned by Sid Richardson Gasoline Company. The

next closest pipeline is located about 200 feet west of the Facility in Section 16, Township 24 South, Range 36 East, Lea County, New Mexico. No waste is placed in the buffer zones. Figure 4 shows the buffer zones.

9.3 Berms

An earthen perimeter berm measuring approximately four (4) feet wide at the base and two (2) feet above grade separates the cells and buffer zone to prevent storm water runoff and run-on. Each cell is separated by an earthen berm no less than 2 feet above grade. Figure 4 shows the berms.

9.4 Treatment Zone Monitoring

The treatment zone comprises native soil beneath the base of each cell to a depth no greater than three (3) feet below the cell. A background sample was collected near the center of the Facility from approximately 2 to 3 feet below native ground surface prior to construction. The sample was analyzed for total petroleum hydrocarbons ("TPH"), benzene, toluene, ethyl benzene, xylene ("BTEX"), total RCRA metals (arsenic, cadmium, chromium, lead, mercury, selenium, silver), cations (calcium, magnesium, sodium, potassium) and anions (bicarbonate, sulfate, chloride) using EPA methods. A sample was collected from the treatment zone of Cell#12 within six (6) months after receipt of first soil using direct-push methods and analyzed for TPH and BTEX. Treatment zone samples are required on a quarterly (4 times per year) schedule, with the fourth (4^{th}) quarter sample analyzed for BTEX, TPH, total RCRA metals, cations and anions.

Upon approval of this permit modification, JHHC or its agent will collect a background treatment zone sample from each cell. Treatment zone samples will be collected on a semi-annual (2 times per year) schedule thereafter, and within six (6) months after first soil is placed in a new cell. Four (4) samples will be collected from each cell and analyzed for BTEX and TPH. However, samples from the second (2^{nd}) semi-annual event will be analyzed for TPH, BTEX, total RCRA metals, cations and anions. Direct push methods and a dual tube sampler will used to prevent introduction of contaminated soil from the tilled zone into the treatment zone. The direct push core barrel is equipped with polyethylene liners to prevent sample cross contamination. Sample locations will be recorded using global positioning system ("GPS") technology and holes will be filled with bentonite and hydrated with potable water. JHHC or its agent will notify OCD 48-hours prior to each sample event and laboratory analysis will be submitted to OCD within 45 days following receipt of the laboratory report.

9.5 Double-Lined System

A double-lined system is not proposed since Chloride contaminated Waste will only be placed in Cell #1 and Cell #2 where ground water occurs at approximately 170 feet bgs. The Waste will be blended with clean soil to reduce chloride below 1000 mg/Kg.

10.0 OPERATION

10.1 Facility Operation

The Facility will be operated in a manner that does not adversely impact groundwater, surface water, public health or the environment and will involve the following procedures:

a) Disposal of Waste will only occur while an attendant is present;

b) Gate will be locked when an attendant is not present;

c) Chloride contaminated Waste will only be placed in Cell #1 and Cell #2, immediately spread to a uniform thickness of approximately six (6) inches, analyzed for chloride and blended with clean soil to reduce chloride below 1000 mg/Kg;

d) Hydrocarbon Waste will placed in the remaining cells, spread to a uniform thickness of approximately 6-inches and disked within 72 hours of receipt;

e) All cells will be disked bi-weekly (every two weeks) to remediate petroleum hydrocarbons to 100 mg/Kg (TPH), 50 mg/Kg (BTEX) and 10 mg/Kg (benzene);

f) No mixing of exempt and nonexempt Waste will occur;

g) No new Waste will be spread over existing Waste without OCD approval and TPH, BTEX, benzene and chloride are below 100 mg/Kg, 50 mg/Kg, 10 mg/Kg and 1000 mg/Kg, respectively, in the existing Waste;

h) A background sample will be collected from the treatment zone of each cell no deeper than 3 feet below the cell and analyzed for TPH, BTEX, total RCRA metals, cations and anions;

i) Four (4) representative soil samples will be collected from the treatment zone of each cell no greater than 3 feet below the base of the cell on a semi-annual (2 times per year) schedule for active cells and beginning six (6) months after first waste is placed in a new cell. The samples will be analyzed for TPH and BTEX. Samples collected during the second (2^{nd}) semi-annual event will be analyzed for TPH, BTEX, total RCRA metals, cations and anions. OCD will be notified 48-hours prior to the sample event and analysis will be submitted to OCD within 45 days after receipt from the laboratory report. Sample locations will be recorded using GPS technology and documented in a field book. Samples will be collected using direct push technology and holes will be filled with bentonite and hydrated with potable water;

j) Moisture will only be added to enhance remediation and control dust, as needed;

k) No pooling of water will be allowed, and accumulated water from precipitation will be removed upon discovery;

l) Enhanced remediation through the addition of amendments will only be applied upon OCD approval;

m) No free liquid or Waste containing free liquid will be accepted at the Facility;

n) Waste will be tracked using manifests that includes the following information:
   - Waste origin (well/lease);
   - Shipment date;
   - Waste quantity;
   - Certification of exempt status or analysis for hazardous constituents if non-exempt; and
   - Disposal location (cell number).

Three (3) monitoring wells (MW-1, MW-2 and MW-3) have been installed at the Facility to assess ground water conditions, including depth-to-ground water, ground water flow and water quality. JHHC proposes to install two (2) additional monitoring wells hydraulically up gradient (northwest) and down gradient (southeast) of Cell #1 and Cell #2 once the permit modification is

granted. Ground water monitoring will be performed at intervals and for constituents specified by OCD.

10.2 Waste Characterization and Tracking

The Facility will only accept RCRA exempt non-hazardous oilfield Waste and at no time will the hazardous waste be accepted at the Facility. A Waste manifest that includes a certification of Waste status shall be signed by the transporter and shall accompany each load of Waste brought to the Facility. Waste will only be accepted from JHHC operations and no additional material will be added to the loads during transport. The transporter shall acknowledge that no additional material has been added to the load during transport.

10.3 Spill and Leak Prevention and Reporting

No spills are anticipated at the Facility since no liquid wastes will be accepted. Water may be used as necessary to control dust and enhance remediation. JHHC will notify the OCD in accordance with Rule 116 in case of a break, spill, blow out or undesirable event.

10.4 Inspection, Maintenance and Reporting

Berms, fences and cells will be inspected frequently, and necessary repairs and maintenance will be performed immediately. Inspection information including date, type of inspection, type of repair, etc., will be recorded in a bound field book. A perimeter berm at least four (4) feet at its base and no less than two (2) feet above grade will be maintained to prevent runoff or run-on. Cells will be separated by berms no less than two (2) feet above grade. Berms and cells will be inspected after rainfall or windstorms and will be immediately repaired, if required. No Waste will be accepted without proper documentation, as previously discussed in Section 10.1 (n). Records of Waste accepted at the Facility will be maintained at the JHHC field office located in Eunice, New Mexico.

11.0 CLOSURE PLAN

JHHC will notify OCD one (1) month prior to cessation of operations at Facility. No new Waste will be accepted at the Facility after OCD is notified of closing and existing material will be remediated to the permit requirements. Six (6) months following cessation of disposal operations, JHHC will complete cleanup of constructed facilities and restoration will occur within the next six (6) months, unless an extension is granted by the OCD. The Facility will be seeded with natural grasses and allowed to return to its natural state. The estimate cost for Facility closure is $20,000.00.

12.0 FACILITY CHARACTERISTICS

The Facility is situated near the southern edge of the Eunice Plain physiographic province. The Eunice Plain is underlain by caliche referred to as "caprock" and is almost entirely covered by reddish-brown dune sand. In some places the underlying surface consists of alluvial sediments. The average annual precipitation is between 9 to 10 inches and no major drainages are located in close proximity to the Facility. The ground elevation ranges from about 3390 feet above mean sea level ("AMSL") near the northwest corner to about 3350 feet AMSL near the southeast corner and slopes gently to the southeast.

Soils beneath the Facility belong to the Pyote, Simona and Berino series. The surface layer is composed of light-brown fine sand and loamy fine sand and is about 12 inches thick. A subsoil of pale brown fine sandy loam underlies the surface layer and is underlain by substratum of white, platy to indurated caliche.

The Ogallala formation (Tertiary) is the upper geological stratum and consists of continental materials (clay, silt, sand, and gravel) derived from erosion of mountainous regions to the west and northwest. Caliche occurs as a secondary deposit in the upper part of the Ogallala formation in many places. An unconformity exists between the Ogallala formation and underlying Chinle formation (Triassic).

Three (3) monitoring wells (MW-1, MW-2 and MW-3) have been installed in the Ogallala formation beneath the Facility to assess ground water conditions. Ground water occurs from approximately 180 feet bgs near the southwest (up gradient) corner of the Facility at well MW-3 and decreases to approximately 140 feet bgs near he southeast (down gradient) corner of the Facility at well MW-1 and is controlled by the ground elevation.

On August 10, 2005, the elevation of the ground water surface ranged from 3212.41 feet AMSL at well MW-3 (up gradient) to 3207.98 feet AMSL at well MW-1 (down gradient) and ground water flow was from northwest to southeast at approximately 0.001 feet per foot. Figure 5 presents a depth-to-ground water map. Figure 6 presents a ground water potentiometric map. Table 1 presents well drilling and completion details. Appendix B presents well logs.

On August 8, 2005, ground water samples were collected from monitoring wells MW-1, MW-2 and MW-3 and analyzed for BTEX, dissolved RCRA metals (arsenic, cadmium, chromium, lead, mercury, selenium, silver), anions (carbonate, sulfate, chloride), cations (calcium, magnesium, potassium, sodium) and total dissolved solids ("TDS"). No BTEX was reported in the samples. Chloride

ranged from 360 milligrams per liter ("mg/L") in sample MW-2 to 511 mg/L in sample MW-1 and exceeded the New Mexico Water Quality Control Commission ("WQCC") standard of 250 mg/L for domestic water. TDS ranged from 1,610 mg/L in sample MW-2 to 2,390 mg/L in sample MW-3, and exceeded the WQCC domestic water quality standard of 1000 mg/L. JHHC proposes to install two (2) additional wells up gradient (northwest) and down gradient (southeast) of Cell #1 and Cell #2 upon approval of this modification request. OCD does not require ground water monitoring at surface waste management facilities, however JHHC will monitor ground water for constituents and frequency specified by OCD. Table 2 presents a summary of the BTEX analysis. Table 3 presents a summary of the anion, cation and TDS analysis. Table 4 presents a summary of the dissolved metals analysis. Appendix C presents the laboratory report.

Records from the New Mexico State Engineer indicate that the nearest water well is located in unit A (NE/4, NE/4), Section 15, Township 24 South and Range 36 East. Figure 2 presents locations of water wells within 1-mile of the Facility.

13.0 PROOF OF NOTICE

JHHC has sent notices to landowners within 1-mile of the Facility, as well as the commissioners of Lea County, New Mexico, as required by OCD Rule 711B (2). The notifications were sent via certified mail with return receipt requested. A publication will occur in the Hobbs News Sun, a local newspaper of sufficient circulation in Lea County, New Mexico, on November 26, 2005 or November 27, 2005. An affidavit of publication will be submitted to OCD upon receipt from the publisher. Appendix D presents copies of the notification letters. Appendix E presents the public notice.

14.0 H_2S CONTINGENCY PLAN

A H_2S contingency plan is not applicable to this Facility since H_2S will not be generated.

15.0 ADDITIONAL INFORMATION

JHHC issued financial assurance to OCD in the amount of $25,000.00 upon approval of permit NM-02-0021.

TABLES

Table 1

Summary of Monitoring Well Drilling and Completion Details

John H. Hendrix Corporation, Centralized Surface Waste Management Facility

W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East

Lea County, New Mexico

Well Number	Date Drilled	Depth Drilled (Feet BGS)	Well Diameter (Inches)	Top-of-Casing Elevation (Feet AMSL)	Ground Elevation (Feet AMSL)	Casing Stickup (Feet)	Screen Interval (Feet BGS)	Water Level (Feet BGS)	Groundwater Elevation 08/10/05 (Feet AMSL)
MW-1	07/01/05	165	2	3,356.46	3,354.20	2.26	44.41 - 164.4	146.22	3,207.98
MW-2	07/01/05	160	2	3,357.29	3,355.45	1.84	38.00 - 159.4	146.71	3,208.74
MW-3	07/01/05	190	2	3,391.74	3,390.22	1.52	68.00 - 190.0	177.81	3,212.41

Notes: Wells constructed with 2-inch Schedule 40 threaded PVC casing and 0.010-inch factory-slotted screen.

