



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 6, 2006

Chris Smith csmith@trilogyoperatiog.com
Trilogy Operating, Inc.
PO Box 7606
Midland, TX 79708

Re: Drill Pit Closure Report – Natalie Federal #1
 Site Location: UL-K Sec 7– T19S - R39E
 Report Received: October 14, 2006

Dear Mr. Smith,

The New Mexico Oil Conservation Division (OCD) reviewed the above referenced closure report. This report was submitted for Trilogy Operating, Inc. (TOI) by your agent, Elke Environmental, Inc. (ECI). Based on information provided, the site requires no further action at this time.

Please be advised that OCD approval does not relieve TOI of responsibility should operations result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve OCI of responsibility for compliance with any federal, state or local laws and/or regulations.

If you have any questions or need assistance please call me at (505) 393-6161, x111 or e-mail larry.johnson@state.nm.us

Sincerely,

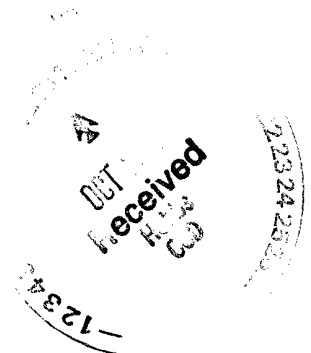
Larry Johnson - Environmental Engineer

CC: Wayne Price - Environmental Bureau Chief
 Chris Williams - District I Supervisor
 Patricia Caperton- District 1 Environmental Tech

**Elke Environmental, Inc.
P. O. Box 14167
Odessa, Tx. 79768**

**Closure Report for Trilogy Operating
Natalie Federal #001 Drilling Pit**

**CC: Larry Johnson – NMOCD
Chris Smith – Trilogy Operating
Elke File**



Elke Environmental, Inc.

4817 Andrews Hwy.
Odessa, Tx. 79762

Pho. 432-366-0043
Fax: 432-366-0884

Mail: P. O. Box 14167
Odessa, Tx. 79768

July 27, 2006

Mr. Larry Johnson
New Mexico Oil Conservation Division
1625 N. French
Hobbs, New Mexico 88240

Subject: Closure Report for Trilogy Operating, Inc. Natalie Federal #001,
32°40.26.91" N 103°05'08.14" W – U/L K Sec. 7 T19S R39E - Lea County, New
Mexico

Dear Mr. Johnson,

Elke Environmental, Inc. was contracted by Trilogy Operating to begin closure of the
subject pit July 10, 2006.

Ground water in the immediate area of the pit site has been determined to be 65 to 110 ft.
below ground level according to information from the office of the New Mexico State
Engineer.

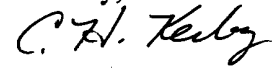
The pit contents were mixed and stiffened with clean native soil and placed into an
impervious liner 12 mils thick with a 3 ft. overlap on all sides, then covered with a 20 mil
liner and 3 ft. of soil, domed to prevent pooling.

In mixing the pit contents a breach in the pit liner was encountered, prompting the need
for sampling of the four corners and the center of the pit area for chlorides contamination.
The sample points were excavated with a trackhoe to determine the depth of
contamination at each point. Attached are a sketch of the sampled pit bottom and a table
indicating field and confirmatory laboratory sample results.

Per our conversation August 1, 2006, the excavated soil was pushed back into the
excavated pit area to a level 3 ft. below ground surface and covered with a 20 mil liner,
then covered with 3 ft. of clean native soil and domed to prevent pooling. The work was
completed on 8-4-06.

Any questions or concerns with this report may be addressed to Mr. Rob Elam, Elke Environmental, Inc. at 432-556-3140.

