

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

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

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

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

Operator: Chi Operating Inc. Telephone: 1-432-485-5001 e-mail address: \_\_\_\_\_  
Address: P.O. Box 1799 Midland TX 79702  
Facility or well name: Federal Com #2 API #: 3001533782 U/L or Qtr/Qtr E Sec 10 T 21S R 27E  
County: Eddy Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐  
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

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

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

Additional Comments: Chi Plans to trench bury the drill pits at the Federal Com #2 as per rule 50 of the Pit and Below-Grade Tank Guidelines, we will line the trench w/ 12 mil liner and bury pit contents and liner, then cover with 20 mil plastic, will cap with 3' of native material capable of supporting native plant growth, we will contour the pit area to prevent erosion and ponding of rain water on site. 2" monitor well drilled approx 10' from location & reserve pit 70' deep. After 24 hours no water encountered

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

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

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

Approval: \_\_\_\_\_  
Printed Name/Title: \_\_\_\_\_ Signature: Mike Benner Date: MAR 22 2007

ECO/ENVIRO DRILLING LLC

357 Wilks Road  
Lovington, NM 88260

# Invoice

Date	Invoice #
03/01/2007	88

<p>Bill To</p> <p>CHI Operating Inc. PO Box 1799 Midland, TX 79702 Attn: Gary Womack</p>
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P.O. No.	Terms	Project
	Due on receipt	

Item	Qty	Description	Rate	Amount
Services		Crow Flats "18" Federal Com. # 1	0.00	0.00T
Monitor Well 2"		70' 2-20-07	2,500.00	2,500.00T
Mileage Drilling Rig	150		1.50	225.00T
Mileage Support T...	150		1.00	150.00T
Services		Crow Flats "9" State Com. #1	0.00	0.00T
Monitor Well 2"		70' 2-21-07	2,500.00	2,500.00T
Mileage Drilling Rig	150		1.50	225.00T
Mileage Support T...	150		1.00	150.00T
Services		Diamond Vista 10 Federal Com. #1	0.00	0.00T
Monitor Well 2"		70' 2-22-07	2,500.00	2,500.00T
Mileage Drilling Rig	150		1.50	225.00T
Mileage Support T...	150		1.00	150.00T
Services		Beaver Tail	0.00	0.00T
Monitor Well 2"		70' 2-23-07	2,500.00	2,500.00T
Mileage Drilling Rig	145		1.50	217.50T
Mileage Support T...	145		1.00	145.00T
Services		Federal Com. State #2	0.00	0.00T
Monitor Well 2"		70' 2-26-07	2,500.00	2,500.00T
Mileage Drilling Rig	180		1.50	270.00T
Mileage Support T...	180		1.00	180.00T
Decon Tools	1		200.00	200.00T
		Gross Receipts Tax	\$ 375%	786.77

*Howe*

**Total**

\$15,424.27