1. BGS: Depth in feet below ground surface
2. AMSL: Elevation in feet above mean sea level

Table 2

Summary of BTEX Analysis of Groundwater Samples from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well Number	Sample Date	Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Total Xylene (mg/L)	BTEX (mg/L)
NMWQCC Standard:		**0.01**	**0.75**	**0.75**	**0.62**	
MW-1	08/30/05	<0.001	<0.001	<0.001	<0.001	<0.005
MW-2	08/30/05	<0.001	<0.001	<0.001	<0.001	<0.005
MW-3	08/30/05	<0.001	<0.001	<0.001	<0.001	<0.005

Notes: Analysis performed by Environmental Lab of Texas, inc., Odessa, Texas, using method SW-846-8021B.

1. mg/L: Milligrams per liter
2. <: Less than method detection limit

Table 3
Summary of General Chemistry Analysis of Groundwater Samples from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4, W/s SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well Number	Sample Date	Calcium (mg/L)	Potassium (mg/L)	Magnesium (mg/L)	Sodium (mg/L)	Carbonate Alkalinity (mg/L)	Bicarbonate Alkalinity (mg/L)	Hydroxide Alkalinity (mg/L)	Chloride (mg/L)	Sulfate (mg/L)	TDS (mg/L)
NMWQCC Standard:		--	--	--	--	--	--	--	**250**	**600**	**1,000**
MW-1	08/30/05	260	8.30	80.2	329	<0.1	186	<0.1	511	486	1,970
MW-2	08/30/05	185	6.48	49.2	330	<0.1	202	<0.1	360	457	1,610
MW-3	08/30/05	279	7.62	82.1	407	<0.1	210	<0.1	508	650	2,390

Notes: All analysis performed by Environmental Lab of Texas, Inc., Odessa, Texas.

1. mg/L: Milligrams per liter
2. <: Less than method detection limit
3. --: No standard

Table 4
Summary of Dissolved Metals Analysis of Groundwater Samples from Monitoring Wells
John H. Hendrix Corporation, Centralized Surface Waste Management Facility
W/2 NW/4, W/s SW/4, Section 15, Township 24 South, Range 36 East
Lea County, New Mexico

Well	Sample Date	Arsenic (mg/L)	Barium (mg/L)	Cadmium (mg/L)	Chromium (mg/L)	Lead (mg/L)	Mercury (mg/L)	Silver (mg/L)	Selenium (mg/L)
NMWQCC Standard:		**0.1**	**1.0**	**0.01**	**0.05**	**0.05**	**0.002**	**0.05**	**0.05**
MW-1	08/30/05	<0.008	0.07	<0.001	<0.005	0.0052	<0.001	<0.005	0.0133
MW-2	08/30/05	0.0076	0.125	0.0018	0.0016	0.0103	<0.001	<0.005	<0.004
MW-3	08/30/05	<0.008	0.111	<0.001	<0.005	<0.011	<0.001	<0.005	0.0198

Notes: All analysis performed by Environmental Lab of Texas, Inc., Odessa, Texas.

1. mg/L: Milligrams per liter
2. <: Less than method detection limit
3. --: No standard

FIGURES

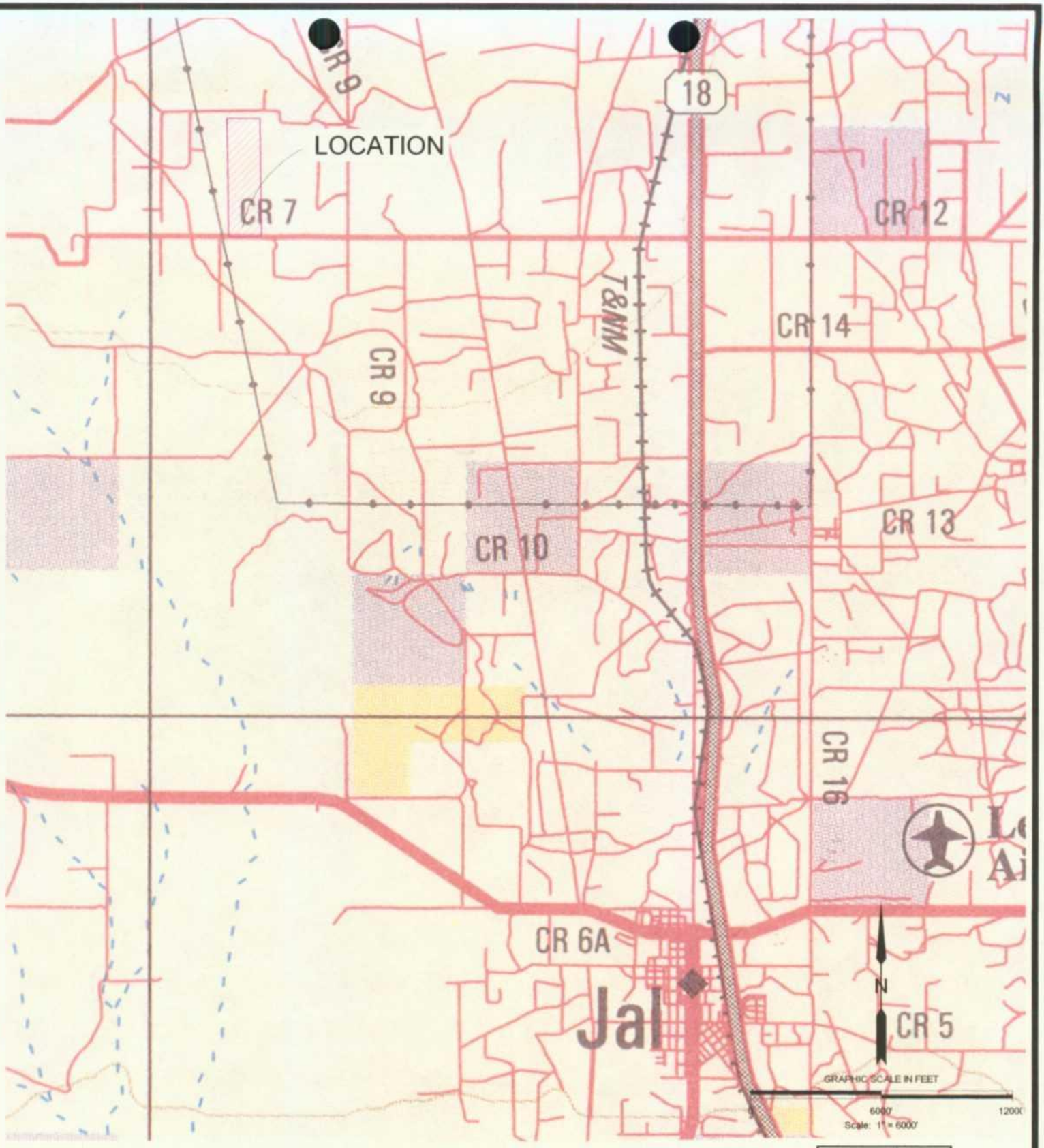


FIGURE # 1

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

W/2, W/2, SECTION 15, T-24-S, R-36-E

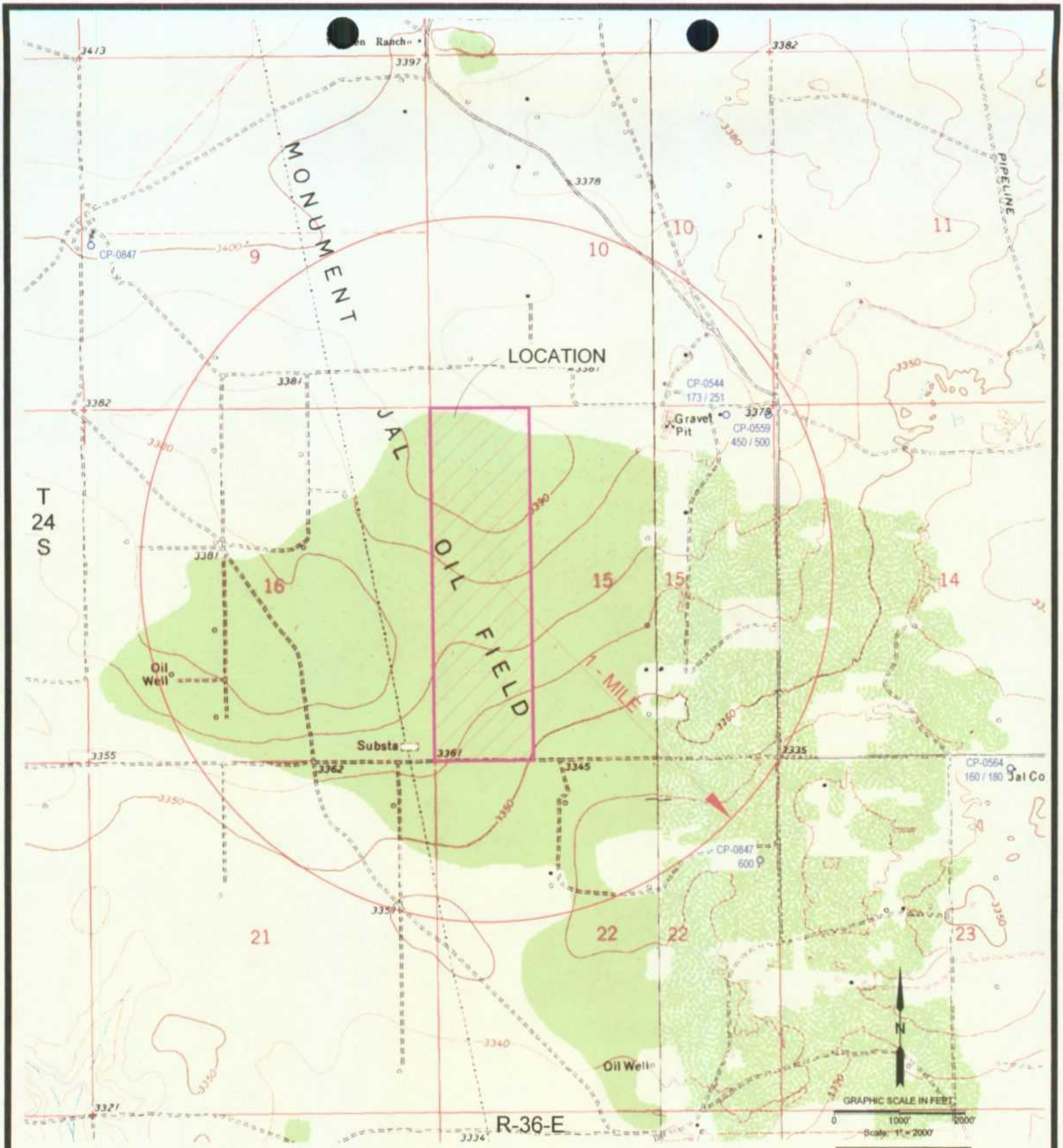
GENERAL LOCATION MAP

DATE: 11-08-05

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants



LEGEND

- WATER WELL LOCATION
- 160 / 180 — DEPTH TO GROUND (UPPER NUMBER) WELL DEPTH (LOWER NUMBER)
- CP-0564 — NEW MEXICO STATE ENGINEER PERMIT NUMBER

