

# ***Elke Environmental, Inc.***

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

April 13, 2007

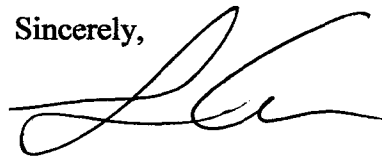
New Mexico Oil Conservation Division  
Mr. Larry Johnson  
1625 French Drive  
Hobbs, New Mexico 88240

Re: Drilling Pit Closure of Seely Oil – E-K Penrose Sand Unit #701  
UL 'D' Sec.30 T18S R34E Lea County  
API # 30-025-37572

Mr. Larry Johnson,

Elke Environmental was contracted by Seely Oil Company to complete the closure of the E-K Penrose Sand Unit #701 drilling pit. As per the C-144 filed and signed by Larry Johnson on 4-12-07 a burial pit was constructed and lined with 20 mil liner. The drilling mud was mixed with Elke Environmental Solidification Product at a 20(mud) : 1(product) ratio to solidify the contents then placed in the burial pit. 5 bottom points were delineated and tested with NMOCD standards for chlorides being achieved on all points with the deepest point at 23' below ground surface. Lab samples were taken for confirmation. As per the conversation between Larry Johnson and Robert Spangler on 3-20-07, with groundwater at 46' in this area all test points were excavated until chlorides were below 3,000ppm and solidified then placed in a second burial pit built inside the left horseshoe of the drilling pit. Both burial pits and the remainder of the drilling pit were capped with a 20 mil impervious liner then backfilled with clean native soil and doomed to prevent pooling. If you have any questions about the enclosed report please contact me at the office.

