

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 ☒

Operator: InFlow Petroleum Resources, LP Telephone: 469-916-8373 e-mail address: rab@inflowpetro.com
Address: 13760 Noel Road, Suite 104, Dallas, Texas 75240
Facility or well name: Jalmat - E. J. Wells 2SWD & SWD TB API #: 30-025-09736 U/L or Qtr/Qtr G Sec 12 T 25S R 36E
County: Lea Latitude N32 deg 08.728 Longitude W103 deg 13.091 NAD: 1927 ☐ 1983 ☐
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Water Disposal Facility X Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined X Liner type: Synthetic <input type="checkbox"/> Thickness 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.) 50 - 100 feet 59'	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points)
Less than 50 feet	(20 points)						
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.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td>No</td><td>(0 points)</td></tr></table>	Yes	(20 points)	No	(0 points)		
Yes	(20 points)						
No	(0 points)						
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td>1000 feet or more</td><td>(0 points)</td></tr></table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points)
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points)						
Ranking Score (Total Points) 10 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 you are burying in place) onsite ☐ offsite ☒ If offsite, name of facility B. J. Doom - land farm. (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.

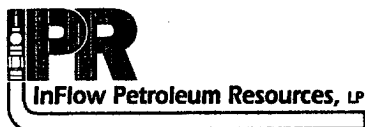
Additional Comments:
A delineation of the E.J. Wells saltwater disposal facility was conducted on August 18, 2006 subsequent to a June 9, 2006 site tour with Larry Johnson - Hobbs OCD and Jim Amos - BLM. Soil samples were extracted at a 6' depth from two holes located within the SWD battery site (Sample I-6) and a second one (Sample E-6) outside the battery. Locations of the samples are spotted on the attached facility diagram. Analysis for chlorides was completed by Environmental Lab of Texas (Odessa) on August 29, 2006. Sample I-6 chlorides measured 645 mg/kg, Sample E-6 measured 1.4 mg/kg, within tolerance for depth to ground water 50-100 ft. InFlow proposes the following surface remediation plan, also submitted to BLM - Jim Amos: i) extract present berm surrounding SWD facility and dispose offsite, ii) extract asphaltic topsoil areas to south of SWD battery and blend with clean dirt to use as replacement berm material around SWD facility, iii) till and seed perimeter area around SWD facility berm.

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: 8/30/06
Printed Name/Title: Rey A. Baribault, CEO - Gen Par IPR Energy, LLC Signature: Rey A. Baribault

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: L.W. Johnson - ENVIRONMENTAL Signature: L.W. Johnson Date: 10.17.06



September 1, 2006

Mr. Larry Johnson
EMNRD Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Re: Form C-144
E. J. Wells Lease, S12-T25S-R36E, Lea County
InFlow Petroleum Resources, LP (OGRID 225789)




Dear Mr. Johnson:

Enclosed please find our Form C-144 requesting approval of the proposed procedures to excavate and remediate the present Saltwater Disposal Facility on the E. J. Wells lease in southeast Lea County. This action is in response to the May 2006 Notice of Written Order InFlow received from Mr. Jim Amos - BLM and our onsite field inspection with Jim on June 9th.

Delineation work was conducted on August 18, 2006 by West Texas Environmental (Odessa) to extract soil samples and test for chloride levels at an interior location within the berm surrounding the battery and an exterior location outside the tank facility berm. Samples for laboratory analysis were obtained at 6-foot depths. The lab results reported by Environmental Lab of Texas (Odessa) are included attached to the Form C-144. Both samples are below the 1,000 mg/ml tolerance for depth to ground water in this area.

Please review our berm excavation and remediation proposal which I am also submitting to Jim Amos - BLM or his approval. Upon approval, InFlow will commence scheduling remediation work. If you have any questions, please do not hesitate to contact me at (469) 916-8373, ext. 2.

