

Elke Environmental, Inc.

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

February 2, 2007

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

Re: Closure Report for LJU Injection Well #85 Leak

Mr. Larry Johnson,

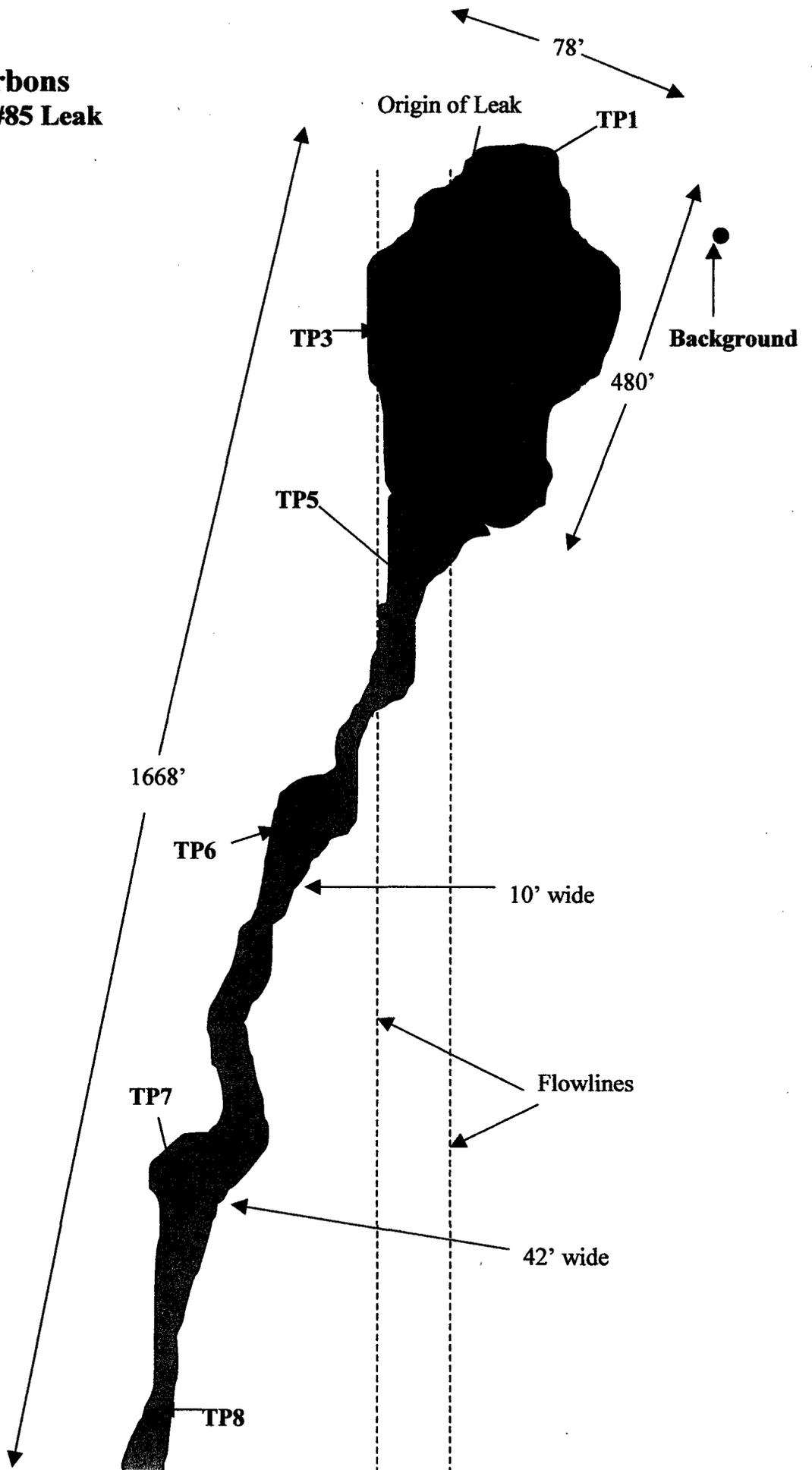
Elke Environmental was contracted by Phoenix Hydrocarbons to complete the closure of the LJU Injection Well #85 Leak. An initial C-141 with closure plan was submitted and approved by Larry Johnson on November 20, 2006 and by Chris Williams on November 29, 2006. The closure plan was followed and five bottom samples were taken after the excavation per the conversation between Chris Williams and Kim Baker on January 18, 2006. Total cubic yards of contamination hauled to Sundance Disposal was 2,628 yds³. A 20 mil impervious liner was installed at the red area on the plat map. The excavation was backfilled with clean native soil from the landowner and contoured to the surrounding area. Elke Environmental request that no further action be taken. If you have any questions about the report call me at the office.