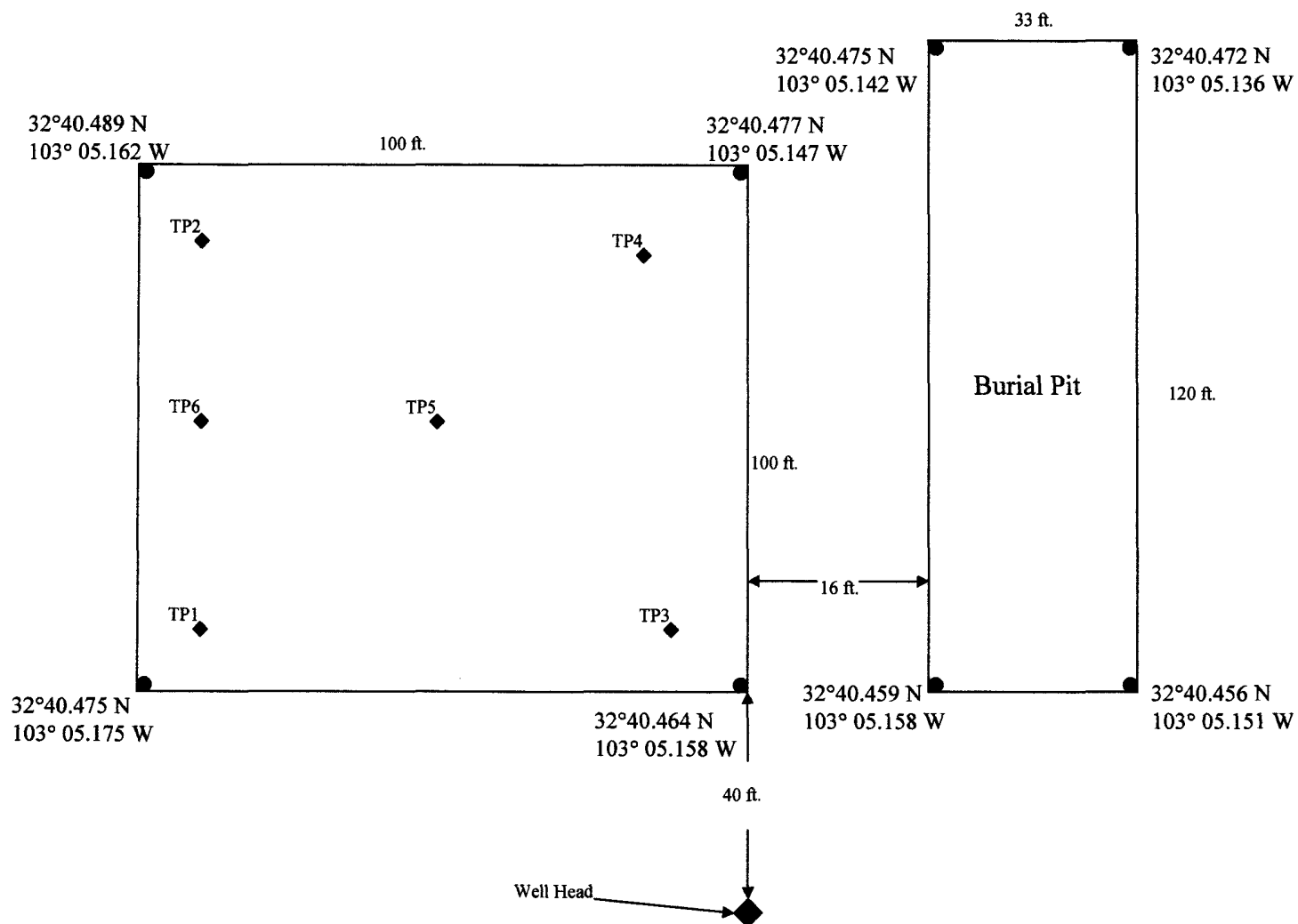
Sincerely,

A handwritten signature in cursive script, appearing to read "C. H. Kerby".

