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

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Pit or Below-Grade Tank Registration or Closure

.111 19 2007

Form C-144

March 12, 2004

Is pit or below-grade tank covered by a "general plan"? Yes 🛛 No 🗌 OCD-ARTESIA Type of action Registration of a pit or below-grade tank 
Closure of a pit or below-grade tank **Operator Marbob Energy Corporation** Telephone 505-748-3303 e-mail address land2@marbob.com Address PO Box 227, Artesia, NM 88211-0227 990' FNL & 2287' FEL Facility or well name Michalada Federal #3-D API# 30-015-35157 U/L or Qtr/Qtr NWNE Sec 3 T 22S R 25E County **Eddy** Longitude NAD 1927 🗌 1983 🗋 Surface Owner Federal 🛛 State 🔲 Private 🔲 Indian 🔲 Latitude Pit Below-grade tank Type Drilling Production Disposal Volume: \_\_ \_bbl Type of fluid Workover Emergency Construction material Double-walled, with leak detection? Yes If not, explain why not Lined Unlined Liner type Synthetic 

☐ Thickness 12 mil Clay ☐ Volume (20 points) Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal high (10 points) 50 feet or more, but less than 100 feet water elevation of ground water.) 100 feet or more 0 points ( 0 points) (20 points) Yes Wellhead protection area (Less than 200 feet from a private domestic No 0 points ( 0 points) 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, (10 points) 200 feet or more, but less than 1000 feet irrigation canals, ditches, and perennial and ephemeral watercourses) 1000 feet or more 0 points ( 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 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 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 July 18, 2007 Printed Name/Title: Gerald Herrera Your certification and NMOCD approval of this application/closure doce the operator of liability should the contents of the pit or tank contaminate ground water or Notify OCD 24 hours prior to beginning otherwise endanger public health.or +L or of its responsibility for compliance with any other federal, state, or local laws and/or regulations pit closure. Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling Printed Name/Title NOTE: SAMPLE BOTTOM OF PIT DIBGING DEED TRENCH

## Marbob Energy Corporation Attachment to OCD Form C-144

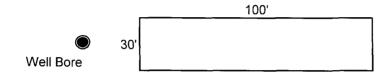
## Pit or Below-Grade Tank Registration or Closure

Pit C	losure	,
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Mich	alada	Fed	eral	#3-D

990' FNL & 2287' FEL Section 3 T-22S R-25E Eddy County, New Mexico

(1) Facility diagram



(2) Disposal location:

Fluids will be disposed at an approved disposal facility.

(3) General description of remedial action:

Transfer cuttings to ends, dig deep bury pit in center of pit, line with 12 mil plastic. Use material to stiffen cuttings. Transfer stiffened cuttings into lined pits, leaving mounded for drainage. Cap with 20 mil liner. Cover with three feet of cover material.

(4) Groundwater encountered:

No

(5) Soil sample:

N/A