Sincerely,



Logan Anderson
Elke Environmental, Inc.

**Phoenix Hydrocarbons
LJU Injection Well #85 Leak**



Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Phoenix Hydrocarbons

Analyst Logan Anderson/Kim Baker

Site LJU Injection Well #85

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
Background	11-1-06	3"		123		
TP1	11-1-06	6"		8,331		
TP2	11-2-06	2'		566		
TP2	11-2-06	4'		946		
TP2	11-2-06	5'		1,969		
TP2	11-2-06	6'		1,514		
TP2	11-2-06	9'		1,432		
TP3	11-1-06	1'		15,911		
TP4	11-2-06	2'		678		
TP4	11-2-06	4'		1,436		
TP4	11-2-06	6'		927		
TP5	11-2-06	2'		1,544		
TP5	11-2-06	4'		10		
TP6	11-1-06	3"		13,797		
TP6	11-2-06	2'		1,195		
TP6	11-2-06	4'		105		
TP7	11-1-06	1'		12,169		
TP8	11-1-06	1'		7,627		

Analyst Notes _____

Analyst Signature Kim Baker

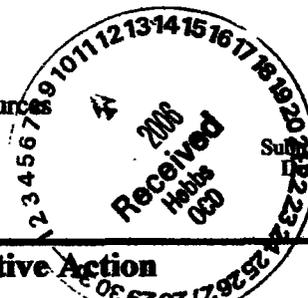
Lab Summary

LJU Injection Well #85

<u>Sample point</u>	<u>TPH 8015m</u>	<u>Chloride</u>	<u>PID</u>
TP1@3'	ND	4,220	0
TP4@3'	ND	6,200	0
TP6@1'	ND	4,030	0
TP7@1'	ND	7,790	0
TP8@1'	ND	3,130	0

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-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

Name of Company - Phoenix Hydrocarbons		Contact - Billy Sneed
Address P. O. Box 3638 Midland, TX 79702		Telephone No. 432-686-9869
Facility Name - LJU Waterflood		Facility Type LJU Injection Well #85
Surface Owner - Woolworth Estate	Mineral Owner	Lease No. LC-032511

Initial Report Final Report

LOCATION OF RELEASE

API 30 025-1143

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	8	25S	37E	660'	South	660'	East	Lea

Latitude 32.8.32N Longitude 103.10.69W

WTE 130'

NATURE OF RELEASE

Type of Release - Produced Water	Volume of Release - 50bbl	Volume Recovered - 0
Source of Release - pinhole in injection line	Date and Hour of Occurrence 9/28	Date and Hour of Discovery 9/28/AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat in Hobbs office, left message	
By Whom? Alan Standfer	Date and Hour 10/2/06 at 10:00 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

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

Describe Cause of Problem and Remedial Action Taken. * Pinhole leak in injection line. A crew was called out to replace the joint with the leak.

Describe Area Affected and Cleanup Action Taken. * Elke Environmental delineated the site, the plat map and analytical is attached. The top area (Red on plat map) will be excavated 3' deep and hauled to Sundance Disposal then a 20 mil impervious liner will be installed and 3' of fresh top soil will be backfilled. The bottom sloped area on the side of the hill (Blue on plat map) will be excavated 1' deep and hauled to Sundance disposal then backfilled with fresh top soil. A final closure report will be given at the end of the job. NMOCD will be given 48 hrs notice before any samples are taken.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Billy J. Sneed</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>BILLY J. SNEED</i>	Approved by District Supervisor: <i>[Signature]</i>	
Title: <i>ENGINEER</i>	Approval Date: <i>11.20.06</i>	Expiration Date: <i>2.20.07</i>
E-mail Address: <i>BSNEED@T3MID.COM</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>11/8/06</i> Phone: <i>432-686-9869</i>	<i>SUBMIT CLOSURE REPORT (FINAL) UPON COMPLETION</i>	