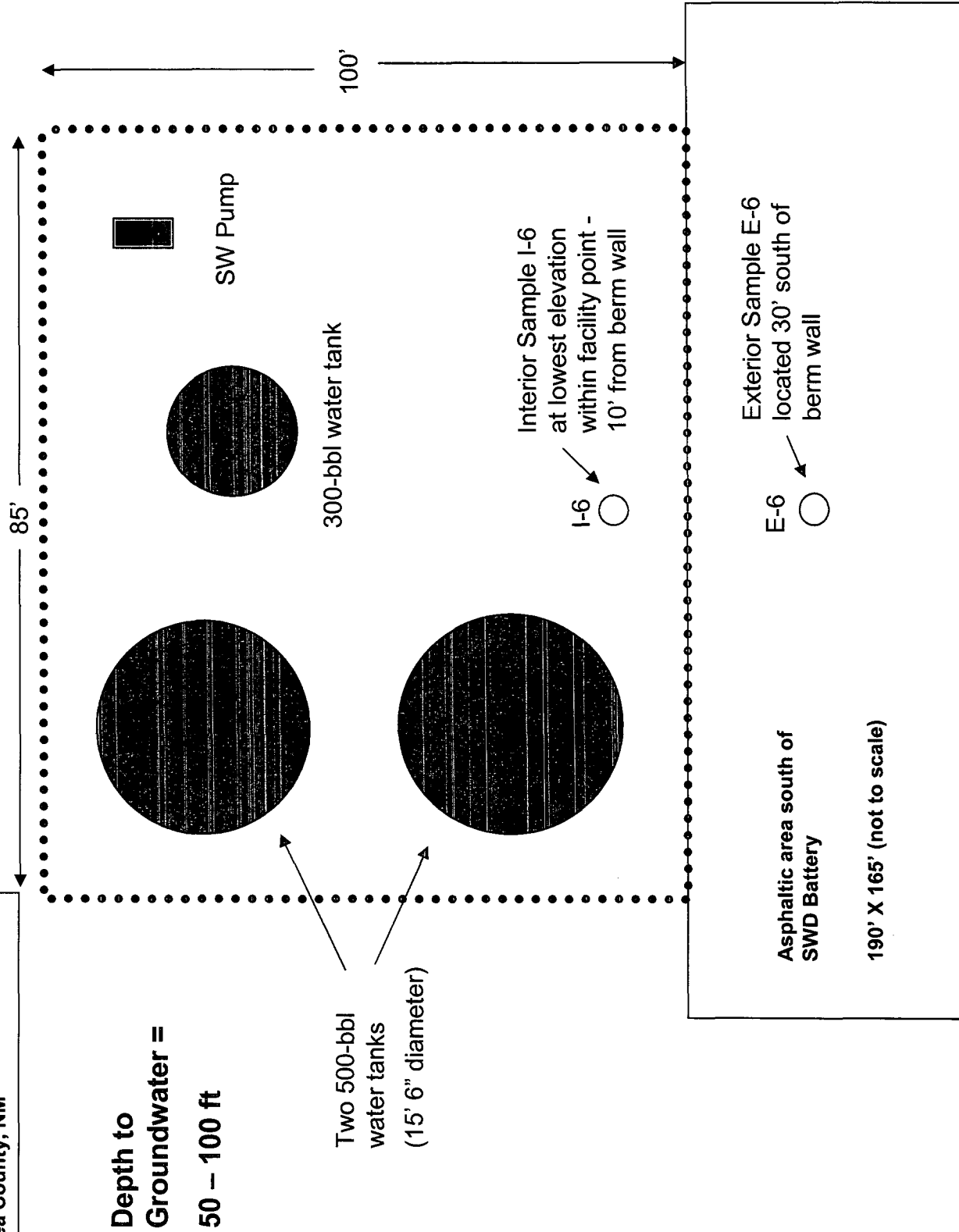
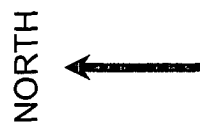
Best Regards,

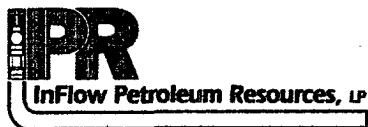

Roy A. Baribault, CEO
IPR Energy, LLC - General Partner
of InFlow Petroleum Resources, LP

Enclosures

InFlow Petroleum Resources, LP
E. J. Wells Lease
Section 12, T25S-R36E
Lea County, NM

Saltwater Disposal Battery





September 1, 2006

Mr. Jim Amos
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

Re: Form 3160-5
E. J. Wells Lease, S12-T25S-R36E, Lea County
InFlow Petroleum Resources, LP (OGRID 225789)

Dear Mr. Amos:

Enclosed please find our Form 3160-5 requesting approval of the proposed procedures to excavate and remediate the present Saltwater Disposal Facility and surrounding area on the E. J. Wells lease in southeast Lea County. This action is in response to the Notice of Written Order 06-JA-022 InFlow received in May and our onsite field inspection with you on June 9th.