FIGURE # 2

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

W/2, W/2, SECTION 15, T-24-S, R-36-E

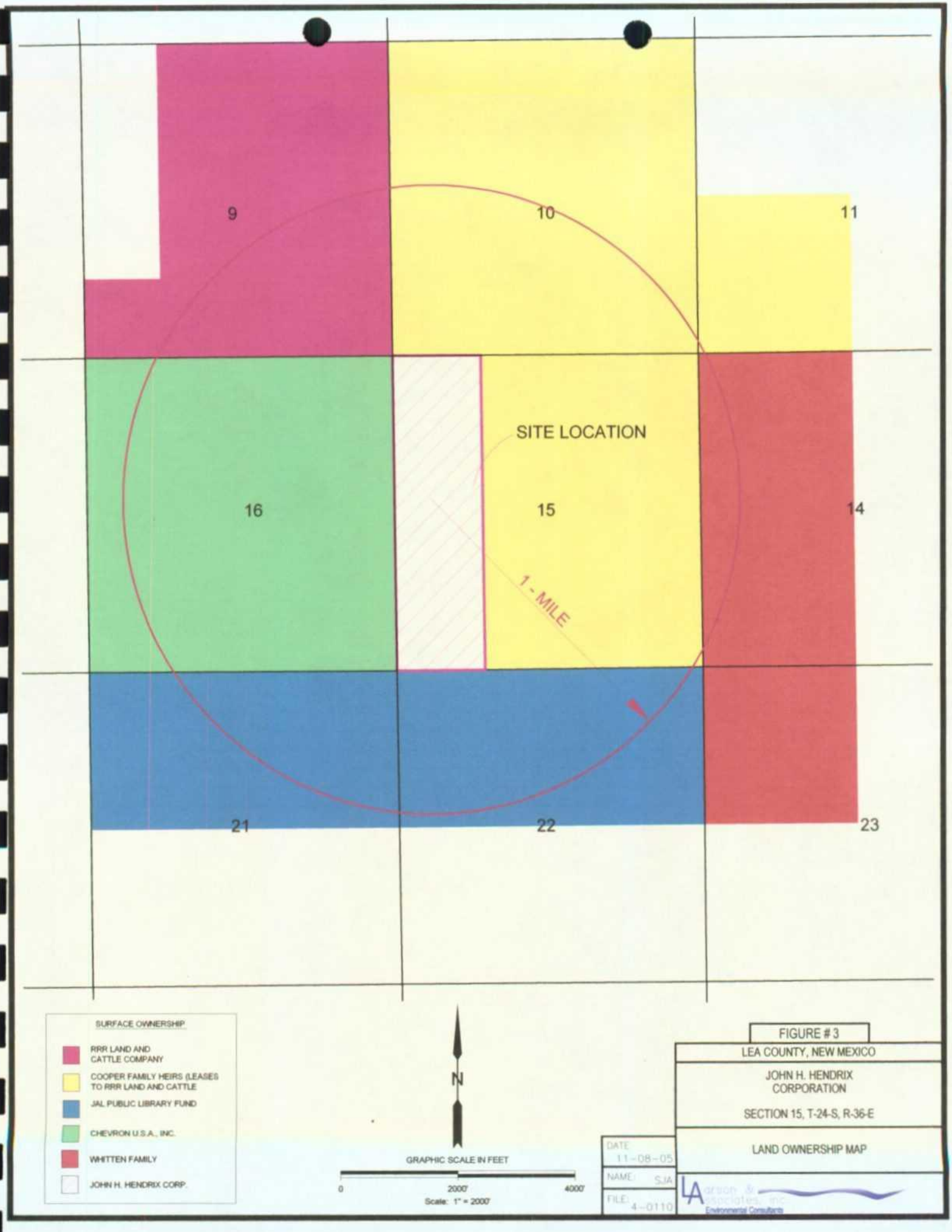
TOPOGRAPHICAL MAP

DATE: 11-08-05

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants


9
10
11
SITE LOCATION
16
15
14
1 - MILE
21
22
23
SURFACE OWNERSHIP
RRR LAND AND CATTLE COMPANY
COOPER FAMILY HEIRS (LEASES TO RRR LAND AND CATTLE
JAL PUBLIC LIBRARY FUND
CHEVRON U.S.A., INC.
WHITTEN FAMILY
JOHN H. HENDRIX CORP.
N
GRAPHIC SCALE IN FEET
0
2000'
4000'
Scale: 1" = 2000'
FIGURE # 3
LEA COUNTY, NEW MEXICO
JOHN H. HENDRIX CORPORATION
SECTION 15, T-24-S, R-36-E
LAND OWNERSHIP MAP
DATE: 11-08-05
NAME: SJA
FILE: 4-0110
Larson & Associates, Inc.
Environmental Consultants

9

10

BUFFER ZONE

PROPOSED CHLORIDE CELL
(400' x 1450')

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3356.46	3354.20
MW-2	3357.29	3355.45
MW-3	3391.74	3390.22

PL

MW - 3

PIPELINE BUFFER ZONE

1

2

3

4

5

6

7

8

9

10

11

12

SID RICHARDSON PIPELINE (OUT OF SERVICE)

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

LEGEND

MW-1 ⊙ - MONITORING WELL LOCATION (EXISTING)

■ - PROPOSED MONITORING WELL

ACCESS ROAD

MW - 1

ACCESS ROAD

MW - 2

100'

PARKING AND EQUIPMENT STAGING AREA

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

21

JAL - COOPER CEMETERY ROAD

GATE

22

FIGURE # 4

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

FACILITY DRAWING

DATE 11-21-05

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

9

10

185

BUFFER ZONE

180

PROPOSED CHLORIDE CELL
(400' x 1450')

1

PL

MW - 3
177.81

175

2

PL

PL

PL

PL

PIPELINE BUFFER
ZONE

3

SID RICHARDSON
PIPELINE (OUT
OF SERVICE)

170

4

5

24" EARTHEN BERM

165

6

24" EARTHEN BERM

FENCE

16

15

7

160

8

9

ACCESS ROAD

155

10

MW - 1
146.22

11

150

12

ACCESS ROAD

146.71
MW - 2

100'

PARKING AND EQUIPMENT
STAGING AREA

21

JAL - COOPER CEMETERY ROAD

GATE

22

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3356.46	3354.20
MW-2	3357.29	3355.45
MW-3	3391.74	3390.22

LEGEND

MW - 1 ⊙ 146.22 - MONITORING WELL LOCATION (EXISTING)

■ - PROPOSED MONITORING WELL

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

FIGURE # 5

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX
CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

DEPTH TO GROUNDWATER MAP
AUGUST 10, 2005

DATE 11-21-05

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

9

10

BUFFER ZONE

PROPOSED CHLORIDE CELL
(400' x 1450')

MONITORING WELL DATA

WELL NUMBER	TOP OF CASING ELEVATION (FEET) AMSL	GROUND ELEVATION (FEET AMSL)
MW-1	3356.46	3354.20
MW-2	3357.29	3355.45
MW-3	3391.74	3390.22

PL

MW - 3
3,212.41

PIPELINE BUFFER ZONE

3,212.0

3,211.5

3,211.0

3,210.5

3,210.0

3,209.5

3,209.0

3,208.5

3,208.0

1

2

3

4

5

6

7

8

9

10

11

12

SID RICHARDSON PIPELINE (OUT OF SERVICE)

24" EARTHEN BERM

24" EARTHEN BERM

FENCE

16

15

LEGEND

MW - 1 ⊙ - MONITORING WELL LOCATION
3,207.98 (EXISTING)

■ - PROPOSED MONITORING WELL

ACCESS ROAD

MW - 1
3,207.98

3,208.74
MW - 2

ACCESS ROAD

100'

PARKING AND EQUIPMENT STAGING AREA

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

JAL - COOPER CEMETERY ROAD

GATE

21

22

FIGURE # 6

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

CENTRALIZED LANDFARM
SW/4, SECTION 15, T-24-S, R-36-E

GROUNDWATER POTENTIOMETRIC SURFACE MAP
AUGUST 10, 2005

DATE 11-21-05

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

APPENDICES

APPENDIX A

Form C-137

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-137
Revised June 10, 2003

Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

☐ Commercial ☒ Centralized

1. Type: ☐ Evaporation ☐ Injection ☐ Other
   ☒ Solids/Landfarm ☐ Treating Plant

2. Operator: John H. Hendrix Corporation
   Address: 110 N. Marienfeld St., Ste. 400 Midland, TX
   Contact Person: Ronnie Westbrook Phone: (432) 684-6631

3. Location: W/2 SW /4 W/2 NW /4 Section 15 Township 24 Range 36
   Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? ☒ Yes ☐ No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

8. Attach a contingency plan for reporting and clean-up for spills or releases.

9. Attach a routine inspection and maintenance plan to ensure permit compliance.

10. Attach a closure plan.

11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H_2S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION
    I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Mark J. Larson Title: Agent

Signature: Date: November 9, 2005

E-mail Address: Mark@LAEnvironmental.com

APPENDIX B

Geologic Logs and Well Completion Records

Client: John H. Hendrix Corporation

Project: Centralized Landfarm

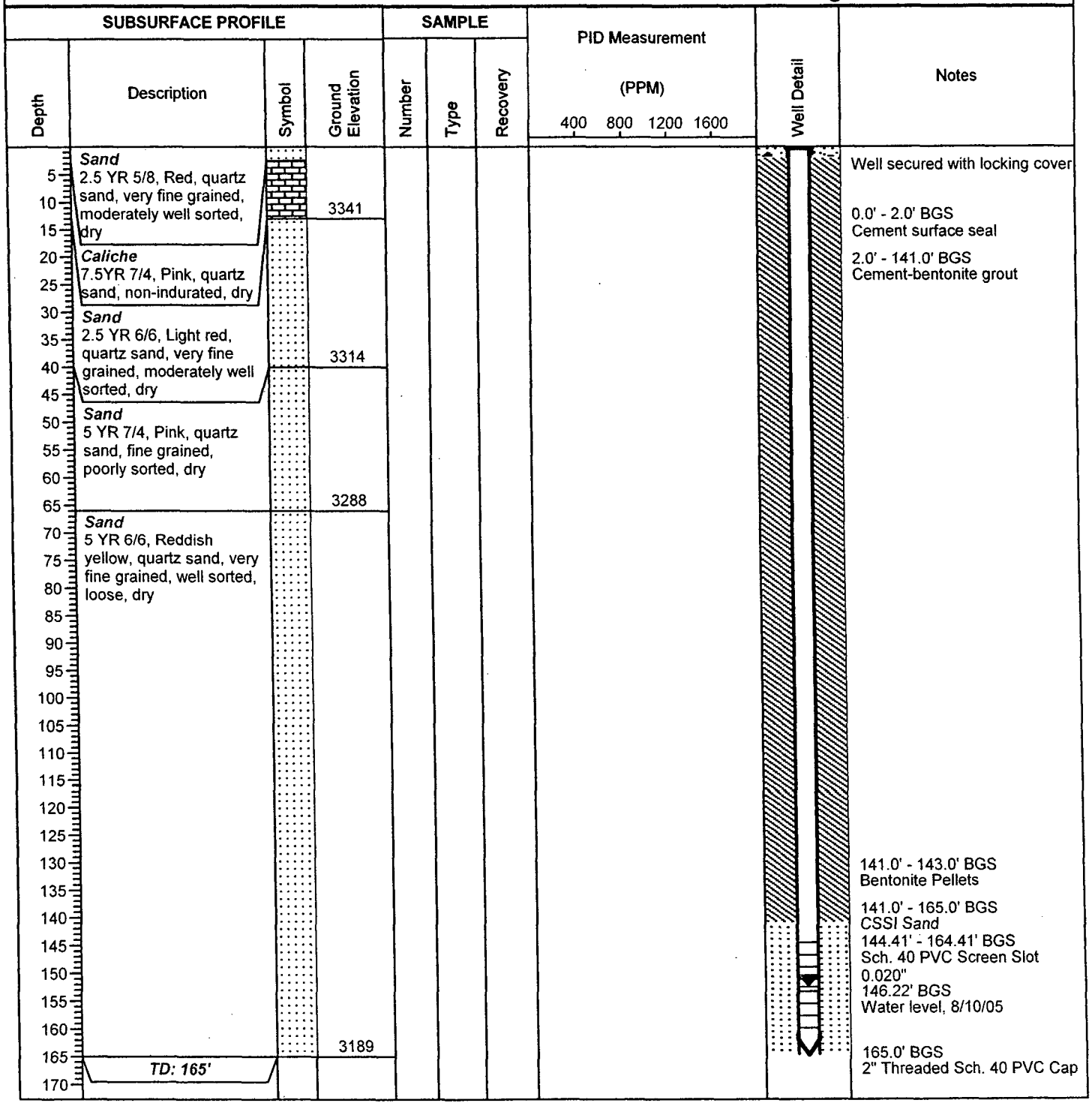
Project No.: 4-0110

Location: Lea County, New Mexico

Log: MW - 1

Geologist: C. Crain

Page: 1 of 1



Drilled By: Scarborough Drilling

Drill Method: Water Rotary

Drill Date: 7/01/05

Hole Diameter:

Larson and Associates Inc.
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Well Size: 2"