* Attach Additional Sheets If Necessary

incident - nPAC0634554620
application - pPAC0634554788

RP# 1143

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

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

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company - Phoenix Hydrocarbons	Contact - Billy Sneed
Address P. O. Box 3638 Midland, TX 79702	Telephone No. 432-686-9869
Facility Name - LJU Waterflood	Facility Type LJU Injection Well #85

Surface Owner - Woolworth Estate	Mineral Owner	Lease No. LC-0-2511
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LOCATION OF RELEASE AP# 30025114930000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	8	25S	37E	660'	South	660'	East	Lea

Latitude 32.832N Longitude 103.1069W Dept to GN 293'

NATURE OF RELEASE

Type of Release - Produced Water	Volume of Release - 50bbl	Volume Recovered -
Source of Release - pinhole in injection line	Date and Hour of Occurrence 9/28	Date and Hour of Discovery 9/28/AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat in Hobbs office, left message	
By Whom? Alan Standfer	Date and Hour 10/2/06 at 10:00 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

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

Describe Cause of Problem and Remedial Action Taken. * Pinhole leak in injection line. A crew was called out to replace the joint with the leak.

Describe Area Affected and Cleanup Action Taken. * Elko Environmental delineated the site, the plat map and analytical is attached. The top area (Red on plat map) will be excavated 3' deep and hauled to Sundance Disposal then a 20 mil impervious liner will be installed and 3' of fresh top soil will be backfilled. The bottom sloped area on the side of the hill (Blue on plat map) will be excavated 1' deep and hauled to Sundance Disposal then backfilled with fresh top soil. A final closure report will be given at the end of the job. NMOCD will be given 48 hrs notice before any samples are taken.

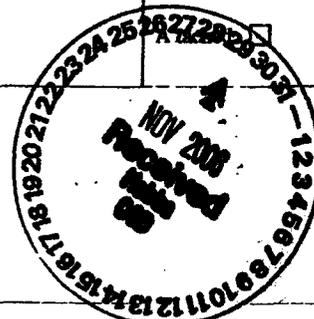
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

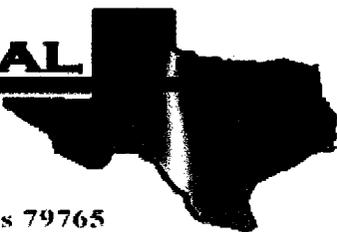
Signature: <i>Billy J. Sneed</i>	Approved by District Supervisor: <i>Chris Williams</i>	
Printed Name: <i>Billy J. SNEED</i>	Approval Date: <i>11/29/06</i>	Expiration Date:
Title: <i>ENGINEER</i>	Conditions of Approval:	
E-mail Address: <i>BSNEED@T3MID.COM</i>	Date: <i>11/8/06</i> Phone: <i>432-686-9869</i>	

* Attach Additional Sheets If Necessary

Incident - n PAC0633340118
application - n PAC0633340252
RP# 1132



E NVIRONMENTAL LAB OF



12600 West I-20 East - Odessa, Texas 79765

A Xenco Laboratories, Inc. Company

Analytical Report

Prepared for:

Kim Baker

Elke Environmental

P.O. Box 14167

Odessa, TX 79768

Project: Phoenix Hydrocarbons

Project Number: None Given

Location: Langley Jal Unit Injection #85

Lab Order Number: 7A19009

Report Date: 01/26/07

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
TP1@ 3'	7A19009-01	Soil	01/18/07 12:30	01-19-2007 14:30
TP4@ 3'	7A19009-02	Soil	01/18/07 12:40	01-19-2007 14:30
TP6@ 1'	7A19009-03	Soil	01/18/07 12:50	01-19-2007 14:30
TP7@ 1'	7A19009-04	Soil	01/18/07 13:00	01-19-2007 14:30
TP8@ 1'	7A19009-05	Soil	01/18/07 13:10	01-19-2007 14:30