Sincerely,



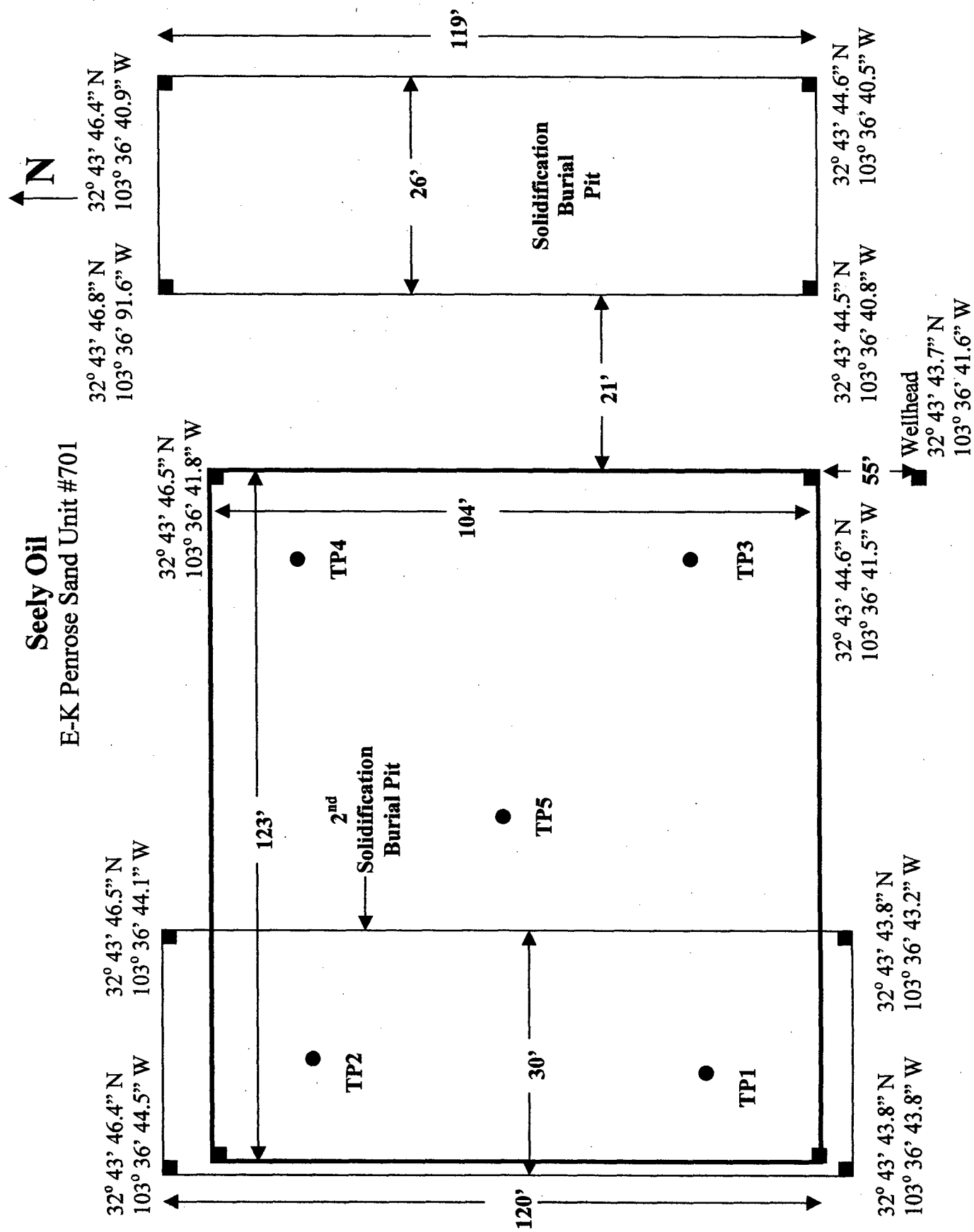
Logan Anderson

application - pPA 0711731117  
RP# 1302



# Seely Oil

E-K Penrose Sand Unit #701



**Elke Environmental, Inc.**

P.O. Box 14167 Odessa, TX 79768

**Field Analytical Report Form****Client** Seely Oil**Analyst** Robert Spangler**Site** E-K Penrose Sand Unit #701

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP1	3-19-07	7'		22,721		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	9'		21,953		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	11'		3,500		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	15'		2,010		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	17'		1,811		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	19'		243		32° 43' 44.4" N 103° 36' 43.7" W
TP1	3-19-07	21'		241	6.7	32° 43' 44.4" N 103° 36' 43.7" W
TP2	3-19-07	7'		7,780		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	9'		7,000		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	11'		6,560		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	13'		3,500		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	15'		2,000		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	17'		591		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	19'		415		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	21'		270		32° 43' 45.8" N 103° 36' 44.2" W
TP2	3-19-07	23'		230	5.1	32° 43' 45.8" N 103° 36' 44.2" W
TP3	3-19-07	7'		17,409		32° 43' 44.8" N 103° 36' 41.6" W
TP3	3-19-07	9'		14,040		32° 43' 44.8" N 103° 36' 41.6" W

