

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

JUL 22 2008

OCD-ARTESIA

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

SEB0821049489

NSEB0821049315

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	CHI Operating, Inc.	Contact	Sonny Mann
Address	P.O. Box 1799 Midland, TX 79702	Telephone No.	432-634-7062
Facility Name	INBOUNDS COM 1Y	Facility Type	30-015-31844

Surface Owner	MARVIN WATTS	Mineral Owner	SEE ATTACHED LIST OF RI	Lease No.	NM18605
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	9	22S	25E	1650	SOUTH	1780	WEST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	WATER SPILL	Volume of Release less than 5 bbl	Volume Recovered	NONE
Source of Release	WATER TANK	Date and Hour of Occurrence	Date and Hour of Discovery	WRITEUP
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?		
By Whom?	Date and Hour			
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.*

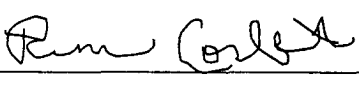
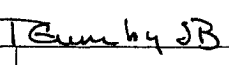
NA

Describe Cause of Problem and Remedial Action Taken.*

Describe Area Affected and Cleanup Action Taken.*

Netting corrected immediately. Contacted Richard Inge June 23, 2008 requesting meeting onsite to discuss a plan of action for cleanup. Mr. Inge gave me Sherry Bonham's/Environmental Specialist number to contact. Sonny Mann met with Sherry Bonham and the plan of action regarding the cleanup 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: PAM CORBETT	Approved by District Supervisor: 		
Title: ENG. TECH	Approval Date: 7-22-08	Expiration Date:	
E-mail Address: pamc@chienergyinc.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>	
Date: 6/30/08	Phone: 432-685-5001	2RP-202	

* Attach Additional Sheets If Necessary

REI 0813646856

Bonham, Sherry, EMNRD

From: Bonham, Sherry, EMNRD
Sent: Friday, July 25, 2008 4:08 PM
To: Clif Mann; Pam Corbett
Subject: Inbounds Com Unit 001Y C-141 and soil analytical report received

OCD is in receipt of the Initial C-141, remediation work plan, and the soil analyses of the July 17, 2008 sample event.

Per a July 24, 2008 phone call with Jordan (CHI representative) and based on the analytical data review, CHI Operating will perform additional excavation at Sample Point IDs: N.W. CORNER, N.E. CORNER, AND SEPERATOR. Upon completion of excavation, confirmation soil analyses will be submitted to OCD for approval prior to soil replacement.

Please notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Remediation requirements may be subject to change as site conditions warrant.

A final report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.

Remediation requirements may be subject to other federal, state, local laws and/or regulations. Additionally, please be advised that OCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment.

Thank you for your attention to these matters. If I can be of assistance, please don't hesitate to contact me. Should I not hear from you, I will assume you are in agreement with the above information.

Regards,
Sherry Bonham
NMOCD District II
1301 West Grand Avenue
Artesia, NM 88210
575.748.1283.ext 109