Accepted for record NMOCD

PRELIMINARY SITE INVESTIGATION REPORT and REMEDIATION/CLOSURE PLAN

Chi Operating, Inc.
Shugart West 24 B Lease #5
Lea County, New Mexico
COI 08-02-1001

30-015-32130

Prepared For:

Chi Operating, Inc. P.O. Box 1799 Midland, Texas 79702

Prepared By:

Tripp Constuction, Inc. P.O. Box 1711 Odessa, Texas 79760

February 19, 2008

Mark Meadows
Tripp Construction, Inc.

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1.0 Introduction and Summary

Tripp Construction, Inc. (TCI), responded to a call from Chi Operating, Inc. (COI) concerning the Shugart West 24 B Tank Battery. This report details all the events pursuant to remediation of the site in such a manner that protects the population, environment, and groundwater in the area.

The site is characterized by mesquite growth and pasture utilized for cattle grazing. The visible surface stained areas are noted in the summary of field activities section.

TCI went to the location at the request of COI and found a chloride spill that had been excavated and the material had been removed from the location. The excavated area was analyzed for chloride levels and the results are shown in Attachment II.

The final confirmation samples show that no elevated chlorides are present and the excavation was back filled with new material.

2.0 Field Activities

On February, 2008, TCI responded to the site located in Lea County New Mexico under the direction of the Chi Operating personnel. The impacted area at the tank battery is northwest of the tanks in an area approximately thirty feet by eighteen feet by three feet deep (30' X 18' X 3'. Vertical and horizontal extent of the impacted area has been delineated. TCI obtained samples to delineate horizontal and vertical extent of contamination. All samples were analyzed in the field using Hach titrators and the two (2) confirmation samples were transported to Environmental Labs of Texas (ELOT) in Odessa, Texas. The excavation was backfilled and the contour of the tank area was returned to level.

Eddy

3.0 Environmental x Media Characterization

Chemical parameters of the soil will be characterized consistent with the characterization and remediation/ abatement goals and objectives set forth in OCD and BLM guidelines.

4.0 Soil Investigation

A total of eight (8) soil samples were collected and were analyzed in accordance with the following standard methods: six (6) for Chloride levels utilizing Hach titrators and two confirmation samples sent to Environmental Labs of Texas for Chloride. Soil sample number one was collected on the west wall of the excavation. Soil sample number two was collected on the east wall of the excavation. Soil sample number four was collected from the north wall of the excavation. Soil sample number five was collected from the bottom of the excavation. Soil sample number six was collected north of the site as a background sample. The two confirmation samples are composite samples from the walls and bottom upon completion of the excavation (See Analytical Results – Attachment 2 and Site Maps – Attachment I).

5.0 Conclusion and Basis for Site Closure Request

On behalf of Chi Operating, Inc, we would like to request site closure on the basis of the analytical results associated with the February 22, 2008 sampling event and upon site clean-up efforts to date.

6.0 Limitations

Tripp Construction, Inc. (TCI) has prepared this Site Closure Report to the best of its ability. No other warranty, expresses or implied, is made or intended. TCI has examined and relied upon documents referenced in the report and had relied on oral statements made by certain individuals. TCI has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. TCI has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. TCI also notes that the facts and conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

The report has been prepared for the benefit of Chi Operating, Inc. The information contained in this report including all exhibits and attachments, may not be used by any other party without the express consent of Tripp Construction, Inc., and Chi Operating, Inc.

7.0 Distribution

Copy 1: Sonny Mann

Chi Operating, Inc. P.O. Box 1799

Midland, Texas 79702

Copy 2: John Qualls

Chi Operating, Inc. P.O. Box 1799

Midland, Texas 79702

Copy 3: Mike Bratcher

New Mexico Oil Conservation Division

Copy 4: Tripp Construction, Inc.

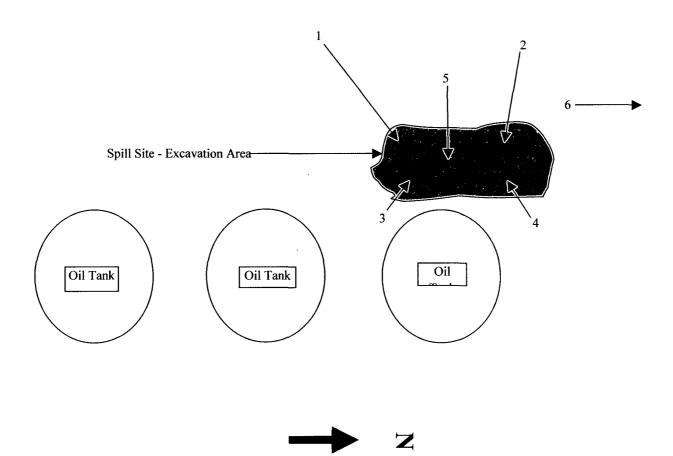
Mark Meadows

mmeadows@nwol.net

Chi Operating, Inc.
Shugart West 24 B Tank Battery
Soil Investigation Results and Site Closure Dated February 19, 2008