C. H. Kerby - Elke Environmental, Inc.

Trilogy Operating Natalie Federal #1
Reserve Pit Bottom Sample Sketch

7-24-06



Trilogy Natalie Federal #001 Sample Table

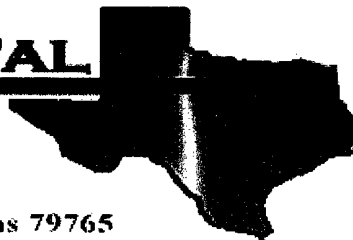
For Closure Report Dated 8-08-06

Field Tests

Lab Tests

Date	Sample ID	Depth	Chlorides - ppm	GPS	Lab Chlorides EPA 300	Lab TPH-8015	Lab BTEX-8021B
7/24/2006	TP1	6 ft.	13,334	N32 40.477 W103 05.167			
7/27/2006		20 ft.	3315				
" " "		22 ft.	3457				
" " "		26 ft.	3490				
" " "		30 ft.	3159				
7/31/2006		32 ft.	461				
" " "		34 ft.	759				
" " "		36 ft.	3437				
" " "		38 ft.	592				
" " "		40 ft.	417		384 ppm	ND	ND
7/24/2006	TP2	6 ft.	55,151	N32 40.483 W103 05.161			
		20 ft.	13,661				
		24 ft.	7720				
		26 ft.	3359				
		30 ft.	415		397 ppm	ND	ND
7/24/2006	TP3	6 ft.	14,767	N32 40.470 W103 05.159			
		11 ft.	3347				
		12 ft.	1199				
		14 ft.	902		629 ppm	ND	ND
7/24/2006	TP4	6 ft.	N/A	N32 40.475 W103 05.153			
7/26/2006		11 ft.	305		312 ppm	ND	ND
7/24/2006	TP5	6 ft.	10,861	N32 40.475 W103 05.160			
7/26/2006		11 ft.	1853				
7/26/2006		12 ft.	609		368 ppm	175 ppm	ND
7/26/2006	TP6	11 ft.	6328	N32 40.475 W103 05.158			
" " "		16 ft.	8822				
" " "		18 ft.	2000				
" " "		20 ft.	597				
" " "		22 ft.	257				

E NVIRONMENTAL LAB OF



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Robert Spangler

Elke Environmental

P.O. Box 14167

Odessa, TX 79768

Project: Trilogy

Project Number: None Given

Location: Natalie Fed. #1

Lab Order Number: 6H17001

Report Date: 08/21/06

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
TP1@ 40' BGS	6H17001-01	Soil	08/07/06 18:00	08-17-2006 11:05
TP2@ 30' BGS	6H17001-02	Soil	08/07/06 16:30	08-17-2006 11:05
TP3@ 14' BGS	6H17001-03	Soil	08/07/06 09:00	08-17-2006 11:05
TP4@ 11' BGS	6H17001-04	Soil	08/07/06 07:45	08-17-2006 11:05
TP5@ 12' BGS	6H17001-05	Soil	08/07/06 11:20	08-17-2006 11:05

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP1@ 40' BGS (6H17001-01) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EH61717	08/17/06	08/17/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		100 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		97.5 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EH61706	08/17/06	08/17/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		102 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		97.0 %	70-130		"	"	"	"	
TP2@ 30' BGS (6H17001-02) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EH61717	08/17/06	08/17/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		98.0 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		99.0 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EH61706	08/17/06	08/17/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		106 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		98.0 %	70-130		"	"	"	"	
TP3@ 14' BGS (6H17001-03) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EH61717	08/17/06	08/18/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		97.0 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		102 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EH61706	08/17/06	08/17/06	EPA 8015M	

Environmental Lab of Texas

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP3@ 14' BGS (6H17001-03) Soil									
Carbon Ranges C12-C28	ND	10.0	mg/kg dry	1	EH61706	08/17/06	08/17/06	EPA 8015M	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		102 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		95.6 %	70-130		"	"	"	"	
TP4@ 11' BGS (6H17001-04) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EH61717	08/17/06	08/17/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		101 %	80-120		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		105 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EH61706	08/17/06	08/17/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		101 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		94.2 %	70-130		"	"	"	"	
TP5@ 12' BGS (6H17001-05) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EH61717	08/17/06	08/17/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		102 %	80-120		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		99.0 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	J [7.29]	10.0	mg/kg dry	1	EH61706	08/17/06	08/17/06	EPA 8015M	J
Carbon Ranges C12-C28	148	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	26.6	10.0	"	"	"	"	"	"	
Total Hydrocarbons	175	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		98.8 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		94.2 %	70-130		"	"	"	"	