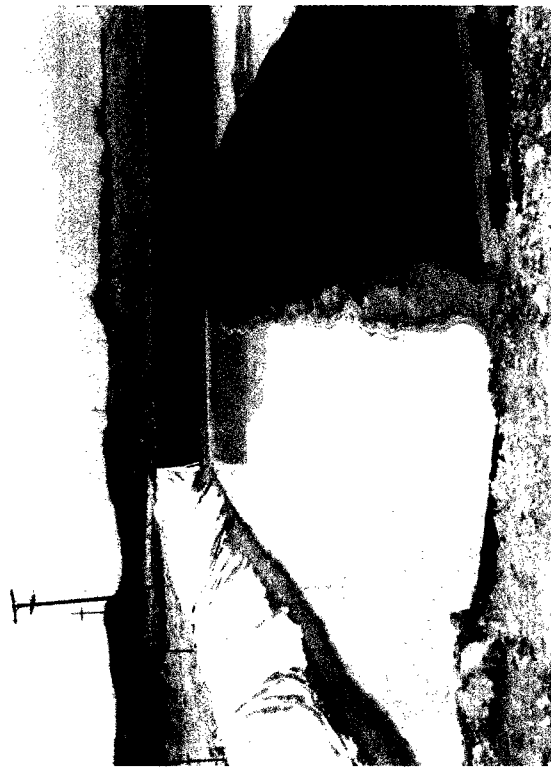
**Elke Environmental, Inc.**

P.O. Box 14167 Odessa, TX 79768

**Field Analytical Report Form****Client** Seely Oil**Analyst** Robert Spangler**Site** E-K Penrose Sand Unit #701

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP3	3-19-07	11'		2,948		32° 43' 44.8" N 103° 36' 41.6" W
TP3	3-19-07	13'		290		32° 43' 44.8" N 103° 36' 41.6" W
TP3	3-19-07	15'		201	11.7	32° 43' 44.8" N 103° 36' 41.6" W
TP4	3-19-07	7'		35,048		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	9'		20,291		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	11'		15,375		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	13'		6,200		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	15'		1,085		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	17'		485		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	19'		345		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	21'		274		32° 43' 46.2" N 103° 36' 42.0" W
TP4	3-19-07	23'		209	7.9	32° 43' 46.2" N 103° 36' 42.0" W
TP5	3-19-07	7'		3,502		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	9'		1,000		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	11'		740		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	13'		293		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	17'		287		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	19'		262		32° 43' 45.1" N 103° 36' 42.3" W
TP5	3-19-07	21'		170	5.1	32° 43' 45.1" N 103° 36' 42.3" W

# Seely Oil – E-K Penrose Sand Unit #701



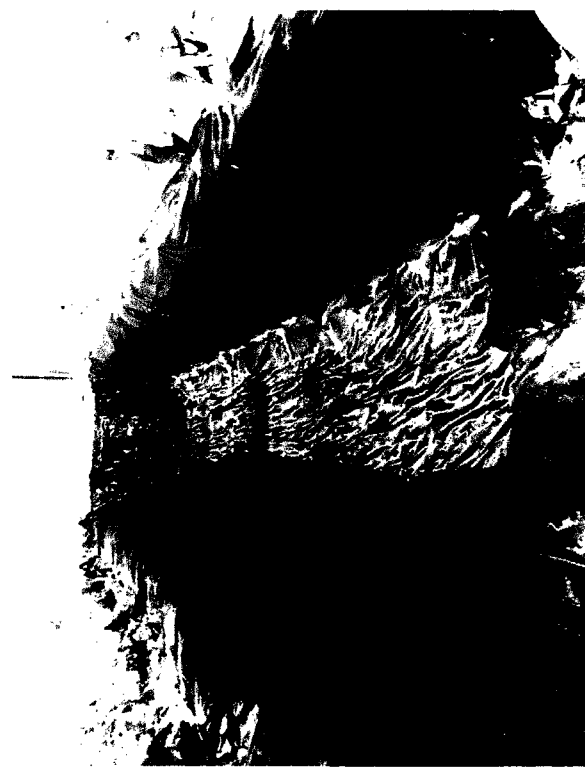
Left side of drilling pit before closure.



Right side of drilling pit before closure.



Excavation of burial pit before liner.



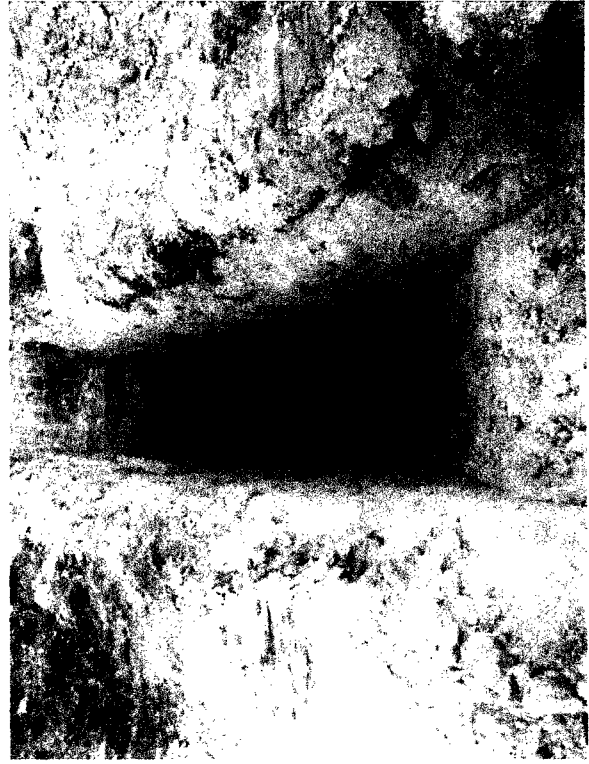
Burial pit lined with a 20 mil impervious liner.



Delivery of Elke Environmental Solidification Product.



Placing solidified mud in burial pit.



Delineation trench of TP2 at 23' deep.



Delineation trench of TP3 at 15' deep.



Excavation of second burial pit before liner.



Second burial pit after installation 20 mil impervious liner.



Trackhoe mixing contamination with Elke Solidification Product.