TOC Elevation: 3,356.46

Checked By: CC

Client: John H. Hendrix Corporation

Project: Centrailized Landfarm

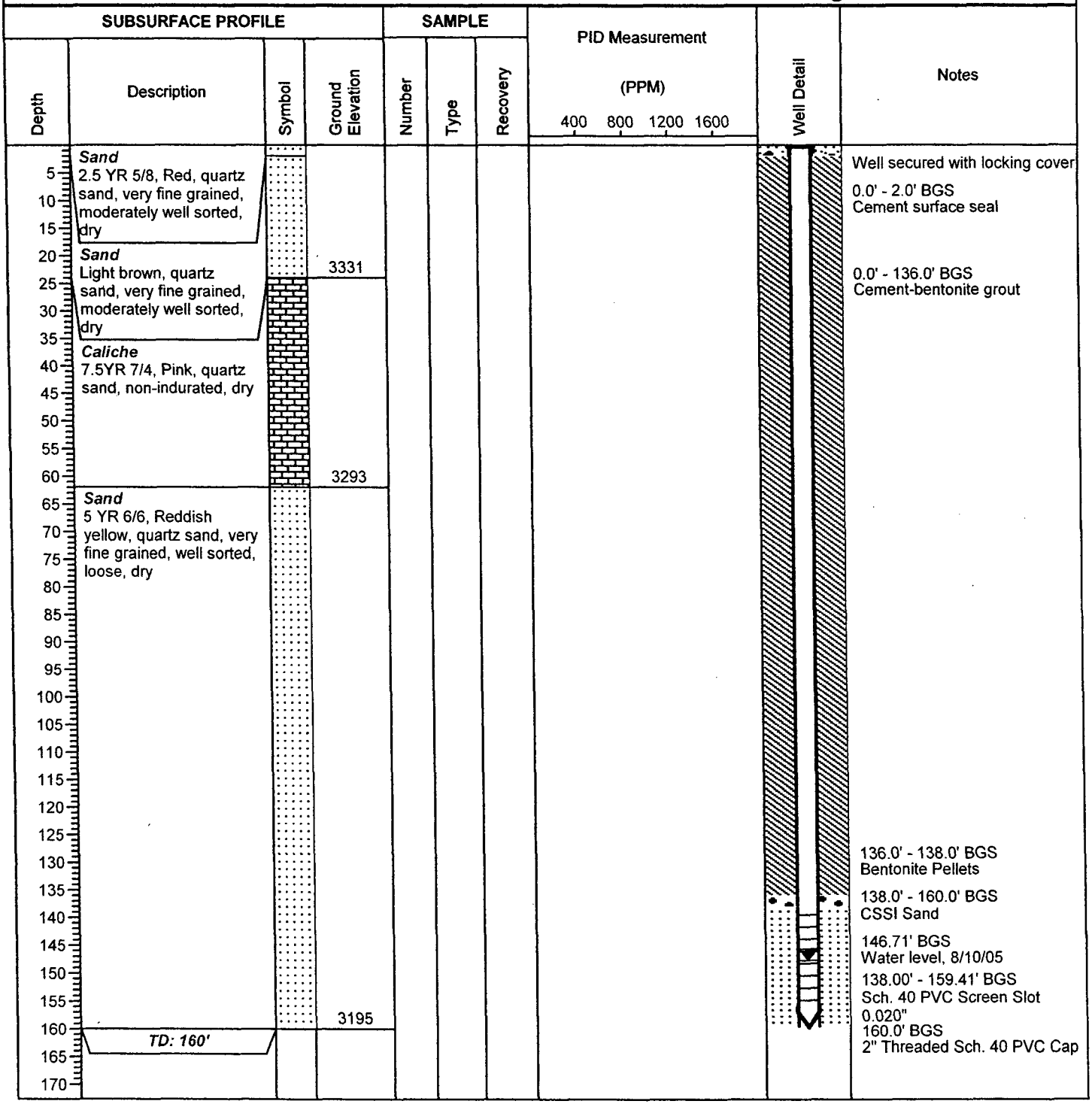
Project No.: 4-0110

Location: Lea County, New Mexico

Log: MW - 2

Geologist: C. Crain

Page: 1 of 1



Drilled By: Scarborough Drilling

Drill Method: Water Rotary

Drill Date: 7/01/05

Hole Diameter:

Larson and Associates Inc.
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Well Size: 2"

TOC Elevation: 3,357.29

Checked By: CC

Client: John H. Hendrix Corporation

Project: Centralized Landfarm

Project No.: 4-0110

Location: Lea County, New Mexico

Log: MW - 3

Geologist: C. Crain

Page: 1 of 1

SUBSURFACE PROFILE				SAMPLE			PID Measurement (PPM) 400 800 1200 1600	Well Detail	Notes
Depth	Description	Symbol	Ground Elevation	Number	Type	Recovery			
5–25	***Sand*** 2.5 YR 5/8, Red, quartz sand, very fine grained, moderately well sorted, dry		3363						Well secured with locking cover 0.0' - 2.0' BGS Cement surface seal
30–45	***Sand*** Light brown, quartz sand, very fine grained, moderately well sorted, dry		3358 3342						2.0' - 166.0' BGS Cement-bentonite grout
50–60	***Caliche*** 7.5YR 7/4, Pink, quartz sand, non-indurated, dry								
65–190	***Sand*** 5 YR 6/6, Reddish yellow, quartz sand, very fine grained, well sorted, loose, dry								166.0' - 168.0' BGS Bentonite Pellets 169.41' - 189.41' BGS Sch. 40 PVC Screen Slot 0.020" 168.0' - 190.0' BGS CSSI Sand 179.9' BGS Water level, 7/01/05 190.0' BGS 2" Threaded Sch. 40 PVC Cap
190	***TD: 190'***		3200						
195–200									

Drilled By: Scarborough Drilling

Drill Method: Water Rotary

Drill Date: 7/01/05

Hole Diameter:

Larson and Associates Inc.
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Well Size: 2"

TOC Elevation: 3,391.74

Checked By: CC

APPENDIX C

Laboratory Report

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Mark Larson

Larson & Associates, Inc.

P.O. Box 50685

Midland, TX 79710

Project: John Hendrix/ Land Farm

Project Number: 0-0114

Location: None Given

Lab Order Number: 5H30015

Report Date: 09/09/05

Larson & Associates, Inc.	Project: John Hendrix/ Land Farm	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 0-0114	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	09/09/05 14:53

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
MW1	5H30015-01	Water	08/30/05 10:30	08/30/05 13:00
MW2	5H30015-02	Water	08/30/05 11:40	08/30/05 13:00
MW3	5H30015-03	Water	08/30/05 12:50	08/30/05 13:00

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW1 (5H30015-01) Water									
Benzene	ND	0.00100	mg/L	1	EI50105	09/01/05	09/01/05	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*85.9 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*84.7 %*	*80-120*		"	"	"	"	
MW2 (5H30015-02) Water									
Benzene	ND	0.00100	mg/L	1	EI50105	09/01/05	09/01/05	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*91.6 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*93.8 %*	*80-120*		"	"	"	"	
MW3 (5H30015-03) Water									
Benzene	ND	0.00100	mg/L	1	EI50105	09/01/05	09/01/05	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*90.0 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*91.3 %*	*80-120*		"	"	"	"	

Larson & Associates, Inc.	Project: John Hendrix/ Land Farm	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 0-0114	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	09/09/05 14:53

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW1 (5H30015-01) Water									
Carbonate Alkalinity	ND	0.100	mg/L	1	EI50101	08/31/05	08/31/05	EPA 310.2M	
Bicarbonate Alkalinity	**186**	2.00	"	"	"	"	"	"	
Hydroxide Alkalinity	ND	0.100	"	"	"	"	"	"	
Chloride	**511**	10.0	"	20	EH53109	08/31/05	08/31/05	EPA 300.0	
Total Dissolved Solids	**1970**	5.00	"	1	EI50208	08/31/05	08/31/05	EPA 160.1	
Sulfate	**486**	10.0	"	20	EH53109	08/31/05	08/31/05	EPA 300.0	
MW2 (5H30015-02) Water									
Carbonate Alkalinity	ND	0.100	mg/L	1	EI50101	08/31/05	08/31/05	EPA 310.2M	
Bicarbonate Alkalinity	**202**	2.00	"	"	"	"	"	"	
Hydroxide Alkalinity	ND	0.100	"	"	"	"	"	"	
Chloride	**360**	10.0	"	20	EH53109	08/31/05	08/31/05	EPA 300.0	
Total Dissolved Solids	**1610**	5.00	"	1	EI50208	08/31/05	08/31/05	EPA 160.1	
Sulfate	**457**	10.0	"	20	EH53109	08/31/05	08/31/05	EPA 300.0	
MW3 (5H30015-03) Water									
Carbonate Alkalinity	ND	0.100	mg/L	1	EI50101	08/31/05	08/31/05	EPA 310.2M	
Bicarbonate Alkalinity	**210**	2.00	"	"	"	"	"	"	
Hydroxide Alkalinity	ND	0.100	"	"	"	"	"	"	
Chloride	**508**	12.5	"	25	EH53109	08/31/05	08/31/05	EPA 300.0	
Total Dissolved Solids	**2390**	5.00	"	1	EI50208	08/31/05	08/31/05	EPA 160.1	
Sulfate	**650**	12.5	"	25	EH53109	08/31/05	08/31/05	EPA 300.0	

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Total Metals by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW1 (5H30015-01) Water									
Silver	ND	0.00500	mg/L	1	EI50903	08/31/05	09/09/05	EPA 6010B	
Arsenic	ND	0.00800	"	"	"	"	"	"	
Barium	**0.0700**	0.00100	"	"	"	"	"	6010B	
Calcium	**260**	0.500	"	50	EI50708	09/06/05	09/06/05	EPA 6010B	
Magnesium	**80.2**	0.0500	"	"	"	"	"	"	
Potassium	**8.30**	0.500	"	10	"	"	"	"	
Sodium	**329**	0.500	"	50	"	"	"	"	
Cadmium	**ND**	0.00100	"	1	EI50903	08/31/05	09/09/05	"	
Chromium	ND	0.00500	"	"	"	"	"	"	
Mercury	ND	0.00100	"	2	EI50305	08/31/05	09/01/05	EPA 7470A	
Lead	**J [0.00520]**	0.0110	"	1	EI50903	08/31/05	09/09/05	EPA 6010B	J
Selenium	**0.0133**	0.00400	"	"	"	"	"	"	
MW2 (5H30015-02) Water									
Silver	ND	0.00500	mg/L	1	EI50903	08/31/05	09/09/05	EPA 6010B	
Arsenic	**J [0.00760]**	0.00800	"	"	"	"	"	"	J
Barium	**0.125**	0.00100	"	"	"	"	"	6010B	
Calcium	**185**	0.500	"	50	EI50708	09/06/05	09/06/05	EPA 6010B	
Magnesium	**49.2**	0.0100	"	10	"	"	"	"	
Potassium	**6.48**	0.500	"	"	"	"	"	"	
Sodium	**330**	0.500	"	50	"	"	"	"	
Cadmium	**0.00180**	0.00100	"	1	EI50903	08/31/05	09/09/05	"	
Chromium	**0.00160**	0.00500	"	"	"	"	"	"	J
Mercury	ND	0.00100	"	2	EI50305	08/31/05	09/01/05	EPA 7470A	
Lead	**J [0.0103]**	0.0110	"	1	EI50903	08/31/05	09/09/05	EPA 6010B	J
Selenium	**ND**	0.00400	"	"	"	"	"	"	
MW3 (5H30015-03) Water									
Silver	ND	0.00500	mg/L	1	EI50903	08/31/05	09/09/05	EPA 6010B	
Arsenic	**ND**	0.00800	"	"	"	"	"	"	
Barium	**0.111**	0.00100	"	"	"	"	"	6010B	
Calcium	**279**	0.500	"	50	EI50708	09/06/05	09/06/05	EPA 6010B	
Magnesium	**82.1**	0.0500	"	"	"	"	"	"	
Potassium	**7.62**	0.500	"	10	"	"	"	"	
Sodium	**407**	2.00	"	200	"	"	"	"	
Cadmium	ND	0.00100	"	1	EI50903	08/31/05	09/09/05	"	
Chromium	ND	0.00500	"	"	"	"	"	"	
Mercury	ND	0.00100	"	2	EI50305	08/31/05	09/01/05	EPA 7470A	

Larson & Associates, Inc.	Project: John Hendrix/ Land Farm	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 0-0114	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	09/09/05 14:53

Total Metals by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW3 (5H30015-03) Water									
Lead	ND	0.0110	mg/L	1	EI50903	08/31/05	09/09/05	EPA 6010B	
Selenium	**0.0198**	0.00400	"	"	"	"	"	"	