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

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

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP1@ 40' BGS (6H17001-01) Soil									
Chloride	384	10.0	mg/kg	20	EH61804	08/17/06	08/18/06	EPA 300.0	
% Moisture	7.0	0.1	%	1	EH61801	08/17/06	08/18/06	% calculation	
TP2@ 30' BGS (6H17001-02) Soil									
Chloride	397	10.0	mg/kg	20	EH61804	08/17/06	08/18/06	EPA 300.0	
% Moisture	11.3	0.1	%	1	EH61801	08/17/06	08/18/06	% calculation	
TP3@ 14' BGS (6H17001-03) Soil									
Chloride	629	20.0	mg/kg	40	EH61804	08/17/06	08/18/06	EPA 300.0	
% Moisture	8.2	0.1	%	1	EH61801	08/17/06	08/18/06	% calculation	
TP4@ 11' BGS (6H17001-04) Soil									
Chloride	312	10.0	mg/kg	20	EH61804	08/17/06	08/18/06	EPA 300.0	
% Moisture	5.0	0.1	%	1	EH61801	08/17/06	08/18/06	% calculation	
TP5@ 12' BGS (6H17001-05) Soil									
Chloride	368	10.0	mg/kg	20	EH61804	08/17/06	08/18/06	EPA 300.0	
% Moisture	12.7	0.1	%	1	EH61801	08/17/06	08/18/06	% calculation	

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Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EH61706 - Solvent Extraction (GC)

Blank (EH61706-BLK1)

Prepared & Analyzed: 08/17/06

Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbons	ND	10.0	"							
Surrogate: 1-Chlorooctane	50.2		mg/kg	50.0		100	70-130			
Surrogate: 1-Chlorooctadecane	47.3		"	50.0		94.6	70-130			

LCS (EH61706-BS1)

Prepared & Analyzed: 08/17/06

Carbon Ranges C6-C12	481	10.0	mg/kg wet	500		96.2	75-125			
Carbon Ranges C12-C28	418	10.0	"	500		83.6	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00			75-125			
Total Hydrocarbons	899	10.0	"	1000		89.9	75-125			
Surrogate: 1-Chlorooctane	57.1		mg/kg	50.0		114	70-130			
Surrogate: 1-Chlorooctadecane	49.0		"	50.0		98.0	70-130			

Calibration Check (EH61706-CCV1)

Prepared & Analyzed: 08/17/06

Carbon Ranges C6-C12	281		mg/kg	250		112	80-120			
Carbon Ranges C12-C28	292		"	250		117	80-120			
Total Hydrocarbons	573		"	500		115	80-120			
Surrogate: 1-Chlorooctane	61.5		"	50.0		123	70-130			
Surrogate: 1-Chlorooctadecane	57.0		"	50.0		114	70-130			

Matrix Spike (EH61706-MS1)

Source: 6H17002-03

Prepared & Analyzed: 08/17/06

Carbon Ranges C6-C12	558	10.0	mg/kg dry	572	ND	97.6	75-125			
Carbon Ranges C12-C28	476	10.0	"	572	ND	83.2	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125			
Total Hydrocarbons	1030	10.0	"	1140	ND	90.4	75-125			
Surrogate: 1-Chlorooctane	56.5		mg/kg	50.0		113	70-130			
Surrogate: 1-Chlorooctadecane	49.5		"	50.0		99.0	70-130			

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Page 5 of 9

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EH61706 - Solvent Extraction (GC)

Matrix Spike Dup (EH61706-MSD1)

Source: 6H17002-03

Prepared & Analyzed: 08/17/06

Carbon Ranges C6-C12	558	10.0	mg/kg dry	572	ND	97.6	75-125	0.00	20	
Carbon Ranges C12-C28	470	10.0	"	572	ND	82.2	75-125	1.27	20	
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125		20	
Total Hydrocarbons	1030	10.0	"	1140	ND	90.4	75-125	0.00	20	
Surrogate: 1-Chlorooctane	56.6		mg/kg	50.0		113	70-130			
Surrogate: 1-Chlorooctadecane	47.8		"	50.0		95.6	70-130			

Batch EH61717 - EPA 5030C (GC)

Blank (EH61717-BLK1)

Prepared: 08/17/06 Analyzed: 08/18/06

Benzene	ND	0.0250	mg/kg wet							
Toluene	ND	0.0250	"							
Ethylbenzene	ND	0.0250	"							
Xylene (p/m)	ND	0.0250	"							
Xylene (o)	ND	0.0250	"							
Surrogate: a,a,a-Trifluorotoluene	35.5		ug/kg	40.0		88.8	80-120			
Surrogate: 4-Bromofluorobenzene	33.1		"	40.0		82.8	80-120			

CS (EH61717-BS1)

