

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 ☒

RECEIVED
OCD - ARTESIA

Operator: Tandem Energy Corporation Telephone: 432-686-7136 e-mail address: tscott@tandem-energy.com

Address: P.O. Box 1559 Midland, TX 79702-1559

Facility or well name: BGSU # 26-6 API #: 30-015-31232 U/L or Qtr/Qtr L Sec 4 T 18-S R 29-E

County: Eddy Latitude N 32.7730848 Longitude W104.0857285 NAD: 1927 x 1983 ☐

Surface Owner: Federal ☐ Statex ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☐ Unlined ☐

Liner type: Synthetic ☐ Thickness 12 mil Clay ☐

Pit Volume 1000 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.) 100'

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.)

Yes

(20 points)

No greater than 1,000' from all water sources

(0 points)

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)

Ranking Score (Total Points)

0 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: This pit was dug in the exact location of the original well's open-hole drilling pit.

(3) Remediation will begin and end in September '06. Any free water has been sucked out and hauled to disposal. Any free plastic will be cut out and taken to an approved disposal site. All other drill cuttings and plastic will be deep buried. The pit area will then be returned to original grade.

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 ☐.

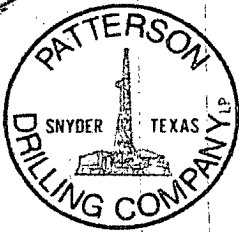
Date: 8/25/06

Printed Name/Title: Toben Scott - VP Operations Signature: [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:

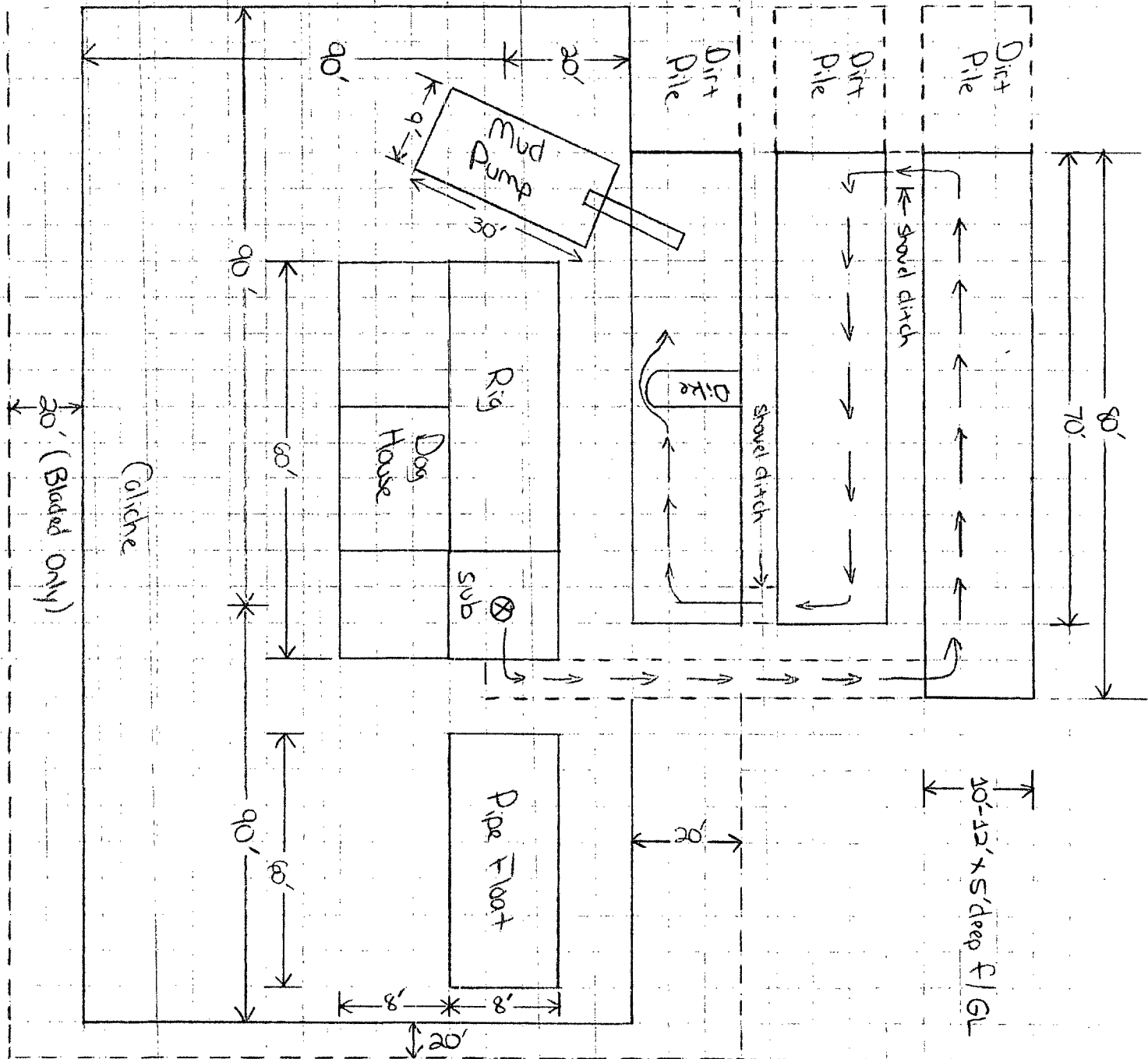
Printed Name/Title: Signature: Date:



PATTERSON DRILLING COMPANY, LP

A LIMITED PARTNERSHIP

TANDEM ENERGY
Rig # 11
Location Footprint



DALLAS, TEXAS
OFFICE (214) 368-5324

MIDLAND, TEXAS
OFFICE (915) 682-9401 • FAX (915) 682-1565

KILGORE, TEXAS
OFFICE (903) 983-1296 • FAX (903) 983-1634