

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 X

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank X

Operator: SDX Resources, Inc. Telephone: 432/685-1761 e-mail address: cmorgan@sdxresources.com  
Address: PO Box 5061, Midland, TX 79704  
Facility or well name: Staley State #2 API #: 30-015-31285 U/L or Qtr/Qtr O Sec 30 T 17S R 28E  
County: Eddy 1650' FNL, 330' FEL NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State X Private ☐ Indian ☐

Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover X Emergency <input type="checkbox"/> Lined Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness mil Clay <input type="checkbox"/> Pit Volume bbl	<b>Below-grade tank</b> Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <div style="text-align: right;"><b>RECEIVED</b> MAY 19 2005 OCD-ARTESIA</div>						
	Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	<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) 0</td></tr></table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
100 feet or more	( 0 points) 0						
Vellhead 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) 0</td></tr></table>	Yes	(20 points)	No	( 0 points) 0		
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.)	<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) 0</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) 0
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	( 0 points) 0						
<b>Ranking Score (Total Points)</b> 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 X If offsite, name of facility Sand Pt. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No X 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: Transferred all fluids to disposal. Removed plastic and all contents and hauled to disposal (Sand Pt). Back filled pit & returned surface to original contour. Pit closed 5/2/05.

*Final Report*

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 X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 5/18/05

Printed Name/Title Chuck Morgan, Engineer

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:

MAY 20 2005