Prepared & Analyzed: 08/17/06

Benzene	1.12	0.0250	mg/kg wet	1.25		89.6	80-120			
Toluene	1.28	0.0250	"	1.25		102	80-120			
Ethylbenzene	1.30	0.0250	"	1.25		104	80-120			
Xylene (p/m)	2.92	0.0250	"	2.50		117	80-120			
Xylene (o)	1.42	0.0250	"	1.25		114	80-120			
Surrogate: a,a,a-Trifluorotoluene	38.7		ug/kg	40.0		96.8	80-120			
Surrogate: 4-Bromofluorobenzene	42.3		"	40.0		106	80-120			

Environmental Lab of Texas

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Page 6 of 9

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EH61717 - EPA 5030C (GC)

Calibration Check (EH61717-CCV1)

Prepared & Analyzed: 08/17/06

Benzene	53.6		ug/kg	50.0		107	80-120			
Toluene	54.5		"	50.0		109	80-120			
Ethylbenzene	53.6		"	50.0		107	80-120			
Xylene (p/m)	107		"	100		107	80-120			
Xylene (o)	53.0		"	50.0		106	80-120			
Surrogate: a,a,a-Trifluorotoluene	41.5		"	40.0		104	80-120			
Surrogate: 4-Bromofluorobenzene	41.4		"	40.0		104	80-120			

Matrix Spike (EH61717-MS1)

Source: 6H17002-05

Prepared & Analyzed: 08/17/06

Benzene	1.25	0.0250	mg/kg dry	1.40	ND	89.3	80-120			
Toluene	1.41	0.0250	"	1.40	ND	101	80-120			
Ethylbenzene	1.29	0.0250	"	1.40	ND	92.1	80-120			
Xylene (p/m)	2.97	0.0250	"	2.81	ND	106	80-120			
Xylene (o)	1.40	0.0250	"	1.40	ND	100	80-120			
Surrogate: a,a,a-Trifluorotoluene	41.3		ug/kg	40.0		103	80-120			
Surrogate: 4-Bromofluorobenzene	46.0		"	40.0		115	80-120			

Matrix Spike Dup (EH61717-MSD1)

Source: 6H17002-05

Prepared & Analyzed: 08/17/06

Benzene	1.42	0.0250	mg/kg dry	1.40	ND	101	80-120	12.3	20	
Toluene	1.60	0.0250	"	1.40	ND	114	80-120	12.1	20	
Ethylbenzene	1.50	0.0250	"	1.40	ND	107	80-120	15.0	20	
Xylene (p/m)	3.36	0.0250	"	2.81	ND	120	80-120	12.4	20	
Xylene (o)	1.62	0.0250	"	1.40	ND	116	80-120	14.8	20	
Surrogate: a,a,a-Trifluorotoluene	41.2		ug/kg	40.0		103	80-120			
Surrogate: 4-Bromofluorobenzene	44.4		"	40.0		111	80-120			

Environmental Lab of Texas

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

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 EH61801 - General Preparation (Prep)

Blank (EH61801-BLK1)

Prepared: 08/17/06 Analyzed: 08/18/06

% Solids 100 %

Duplicate (EH61801-DUP1)

Source: 6H17001-01

Prepared: 08/17/06 Analyzed: 08/18/06

% Solids 94.2 % 93.0 1.28 20

Batch EH61804 - Water Extraction

Blank (EH61804-BLK1)

Prepared & Analyzed: 08/18/06

Chloride ND 0.500 mg/kg

LCS (EH61804-BS1)

Prepared & Analyzed: 08/18/06

Chloride 9.72 0.500 mg/kg 10.0 97.2 80-120

Calibration Check (EH61804-CCV1)

Prepared & Analyzed: 08/18/06

Chloride 9.69 mg/L 10.0 96.9 80-120

Duplicate (EH61804-DUP1)

Source: 6H16008-19

Prepared & Analyzed: 08/18/06

Chloride 2580 50.0 mg/kg 2670 3.43 20

Duplicate (EH61804-DUP2)

Source: 6H16008-22

Prepared & Analyzed: 08/18/06

Chloride 204 10.0 mg/kg 213 4.32 20

Matrix Spike (EH61804-MS1)

Source: 6H16008-19

Prepared & Analyzed: 08/18/06

Chloride 3820 50.0 mg/kg 1000 2670 115 80-120

Matrix Spike (EH61804-MS2)

Source: 6H16008-22

Prepared & Analyzed: 08/18/06

Chloride 433 10.0 mg/kg 200 213 110 80-120

Environmental Lab of Texas

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Trilogy
Project Number: None Given
Project Manager: Robert Spangler