Drilling pit after all contamination above 3,000ppm is removed.



20 mil impervious cap over second burial pit.



20 mil impervious cap over drilling pit for risk based closure.



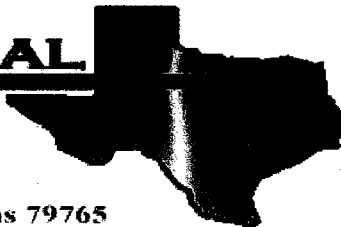
Burial pits and drilling pit after backfill and contour.



Burial pits and drilling pit after backfill and contour.



# **E** **NVIRONMENTAL** **LAB OF**



12600 West I-20 East - Odessa, Texas 79765

A Xenco Laboratories Company

## **Analytical Report**

**Prepared for:**

Robert Spangler

Elke Environmental

P.O. Box 14167

Odessa, TX 79768

Project: Seely Oil

Project Number: E.K. Penrose Sand Unit #701

Location: None Given

Lab Order Number: 7C26003

Report Date: 04/02/07

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

Fax: (432) 366-0884

### ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
TP1 @ 21'	7C26003-01	Soil	03/19/07 17:30	03-26-2007 09:40
TP2 @ 23'	7C26003-02	Soil	03/19/07 13:00	03-26-2007 09:40
TP3 @ 15'	7C26003-03	Soil	03/19/07 11:00	03-26-2007 09:40
TP4 @ 23'	7C26003-04	Soil	03/19/07 14:00	03-26-2007 09:40
TP5 @ 21'	7C26003-05	Soil	03/19/07 10:00	03-26-2007 09:40

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

Fax: (432) 366-0884

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>TP1 @ 21' (7C26003-01) Soil</b>									
Carbon Ranges C6-C12	18.4	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	67.4	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	27.3	10.0	"	"	"	"	"	"	
Total Hydrocarbons	113	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		96.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		109 %	70-130		"	"	"	"	
<b>TP2 @ 23' (7C26003-02) Soil</b>									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		97.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		111 %	70-130		"	"	"	"	
<b>TP3 @ 15' (7C26003-03) Soil</b>									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		99.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		118 %	70-130		"	"	"	"	
<b>TP4 @ 23' (7C26003-04) Soil</b>									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	21.0	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	21.0	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		92.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		118 %	70-130		"	"	"	"	

Environmental Lab of Texas

A Xenco Laboratories 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.

Page 2 of 9

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

Fax: (432) 366-0884

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>TP5 @ 21' (7C26003-05) Soil</b>									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC72806	03/28/07	03/30/07	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		91.2 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		106 %	70-130		"	"	"	"	

Environmental Lab of Texas

A Xenco Laboratories 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.*

Page 3 of 9

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

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
<b>TP1 @ 21' (7C26003-01) Soil</b>									
Chloride	170	40.0	mg/kg Wet	2	EC72809	03/28/07	03/28/07	SW 846 9253	
% Moisture	15.4	0.1	%	1	EC72707	03/26/07	03/27/07	% calculation	
<b>TP2 @ 23' (7C26003-02) Soil</b>									
Chloride	213	40.0	mg/kg Wet	2	EC72809	03/28/07	03/28/07	SW 846 9253	
% Moisture	8.6	0.1	%	1	EC72707	03/26/07	03/26/07	% calculation	
<b>TP3 @ 15' (7C26003-03) Soil</b>									
Chloride	85.1	40.0	mg/kg Wet	2	EC72810	03/28/07	03/28/07	SW 846 9253	
% Moisture	8.6	0.1	%	1	EC72707	03/26/07	03/27/07	% calculation	
<b>TP4 @ 23' (7C26003-04) Soil</b>									
Chloride	362	40.0	mg/kg Wet	2	EC72810	03/28/07	03/28/07	SW 846 9253	
% Moisture	13.9	0.1	%	1	EC72707	03/26/07	03/26/07	% calculation	
<b>TP5 @ 21' (7C26003-05) Soil</b>									
Chloride	319	40.0	mg/kg Wet	2	EC72810	03/28/07	03/28/07	SW 846 9253	
% Moisture	9.4	0.1	%	1	EC72707	03/26/07	03/27/07	% calculation	