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP1@ 3' (7A19009-01) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EA72202	01/22/07	01/23/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		80.8 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		51.8 %	70-130	"	"	"	"	"	S-04
TP4@ 3' (7A19009-02) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EA72202	01/22/07	01/22/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		96.0 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		72.6 %	70-130	"	"	"	"	"	
TP6@ 1' (7A19009-03) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EA72202	01/22/07	01/22/07	EPA 8015M	
Carbon Ranges C12-C28	J [4.94]	10.0	"	"	"	"	"	"	J
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		91.2 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		75.0 %	70-130	"	"	"	"	"	
TP7@ 1' (7A19009-04) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EA72202	01/22/07	01/22/07	EPA 8015M	
Carbon Ranges C12-C28	J [8.68]	10.0	"	"	"	"	"	"	J
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		93.4 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		68.4 %	70-130	"	"	"	"	"	S-04

Environmental Lab of Texas

A Xenco Laboratories, Inc. Company

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP8@ 1' (7A19009-05) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EA72202	01/22/07	01/22/07	EPA 8015M	
Carbon Ranges C12-C28	J [3.50]	10.0	"	"	"	"	"	"	J
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		90.0 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		71.2 %	70-130	"	"	"	"	"	

Environmental Lab of Texas

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

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP1@ 3' (7A19009-01) Soil									
Chloride	4220	50.0	mg/kg	100	EA72305	01/23/07	01/23/07	EPA 300.0	
% Moisture	6.9	0.1	%	1	EA72206	01/21/07	01/22/07	% calculation	
TP4@ 3' (7A19009-02) Soil									
Chloride	6200	100	mg/kg	200	EA72305	01/23/07	01/23/07	EPA 300.0	
% Moisture	6.8	0.1	%	1	EA72206	01/21/07	01/22/07	% calculation	
TP6@ 1' (7A19009-03) Soil									
Chloride	4030	50.0	mg/kg	100	EA72305	01/23/07	01/23/07	EPA 300.0	
% Moisture	6.7	0.1	%	1	EA72206	01/21/07	01/22/07	% calculation	
TP7@ 1' (7A19009-04) Soil									
Chloride	7790	100	mg/kg	200	EA72305	01/23/07	01/23/07	EPA 300.0	
% Moisture	4.6	0.1	%	1	EA72206	01/21/07	01/22/07	% calculation	
TP8@ 1' (7A19009-05) Soil									
Chloride	3130	50.0	mg/kg	100	EA72305	01/23/07	01/23/07	EPA 300.0	
% Moisture	6.8	0.1	%	1	EA72206	01/21/07	01/22/07	% calculation	

Environmental Lab of Texas

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

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EA72202 - Solvent Extraction (GC)

Blank (EA72202-BLK1)

Prepared: 01/22/07 Analyzed: 01/23/07

Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbons	ND	10.0	"							
Surrogate: 1-Chlorooctane	39.8		mg/kg	50.0		79.6	70-130			
Surrogate: 1-Chlorooctadecane	36.8		"	50.0		73.6	70-130			

LCS (EA72202-BS1)

Prepared & Analyzed: 01/22/07

Carbon Ranges C6-C12	516	10.0	mg/kg wet	500		103	75-125			
Carbon Ranges C12-C28	410	10.0	"	500		82.0	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00			75-125			
Total Hydrocarbons	926	10.0	"	1000		92.6	75-125			
Surrogate: 1-Chlorooctane	56.5		mg/kg	50.0		113	70-130			
Surrogate: 1-Chlorooctadecane	38.6		"	50.0		77.2	70-130			

Calibration Check (EA72202-CCV1)

Prepared & Analyzed: 01/22/07

Carbon Ranges C6-C12	243		mg/kg	250		97.2	80-120			
Carbon Ranges C12-C28	285		"	250		114	80-120			
Total Hydrocarbons	528		"	500		106	80-120			
Surrogate: 1-Chlorooctane	58.6		"	50.0		117	70-130			
Surrogate: 1-Chlorooctadecane	44.3		"	50.0		88.6	70-130			

Matrix Spike (EA72202-MS1)

Source: 7A19009-01

Prepared & Analyzed: 01/22/07

Carbon Ranges C6-C12	647	10.0	mg/kg dry	537	ND	120	75-125			
Carbon Ranges C12-C28	500	10.0	"	537	ND	93.1	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125			
Total Hydrocarbons	1150	10.0	"	1070	ND	107	75-125			
Surrogate: 1-Chlorooctane	52.3		mg/kg	50.0		105	70-130			
Surrogate: 1-Chlorooctadecane	41.2		"	50.0		82.4	70-130			

