

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 NMOC 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 ☐

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SEP 26 2005

OCD-ARTESIA

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|--|--|---|
| Operator: <u>CHI OPERATING, INC</u> Telephone: <u>432-685-5001</u> e-mail address: _____ | | |
| Address: <u>P.O. BOX 1799 MIDLAND, TX, 79702</u> | | |
| Facility or well name: <u>MERLAND #2</u> API #: <u>30-015-33181</u> U/L or Qtr/Qtr <u>C</u> Sec <u>30</u> T <u>22S</u> R <u>27E</u> | | |
| County: <u>EDDY</u> Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/> | | |
| Pit 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>9</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl | Below-grade tank 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) (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) |
| 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) |
| Ranking Score (Total Points) | | 0 |

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.

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| Additional Comments: NEW MEXICO STATE ENGINEER'S OFFICE SHOWS GROUND WATER IN SEC. 30 TO AVERAGES 123', WITH A SHALLOW DEPTH OF 68'. DRILLING PITTS WILL BE DRAINED OF ALL LIQUIDS, CLEANED OF ALL TRASH AND ALLOWED TO DRY. EARTHEN MATERIAL WILL BE MIXED IF NECESSARY INORDER TO STIFFEN THE DRILL CUTTINGS. THIS MATERIAL WILL BE TRANFERED TO A DEEP BURY PIT LOCATED IN THE ORIGINAL BURN PIT, THEN CAPPED WITH 20 MIL PLASTIC AND BACK FILLED WITH 3' OF SOIL. |
| THE FLARE PIT(S) AND LOCATION SITES HAVE BEEN SAMPLED AND EXCAVATED IN ACCORDANCE WITH THE NMOC. THESE AREAS WILL BE BACK FILLED. |

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| 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 NMOC District guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | |
| Date: <u>9/15/05</u> | |
| Printed Name/Title <u>JOHN W. WOLF</u> | Signature <u>[Signature]</u> |
| Your certification and NMOC District 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 _____ Signature _____

Please submit a plan that can be approved for a sensitive area or schedule a meeting where other water data can be reviewed.

USGS information shows this area to be water sensitive.