Environmental Lab of Texas

A Xenco Laboratories 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.*

Page 4 of 9

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

Fax: (432) 366-0884

**Organics by GC - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD Limit	Notes
<b>Batch EC72806 - Solvent Extraction (GC)</b>								
<b>Blank (EC72806-BLK1)</b>			Prepared: 03/28/07 Analyzed: 03/30/07					
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	45.7		mg/kg	50.0		91.4	70-130	
Surrogate: 1-Chlorooctadecane	52.1		"	50.0		104	70-130	
<b>LCS (EC72806-BS1)</b>			Prepared: 03/28/07 Analyzed: 03/30/07					
Carbon Ranges C6-C12	625	10.0	mg/kg wet	500		125	75-125	
Carbon Ranges C12-C28	529	10.0	"	500		106	75-125	
Carbon Ranges C28-C35	ND	10.0	"	0.00			75-125	
Total Hydrocarbons	1150	10.0	"	1000		115	75-125	
Surrogate: 1-Chlorooctane	53.7		mg/kg	50.0		107	70-130	
Surrogate: 1-Chlorooctadecane	56.6		"	50.0		113	70-130	
<b>Calibration Check (EC72806-CCV1)</b>			Prepared: 03/28/07 Analyzed: 04/02/07					
Carbon Ranges C6-C12	219		mg/kg	250		87.6	80-120	
Carbon Ranges C12-C28	221		"	250		88.4	80-120	
Total Hydrocarbons	439		"	500		87.8	80-120	
Surrogate: 1-Chlorooctane	56.8		"	50.0		114	70-130	
Surrogate: 1-Chlorooctadecane	58.2		"	50.0		116	70-130	
<b>Matrix Spike (EC72806-MS1)</b>			Source: 7C26003-03	Prepared: 03/28/07 Analyzed: 04/02/07				
Carbon Ranges C6-C12	684	10.0	mg/kg dry	547	ND	125	75-125	
Carbon Ranges C12-C28	679	10.0	"	547	ND	124	75-125	
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125	
Total Hydrocarbons	1360	10.0	"	1090	ND	125	75-125	
Surrogate: 1-Chlorooctane	63.4		mg/kg	50.0		127	70-130	
Surrogate: 1-Chlorooctadecane	58.8		"	50.0		118	70-130	

Environmental Lab of Texas

A Xenco Laboratories 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.

Page 5 of 9

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

Fax: (432) 366-0884

**Organics by GC - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD	RPD Limit	Notes
---------	--------	--------------------	-------	----------------	------------------	----------------	-----	--------------	-------

**Batch EC72806 - Solvent Extraction (GC)**

<b>Matrix Spike Dup (EC72806-MSD1)</b>		<b>Source: 7C26003-03</b>		<b>Prepared: 03/28/07 Analyzed: 04/02/07</b>					
Carbon Ranges C6-C12	684	10.0	mg/kg dry	547	ND	125	75-125	0.00	20
Carbon Ranges C12-C28	675	10.0	"	547	ND	123	75-125	0.810	20
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125		20
Total Hydrocarbons	1360	10.0	"	1090	ND	125	75-125	0.00	20
Surrogate: 1-Chlorooctane	63.5		mg/kg	50.0		127	70-130		
Surrogate: 1-Chlorooctadecane	59.5		"	50.0		119	70-130		

Environmental Lab of Texas

A Xenco Laboratories 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.*

Page 6 of 9

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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

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 Limits	RPD	RPD Limit	Notes
<b>Batch EC72707 - General Preparation (Prep)</b>									
<b>Blank (EC72707-BLK1)</b>				Prepared: 03/26/07 Analyzed: 03/27/07					
% Solids	100		%						
<b>Duplicate (EC72707-DUP1)</b>				Source: 7C26006-01 Prepared: 03/26/07 Analyzed: 03/27/07					
% Solids	92.3		%		92.4		0.108	20	
<b>Batch EC72809 - General Preparation (WetChem)</b>									
<b>Blank (EC72809-BLK1)</b>				Prepared & Analyzed: 03/28/07					
Chloride	ND	20.0	mg/kg Wet						
<b>LCS (EC72809-BS1)</b>				Prepared & Analyzed: 03/28/07					
Chloride	95.7	20.0	mg/kg Wet	100		95.7	80-120		
<b>Matrix Spike (EC72809-MS1)</b>				Source: 7C21014-12 Prepared & Analyzed: 03/28/07					
Chloride	723	40.0	mg/kg Wet	500	191	106	80-120		
<b>Matrix Spike Dup (EC72809-MSD1)</b>				Source: 7C21014-12 Prepared & Analyzed: 03/28/07					
Chloride	702	40.0	mg/kg Wet	500	191	102	80-120	2.95	20
<b>Reference (EC72809-SRM1)</b>				Prepared & Analyzed: 03/28/07					
Chloride	51.0	20.0	mg/kg Wet	50.0		102	80-120		
<b>Batch EC72810 - General Preparation (WetChem)</b>									
<b>Blank (EC72810-BLK1)</b>				Prepared & Analyzed: 03/28/07					
Chloride	ND	20.0	mg/kg Wet						