Environmental Lab of Texas

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

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EA72202 - Solvent Extraction (GC)

Matrix Spike Dup (EA72202-MSD1)

Source: 7A19009-01

Prepared & Analyzed: 01/22/07

Carbon Ranges C6-C12	619	10.0	mg/kg dry	537	ND	115	75-125	4.26	20	
Carbon Ranges C12-C28	485	10.0	"	537	ND	90.3	75-125	3.05	20	
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125		20	
Total Hydrocarbons	1100	10.0	"	1070	ND	103	75-125	3.81	20	
Surrogate: 1-Chlorooctane	60.7		mg/kg	50.0		121	70-130			
Surrogate: 1-Chlorooctadecane	42.0		"	50.0		84.0	70-130			

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

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

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EA72206 - General Preparation (Prep)										
Blank (EA72206-BLK1) Prepared: 01/19/07 Analyzed: 01/22/07										
% Solids	99.8		%							
Duplicate (EA72206-DUP1) Source: 7A18010-01 Prepared: 01/19/07 Analyzed: 01/22/07										
% Solids	95.3		%		95.4			0.105	20	
Duplicate (EA72206-DUP2) Source: 7A19008-04 Prepared: 01/19/07 Analyzed: 01/22/07										
% Solids	24.2		%		23.9			1.25	20	
Batch EA72305 - Water Extraction										
Blank (EA72305-BLK1) Prepared & Analyzed: 01/23/07										
Chloride	ND	0.500	mg/kg							
LCS (EA72305-BS1) Prepared & Analyzed: 01/23/07										
Chloride	10.7	0.500	mg/kg	10.0		107	80-120			
Calibration Check (EA72305-CCV1) Prepared & Analyzed: 01/23/07										
Chloride	9.89		mg/L	10.0		98.9	80-120			
Duplicate (EA72305-DUP1) Source: 7A19009-01 Prepared & Analyzed: 01/23/07										
Chloride	4160	50.0	mg/kg		4220			1.43	20	
Duplicate (EA72305-DUP2) Source: 7A12024-06 Prepared & Analyzed: 01/23/07										
Chloride	2450	50.0	mg/kg		2430			0.820	20	
Matrix Spike (EA72305-MS1) Source: 7A19009-01 Prepared & Analyzed: 01/23/07										
Chloride	6600	100	mg/kg	2000	4220	119	80-120			

Environmental Lab of Texas

A Xenco Laboratories, Inc. Company

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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

Project: Phoenix Hydrocarbons
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

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

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EA72305 - Water Extraction

Matrix Spike (EA72305-MS2)

Source: 7A12024-06

Prepared & Analyzed: 01/23/07

Chloride	3630	50.0	mg/kg	1000	2430	120	80-120			
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12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Notes and Definitions

- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- 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: James Mathis Date: 01/26/07

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

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

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

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

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: EIKE ENV
 Date/ Time: 11/9/09 2:30
 Lab ID #: 7A9009
 Initials: OK

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	Yes	No	2.5 °C
#2	Shipping container in good condition?	Yes	No	
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present
#4	Custody Seals intact on sample bottles/ container?	Yes	No	Not Present
#5	Chain of Custody present?	Yes	No	
#6	Sample instructions complete of Chain of Custody?	Yes	No	
#7	Chain of Custody signed when relinquished/ received?	Yes	No	
#8	Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont./ Lid
#9	Container label(s) legible and intact?	Yes	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	Yes	No	
#11	Containers supplied by ELOT?	Yes	No	
#12	Samples in proper container/ bottle?	Yes	No	See Below
#13	Samples properly preserved?	Yes	No	See Below
#14	Sample bottles intact?	Yes	No	
#15	Preservations documented on Chain of Custody?	Yes	No	
#16	Containers documented on Chain of Custody?	Yes	No	
#17	Sufficient sample amount for indicated test(s)?	Yes	No	See Below
#18	All samples received within sufficient hold time?	Yes	No	See Below
#19	Subcontract of sample(s)?	Yes	No	Not Applicable
#20	VOC samples have zero headspace?	Yes	No	Not Applicable