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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 EI50105 - EPA 5030C (GC)										
Blank (EI50105-BLK1)				Prepared & Analyzed: 09/01/05						
Benzene	ND	0.00100	mg/L							
Toluene	ND	0.00100	"							
Ethylbenzene	ND	0.00100	"							
Xylene (p/m)	ND	0.00100	"							
Xylene (o)	ND	0.00100	"							
Surrogate: a,a,a-Trifluorotoluene	*92.2*		*ug/l*	*100*		*92.2*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*81.2*		*"*	*100*		*81.2*	*80-120*			
LCS (EI50105-BS1)				Prepared & Analyzed: 09/01/05						
Benzene	80.9		ug/l	100		80.9	80-120			
Toluene	82.0		"	100		82.0	80-120			
Ethylbenzene	94.1		"	100		94.1	80-120			
Xylene (p/m)	185		"	200		92.5	80-120			
Xylene (o)	97.3		"	100		97.3	80-120			
Surrogate: a,a,a-Trifluorotoluene	*101*		*"*	*100*		*101*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*104*		*"*	*100*		*104*	*80-120*			
Calibration Check (EI50105-CCV1)				Prepared & Analyzed: 09/01/05						
Benzene	84.5		ug/l	100		84.5	80-120			
Toluene	82.2		"	100		82.2	80-120			
Ethylbenzene	89.0		"	100		89.0	80-120			
Xylene (p/m)	176		"	200		88.0	80-120			
Xylene (o)	89.6		"	100		89.6	80-120			
Surrogate: a,a,a-Trifluorotoluene	*105*		*"*	*100*		*105*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*106*		*"*	*100*		*106*	*80-120*			
Matrix Spike (EI50105-MS1)	**Source: 5H30013-01**			Prepared: 09/01/05 Analyzed: 09/02/05						
Benzene	83.3		ug/l	100	ND	83.3	80-120			
Toluene	83.4		"	100	ND	83.4	80-120			
Ethylbenzene	95.5		"	100	ND	95.5	80-120			
Xylene (p/m)	187		"	200	ND	93.5	80-120			
Xylene (o)	97.7		"	100	ND	97.7	80-120			
Surrogate: a,a,a-Trifluorotoluene	*103*		*"*	*100*		*103*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*110*		*"*	*100*		*110*	*80-120*			

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 EI50105 - EPA 5030C (GC)										
Matrix Spike Dup (EI50105-MSD1)	**Source: 5H30013-01**			Prepared: 09/01/05 Analyzed: 09/02/05						
Benzene	82.3		ug/l	100	ND	82.3	80-120	1.21	20	
Toluene	84.0		"	100	ND	84.0	80-120	0.717	20	
Ethylbenzene	98.7		"	100	ND	98.7	80-120	3.30	20	
Xylene (p/m)	194		"	200	ND	97.0	80-120	3.67	20	
Xylene (o)	103		"	100	ND	103	80-120	5.28	20	
Surrogate: a,a,a-Trifluorotoluene	*100*		"	*100*		*100*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*112*		"	*100*		*112*	*80-120*			

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 EH53109 - General Preparation (WetChem)										
Blank (EH53109-BLK1)				Prepared & Analyzed: 08/31/05						
Chloride	ND	0.500	mg/L							
Sulfate	ND	0.500	"							
LCS (EH53109-BS1)				Prepared & Analyzed: 08/31/05						
Chloride	9.62		mg/L	10.0		96.2	80-120			
Sulfate	8.52		"	10.0		85.2	80-120			
Calibration Check (EH53109-CCV1)				Prepared & Analyzed: 08/31/05						
Chloride	9.02		mg/L	10.0		90.2	80-120			
Sulfate	8.42		"	10.0		84.2	80-120			
Duplicate (EH53109-DUP1)	**Source: 5H30012-01**			Prepared & Analyzed: 08/31/05						
Chloride	2330	25.0	mg/L		2380			2.12	20	
Sulfate	2120	25.0	"		2170			2.33	20	
Batch EI50101 - General Preparation (WetChem)										
Blank (EI50101-BLK1)				Prepared & Analyzed: 08/31/05						
Total Alkalinity	ND	2.00	mg/L							
Duplicate (EI50101-DUP1)	**Source: 5H30013-01**			Prepared & Analyzed: 08/31/05						
Carbonate Alkalinity	0.00	0.100	mg/L		0.00				20	
Bicarbonate Alkalinity	249	2.00	"		248			0.402	20	
Hydroxide Alkalinity	0.00	0.100	"		0.00				20	
Reference (EI50101-SRM1)				Prepared & Analyzed: 08/31/05						
Bicarbonate Alkalinity	230		mg/L	200		115	80-120			

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 EI50208 - General Preparation (WetChem)										
Blank (EI50208-BLK1)				Prepared & Analyzed: 08/31/05						
Total Dissolved Solids	ND	5.00	mg/L							
Duplicate (EI50208-DUP1)		**Source: 5H30012-01**		Prepared & Analyzed: 08/31/05						
Total Dissolved Solids	3870	5.00	mg/L		3830			1.04	5	

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Total Metals 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 EI50305 - EPA 7470A										
Blank (EI50305-BLK1)				Prepared: 08/31/05 Analyzed: 09/01/05						
Mercury	ND	0.00100	mg/L							
LCS (EI50305-BS1)				Prepared: 08/31/05 Analyzed: 09/01/05						
Mercury	0.00100	0.000500	mg/L	0.00100		100	85-115			
Calibration Check (EI50305-CCV1)				Prepared: 08/31/05 Analyzed: 09/01/05						
Mercury	0.00109		mg/L	0.00100		109	90-110			
Matrix Spike (EI50305-MS1)		**Source: 5H30015-01**		Prepared: 08/31/05 Analyzed: 09/01/05						
Mercury	0.000990	0.000500	mg/L	0.00100	ND	99.0	75-125			
Matrix Spike Dup (EI50305-MSD1)		**Source: 5H30015-01**		Prepared: 08/31/05 Analyzed: 09/01/05						
Mercury	0.00110	0.000500	mg/L	0.00100	ND	110	75-125	10.5	20	
Batch EI50708 - 6010B/No Digestion										
Blank (EI50708-BLK1)				Prepared & Analyzed: 09/06/05						
Calcium	ND	0.0100	mg/L							
Magnesium	ND	0.00100	"							
Potassium	ND	0.0500	"							
Sodium	ND	0.0100	"							
Calibration Check (EI50708-CCV1)				Prepared & Analyzed: 09/06/05						
Calcium	2.14		mg/L	2.00		107	85-115			
Magnesium	2.19		"	2.00		110	85-115			
Potassium	1.77		"	2.00		88.5	85-115			
Sodium	1.86		"	2.00		93.0	85-115			

Total Metals 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 EI50708 - 6010B/No Digestion										
Duplicate (EI50708-DUP1)	**Source: 5H18012-01**			Prepared & Analyzed: 09/06/05						
Calcium	19.4	0.100	mg/L		19.8			2.04	20	
Magnesium	22.1	0.0100	"		23.2			4.86	20	
Potassium	22.4	0.500	"		23.3			3.94	20	
Sodium	51.3	0.100	"		51.0			0.587	20	
Batch EI50903 - EPA 3005A										
Blank (EI50903-BLK1)				Prepared & Analyzed: 09/09/05						
Silver	ND	0.00500	mg/L							
Lead	ND	0.0110	"							
Chromium	ND	0.00500	"							
Arsenic	ND	0.00800	"							
Cadmium	ND	0.00100	"							
Selenium	ND	0.00400	"							
Barium	ND	0.00100	"							
LCS (EI50903-BS1)				Prepared & Analyzed: 09/09/05						
Barium	0.216	0.00100	mg/L	0.200		108	85-115			
Selenium	0.410	0.00400	"	0.400		102	85-115			
Arsenic	0.784	0.00800	"	0.800		98.0	85-115			
Cadmium	0.214	0.00100	"	0.200		107	85-115			
Chromium	0.208	0.00500	"	0.200		104	85-115			
Lead	1.11	0.0110	"	1.10		101	85-115			
Silver	0.0903	0.00500	"	0.100		90.3	85-115			
LCS Dup (EI50903-BSD1)				Prepared & Analyzed: 09/09/05						
Cadmium	0.214	0.00100	mg/L	0.200		107	85-115	0.00	20	
Selenium	0.430	0.00400	"	0.400		108	85-115	4.76	20	
Arsenic	0.792	0.00800	"	0.800		99.0	85-115	1.02	20	
Chromium	0.210	0.00500	"	0.200		105	85-115	0.957	20	
Silver	0.101	0.00500	"	0.100		101	85-115	11.2	20	
Lead	1.09	0.0110	"	1.10		99.1	85-115	1.82	20	
Barium	0.213	0.00100	"	0.200		106	85-115	1.40	20	

Total Metals 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 EI50903 - EPA 3005A										
Calibration Check (EI50903-CCV1)				Prepared & Analyzed: 09/09/05						
Chromium	1.09		mg/L	1.00		109	90-110			
Cadmium	1.04		"	1.00		104	90-110			
Barium	1.05		"	1.00		105	90-110			
Silver	0.458		"	0.500		91.6	90-110			
Arsenic	0.928		"	1.00		92.8	90-110			
Lead	1.02		"	1.00		102	90-110			
Selenium	1.04		"	1.00		104	90-110			
Matrix Spike (EI50903-MS1)		**Source: 5H18012-01**		Prepared & Analyzed: 09/09/05						
Selenium	1.64	0.00400	mg/L	0.400	1.17	118	75-125			
Lead	1.26	0.0110	"	1.10	0.108	105	75-125			
Cadmium	0.238	0.00100	"	0.200	0.0278	105	75-125			
Barium	0.850	0.00100	"	0.200	0.626	112	75-125			
Arsenic	1.34	0.00800	"	0.800	0.338	125	75-125			
Chromium	0.471	0.00500	"	0.200	0.247	112	75-125			
Matrix Spike (EI50903-MS3)		**Source: 5I06002-01**		Prepared & Analyzed: 09/09/05						
Silver	0.0981	0.00500	mg/L	0.100	ND	98.1	75-125			
Matrix Spike Dup (EI50903-MSD1)		**Source: 5H18012-01**		Prepared & Analyzed: 09/09/05						
Chromium	0.472	0.00500	mg/L	0.200	0.247	112	75-125	0.212	20	
Arsenic	1.34	0.00800	"	0.800	0.338	125	75-125	0.00	20	
Cadmium	0.246	0.00100	"	0.200	0.0278	109	75-125	3.31	20	
Lead	1.27	0.0110	"	1.10	0.108	106	75-125	0.791	20	
Selenium	1.62	0.00400	"	0.400	1.17	112	75-125	1.23	20	
Barium	0.872	0.00100	"	0.200	0.626	123	75-125	2.56	20	
Matrix Spike Dup (EI50903-MSD3)		**Source: 5I06002-01**		Prepared & Analyzed: 09/09/05						
Silver	0.0969	0.00500	mg/L	0.100	ND	96.9	75-125	1.23	20	

Notes and Definitions

J	Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).
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: Raland K Tuttle Date: 9-09-05

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer
Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

CHAIN—OF—CUSTODY RECORD

Larson & Associates, Inc.
Environmental Consultants
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CLIENT NAME:	SITE MANAGER:
John Hendrix Corp.	Mark Larson
PROJECT NO.:	PROJECT NAME:
0-0114	Landfarm
PAGE 1 OF 1	LAB. PO #

DATE	TIME	WATER	SOIL	OTHER	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	PARAMETERS/METHOD NUMBER: BTEX	RCRA 8 Metals	CATIONS	ANIONS	TDS	LAB. I.D. NUMBER (LAB USE ONLY)	REMARKS (I.E., FILTERED, UNFILTERED, PRESERVED, UNPRESERVED, GRAB COMPOSITE)
8/30	1030	✓			MW1	4	2	1	1	1	1	SH30015-01	
"	1140	"			MW2	"	"	"	"	"	"	-02	
"	1250	"			MW3	"	"	"	"	"	"	-03	

SAMPLED BY: (Signature) DATE: 8/30 TIME: 1300

RELINQUISHED BY: (Signature) DATE: 8/30 TIME: 1530

RECEIVED BY: (Signature) DATE: _____ TIME: _____

RELINQUISHED BY: (Signature) DATE: _____ TIME: _____

RECEIVED BY: (Signature) DATE: _____ TIME: _____

SAMPLE SHIPPED BY: (Circle)
FEDEX BUS AIRBILL #: _____
HAND DELIVERED UPS OTHER: _____

COMMENTS:

TURNAROUND TIME NEEDED

WHITE – RECEIVING LAB
YELLOW – RECEIVING LAB (TO BE RETURNED TO LA AFTER RECEIPT)
PINK – PROJECT MANAGER
GOLD – QA/QC COORDINATOR

RECEIVING LABORATORY: ETOT
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
CONTACT: _____ PHONE: _____

RECEIVED BY: (Signature)
DATE: 9/30/05 TIME: 13:00

SAMPLE CONDITION WHEN RECEIVED:
-0.5 labels (not frozen)

