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.

For appr For office

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

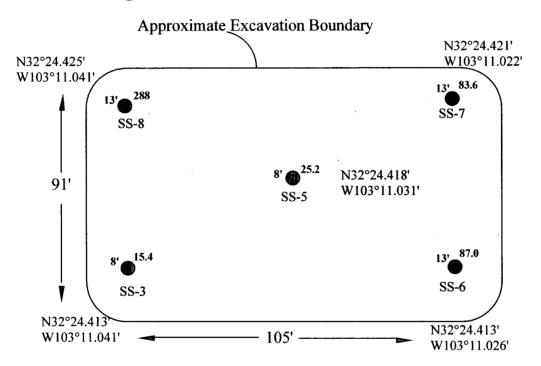
Form C-144

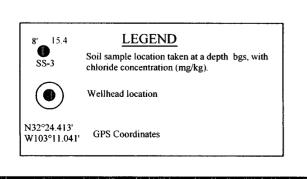
June 1 2004

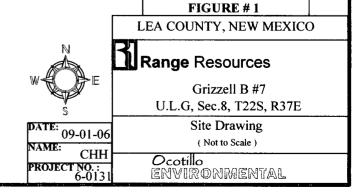
Santa Fe, NM 87505 Pit or Below-Grade Tank Registration or Closure

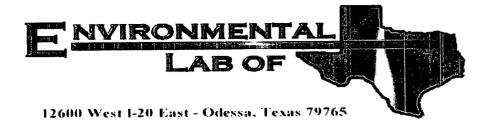
Is pit or below-grade tank covered by a "general plan"? Yes No Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank Operator: Range Operating New Mexico, Inc Telephone: (505) 631-0926 e-mail address: salmager@rangeresources.com Address: P.O. Box 2510 Hobbs, NM 88241 Facility or well name: Grizzell "B" #7 #: 30-025-37611 ____ U/L or Qtr/Qtr <u>SW/NE</u> Sec <u>8</u> T <u>22S</u> R <u>37E</u> Longitude <u>W 103° 11.044'</u> NAD: 1927 ⊠ 1983 □ County: Latitude N 32° 24.411' Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐ Pit Below-grade tank Type: Drilling ☑ Production ☐ Disposal ☐ _bbl Type of fluid: ____ Volume: Workover Emergency Construction material: Double-walled, with leak detection? Yes \square If not, explain why not. Lined Unlined Liner type: Synthetic
☐ Thickness 20 mil Clay ☐ Pit Volume (20 points) Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) 71' high water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No (0 points) X water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) X Ranking Score (Total Points) 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 your are burying in place) onsite 🛛 offsite 🗌 If offsite, name of facility Sundance . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No \(\subseteq \text{Yes} \subseteq \subseteq \text{fyes, show depth below ground surface} \) ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations. Additional Comments: All fluids were removed from the pit. The burial pit was constructed adjacent to the drilling pit. The burial pit was lined with a 12 ml liner. Impacted material was placed in the burial pit, completely encapsulated and capped with a 20 ml liner, and covered with 3 feet of topsoil to grade. Hydrocarbon impacted soil was disposed at an NMOCD approved facility. 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: 9-12-06 Printed Name/Title: Steve Almager, Production Supervisor 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:
Printed Name/Title GARY W.W. NK/STAFFMOR Signature Lay W. Wink Date: 10/5/06











Analytical Report

Prepared for:

Cindy Crain
Ocotillo Environmental
2125 French Dr.
Hobbs, NM 88201

Project: Grizzell B #7
Project Number: None Given
Location: Eunice, NM

Lab Order Number: 6H31001

Report Date: 09/05/06

Ocotillo Environmental Project: Grizzell B #7

2125 French Dr.Project Number:None GivenHobbs NM, 88201Project Manager:Cindy Crain

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SS-1	6Н31001-01	Soil	08/30/06 13:10	08-31-2006 08:15
SS-2	6Н31001-02	Soil	08/30/06 13:13	08-31-2006 08:15
SS-3	6Н31001-03	Soil	08/30/06 13:18	08-31-2006 08:15
SS-4	6Н31001-04	Soil	08/30/06 13:21	08-31-2006 08:15
SS-5	6Н31001-05	Soil	08/30/06 13:23	08-31-2006 08:15
SS-6	6Н31001-06	Soil	08/30/06 15:10	08-31-2006 08:15
SS-7	6Н31001-07	Soil	08/30/06 15:15	08-31-2006 08:15
SS-8	6Н31001-08	Soil	08/30/06 15:31	08-31-2006 08:15

