

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 87400
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 ☒

JUN 13 2007

Operator: Chi Operating Inc. Telephone: 1432-485-5001 e-mail address: _____
Address: P.O. Box 1799 Midland, TX 79702 **OCD-ARTESIA**
Facility or well name: Beaver Tail Stomach API #: 3001532856 U/L or Qtr/Qtr D Sec 36 T 16 R 28
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) 10 100 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) 0
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) 0 <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) 10	

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 Operating plans to close the drilling pit on the Beaver Tail As per New Mexico Oil Conservation Division Rule 50 in the pit And Below Grade Tank Guidelines. Chi plans to trench bury the lined trench with 12 mil liner and bury pit contents And liner. Then cover with 20 mil plastic, cap with 3' of native soils capable of supporting native plant growth. Will contour the area, to prevent erosion and ponding of rain water. Monitor Well was drill at the corner of reserve pit and location. Drilled 70' below surface. After 24 hrs, had NOT encountered any ground water.

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: 6-12-07

Printed Name/Title Brad Larson / Agent

Signature

Brad Larson

Your certification and NMOCD approval of this application/closure does not relieve th otherwise endanger public health or the environment. Nor does it relieve the operator regulations.

Notify OCD 24 hours prior to beginning pit closure.

contaminate ground water or tate, or local laws and/or

Approval:

Printed Name/Title

Jim W. Green
District II Supervisor

Signature

Samples are to be obtain from pit area and analysis submitted to NMOCD prior to back-filling

Date:

6/14/07

ECO/ENVIRO DRILLING LLC

357 Wilks Road
Lovington, NM 88260

Invoice

Date	Invoice #
03/01/2007	88

Bill To
CHI Operating Inc. PO Box 1799 Midland, TX 79702 Attn: Gary Womack A

		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	3.375%	786.77
Total				\$13,424.27