LA CONTACT PERSON:

SAMPLE TYPE:

Environmental Lab of Texas
Variance / Corrective Action Report – Sample Log-In

Client: Lawson

Date/Time: 8/30/05 13:00

Order #: 5t130015

Initials: CR

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	-0.5 C
Shipping container/cooler in good condition?	Yes	No	
Custody Seals intact on shipping container/cooler?	Yes	No	Not present
Custody Seals intact on sample bottles?	Yes	No	Not present
Chain of custody present?	Yes	No	
Sample Instructions complete on Chain of Custody?	Yes	No	
Chain of Custody signed when relinquished and received?	Yes	No	
Chain of custody agrees with sample label(s)	Yes	No	
Container labels legible and intact?	Yes	No	
Sample Matrix and properties same as on chain of custody?	Yes	No	
Samples in proper container/bottle?	Yes	No	
Samples properly preserved?	Yes	No	
Sample bottles intact?	Yes	No	
Preservations documented on Chain of Custody?	Yes	No	
Containers documented on Chain of Custody?	Yes	No	
Sufficient sample amount for indicated test?	Yes	No	
All samples received within sufficient hold time?	Yes	No	
VOC samples have zero headspace?	Yes	No	Not Applicable

Other observations:

_____

_____

_____

Variance Documentation:

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

Regarding:

_____

_____

_____

Corrective Action Taken:

_____

_____

_____

_____

_____

_____

_____

APPENDIX D

Notification Letters

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

November 8, 2005

Chevron USA Inc.
15 Smith Road
Midland, Texas 79705

ATT: Denice Beckham

Re: Notification of Application to Modify Centralized Surface Management Permit NM-02-0021, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Ms. Beckham:

John H. Hendrix Corporation is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has made an application with the State of New Mexico Oil Conservation Division ("OCD") to modify its permit (NM-02-0021) to operate a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,

John H. Hendrix Corporation

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

November 8, 2005

Cooper Family Estate
6202 South Bowie
Amarillo, Texas 79118

ATT: Bart Bishop

Re: Notification of Application to Modify Centralized Surface Management Permit NM-02-0021, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Bishop:

John H. Hendrix Corporation is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has made an application with the State of New Mexico Oil Conservation Division ("OCD") to modify its permit (NM-02-0021) to operate a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,

John H. Hendrix Corporation

Ronnie Westbrook

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

November 8, 2005

Jal Public Library Fund
P.O. Box 1166
Jal, New Mexico 88252

ATT: Trustees

Re: Notification of Application to Modify Centralized Surface Management Permit NM-02-0021, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Ladies and Gentlemen:

John H. Hendrix Corporation is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has made an application with the State of New Mexico Oil Conservation Division ("OCD") to modify its permit (NM-02-0021) to operate a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,

John H. Hendrix Corporation

Ronnie Westbrook

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

November 8, 2005

County Commissioners
County of Lea, New Mexico
100 North Main, Suite 4
Lovington, New Mexico 88260

ATT: Harry Teague, Chairman

Re: Notification of Application to Modify Centralized Surface Management Permit NM-02-0021, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Teague:

John H. Hendrix Corporation is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has made an application with the State of New Mexico Oil Conservation Division ("OCD") to modify its permit (NM-02-0021) to operate a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,

John H. Hendrix Corporation

Ronnie Westbrook

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

November 8, 2005

RRR Land and Cattle Company
2205 Bedford Drive
Midland, Texas 79118

ATT: T. Richard Crawford
Randall J. Crawford
Russell D. Crawford

Re: Notification of Application to Modify Centralized Surface Management Permit NM-02-0021, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has made an application with the State of New Mexico Oil Conservation Division ("OCD") to modify its permit (NM-02-0021) to operate a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,

John H. Hendrix Corporation

Ronnie Westbrook

Ronnie Westbrook
Vice President

cc: NMOCD

APPENDIX E

Public Notice

Larson & Associates, Inc.
Environmental Consultants

November 8, 2005

VIA FACSIMILE: (505) 397-0610

Hobbs News-Sun
Legal Department
201 N. Thorp
Hobbs, New Mexico 88240

ATT: Ms. Tonya Heiser

Re: Public Notice

Dear Tonya:

Please find attached public notice to be printed one time in the Hobbs News-Sun on Saturday, November 26, 2005 or Sunday, November 27, 2005. Please provide me with an affidavit of publication, and call me at (432) 687-0901 if you have questions.
Sincerely
Larson and Associates, Inc.

Mark J. Larson

Encl.

507 North Marienfeld, Suite 202 ◆ Midland, Texas 79701 ◆ Ph. (432) 687-0901 ◆ Fax (432) 687-0456

NOTICE

John H. Hendrix Corporation, located at 1310 18th Street, Eunice, New Mexico 88231 has submitted for approval an application to modify its permit (NM-02-0021) to operate a Rule 711 centralized landfarm facility located in the W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East N.M.P.M., Lea County, New Mexico. The permit modification is for treating non-hazardous soil contaminated by petroleum hydrocarbons from crude oil and salts from produced waters, which are exempt under Subtitle C of RCRA. The permit modification request addresses the construction, operation, spill/leak prevention and monitoring procedures to be incorporated at the Facility.

Any interested person may obtain further information from the State of New Mexico Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone 505-476-3440. The application may be viewed at the above address or at the Hobbs district office at 1625 N. French Drive, Hobbs, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed permit modification, the Director of the Oil and Gas Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and any interested person may request public hearing. Request for a public hearing shall set forth the reasons why a public hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

NM-2-021

JOHN HENDRIX LANDFARM

NM-2-021

HOLLAND&HART LLP

William F. Carr
wcarr@hollandhart.com
46980-0005

October 27, 2004

Mr. Roger Anderson
Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

2004 OCT 27 PM 3 22

Re: Centralized Surface Waste Management Facility Permit Application, John H. Hendrix Corp., W/2 NW/4, W/2 SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Roger:

I represent the John H. Hendrix Corporation in the above-referenced matter. Larson and Associates, Inc. has submitted the application.

Pleased find enclosed the Affidavit of Publication from the Hobbs News-Sun. This Affidavit should complete the application.

I respectfully request the Bureau copy me, together with Larson and Associates, on all documentation regarding the application. If I can be of assistance in expediting this matter, please feel free to call me.

Very truly yours,

William F. Carr
of Holland & Hart LLP

WFC
Enclosures

3292394_1.DOC

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

_____ weeks.

Beginning with the issue dated

October 10 2004

and ending with the issue dated

October 10 2004

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 11th day of

October 2004

Notary Public.

My Commission expires
November 27, 2004
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE
October 10, 2004

NOTICE

John H. Hendrix Corp., 1310 18th Street, Eunice, New Mexico 88231 has submitted for approval an application to construct and operate a Rule 711 centralized landfarm facility located in the W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East N.M.P.M. Lea County, New Mexico. The permit application address the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone 505-476-3440. The application may be viewed at the above address or at the Hobbs District office at 1625 N,. French Dr., Hobbs, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application the Director of the Oil and Gas Conservation Division shall allow al least thirty (30) days after the date of publication of this notice during which comments may be submitted and any interested person may request public hearing. Request for a public hearing shall set forth the reasons why a public hearing shall be held. A hearing will be held if the director determines that there is significant public interest.
#21004

02105581000 67525563

Larson And Associates
507 North Marienfeld Suite 202
MIDLAND, TX 79701

Larson & Associates, Inc.
Environmental Consultants

October 11, 2004

Mr. Roger Anderson
Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

NM-2-0021

Re: Centralized Surface Waste Management Facility Permit Application, John H. Hendrix Corp., W/2 NW/4, W/2 SW ¼, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Anderson:
On behalf of John H. Hendrix Corp., please find enclosed in duplicate the above-referenced application for a centralized surface waste management facility (landfarm) to be located in the W/2 NW/4, W/2 SW/4, Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico. Form C-137, as well as copies of letters of notification to surrounding landowners within 1-mile of the proposed facility are included in the application. A public notice was submitted to the Hobbs News-Sun for one-time publication in October 9, 2004 or October 10, 2004 additions. An affidavit of publication will be sent to the New Mexico Oil and Gas Conservation Division (NMOCD) upon its receipt from the publisher. A copy of the application has also been sent to Mr. Chris Williams at the Hobbs district office. Please call Mr. Ron Westbrook with John H. Hendrix Corp. at (432) 684-6631 or myself at (432) 687-0901 if you have questions. We may be reached by email at ronniew@JHHC.org or mark@LAEnvironmental.com.
Sincerely,
Larson & Associates, Inc.

Mark J. Larson, PG, CPG, CGWP
President

Encl.

cc: Mr. Marvin Burrows – John H. Hendrix Corp.
Mr. Ron Westbrook – John H. Hendrix Corp.
Mr. Chris Williams - NMOCD, Hobbs District

JOHN H. HENDRIX CORP.
CENTRALIZED SURFACE WASTE MANAGEMENT FACILITY APPLICATION

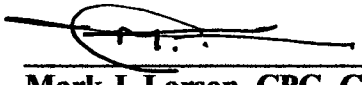
Prepared for:

John H. Hendrix Corp.
110 North Marienfeld Street, Suite 400
Midland, Texas 79701

Prepared by:

Larson and Associates, Inc.
507 North Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 687-0901

October 8, 2004



Mark J. Larson, CPG, CGWP

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-137
Revised June 10, 2003

Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

☐ Commercial ☒ Centralized

1. Type: ☐ Evaporation ☐ Injection ☐ Other
   ☒ Solids/Landfarm ☐ Treating Plant

2. Operator: John H. Hendrix Corp.
   Address: 1310 18th Street, Eunice, New Mexico 88231
   Contact Person: Marvin Burrows Phone: (505) 394-2694

3. Location: W/2 NW/4 & W/2 SW/4 Section 15 Township 24 South Range 36 East
   Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? ☐ Yes ☒ No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

8. Attach a contingency plan for reporting and clean-up for spills or releases.

9. Attach a routine inspection and maintenance plan to ensure permit compliance.

10. Attach a closure plan.

11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H_2S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION
    I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Ron Westbrook Title: Vice President

Signature: Ron Westbrook Date: October 8, 2004

E-mail Address: ronniew@JHHC.org

Table of Contents

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JOHN H. HENDRIX CORP.
CENTRALIZED SURFACE WASTE MANANAGEMENT FACILITY APPLICATION
LEA COUNTY, NEW MEXICO

1.0 Type of Operation

Centralized Surface Waste Management Facility

2.0 Operator

John H. Hendrix Corp.
Eunice Field Office
1310 18th Street
Eunice, New Mexico 88231

Contact Person: Marvin Burrows
Phone Number: (505) 394-2649

John H. Hendrix Corp.
Corporate Office
110 North Marienfeld Street, Suite 400
Midland, Texas 79701

Contact Person: Ron Westbrook
Phone Number: (432) 684-6631

3.0 Facility Location

The Facility is located approximately 7 miles northwest of Jal, NM, and occupies the west half (W/2) of the northwest quarter (NW/4) and the west half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. Figure 1 presents a location and topographic map.

Direction to the facility:

- Starting at the intersection of highway #128 and highway #18 in Jal, New Mexico, travel north on highway #18 for approximately 6.2 miles to Jal-Cooper Cemetery Road;
- Travel west on Jal-Cooper Cemetery Road for approximately 3.6 miles to Facility.

4.0 Expansion Request

This is an application for a new Facility, and not an expansion request.

5.0 Land Ownership

John H. Hendrix Corp. owns 200-acres in the west half (W/2) of the northwest quarter (NW/4) and the west half of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. Landowners within 1- mile are:

Landowner	Legal Description
Cooper Family Heirs c/o Bart Bishop 6202 South Bowie Amarillo, Texas 79118	Sec. 9
RRR Land and Cattle Company 2205 Bedford Drive Midland, Texas 79118	Sec. 10 Sec. 11 (SW/4) Sec. 15 (Remaining)
Whitten/Lea, Ltd. 4305 North Garfield, Suite 203 Midland, Texas 79705	Sec. 14 (W/2) Sec. 23 (NW/4)
Melvin Whitten HCR 1, Box 300 Jal, New Mexico 88252	Sec. 16
Donald Ray Whitten P.O. Box 1713 Oracle, Arizona 85623	Sec. 16
Johnny Mack Whitten P.O. Box 1713 Oracle, Arizona 85623	Sec. 16 Sec. 16
Terry Lee Whitten (No Address Available)	Sec. 16
Jal Public Library Fund, Trustees P.O. Box 1166 Jal, New Mexico 88252	Sec.21 (N2, N/2) Sec. 22 (N/2, N/2)

There are no residences, public buildings or facilities, other than oil and gas installations, within one mile of the Facility. Figure 2 presents a drawing of land ownership within one mile.