Fax: (432) 366-0884

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:

Raland K. Tuttle

Date:

8/21/2006

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

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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

Project Manager: Robert Spangler
Company Name: Elke Environmental, Inc.
Company Address: 4817 Andrews Hwy
City/State/Zip: Odessa, TX 79762
Telephone No: 432-366-0043
Sampler Signature: Robert Spangler
Fax No: 432-366-0884
e-mail: elkeenv@yahoo.com

Project Name: Trilogy
Project #: _____
Project Loc: Natalie Fed. # 1
PO #: _____
Report Format: ☒ Standard ☐ TRRP ☐ NPDES

(lab use only)		FIELD CODE		Beginning Depth	Ending Depth	Date Sampled	Time Sampled	No. of Containers	Preservation & # of Containers										Matrix		Analyze For:										RUSH TAT	Standard TAT																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
LAB # (lab use only)	ORDER #:								Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₈	Nitric	Other (Specify)	Dye-Containing Water	St. Bags	GW = Groundwater	Surf. Sediment	NP = Non-Permeable	Sp. Oiler	TPH: 418.1	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	1359	1360	1361	1362	1363	1364	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390	1391	1392	1393	1394	1395	1396	1397	1398	1399	1400	1401	1402	1403	1404	1405	1406	1407	1408	1409	1410	1411	1412	1413	1414	1415	1416	1417	1418	1419	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429	1430	1431	1432	1433	1434	1435	1436	1437	1438	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450	1451	1452	1453	1454	1455	1456	1457	1458	1459	1460	1461	1462	1463	1464	1465	1466	1467	1468	1469	1470	1471	1472	1473	1474	1475	1476	1477	1478	1479	1480	1481	1482	1483	1484	1485	1486	1487	1488	1489	1490	1491	1492	1493	1494	1495	1496	1497	1498	1499	1500	1501	1502	1503	1504	1505	1506	1507	1508	1509	1510	1511	1512	1513	1514	1515	1516	1517	1518	1519	1520	1521	1522	1523	1524	1525	1526	1527	1528	1529	1530	1531	1532	1533	1534	1535	1536	1537	1538	1539	1540	1541	1542	1543	1544	1545	1546	1547	1548	1549	1550	1551	1552	1553	1554	1555	1556	1557	1558	1559	1560	1561	1562	1563	1564	1565	1566	1567	1568	1569	1570	1571	1572	1573	1574	1575	1576	1577	1578	1579	1580	1581	1582	1583	1584	1585	1586	1587	1588	1589	1590	1591	1592	1593	1594	1595	1596	1597	1598	1599	1600	1601	1602	1603	1604	1605	1606	1607	1608	1609	1610	1611	1612	1613	1614	1615	1616	1617	1618	1619	1620	1621	1622	1623	1624	1625	1626	1627	1628	1629	1630	1631	1632	1633	1634	1635	1636	1637	1638	1639	1640	1641	1642	1643	1644	1645	1646	1647	1648	1649	1650	1651	1652	1653	1654	1655	1656	1657	1658	1659	1660	1661	1662	1663	1664	1665	1666	1667	1668	1669	1670	1671	1672	1673	1674	1675	1676	1677	1678	1679	1680	1681	1682	1683	1684	1685	1686	1687	1688	1689	1690	1691	1692	1693	1694	1695	1696	1697	1698	1699	1700	1701	1702	1703	1704	1705	1706	1707	1708	1709	1710	1711	1712	1713	1714	1715	1716	1717	1718	1719	1720	1721	1722	1723	1724	1725	1726	1727	1728	1729	1730	1731	1732	1733	1734	1735	1736	1737	1738	1739	1740	1741	1742	1743	1744	1745	1746	1747	1748	1749	1750	1751	1752	1753	1754	1755	1756	1757	1758	1759	1760	1761	1762	1763	1764	1765	1766	1767	1768	1769	1770	1771	1772	1773	1774	1775	1776	1777	1778	1779	1780	1781	1782	1783	1784	1785	1786	1787	1788	1789	1790	1791	1792	1793	1794	1795	1796	1797	1798	1799	1800	1801	1802	1803	1804	1805	1806	1807	1808	1809	1810	1811	1812	1813	1814	1815	1816	1817	1818	1819	1820	1821	1822	1823	1824	1825	1826	1827	1828	1829	1830	1831	1832	1833	1834	1835	1836	1837	1838	1839	1840	1841	1842	1843	1844	1845	1846	1847	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863	1864	1865	1866	1867	1868	1869	1870	1871	1872	1873	1874	1875	1876	1877	1878	1879	1880	1881	1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Lab: Elke Environmental
Date/ Time: 08-17-06 @ 1105
Lab ID #: 6417001
Initials: JMM

