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 Department

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

Form C-144 July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
1.
Operator: OGRID #:004378
Address: 212 N. Main, Midland, TX 79702
Facility or well name:Pinon Federal Com Well No. 1
API Number:30-015-36041 OCD Permit Number:
U/L or Qtr/QtrSWSW Section6Township17S Range30E County: Eddy
Center of Proposed Design: LatitudeN 32 858775' LongitudeW 104 015933' NAD: ☐ 1927 ☒ 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
2.
Pit: Subsection F or G of 19.15.17.11 NMAC
Temporary: Drilling Workover
Permanent Emergency Cavitation P&A
Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other
☑ String-Reinforced
Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D
3,
Closed-loop System: Subsection H of 19.15.17.11 NMAC
Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other
Liner Seams: Welded Factory Other
4.

Prov. 1 205

Tank Construction material:

Volume:

bbl Type of fluid:

☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off

Below-grade tank: Subsection I of 19.15.17.11 NMAC

☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _

6.											
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)											
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, h institution or church)	ospital,										
Four foot height, four strands of barbed wire evenly spaced between one and four feet											
Alternate. Please specify											
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)											
Screen Netting Other											
Monthly inspections (If netting or screening is not physically feasible)											
Signs: Subsection C of 19.15.17.11 NMAC											
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers											
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19.15.3.103 NMAC											
9. Administrative Approvals and Exceptions:											
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.	,										
Please check a box if one or more of the following is requested, if not leave blank:	cc. c										
Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office consideration of approval.											
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.											
10.											
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptions.	table source										
material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approp	riate district										
office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of ap Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryi											
above-grade tanks associated with a closed-loop system.	ing paus of										
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.	☐ Yes ⊠ No										
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells											
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).	☐ Yes ⊠ No										
- Topographic map; Visual inspection (certification) of the proposed site											
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	☐ Yes 🏻 No										
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)	□ NA										
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ⊠ No										
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits)	□ NA										
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image											
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock	☐ Yes ⊠ No										
watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site											
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance											
adopted pursuant to NMSA 1978, Section 3-27-3, as amended.	☐ Yes ⊠ No										
- Written confirmation or verification from the municipality; Written approval obtained from the municipality											
Within 500 feet of a wetland.	☐ Yes ⊠ No										
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site											
Within the area overlying a subsurface mine.	☐ Yes ⊠ No										
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division											
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological	☐ Yes ⊠ No										
Society; Topographic map											
Within a 100-year floodplain.	☐ Yes ⊠ No										
- FEMA map											

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC	
and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number:	-
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:	
Previously Approved Operating and Maintenance Plan API Number:(Applies only to closed-loop system that use	
13. Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Precboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Erosion Control Plan Erosion Control Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	,
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: ☑ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative Proposed Closure Method: ☒ Waste Excavation and Removal ☐ Waste Removal (Closed-loop systems only) ☐ On-site Closure Method (Only for temporary pits and closed-loop systems) ☐ In-place Burial ☐ On-site Trench Burial ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)	
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions: Please indentify the facility or facilities for the disposal of liquids, facilities are required.												
Disposal Facility Name:CRI	Disposal Facility Permit Number: 6											
Disposal Facility Name:												
Will any of the proposed closed-loop system operations and associated activities of Yes (If yes, please provide the information below) \(\subseteq \) No		_										
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	te requirements of Subsection H of 19.15.17.13 NMAC n I of 19.15.17.13 NMAC	2										
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may requested an exception which must be submitted to the Santa Fe Environment demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	ire administrative approval from the appropriate disti al Bureau office for consideration of approval. Justi	rict office or may be										
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Database search; USG	ata obtained from nearby wells	☐ Yes ☐ No ☐ NA										
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Definition of the buried waste	•											
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; D	ound water is more than 100 feet below the bottom of the buried waste. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells											
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other s lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ignificant watercourse or lakebed, sinkhole, or playa	Yes No										
Within 300 feet from a permanent residence, school, hospital, institution, or chur - Visual inspection (certification) of the proposed site; Aerial photo; Satell		☐ Yes ☐ No										
Within 500 horizontal feet of a private, domestic fresh water well or spring that lewatering purposes, or within 1000 horizontal feet of any other fresh water well on NM Office of the State Engineer - iWATERS database; Visual inspection	spring, in existence at the time of initial application.	Yes No										
Within incorporated municipal boundaries or within a defined municipal fresh was adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written appre	Yes No											
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Vis	☐ Yes ☐ No											
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mini												
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geole Society; Topographic map	ogy & Mineral Resources; USGS; NM Geological	☐ Yes ☐ No										
Within a 100-year floodplain FEMA map		☐ Yes ☐ No										
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Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accu	
Name (Print): PAM CORBETT	Title: Regulatory Cluk
Name (Print): Par Corbett Signature: Par Corbett	Date: 10/20/08
e-mail address: Damc@chi energy inc. CON	n Telephone: 432685-5001 4360-8360
OCD Approval: Permit Application (including classification) Closure	Plan (only) OCD Conditions (see attachment)
OCD Approval: Permit Application (including classifier plan) Closure of OCD Representative Signature:	Approval Date: NOV 1 2 2008
Title:	OCD Permit Number: W/A
21.	OCD Telimit itumber. Apple
Closure Report (required within 60 days of closure completion): Subsection Instructions: Operators are required to obtain an approved closure plan prior The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the	r to implementing any closure activities and submitting the closure report. f the completion of the closure activities. Please do not complete this closure activities have been completed.
	Closure Completion Date:
22. Closure Method: Waste Excavation and Removal □ On-Site Closure Method □ Alter If different from approved plan, please explain.	native Closure Method 🏻 Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop System	ms That Utilize Above Ground Steel Tanks or Haul-off Bins Only:
Instructions: Please indentify the facility or facilities for where the liquids, ditwo facilities were utilized.	
Disposal Facility Name:	Disposal Facility Permit Number:
Disposal Facility Name:	Disposal Facility Permit Number:
Were the closed-loop system operations and associated activities performed on Yes (If yes, please demonstrate compliance to the items below) No	or in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service and open	ations.
☐ Site Reclamation (Photo Documentation) ☐ Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
Closure Report Attachment Checklist: Instructions: Each of the following	items must be attached to the closure report. Please indicate, by a check
mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division)	
Proof of Deed Notice (required for on-site closure)	
☐ Plot Plan (for on-site closures and temporary pits) ☐ Confirmation Sampling Analytical Results (if applicable)	
Waste Material Sampling Analytical Results (required for on-site closure	e) ·
☐ Disposal Facility Name and Permit Number☐ Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
Site Reclamation (Photo Documentation)	
On-site Closure Location: LatitudeLon	gitude NAD: [_]1927 [_] 1983
25. Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this closure	re report is true, accurate and complete to the best of my knowledge and
belief. I also certify that the closure complies with all applicable closure require	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