6.0 Facility Description

The Facility will be permitted to accept only non-hazardous oilfield solids that are exempt under Subtitle C of the Resource Conservation and Recovery Act (RCRA), including soil contaminated by petroleum hydrocarbons resulting from remediation of spills, releases and pits. Soil will be remediated using land-farming techniques. The Facility will only accept waste from operations of John H. Hendrix Corp.

Jal-Cooper Cemetery Road borders the south side of Section 15, Township 24 South, Range 36 East, and a gate near the southeast corner will provide access to the Facility. A staging area measuring approximately 300 x 1,450 feet has been designed near the south end of the Facility for parking, equipment and turn-around for trucks. A 100-foot buffer zone will be established around the perimeter of the Facility, and no waste will be placed inside the buffer zone or staging area. The waste management area will be accessed from a haul road constructed along the east side of the Facility. The hail road will be about 20 feet wide. The Facility will be fenced, and gated at the entrance. The gate will remain locked when an attendant is not present. Figure 3 presents a Facility drawing.

There are no pipelines crossing the Facility, and no oil and gas installations are located on the Facility. John H. Hendrix Corp. does not anticipate constructing an office or storage buildings, and no chemicals will be stored at the Facility

7.0 Facility Construction and Operation

7.1 Facility Construction

7.1.1 Location

The Facility will be constructed on a 200-acre parcel of land owned by John H. Hendrix Corp. that is located adjacent to the west line of Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. A total of twelve (12) cells are proposed for the Facility, and each cell will measure approximately 400 x 1,450 feet. Figure 3 presents a Facility drawing.

7.1.2 Fences and Signs

The Facility will be fenced, and a locking gate will be located near the southeast corner. A sign of sufficient size to be able to read from a

distance of approximately 50 feet will be posted near the gate. The sign will include the following information:

- Facility name;
- Owner;
- Legal description; and
- Emergency contact information.

7.1.3 Facility Buffer Zone

A minimum separation of 100 feet will be maintained between the waste management area and property boundary.

7.1.4 Pipeline Buffer Zone

No pipelines cross the Facility, and the nearest pipeline is located approximately 200 feet west of the Facility, in Section 16, Township 24 South, Range 36 East, Lea County, New Mexico.

7.1.5 Facility Berming

Each treatment cell will be bermed to prevent precipitation runoff and runon. The berms will be constructed with sufficient height to contain a 100-year flood event. A 100-year flood event of 6.0 inches has been reported for a 24-hour duration storm, based on information reviewed at the City of Hobbs, New Mexico, Engineering Department. Based on this information, the minimum berm height should be greater than six inches, therefore, berm height of 18 inches will be maintained for each cell. Annual rainfall for the area is reported to be less than 10 inches.

Proposed cell dimension (feet):	400 x 1,450
Cell area (acre):	13.32
Proposed berm height (inches):	18
Volume (gallons):	6.5 M

(Approximately 3 times the 100-year flood volume collected in a cell)

7.1.6 Treatment Zone Monitoring

A soil sample will be collected from approximately 2 to 3 feet below native ground surface (ngs) near the center the Facility prior to construction. The sample will be submitted to a qualified laboratory under proper preservation and chain-of-custody control, and will be analyzed for total petroleum hydrocarbons (TPH), cations, anions, benzene, toluene,

ethyl benzene and xylene (collectively referred to as BTEX), and metals (RCRA 8) using EPA approved methods. The laboratory report will be included in the first (1st) annual report submitted to the Now Mexico Oil Conservation Division (NMOCD).

Treatment zone monitoring will begin six (6) months following the first shipment of contaminated soil, and quarterly thereafter. A random sample will be collected from each active cell. A sample of tilled soil will be collected followed by a sample from the treatment zone from approximately 2 to 3 feet below ngs. The samples will be collected using methods that will minimize the potential for cross-contamination of soil from the tilled zone with the treatment zone sample (i.e., dual tube direct push, etc.). The boring will be filled with bentonite after obtaining the samples, and all sampling equipment will be decontaminated between locations. The samples will be submitted under proper preservation and chain-of-custody control to a qualified laboratory. The samples of tilled soil and from the treatment zone will be analyzed for TPH and BTEX. During the fourth (4th) quarter the treatment zone samples will also be analyzed for cations, anions and metals. The laboratory will use EPA approved methods, and John H. Hendrix Corp. will submit annual reports to the NMOCD.

7.1.7 Double-Lined System

The treatment zone at the proposed location is composed of uncemented materials, and a double-lined system is not applicable.

7.2 Facility Operation

The Facility will be operated in a way as to not adversely impact groundwater, surface water, public health or the environment. Facility operating procedures will involve the following:

a) Disposal of waste will occur only under the supervision of an attendant on duty. The Facility will be secured when an attendant is not present.

b) All contaminated soils received at the Facility will be spread and disked within 72 hours of receipt.

c) Soils will be spread on the surface in 6 to 12-inch lifts, and disked to enhance biodegradation.

d) Soils will be disked every two weeks to enhance biodegradation of contaminants.

e) There will be no mixing of exempt and nonexempt soils.

f) A new layer of contaminated soil will not be spread over an existing layer until the TPH is less than 500 mg/Kg, BTEX is less than 50 mg/Kg and benzene is less than 10 mg/Kg in the existing layer. Laboratory analysis and a sampling location record will be maintained at the Facility. Authorization from the NMOCD will be obtained prior to application of successive lifts where soils meet the above-referenced criteria.

g) Moisture will only be added to enhance bioremediation or to control dust when necessary. Any pooling of water following precipitation will be removed within 72 hours of discovery.

h) Enhanced bio-remediation through addition of microbes or fertilizers is not anticipated at the Facility.

i) No free liquids or soils with free liquids will be accepted at the Facility.

j) Comprehensive records of all material brought to disposed of at the facility will be maintained. The records for each load will include: 1) generator name, 2) the origin (location), 3) date received, 4) quantity, 5) certification of exempt status or analysis for hazardous constituents if non-exempt, 6) exact cell number/location where soil disposed and any addition of moisture, etc.

7.2.1 Characterization and Waste Tracking

The Facility will accept only non-hazardous oilfield contaminated solids exempt from RCRA Subtitle C (hazardous waste) regulations. Tests for hazardous characteristics will be performed if non-hazardous, non-exempt oilfield contaminated solids needs to be disposed at the Facility. The approval of the NMOCD will also be sought prior to receiving non-exempt oilfield contaminated soil for disposal. At no time will the Facility accept hazardous waste. A "Certification of Waste Status", signed by a representative of John H. Hendrix Corp., will accompany all loads brought to the Facility.

The wastes will be transported from operations owned by John H. Hendrix Corp., and no additional material will be added to the loads during transport. The transporter will acknowledge that no additional materials have been added during transport.

8.0 Spill and Leak Prevention and Reporting

No spills are anticipated at the Facility since no liquid wastes will be accepted. The only time water may be used is for dust control or enhance remediation. In case of any break, spill, blow out, or undesirable event John H. Hendrix Corp., will notify the NMOCD in accordance with Rule 116.

9.0 Inspection, Maintenance and Reporting

Berms, fences and remediation cells will be inspected frequently, and any necessary repairs or general maintenance will be performed immediately. Inspection records including date, kinds of inspections, and type of repairs made will be maintained. A berm height of 18 inches will be maintained all around the cell at all times to prevent runoff or run-on. Berms and cells will be inspected after any significant rainfall or windstorms. During dry and windy months, water may be added periodically to the soil in the cell to prevent wind drift.

The waste material transported by the truck will not be accepted without the proper documentation. Procedures discussed in Section 7.2.1 will be followed before transporter delivery is accepted. Contaminated soil received at the Facility will be spread and disked within 72 hours of receipt. Soils will be spread on the surface in 6 to 12-inch lifts and disked every 2 weeks to enhance remediation of contaminants. Monitoring of the tilled soil will be performed in conjunction with treatment zone monitoring to evaluate remediation progress. Section 7.1.6 discusses the sample protocol. Enhancing remediation by addition of water and nutrients will be evaluated as remediation progresses. Successive lifts of soils will not be in the cells until laboratory tests results confirm that soil has been remediated below thresholds, as discussed in Section 7.2 (f), and the NMOCD has authorized placing a successive lift in any cell. Form C-117-A will be filed with the NMOCD if tank bottoms or miscellaneous hydrocarbons are to be remediated at the Facility.

Comprehensive records of all materials accepted at the Facility will be documented and logged as described in Section 7.2 (j). Monitoring of the

treatment zone will be performed quarterly beginning six (6) months after the initial soil shipment is received, as discussed in section 7.2 (f).

10.0 Closure Plan

John H. Hendrix Corp. will provide notification to the NMOCD within one (1) month of cessation of operations at Facility. After notifying the NMOCD, John H. Hendrix Corp. will accept no new material at the Facility, and existing soil will be remediated to the permit requirements. The Facility will be seeded with natural grasses and allowed to return to its natural state.

Six (6) months following cessation of disposal operations, John H. Hendrix Corp. will complete cleanup of constructed facilities and restoration of the Facility within the next six (6) months, unless an extension is granted by the NMOCD. The estimate cost for Facility closure is $20,000.00.

11.0 Facility Characteristics

The Facility is situated near the southern edge of the Eunice Plain physiographic subdivision. The Eunice Plain is underlain by a hard caliche surface and is almost entirely covered by reddish-brown dune sand. In some places the underlying surface consists of alluvial sediments.

The average annual precipitation is between 9 to 10 inches. There are no major surface drainage features in close proximity to the Facility, and the topography slopes gently from northwest to southeast. The ground surface elevation ranges from about 3,390 feet above mean sea level (MSL) near the northwest corner to about 3,350 feet above MSL near the southeast corner.

Soils in the area belong to the Pyote, Simona and Berino series. The surface layer is typically light-brown fine sand and loamy fine sand about 12 inches thick. The subsoil is pale brown fine sandy loam. The substratum is white, platy, indurated caliche.

The Facility is underlain by the Ogallala formation (Tertiary) consisting continental materials derived from erosion of mountainous regions to the west and northwest. The Ogallala is composed of beds and lenses of clay, silt, sand, and gravel. Caliche occurs as a secondary deposit in the upper part of the Ogallala formation in many places. The Ogallala formation

rests on an unconformable and eroded surface of the Chinle formation of the Dockum group (Triassic).

Ground water occurs under water table conditions in the Ogallala formation (Tertiary) between 170 and 180 feet below ground surface. Ground water flow generally parallels the surface topography, and is from northwest to southeast. An inventory of water wells assembled from a review of records maintained by the New Mexico State Engineer indicates that the nearest well is located in NE/4, NE/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico. Figure 1 presents locations of wells within 1-mile, and includes depth-to-ground water and well depth, where available.

Uncontaminated water from the Ogallala formation generally has low concentrations of total dissolved solids (TDS). An analysis of a sample from a windmill (West Windmill) located in the NE/4, SE/4, Section 24, Township 24 South, Range 35 East, reported a TDS concentration of less than 300 milligrams per liter (g/L). The closest down gradient well is located in the SE/4, NE/4, Section 22, Township 24 South, Range 36 East, and appears to be completed in the Dockum Group. The New Mexico State Engineer indicates that the well drilled in 1930 to a depth of 600 feet, and no depth-to-groundwater information was available. Information presented in this section was acquired from Ground Water Report 6, "Geology and Ground Water Conditions in Southern Lea County, New Mexico," published by New Mexico Institute of Mining & Technology (1961).

12.0 Proof of Notice

John H. Hendrix Corp. is seeking this permit for construction of a centralized waste management facility, and has sent notices to surrounding landowners within 1-mile of the Facility and the commissioners of Lea County, New Mexico, in accordance with the notification requirements of NMOCD Rule 711. Notifications were sent certified mail return receipt requested. Appendix A presents copies of the notification letters.

John H. Hendrix Corp will publish a one-time notice to the public in the Hobbs News Sun, a local newspaper of sufficient circulation in Lea County, New Mexico. John H. Hendrix Corp. will submit an affidavit of publication to the NMOCD upon its receipt from the publisher. Appendix B presents the public notice.

13.0 H_2S Contingency Plan

The requirement for an H_2S contingency plan is not applicable since H_2S will not be generated at the Facility.

14.0 Additional Information

John H. Hendrix Corp. will furnish the NMOCD with a bond for $25,000.00 upon approval of this centralized landfarm permit application, as per Rule 711.