Fax: (432) 367-6747

Ocotillo Environmental 2125 French Dr.

Hobbs NM, 88201

Project: Grizzell B #7

Project Number: None Given Project Manager: Cindy Crain

Fax: (432) 367-6747

General Chemistry Parameters by EPA / Standard Methods Environmental Lab of Texas

		Reporting				,		-	
Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SS-1 (6H31001-01) Soil									
Chloride	29200	500	mg/kg	1000	E160104	08/31/06	09/01/06	EPA 300.0	
SS-2 (6H31001-02) Soil									
Chloride	9460	200	mg/kg	400	EI60104	08/31/06	09/01/06	EPA 300.0	
SS-3 (6H31001-03) Soil									
Chloride	15.4	5.00	mg/kg	10	EI60104	08/31/06	09/01/06	EPA 300.0	
SS-4 (6H31001-04) Soil				,					
Chloride	19000	200	mg/kg	400	E160104	08/31/06	09/01/06	EPA 300.0	
SS-5 (6H31001-05) Soil									
Chloride	25.2	5.00	mg/kg	10	EI60104	08/31/06	09/01/06	EPA 300.0	
SS-6 (6H31001-06) Soil									
Chloride	87.0	5.00	mg/kg	10	EI60104	08/31/06	09/01/06	EPA 300.0	
SS-7 (6H31001-07) Soil									
Chloride	83.6	5.00	mg/kg	10	EI60104	08/31/06	09/01/06	EPA 300.0	
SS-8 (6H31001-08) Soil									
Chloride	288	10.0	mg/kg	20	E160104	08/31/06	09/01/06	EPA 300.0	

Ocotillo Environmental

2125 French Dr. Hobbs NM, 88201 Project: Grizzell B #7

Project Number: None Given Project Manager: Cindy Crain

Fax: (432) 367-6747

General Chemistry Parameters by EPA / Standard Methods - Quality Control Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
	Result		Oints	Level	Result	/ortic	Limits	KID .	Lillik	Notes
Batch EI60104 - Water Extraction										
Blank (EI60104-BLK1)				Prepared: (08/31/06 A	Analyzed: 0	9/01/06			
Chloride	ND	0.500	mg/kg							
LCS (EI60104-BS1)				Prepared: (08/31/06 A	Analyzed: 0	9/01/06			
Chloride	10.7	0.500	mg/kg	10.0		107	80-120			
Calibration Check (EI60104-CCV1)				Prepared: (08/31/06 A	Analyzed: 0	9/01/06			
Chloride	10.7		mg/L	10.0		107	80-120			
Duplicate (EI60104-DUP1)	Sour	rce: 6H31001-	-03	Prepared: (08/31/06	Analyzed: 0	9/01/06			
Chloride	15.7	5.00	mg/kg		15.4			1.93	20	
Duplicate (EI60104-DUP2)	Sour	rce: 6H31001	-08	Prepared: (08/31/06	Analyzed: 0	9/01/06			
Chloride	278	10.0	mg/kg		288			3.53	20	
Matrix Spike (EI60104-MS1)	Sour	rce: 6H31001	-03	Prepared: (08/31/06	Analyzed: 0	9/01/06			
Chloride	115	5.00	mg/kg	100	15.4	99.6	80-120			
Matrix Spike (EI60104-MS2)	Soui	rce: 6H31001	-08	Prepared: (08/31/06	Analyzed: 0	9/01/06			
Chloride	500	10.0	mg/kg	200	288	106	80-120			•