Variance Documentation

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

Regarding: _____

Corrective Action Taken: _____

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



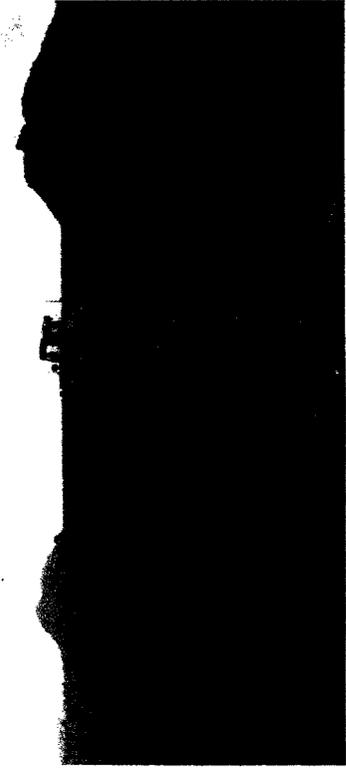
North to South Before Excavation



North to South Before Excavation



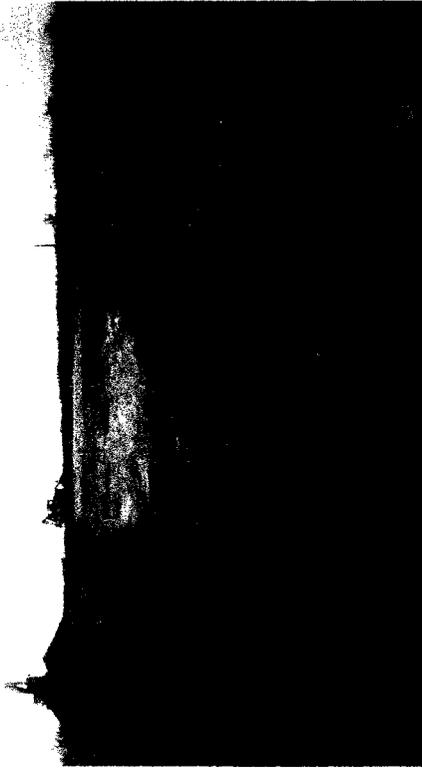
Loading Trucks with Contaminated Soil



Excavating Spill Area with Dozer



North to South After Excavating



North to South After Excavating



Unloading Backfill Material



Backfilling Spill Area



North to South Final



North to South Final



North to South Final



North to South Final

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
20 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-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company – Phoenix Hydrocarbons	Contact – Billy Snead	
Address P. O. Box 3638 Midland, TX 79702	Telephone No. 432-686-9869	
Facility Name – LJU Waterflood	Facility Type LJU Injection Well #85	
Surface Owner – Woolworth Estate	Mineral Owner	Lease No. LC-032511

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	8	25S	37E	660'	South	660'	East	Lea

Latitude 32.8.32N Longitude 103.10.69W

NATURE OF RELEASE

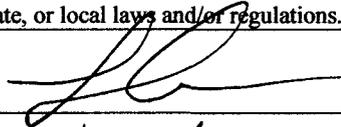
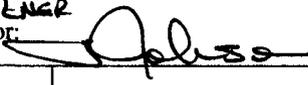
Type of Release - Produced Water	Volume of Release – 50bbl	Volume Recovered - 0
Source of Release – pinhole in injection line	Date and Hour of Occurrence 9/28	Date and Hour of Discovery 9/28/AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat in Hobbs office, left message	
By Whom? Alan Standfer	Date and Hour 10/2/06 at 10:00 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

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

Describe Cause of Problem and Remedial Action Taken.* Pinhole leak in injection line. A crew was called out to replace the joint with the leak.

Describe Area Affected and Cleanup Action Taken.* Elke Environmental performed the remediation of the site. A closure report is attached.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Logan Anderson	Approved by District Supervisor: 	
Title: Agent	Approval Date: 2.19.07	Expiration Date: _____
E-mail Address: elkeenu@yahoo.com	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: 2-13-07 Phone: 432-366-0043		

Attach Additional Sheets If Necessary

RPT# 1102