Environmental Lab of Texas

A Xenco Laboratories 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.*

Page 7 of 9



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

Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

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 EC72810 - General Preparation (WetChem)**

**LCS (EC72810-BS1)**

Prepared & Analyzed: 03/28/07

Chloride	94.7	20.0	mg/kg Wet	100	94.7	80-120
----------	------	------	-----------	-----	------	--------

**Matrix Spike (EC72810-MS1)**

Source: 7C26003-03

Prepared & Analyzed: 03/28/07

Chloride	617	40.0	mg/kg Wet	500	85.1	106	80-120
----------	-----	------	-----------	-----	------	-----	--------

**Matrix Spike Dup (EC72810-MSD1)**

Source: 7C26003-03

Prepared & Analyzed: 03/28/07

Chloride	617	40.0	mg/kg Wet	500	85.1	106	80-120	0.00	20
----------	-----	------	-----------	-----	------	-----	--------	------	----

**Reference (EC72810-SRM1)**

Prepared & Analyzed: 03/28/07

Chloride	51.0	20.0	mg/kg Wet	50.0	102	80-120
----------	------	------	-----------	------	-----	--------

Environmental Lab of Texas

A Xenco Laboratories 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.*

Page 8 of 9

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

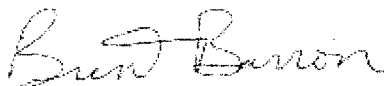
Project: Seely Oil  
Project Number: E.K. Penrose Sand Unit #701  
Project Manager: Robert Spangler

Fax: (432) 366-0884

### Notes and Definitions

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:



Date: 4/2/2007

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~~

A Xenco Laboratories 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.*

Page 9 of 9

# CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East  
Odessa, Texas 79765

**Phone: 432-563-1800**  
**Fax: 432-563-1713**

Robert Spangler

**Project Name:**

Seely Oil

**Elke Environmental, Inc.**

**Project #:**

Project #: E-K Argosie Sand Unit # 701

4817 Andrews Hwy

**Project Loc:**

Odessa, TX 79762

#09

432-366-0043

**Fax No: 432-366-0884**

**Report Format:**

Report Format: ☒ Standard ☐ TRRP

NPDES

Robert Spang

e-mail: [elkeenv@yahoo.com](mailto:elkeenv@yahoo.com)

[illegible]

# Environmental Lab of Texas

## Variance/ Corrective Action Report- Sample Log-In

Client: Eike Environmental  
 Date/ Time: 03 26 07 @ 0940  
 Lab ID #: 7026003  
 Initials: JMM

### Sample Receipt Checklist

Client Initials

#1 Temperature of container/ cooler?	<u>Yes</u>	No	<u>35</u> °C	
#2 Shipping container in good condition?	<u>Yes</u>	No		
#3 Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	Not Present	
#4 Custody Seals intact on sample bottles/ container?	<u>Yes</u>	No	Not Present	
#5 Chain of Custody present?	<u>Yes</u>	No		
#6 Sample instructions complete of Chain of Custody?	<u>Yes</u>	No		
#7 Chain of Custody signed when relinquished/ received?	<u>Yes</u>	No		
#8 Chain of Custody agrees with sample label(s)?	<u>Yes</u>	No	ID written on Cont./ Lid	
#9 Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable	
#10 Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No		
#11 Containers supplied by ELOT?	<u>Yes</u>	No		
#12 Samples in proper container/ bottle?	<u>Yes</u>	No	See Below	
#13 Samples properly preserved?	<u>Yes</u>	No	See Below	
#14 Sample bottles intact?	<u>Yes</u>	No		
#15 Preservations documented on Chain of Custody?	<u>Yes</u>	No		
#16 Containers documented on Chain of Custody?	<u>Yes</u>	No		
#17 Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No	See Below	
#18 All samples received within sufficient hold time?	<u>Yes</u>	No	See Below	
#19 Subcontract of sample(s)?	<u>Yes</u>	No	Not Applicable	
#20 VOC samples have zero headspace?	<u>Yes</u>	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