Conditions of approval for closure of a drilling pit

Notify OCD District 2 office 48 hours prior to commencement of closure activities.

Notify OCD District 2 office 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Sampling requirements are listed in 19.15.17.13 [NMAC] (Pit Rule)

Final closure report is to be submitted to OCD not later than 60 days after completion of closure.

NOTE: It is OCS's understanding that the attached analytical data is from samples obtained from pet area prior to use.



CHI OPERATING, INC. PINON FEDERAL COM WELL #1 API 30-015-36041 SECTION 6 T17S R 30E EDDY CO., NM

PIT CLOSURE PROCEDURE:

Samples of the pit area were taken and results are attached. Pit was monitored daily for fluid levels during drilling operations and a log was kept indicating the fluid level in the pit.

Pit was de-watered after drilling and allowed to dry through natural evaporation. Pit was inspected weekly and a log has been kept monitoring the pit and any fluid levels.

All waste will be dug out and hauled to CRI disposal facility (Permit #6). Samples will be taken after pit and waste have been removed to verify that soil standards have been met.

BLM is the surface owner and approves of the pit closure by excavating and hauling to CRI.



ANALYTICAL RESULTS FOR CHI OPERATING ATTN: JOE RODRIGUEZ P.O. BOX 1799 MIDLAND, TX 79702 FAX TO: (432) 687-1735

Receiving Date: 06/11/08 Reporting Date: 06/11/08

Project Owner: SWEATT CONS.
Project Name: PINION FED COM #1
Project Location: NOT GIVEN

Analysis Date: 06/11/08 Sampling Date: 06/10/08 Sample Type: SOIL

Sample Condition: INTACT Sample Received By: ML

Analyzed By: KS

LAB NUMBER SAMPLE ID

CI (mg/kg)

H14960-1	1 - N	16					
H14960-2	2 - S	< 16					
H14960-3	3 - COMPOSITE	16					
H14960-4	4 - E	< 16					
H14960-5	5 - W	< 16					
······································							
Quality Contr	Quality Control						
	True Value QC						
% Recovery		100					
Relative Perc	Relative Percent Difference						

METHOD: Standard Methods 4500-CIB

Note: Analyses performed on 1:4 w:v aqueous extracts.

Luste. V

Date

(575) 393-2326 Fax (575) 393-2476

(575) 393-2326 Fax (575) 393-2476															raye_									
Company Name: Chi Operating						T		B	ILI	L TO		ANALYSIS REQUEST												
Project Manager: Toe Kodesca					P.O. #:							-]		
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analyses All claims including	d Damages. Cardinal's liability and client's exclusive remedy for an ig those for negligence and any other cause whatsoever shall be d	leemed	waive	d unless	s made in wn	iting and	d rece	ved by	Cardinal	l within	30 days after	completion of th	e applicabl	le						charged on annum from				
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[†] Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.