

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

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

Form C-144
June 1, 2004

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 ☒

JAN 22 2007
RECEIVED
OCD - ARTESIA

Operator: Chi Operating Inc. Telephone: 432-485-5001 e-mail address: _____
Address: P.O. Box 1799 Midland TX 79702
Facility or well name: Shugart West 13 Fed #1 API #: 300533577 U/L or Qtr/Qtr 0 Sec 13 T 18.3 R 30E
County: Eddy Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume _____ bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ 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)
50 feet or more, but less than 100 feet (10 points)
100 feet or more (0 points) 0

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)

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.

Additional Comments: CHI OPERATING PLANS TO CLOSE THE DRILLING PIT ON THE SHUGART WEST 13 FED #1 AS PER NEW MEXICO OIL CONSERVATION DIVISION RULE 50 IN THE PIT AND BELOW GRADE TANK GUIDELINES. CHI PLANS TO ENCAPSULATE THE PIT CONTENTS AND LINER, CAPPING WITH 20 MIL LINER, THEN COVER WITH 3' OF NATIVE MATERIAL CAPABLE OF SUPPORTING NATIVE PLANT GROWTH. WE WILL CONTOUR THE PIT AREA TO PREVENT EROSION AND POOLING OF RAIN WATER. WE WILL NOTIFY O.C.D. 48 HOURS PRIOR TO BEGINNING WORK.

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: 1/19/07

Printed Name/Title GREG LEARY / AGENT

Signature Greg Leary

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: APPROVAL STIPULATION:

Printed Name Pit contents are to be buried in a lined encapsulation trench.

Signature Mila Drachon

Date: FEB 02 2007

TD 1/31/05