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-144  
June 1, 2004

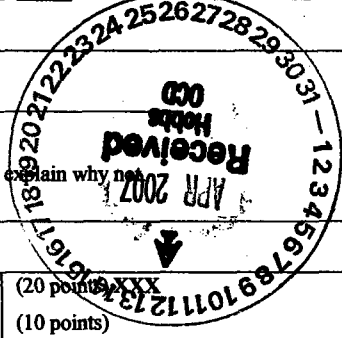
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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: <u>Seely Oil Company</u> Telephone: <u>817-332-1377</u> e-mail address: _____			
Address: <u>815 W. 10<sup>th</sup> Street Fort Worth, TX 76102</u>			
Facility or well name: <u>E-K Penrose Sand Unit #701</u> API #: <u>30-025-37572</u> U/L or Qtr/Qtr <u>D</u> Sec <u>30</u> T <u>18S</u> R <u>34E</u>			
County: <u>Lea</u> Latitude <u>32-43-26.2N</u> Longitude <u>103-36-24.9W</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>			
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input checked="" type="checkbox"/>			
<b>Pit</b> 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	<b>Below-grade tank</b> 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 50 feet or more, but less than 100 feet 100 feet or more		(20 points) XXX (10 points) ( 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 No		(20 points) ( 0 points) XXX
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more		(20 points) (10 points) ( 0 points) XXX
Ranking Score (Total Points)			20 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: All excess water will be removed. A burial pit will be constructed and lined with a 20mil impervious liner. The drilling pit contents will be mixed with Elke Environmental Solidification Product at a 20 (mud) to 1 (product) ratio to solidify the contents. After all mixed contents are placed in the burial pit, the contents will be covered with a 20 mil impervious liner with a minimum of 3 ft. overlap on all sides and a minimum of 3 ft. below ground level. The burial pit will then be covered with clean Native soil and doomed to prevent pooling. 5 bottom sample points will be taken after the pit contents are removed and a final report will be given at the end of the job. NMOCD Artesia will be notified 48 hrs before work starts.

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: 2-21-07

Printed Name/Title Logan Anderson / Agent

Signature 

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 L. JOHNSON - ENVIRONMENTAL ENGINEER

Signature 

Date: 4.12.07

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-144  
June 1, 2004

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

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: Seely Oil Company Telephone: 817-332-1377 e-mail address: \_\_\_\_\_  
Address: 815 W. 10<sup>th</sup> Street Fort Worth, TX 76102  
Facility or well name: E-K Penrose Sand Unit #701 API #: 30-025-37572 U/L or Qtr/Qtr D Sec 30 T 18S R 34E  
County: Lea Latitude 32-43-26.2N Longitude 103-36-24.9W NAD: 1927 ☐ 1983 ☐  
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

<b>Pit</b> 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	<b>Below-grade tank</b> 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) XXX 50 feet or more, but less than 100 feet (10 points) 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) No (0 points) XXX
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) 1000 feet or more (0 points) XXX
	<b>Ranking Score (Total Points)</b> <b>20 points</b>

**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: A burial pit was constructed and lined with a 20mil impervious liner. The drilling pit contents were mixed with Elke Environmental Solidification Product at a 20 (mud) to 1 (product) ratio to solidify the contents and placed in the burial pit. The bottom of the drilling pit was tested, plat map and analytical are attached. All contamination above 3,000ppm chlorides was removed and solidified as described above and placed in a second burial pit. Both burial pits were capped with a 20 mil impervious liner with a minimum of 3 ft. overlap on all sides and a minimum of 3 ft. below ground level. The drilling pit was also capped with a 20 mil impervious liner. The entire site was backfilled with clean native soil and doomed to prevent pooling.

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: 4-17-07

Printed Name/Title Executive VP

Signature Daniel L. Henderson

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 L. JOHNSON - ENVIRO ENGR

Signature [Signature]

Date: 4.26.07