FIGURES

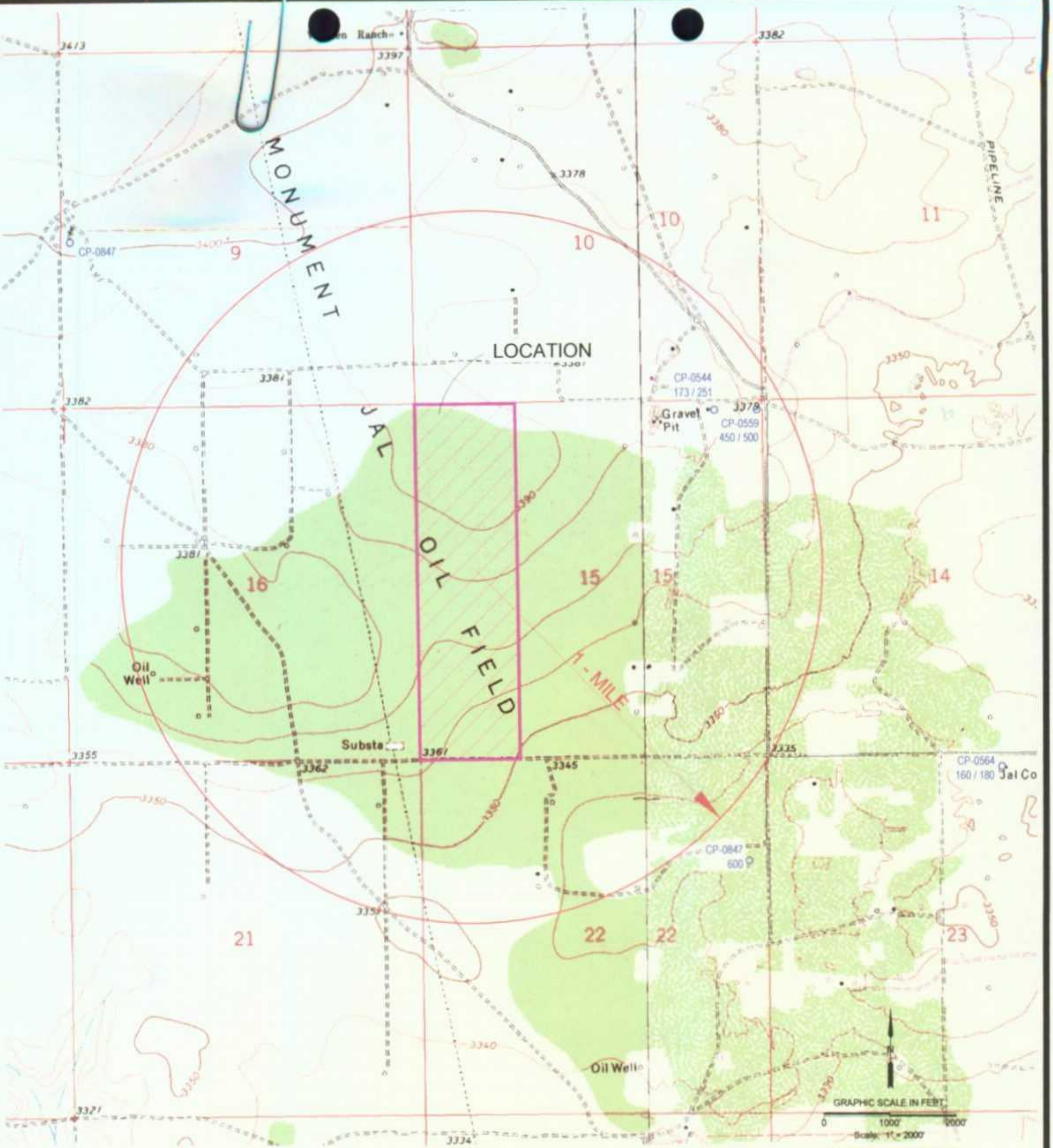


FIGURE 1

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION

W/2, W/2, SECTION 15, T-24-S, R-36-E

WATER WELL LOCATIONS

LEGEND

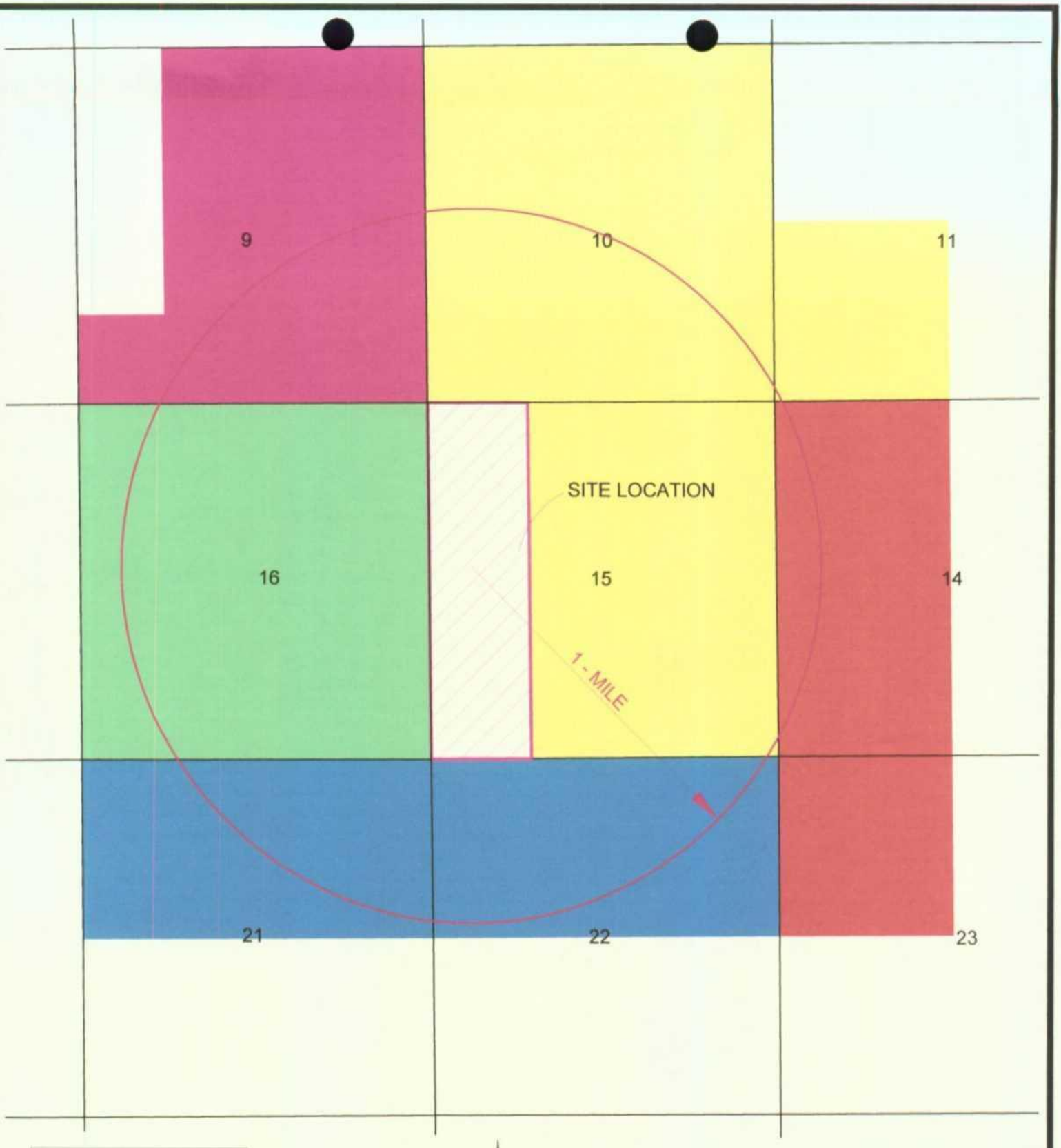
o	WATER WELL LOCATION
160 / 180	DEPTH TO GROUND (UPPER NUMBER) WELL DEPTH (LOWER NUMBER)
CP-0564	NEW MEXICO STATE ENGINEER PERMIT NUMBER

DATE: 10-5-04

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants


9
10
11
SITE LOCATION
16
15
14
1 - MILE
21
22
23
SURFACE OWNERSHIP
RRR LAND AND CATTLE COMPANY
COOPER FAMILY HEIRS (LEASES TO RRR LAND AND CATTLE
JAL PUBLIC LIBRARY FUND
MELVEN WHITTEN 3/4 AND WHITTEN/LEA, LTD. 1/4
WHITTEN FAMILY
JOHN H. HENDRIX CORP.
N
GRAPHIC SCALE IN FEET
0
2000'
4000'
Scale: 1" = 2000'
DATE 10-13-04
NAME: SJA
FILE: 4-0110
FIGURE 2
LEA COUNTY, NEW MEXICO
JOHN H. HENDRIX CORPORATION
SECTION 15, T-24-S, R-36-E
LAND OWNERSHIP MAP
Larson & Associates, inc.
Environmental Consultants

9

10

BUFFER ZONE

PROPOSED LANDFARM CELL
(400' x 1450')

1

2

3

4

18" EARTHEN BERM

5

6

18" EARTHEN BERM

FENCE

16

15

7

8

9

ACCESS ROAD

10

11

12

ACCESS ROAD

100'

PARKING AND EQUIPMENT
STAGING AREA

GRAPHIC SCALE IN FEET

0 400' 800'

Scale: 1" = 400'

JAL - COOPER CEMETERY ROAD

GATE

21

22

FIGURE 3

LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX
CORPORATION

SECTION 15, T-24-S, R-36-E

PROPOSED LANDFARM
FACILITY DRAWING

DATE 10-7-04

NAME: SJA

FILE: 4-0110

Larson & Associates, Inc.
Environmental Consultants

APPENDIX A

Letters of Notification

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

Cooper Family Estate
6202 South Bowie
Amarillo, Texas 79118

ATT: Bart Bishop

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Bishop:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as a representative of a landowner (Cooper Family) within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

Johnny Mack Whitten
P.O. Box 1713
Oracle, Arizona 85623

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Whitten:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

Melvin Curtis Whitten
HCR 1 Box 300
Jal, New Mexico 88252

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Whitten:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

Whitten/Lea Ltd.
4305 North Garfield Street, Suite 203
Midland, Texas 79705

ATT: Beverly Pevehouse, President

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Ms. Pevehouse:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as general partner in the above-referenced corporation that is a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

Donald Ray Whitten
P.O. Box 1713
Oracle, Arizona 85623

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Whitten:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

County Commissioners
County of Lea, New Mexico
100 North Main, Suite 4
Lovington, New Mexico 88260

ATT: Harry Teague, Chairman

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Dear Mr. Teague:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as a requirement of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(432) 684-6631
FAX (432) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

October 8, 2004

RRR Land and Cattle Company
2205 Bedford Drive
Midland, Texas 79118

ATT: T. Richard Crawford
Randall J. Crawford
Russell D. Crawford

Re: Notification of Application for Centralized Surface Management Facility, W/2, NW/4 and W/2, SW/4, Section 15, Township 24 South, Range 36 East, Lea County, New Mexico

Gentlemen:

John H. Hendrix Corp. is the owner of 200-acres in the west-half (W/2) of the northwest quarter (NW/4) and the west-half (W/2) of the southwest quarter (SW/4), Section 15, Township 24 South, Range 36 East, in Lea County, New Mexico, and has submitted an application with the New Mexico Oil Conservation Division (NMOCD) for a centralized surface management facility permit. You have received this letter as a landowner within 1-mile of the above-referenced property, and the notification requirements of NMOCD Rule 711. The application is on file with the NMOCD in Santa Fe, New Mexico and District I office in Hobbs, New Mexico.

Sincerely,
John H. Hendrix Corp.

Ronnie Westbrook
Vice President

cc: NMOCD

APPENDIX B

Public Notice

NOTICE

John H. Hendrix Corp., 1310 18th Street, Eunice, New Mexico 88231 has submitted for approval an application to construct and operate a Rule 711 centralized landfarm facility located in the W/2 NW/4 and W/2 SW/4, Section 15, Township 24 South, Range 36 East N.M.P.M., Lea County, New Mexico. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone 505-476-3440. The application may be viewed at the above address or at the Hobbs district office at 1625 N. French Dr., Hobbs, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil and Gas Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and any interested person may request public hearing. Request for a public hearing shall set forth the reasons why a public hearing shall be held. A hearing will be held if the director determines that there is significant public interest.