

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: CHI OPERATING, INC. Telephone: 432-685-5001 e-mail address: pamc@chienergyinc.com
Address: P O. BOX 1799 MIDLAND, TX 79702
Facility or well name: HENRY 3 API #: 30-015-32876 U/L or Qtr/Qtr N Sec 22 T 22S 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> ml 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) 20
	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) 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)
	1000 feet or more	(0 points) 0
Ranking Score (Total Points)		20

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 _____ CRI _____. (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

OCD is in receipt of analytical report after review Mike Bratcher approved pit closure.

: FINAL CLOSURE

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: 4/16/08

Printed Name/Title PAM CORBETT Signature Pam Corbett

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:

Accepted for record
NMOCD

APR 17 2008

Printed Name/Title _____ Signature _____ Date: _____

Analytical Report 301344

for

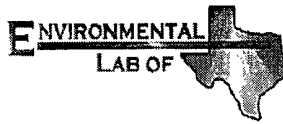
Tripp Construction Co.

Project Manager: Mark Meadows

Chi Operating

Henry #3

09-APR-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



09-APR-08

Project Manager: **Mark Meadows**
Tripp Construction Co.
P.O. Box 1711
Odessa, TX 79760

Reference: XENCO Report No: **301344**
Chi Operating
Project Address: 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 301344. 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. 301344 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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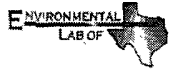
Sample Cross Reference 301344



Tripp Construction Co., Odessa, TX

Chi Operating

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
CS-1	S	Apr-08-08 00:00		301344-001
CS-2	S	Apr-08-08 00:00		301344-002
CS-3	S	Apr-08-08 00:00		301344-003
CS-4	S	Apr-08-08 00:00		301344-004
Background	S	Apr-08-08 00:00		301344-005



Certificate of Analysis Summary 301344

Tripp Construction Co., Odessa, TX

Project Name: Chi Operating

Project Id: Henry #3

Contact: Mark Meadows

Project Location: NM

Date Received in Lab: Tue Apr-08-08 03 40 pm

Report Date: 09-APR-08


Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	301344-001	301344-002	301344-003	301344-004	301344-005	
	Field Id:	CS-1	CS-2	CS-3	CS-4	Background	
	Depth:						
	Matrix:	SOIL	SOIL	SOIL	SOIL	SOIL	
	Sampled:	Apr-08-08 00 00	Apr-08-08 00 00	Apr-08-08 00 00	Apr-08-08 00 00	Apr-08-08 00 00	
Chloride by SM4500-CI- B	Extracted:						
	Analyzed:	Apr-08-08 16 05	Apr-08-08 16 05	Apr-08-08 16 05	Apr-08-08 16 05	Apr-08-08 16 05	
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	
Chloride		85 08 0 1000	191 4 0 1000	42 54 0 1000	42 54 0 1000	212 7 0 1000	

This analytical report and the entire data package it represents, has been made for your exclusive 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 warranty to the end user of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

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Version 1 007


Brent Barron
Odessa Laboratory Director



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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2505 N. Falkenburg Rd , Tampa, FL 33619
5757 NW 158th St, Miami Lakes, FL 33014
6017 Financial Dr., Norcross, GA 30071

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(214) 902 0300	(214) 351-9139
(210) 509-3334	(210) 509-3335
(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555
(770) 449-8800	(770) 449-5477



Blank Spike Recovery



Project Name: Chi Operating

Work Order #: 301344

Project ID:

Henry #3

Lab Batch #: 719374

Sample: 719374-1-BKS

Matrix: Solid

Date Analyzed: 04/08/2008

Date Prepared: 04/08/2008

Analyst: IRO

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

Chloride by SM4500-CI- B Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
Chloride	ND	100.0	86.14	86	70-125	

Blank Spike Recovery [D] = $100 \times [C] / [B]$

All results are based on MDL and validated for QC purposes.



Form 3 - MS / MSD Recoveries

Project Name: Chi Operating



Work Order #: 301344

Project ID: Henry #3

Lab Batch ID: 719374

QC- Sample ID: 301344-001 S

Batch #: 1 Matrix: Soil

Date Analyzed: 04/08/2008

Date Prepared: 04/08/2008

Analyst: IRO

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

Chloride by SM4500-Cl- B Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Chloride	85.08	1000	1085	100	1000	1095	101	1	70-125	25	

Matrix Spike Percent Recovery $[D] = 100 \cdot (C-A)/B$
Relative Percent Difference $RPD = 200 \cdot (D-G)/(D+G)$

Matrix Spike Duplicate Percent Recovery $[G] = 100 \cdot (F-A)/E$

ND = Not Detected, J = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not Applicable
N = See Narrative, EQL = Estimated Quantitation Limit

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client Tripp Construction
Date/ Time 04.08.08 @ 15:10
Lab ID # 301344
Initials JMF

Sample Receipt Checklist

				Client Initials	
#1	Temperature of container/ cooler?	<u>(Yes)</u>	No	31.5	°C
#2	Shipping container in good condition?	Yes	No	<u>(N/A)</u>	
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	Yes	No	<u>(Not Present)</u>	
#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)?	Yes	No	<u>(Not Applicable)</u>	
#20	VOC samples have zero headspace?	Yes	No	<u>(Not Applicable)</u>	

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

Bratcher, Mike, EMNRD

From: Pam Corbett [pamc@chienergyinc.com]
Sent: Wednesday, April 16, 2008 10:58 PM
To: Bratcher, Mike, EMNRD
Subject: CHI - Henry 3 Pit Closure
Attachments: Henry3C144intent.tif; Henry #3 Analytical Report on Samples.pdf; HENRYFINALC144.doc

This inbound email has been scanned by the MessageLabs Email Security System.

4/17/2008