Pursuant to our discussions with Larry Johnson (NM-OCD) on June 9th, delineation work was conducted on August 18, 2006 by West Texas Environmental (Odessa) to extract soil samples and test for chloride levels at an interior location within the berm surrounding the battery and an exterior location outside the tank facility berm. Samples for laboratory analysis were obtained at 6-foot depths. The lab results reported by Environmental Lab of Texas (Odessa) are included attached to the Form 3160-5. Both samples are below the 1,000 mg/ml tolerance for depth to ground water in this area.

Please review our berm excavation and remediation proposal which I am also submitting to Larry Johnson for his approval. Upon approval, InFlow will commence scheduling remediation work. If you have any questions, please do not hesitate to contact me at (469) 916-8373, ext. 2.

Best Regards,

A handwritten signature in black ink that reads "Rey A. Baribault". The signature is written in a cursive, flowing style.

Rey A. Baribault, CEO
IPR Energy, LLC – General Partner
of InFlow Petroleum Resources, LP

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD Tank Battery		5. Lease Serial No. NMLC-032582A
2. Name of Operator InFlow Petroleum Resources, LP		6. If Indian, Allottee or Tribe Name --
3a. Address 13760 Noel Road, Suite 104, Dallas, Texas, 75240	3b. Phone No. (include area code) 469-916-8373	7. If Unit or CA/Agreement, Name and/or No. --
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SWNE Section 12, T25S-R36E		8. Well Name and No. E. J. Wells No. 2SWD & SWD Battery
		9. API Well No. 30-025-09736
		10. Field and Pool, or Exploratory Area Jalmat-Tansil-Yates-7 Rivers
		11. County or Parish, State Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

A delineation of the E.J. Wells saltwater disposal facility was conducted on August 18, 2006 subsequent to a June 9, 2006 site tour with Larry Johnson - Hobbs OCD and Jim Amos - BLM in response to Notice of Written Order 06-JA-022. Soil samples were extracted at a 6' depth from two holes located within the SWD battery site (Sample I-6) and a second one (Sample E-6) outside the battery. Locations of the samples are spotted on the attached facility diagram. Analysis for chlorides was conducted by Environmental Lab of Texas (Odessa) and results provided on August 29, 2006. Sample I-6 chloride level measured 645 mg/kg and Sample E-6 measured 1.4 mg/kg within tolerance for ground water depth of 50 - 100 at this location.

InFlow proposes the following site remediation plan :

- extract present berm surrounding SWD facility and dispose offsite,
- extract asphaltic topsoil areas to south of SWD battery and blend with clean dirt to use as replacement berm material around SWD facility,
- till and seed perimeter area around SWD facility berm.

Pursuant to the NWO-06-JA-022, a copy of transmittal notice to Mr. Larry Johnson (OCD-Hobbs) and OCD Form C-144 are also attached hereto.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Rey A. Baribault

Title CEO - IPR Energy, LLC - Gen Partner of InFlow Petro. Res., LP

Signature

Rey A. Baribault

Date

8/30/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NOTICE OF WRITTEN ORDER

☒ Certified Mail - Return
Receipt Requested
70051160000033001175

IDENTIFICATION	
IID	
Lease	NMLC032582A
CA	
Unit	
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE	Operator AMERICAN INLAND RESOURCES CO
Address 414 WEST TAYLOR HOBBS NM 88240	Address P. O. BOX 50938 MIDLAND TX 79710
Telephone 505.393.3612	Attention
Inspector AMOS	Attn Addr

Site Name E.J. WELLS	Well or Facility 02	1/4 1/4 Section SWNE 12	Township 25S	Range 36E	Meridian NMP	County LEA	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
05/02/2006	11:00	06/03/2006		43 CFR 3162.5-1

Remarks:

Significant environmental issues, oil saturated soils from previous spills, mic scrap piping, etc. A plan for testing is to be submitted that will address all contaminated surfaces. Suggested starting point would be to remove all heavy contaminated soils and dispose of at an approved facility. No need to test material that has known contamination. Once this material has been removed, the plan is to test both vertically and horizontally to determine total extent of contamination. This testing plan is to be submitted to both the Bureau of Land Management and to the NM Oil Conservation Division for approval. If you have any questions contact Jim Amos at 505-234-5909.