Ocotillo EnvironmentalProject:Grizzell B #7Fax: (432) 367-67472125 French Dr.Project Number:None GivenHobbs NM, 88201Project Manager:Cindy Crain

Notes and Definitions

Analyte DETECTED DET ND Analyte NOT DETECTED at or above the reporting limit NR Not Reported dry Sample results reported on a dry weight basis Relative Percent Difference RPD LCS Laboratory Control Spike MS Matrix Spike Duplicate Dup

	Raland KJul		
Report Approved By:	Racancha	Date: _	9/5/2006

Raland K. Tuttle, Lab Manager Celey D. Keene, Lab Director, Org. Tech Director Peggy Allen, QA Officer Jeanne Mc Murrey, Inorg. Tech Director LaTasha Cornish, Chemist Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East Odessa, Texas 79765 Phone: 432-563-1800 Fax: 432-563-1713

Pi	roject Manager:	Cindy Crain															Pro	ject	Nan	ne:_	G	ri	2	<u>2e</u>	"	£	<u>3</u> ≉	¥ 7	, 			_
C	ompany Name	Ocotillo Environme	ental										<u></u>																			_
C	ompany Addres	2125 French Drive,	P.O.	Box 1	1816												P	roje	ct L	oc: _		Ei	ni	Ce	<u>;</u> _	^	<u> </u>	1				_
C	ity/State/Zip:	Hobbs, NM 88241																	PC	#:_												
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AB# (lath use only)			Beginning Depth	Ending Depth	Date Sampled	Time Sampled	No. of Containers	£28	HNO;	HCI	H ₂ SO ₄	HOH.	Na ₂ S ₂ O ₃	None	Other (Specify)	DW=Drinking Water SL=Studge GW = Groundwater S=SoittSofid	NP-Non-Potable Specify Other	TPH: 418.1 8015M 1005 1	Cations (Ca, Mg, Na, K)	Anions (CI SO4, CO3, HCO3)	SAR / ESP / CEC	Metats: As Ag Ba Cd Cr Pb Hg	Volatiles	Semivotalites	BTEX 8021845030 or BTEX 6260	RCI	N.O.R.M.				Schedule)	Standard TAT
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Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

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lient:				
ate/ Time: (SUDQ \$ 15				
ab ID#: 6H3(0b)				
itials:				
			;	
Sample Receipt	Checklist		Otto-us la	
	T V 1	NI-	Client II	nuais
Temperature of container/ cooler?	Yes	No_	20,0 °C	
2 Shipping container in good condition?	res	No	Add The same	
3 Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
Custody Seals intact on sample bottles/ container?	Yes	No	Not Present	
6 Chain of Custody present?	<u></u>	No		
Sample instructions complete of Chain of Custody?	Xes_	No No		
7 Chain of Custody signed when relinquished/ received?	Yes,	No		
8 Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont. Lid	
9 Container label(s) legible and intact?	Yes	No	Not Applicable	
10 Sample matrix/ properties agree with Chain of Custody?	Xes	No		
11 Containers supplied by ELOT?	₩ Xes	No		
12 Samples in proper container/ bottle?	₩	No	See Below	
13 Samples properly preserved?	Yes	No	See Below	
14 Sample bottles intact?	YES	No		
15 Preservations documented on Chain of Custody?	Xes	No		
#16 Containers documented on Chain of Custody?	Xes	No		
417 Sufficient sample amount for indicated test(s)?	₹ Ø s	No	See Below	
#18 All samples received within sufficient hold time?	(Ps	No	See Below	
19 VOC samples have zero headspace?	Yes	No	Not Applicable	
Variance Docu	mentation	,		
Contact: Contacted by:		_	Date/ Time:	
Photo and the sec	•			
Regarding:				
Corrective Action Taken:				
Confective Action Taxon.				
	· . · · · · · · · · · · · · · · · · · ·			
Check all that Apply: See attached e-mail/ fax				
Client understands and wou	•			
Cooling process had begun	shortly after	sampling	event	