Sample Receipt Checklist

				Client Initials
1	Temperature of container/ cooler?	<u>Yes</u>	No	12.0 °C RS
2	Shipping container in good condition?	<u>Yes</u>	No	
3	Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	Not Present
4	Custody Seals intact on sample bottles/ container?	<u>Yes</u>	No	Not Present
5	Chain of Custody present?	<u>Yes</u>	No	
6	Sample instructions complete of Chain of Custody?	<u>Yes</u>	No	
7	Chain of Custody signed when relinquished/ received?	<u>Yes</u>	No	
8	Chain of Custody agrees with sample label(s)?	<u>Yes</u>	No	ID written on Cont./ Lid
9	Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable
10	Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No	
11	Containers supplied by ELOT?	<u>Yes</u>	No	
12	Samples in proper container/ bottle?	<u>Yes</u>	No	See Below
13	Samples properly preserved?	Yes	<u>No</u>	See Below RS*
14	Sample bottles intact?	<u>Yes</u>	No	
15	Preservations documented on Chain of Custody?	<u>Yes</u>	No	No Ice in cooler
16	Containers documented on Chain of Custody?	<u>Yes</u>	No	
17	Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No	See Below
18	All samples received within sufficient hold time?	<u>Yes</u>	No	See Below
19	VOC samples have zero headspace?	<u>Yes</u>	No	Not Applicable

Variance Documentation

Contact: Robert Spangler Date/ Time: 08-17-06 @ 1105 Contacted by: Jeanne McMu
Regarding: Sample temp 12°C

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

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
1000 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 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: <u>Trilogy Operating, Inc.</u> Telephone: <u>432-686-2027</u> e-mail address: _____		
Address: <u>P. O. Box 7606 Midland, Tx. 79708</u>		
Facility or well name: <u>Natalie Federal #001</u> API #: <u>30-025-37736</u> U/L or Qtr/Qtr <u>K</u> Sec <u>7</u> T <u>19s</u> R <u>39e</u>		
County: <u>Lea</u> Latitude <u>32°40'26.91"N</u> Longitude <u>103°05'08.14"W</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input checked="" type="checkbox"/> State <input 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 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.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) X (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) X
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) X
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 _____. (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: Drilling Pit Closure Plan – Excess water will be removed from the pit. The pit contents will then be stirred and mixed with clean native to promote stiffening of pit contents. A deep burial pit will be constructed and lined with a 12 mil impervious liner with a minimum of 3 ft. of over hang on all sides. After the stiffened pit contents are placed into the burial pit, the contents will be covered with a 20 mil impervious liner with a minimum of 3 ft. overhang on all sides and a minimum of 3ft. below ground level. The pit will then be covered with clean native soil and domed to prevent pooling. A drawing of the site will be attached to the final report.		
Groundwater depth is 120 ft. per landowner Gary Schubert.	Beginning date: approx. 7-10-06	Completion date: _____

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: 6-30-06

Printed Name/Title C. H. Kerby - Elke Environmental, Inc.-Agent Signature _____

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 _____ Signature _____ Date: _____

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 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: <u>Trilogy Operating, Inc.</u> Telephone: <u>432-686-2027</u> e-mail address: _____		
Address: <u>P. O. Box 7606 Midland, Tx. 79708</u>		
Facility or well name: <u>Natalie Federal #001</u> API #: <u>30-025-37736</u> U/L or Qtr/Qtr <u>K</u> Sec <u>7</u> T <u>19s</u> R <u>39e</u>		
County: <u>Lea</u> Latitude <u>32°40'26.91"N</u> Longitude <u>103°05'08.14"W</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input checked="" type="checkbox"/> State <input 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 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.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) X (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) X
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) X
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 _____. (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: Drilling Pit Closure Report - See Attached

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: 8-8-06

Printed Name/Title C. H. Kerby - Elke Environmental, Inc.-Agent Signature _____

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 _____ Signature _____ Date: _____