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title	Signature	Date
Company Comments		

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

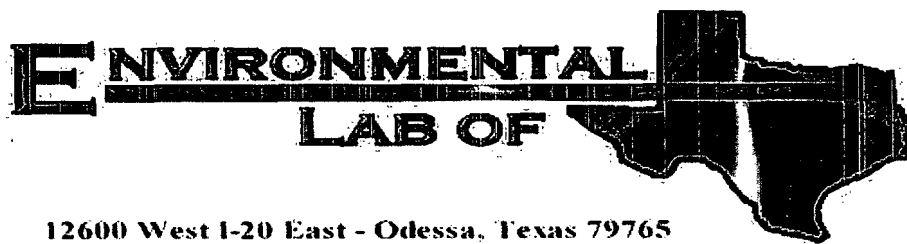
Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>James A. Amos</i>	Date <i>5-3-06</i>	Time <i>1200</i>
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FOR OFFICE USE ONLY

Number 53	Date	Type of Inspection SP
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12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Mike Herron

West Texas Environmental

P.O. Box 10054

Midland, TX 79702

Project: EJ Wells

Project Number: None Given

Location: Lea Co.

Lab Order Number: 6H23011

Report Date: 08/29/06

West Texas Environmental
P.O. Box 10054
Midland TX, 79702

Project: EJ Wells
Project Number: None Given
Project Manager: Mike Herron

Fax: (432) 682-9090

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
I-6	6H23011-01	Soil	08/18/06 16:00	08-23-2006 13:45
E-6	6H23011-02	Soil	08/18/06 17:00	08-23-2006 13:45

West Texas Environmental
P.O. Box 10054
Midland TX, 79702

Project: EJ Wells
Project Number: None Given
Project Manager: Mike Herron

Fax: (432) 682-9090

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
I-6 (6H23011-01) Soil									
Chloride	645	20.0	mg/kg	40	EH62511	08/25/06	08/25/06	EPA 300.0	
E-6 (6H23011-02) Soil									
Chloride	J [1.37]	10.0	mg/kg	20	EH62511	08/25/06	08/25/06	EPA 300.0	J

West Texas Environmental
P.O. Box 10054
Midland TX, 79702

Project: EJ Wells
Project Number: None Given
Project Manager: Mike Herron

Fax: (432) 682-9090

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
Batch EH62511 - Water Extraction										
Blank (EH62511-BLK1)				Prepared & Analyzed: 08/25/06						
Chloride	ND	0.500	mg/kg							
LCS (EH62511-BS1)				Prepared & Analyzed: 08/25/06						
Chloride	10.4	0.500	mg/kg	10.0		104	80-120			
Calibration Check (EH62511-CCV1)				Prepared & Analyzed: 08/25/06						
Chloride	10.3		mg/L	10.0		103	80-120			
Duplicate (EH62511-DUP1)				Source: 6H22013-03		Prepared & Analyzed: 08/25/06				
Chloride	10500	200	mg/kg		10800			2.82	20	
Duplicate (EH62511-DUP2)				Source: 6H24014-05		Prepared & Analyzed: 08/25/06				
Chloride	177	20.0	mg/kg		200			12.2	20	
Matrix Spike (EH62511-MS1)				Source: 6H22013-03		Prepared & Analyzed: 08/25/06				
Chloride	14500	200	mg/kg	4000	10800	92.5	80-120			
Matrix Spike (EH62511-MS2)				Source: 6H24014-05		Prepared & Analyzed: 08/25/06				
Chloride	621	20.0	mg/kg	400	200	105	80-120			

West Texas Environmental
P.O. Box 10054
Midland TX, 79702

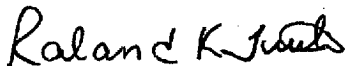
Project: EJ Wells
Project Number: None Given
Project Manager: Mike Herron

Fax: (432) 682-9090

Notes and Definitions

J Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).
DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By:



Date:

8/29/2006

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
Variance/ Corrective Action Report- Sample Log-In

Client: West Texas Env.
Date/ Time: 8/23/06 13:45
Lab ID #: WH230511
Initials: OK

Sample Receipt Checklist

				Client Initials	
#1	Temperature of container/ cooler?	Yes	No	4.0 °C	
#2	Shipping container in good condition?	Yes	No		
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	Yes	No	Not Present	
#5	Chain of Custody present?	Yes	No		
#6	Sample instructions complete of Chain of Custody?	Yes	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?	Yes	No		
#11	Containers supplied by EL0T?	Yes	No		
#12	Samples in proper container/ bottle?	Yes	No	See Below	
#13	Samples properly preserved?	Yes	No	See Below	
#14	Sample bottles intact?	Yes	No		
#15	Preservations documented on Chain of Custody?	Yes	No		
#16	Containers documented on Chain of Custody?	Yes	No		
#17	Sufficient sample amount for indicated test(s)?	Yes	No	See Below	
#18	All samples received within sufficient hold time?	Yes	No	See Below	
#19	VOC samples have zero headspace?	Yes	No	Not Applicable	

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