Attachment I

Site Plan



Chi Operating, Inc.
Shugart West 24 B Tank Battery
Soil Investigation Results and Site Closure Dated February 19, 2008

Attachment II

Analytical Results

Analytical Report 298185

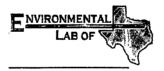
for

Tripp Construction Co.

Project Manager: Mark Meadows

CEI Shugart

27-FEB-08



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers: Houston, TX T104704215

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Norcross(Atlanta), GA E87429

South Carolina certification numbers: Norcross(Atlanta), GA 98015

North Carolina certification numbers: Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America Midland - Corpus Christi - Atlanta



27-FEB-08

Project Manager: Mark Meadows

Tripp Construction Co.

P.O. Box 1711 Odessa, TX 79760

Reference: XENCO Report No: 298185

CEI Shugart

Project Address: Loco Hills, NM

Mark Meadows:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 298185. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 298185 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

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Sample Cross Reference 298185



Tripp Construction Co., Odessa, TX

CEI Shugart

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
CS-1	S	Feb-22-08 00:00		298185-001
CS-2	S	Feb-22-08 00:00		298185-002



Project Id:

Certificate of Analysis Summary 298185

Tripp Construction Co., Odessa, TX

Project Name: CEI Shugart

Contact: Mark Meadows

Project Location: Loco Hills, NM

Project Name. CEI Shuga

Date Received in Lab: Fri Feb-22-08 01:50 pm Report Date: 27-FEB-08

Project Manager: Brent Barron, II

				1 Toject Wanager. Brent Barron, 11
	Lab Id:	298185-001	298185-002	
Aughoic Paguestad	Field Id:	CS-1	CS-2	
Analysis Requested	Depth:			
	Matrix:	SOIL	SOIL	
	Sampled:	Feb-22-08 00·00	Feb-22-08 00.00	
Determination of Inorganic Anions	Extracted:			
per Ion Chromatography by	Analyzed:	Feb-26-08 08:28	Feb-26-08 08 28	
per ton eminengrupny sy	Units/RL:	mg/kg RL	mg/kg RL	
Chloride		177 5 00	247 10.0	

This analytical report, and the entire data package it represents has been made for your evolusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories XENCO Laboratories assumes no responsibility and makes no warrarny to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi

Brent Barron
Odessa Laboratory Director

XENCO Laboratories

Flagging Criteria

- X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- **B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- **D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F RPD exceeded lab control limits.
- J The target analyte was positively identified below the MQL(PQL) and above the SQL(MDL).
- U Analyte was not detected.
- L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- **H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K Sample analyzed outside of recommended hold time.
- * Outside XENCO'S scope of NELAC Accreditation

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11381 Meadowglen Lane Suite L Houston, Tx 77082-2647	(281) 589-0692	(281) 589-0695
9701 Harry Hines Blvd, Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, Suite 104, San Antonio, TX 78238	(210) 509-3334	(210) 509-3335
2505 N. Falkenburg Rd , Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
6017 Financial Dr., Norcross, GA 30071	(770) 449-8800	(770) 449-5477



Blank Spike Recovery



Project Name: CEI Shugart

Work Order #: 298185

Project ID:

Lab Batch #: 715635

Sample: 715635-1-BKS

Matrix: Solid

Date Analyzed: 02/26/2008

Date Prepared: 02/26/2008

Analyst: IRO

Reporting Units: mg/kg Ba	itch #: 1	BLANK /	STUDY			
Determination of Inorganic Anions per Ion Chro Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
Chloride	ND	100	9.64	96	75-125	

Blank Spike Recovery [D] = 100*[C]/[B]All results are based on MDL and validated for QC purposes



Form 3 - MS Recoveries

Project Name: CEI Shugart

Work Order #: 298185

Lab Batch #: 715635 Date Analyzed: 02/26/2008

QC- Sample ID: 298154-009 S

Project ID:

Date Prepared: 02/26/2008

1

Analyst: IRO

Batch #:

Matrix: Soil

Reporting Units: mg/kg	MATRIX / MATRIX SPIKE RECOVERY STUDY												
Inorganic Anions by EPA 300 Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	%R [D]	Control Limits %R	Flag							
Chloride	5330	2000	7690	118	75-125								

Matrix Spike Percent Recovery [D] = 100*(C-A)/B Relative Percent Difference [E] = 200*(C-A)/(C+B) All Results are based on MDL and Validated for QC Purposes



Sample Duplicate Recovery



Project Name: CEI Shugart

Work Order #: 298185

Lab Batch #: 715635 Date Analyzed: 02/26/2008 Project ID:

Date Prepared: 02/26/2008 Analyst: IRO

QC- Sample ID: 298154-009 D

Matrix: Soil

Reporting Units: mg/kg	SAMPLE / SAMPLE DUPLICATE RECOVERY											
Determination of Inorganic Anions per Ion Chromatography by Analyte	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag							
Chloride	5330	5060	5	20								

Batch #:

Spike Relative Difference RPD 200 * | (B-A)/(B+A) | All Results are based on MDL and validated for QC purposes.

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Project Manager:	Mark Meadows														Pre	ojec	t Nas	ne:		<u>_</u>	Ē.	I		51	hu,	g a	4	
Company Name	Tripp Construct	ion, Inc.														Pr	ojec	t #:										
Company Address	P.O. Box 1711														,	Proje	ect L	oc:		عط	ء د د	,	Н,	il.	>_	,W	M	
City/State/Zip.	Odessa, Texas 7	9760																# :										
Telephone No:	432-381-2440				Fax No.	4	32-	530-	310)7				R	epor	t Fo	rmat	:	₫s	tand	ard			TRR	Р.		NPDE	s
Sampler Signature	,				e-mail:	<u>n</u>	nme	ad	ows	s@	nwo	l ne	<u>t</u>															_
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(Auo em qu) e gy Fie	LD CODE	Beginning Depth	Ending Depth	3-53-0-p	Time Sampled	Fred Filtered	1 Ge	PNO,	HCI	H,50,	Na-S-O.	Z X None	Other (Specify)	DW-Draking Wilder	C) CW = Groundwater S=Sod/Solid NP=Non-Potnie Specify Other	TPH 418 1 B015M B0	1794 TX 1006 TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl. SOA, Akralimity)	Metals As An Ba Cd Cr Pb Ho		Semedicies	BTEX 8021B/5030 or 9TEX 8260	RC!	XX CN6/ de)		RIESH TAT TOTAL CONTRACT AND THE CONTRAC	il
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Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client	Tripp Const.
Date/ Time	14.08 150
ab ID#	298185
nitials	au

Sample Receipt Checklist

#1	Temperature of container/ cooler?	Yes	No	76 O °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?	(es)	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?	(es	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	Yes	No	T
#11	Containers supplied by ELOT?	\(es	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	MDE Applicable
#20	VOC samples have zero headspace?	Yes	No	Net-Applicable

Variance Documentation

Contact		Contacted by	Date/ Time
Regarding			
Corrective Action Taker	n:		
Check all that Apply.		See attached e-mail/ fax Client understands and would like to proceed with ani Cooling process had begun shortly after sampling ever	

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

 Client
 Tripp Const.

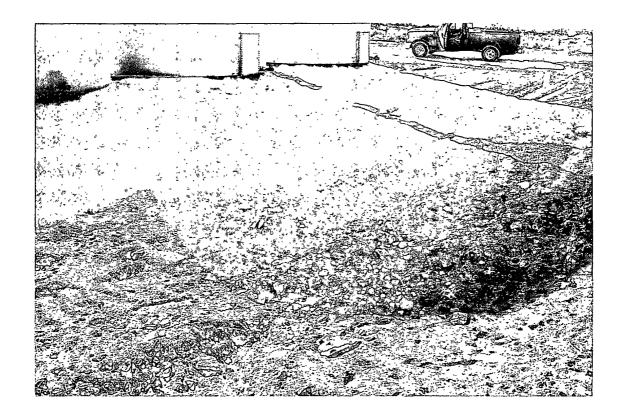
 Date/Time
 1:08 150

 Lab ID#
 29885

Chi Operating, Inc.
Shugart West 24 B Tank Battery
Soil Investigation Results and Site Closure Dated February 19, 2008

Attachment III

Photos



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