

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
March 12, 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

OCT 31 2007

Pit or Below-Grade Tank Registration or Closure

OCD-ARTESIA

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 ☒

19 2007
OCD-ARTESIA

Operator: **Marbob Energy Corporation**

Telephone **505-748-3303**

e-mail address: **land2@marbob.com**

Address **Po Box 227, Artesia, NM 88211-0227**

100' FNL & 2140' FEL

Facility or well name **High Net Federal #1**

API # **30-015-35602**

U/L or Qtr/Qtr **NWNE** Sec **2** T **25S** R **28E**

County **Eddy**

Latitude _____

Longitude _____

NAD 1927 ☐ 1983 ☐

Surface Owner, Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type Synthetic ☒ Thickness **12** mil Clay ☐ Volume _____ 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)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

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

(0 points)

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)

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**

Signature *G. Herrera*

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 _____

Date _____

Printed Name/Title _____

Gerry Guye

Compliance Officer

Signature *Gerry Guye*

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

**Accepted for record
NMOCD**

Pit closed 10/30/07

* Sampling Completed and closure approved. See field notes and communications w/ Mike Bratcher. Hand signed. 10/31/07

Marbob Energy Corporation
Attachment to OCD Form C-144

Pit or Below-Grade Tank Registration or Closure

Pit Closure

High Net Federal #1

100' FNL & 2140' FEL
Section 2 T-25S R-28E
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

OCT 31 2007
OCD-ARTESIA



ARDINAL
LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397

Receiving Date: 10/26/07
Reporting Date: 10/29/07
Project Owner: MARBOB
Project Name: HIGH NET
Project Location: MALAGA, NM

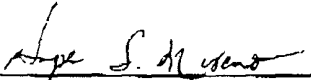
Analysis Date: 10/29/07
Sampling Date: 10/22/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: HM

30-015-35602

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H13597-1	PIT BOTTOM	1,140
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

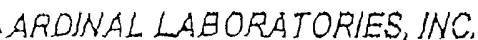
Note: Analysis performed on a 1:4 w:v aqueous extract.


Chemist

10-29-07
Date

H13597 BBC

PLEASE NOTE **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

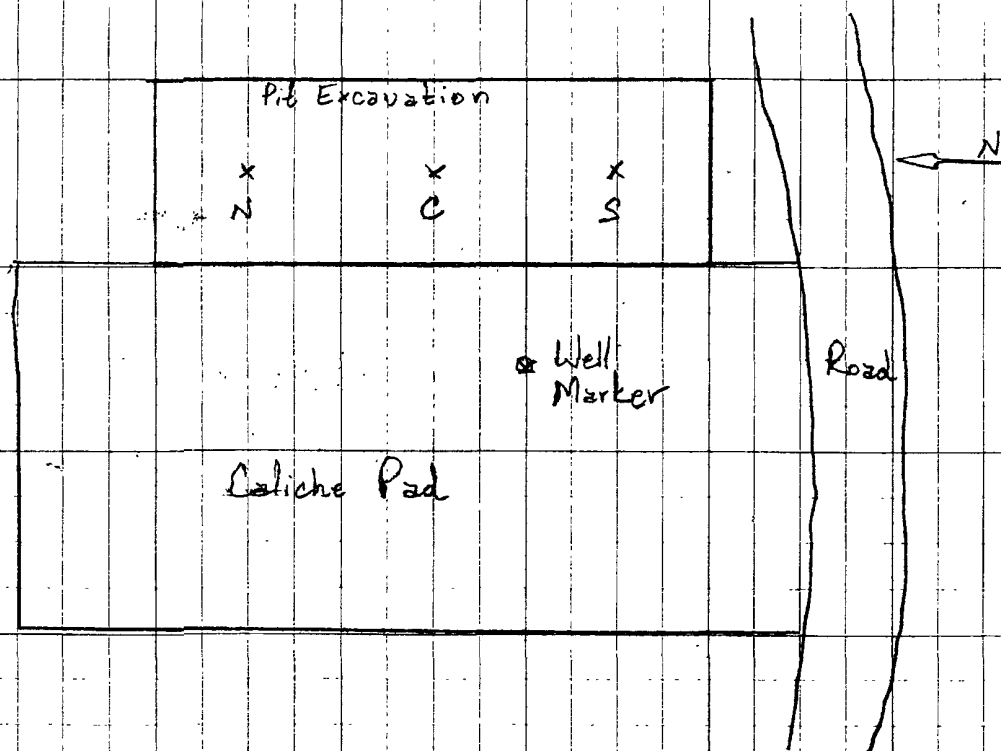


CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

Field Chloride Screens on Pit Bottom



Note: Collected first samples from the existing pit floor at 9 ft bgs (below ground surface)

N	9' bgs	2,000 ppm Cl^- (parts per million Chloride) Reddish brown sandy clay, ~ 30% clay
C	9' bgs	9,000 ppm Cl^- Reddish brown sandy clay, ~ 30% clay
S	9' bgs	8,600 ppm Cl^- Reddish brown sandy clay, ~ 30% clay

Note: Continued excavating all sample points

N	14' bgs	800 ppm Cl^- Reddish brown sandy clay, ~ 30% clay
C	15' bgs	4,200 ppm Cl^- Reddish brown sandy clay, ~ 30% clay
S	14' bgs	3,600 ppm Cl^- Reddish brown sandy clay, ~

Narbob / Highnet

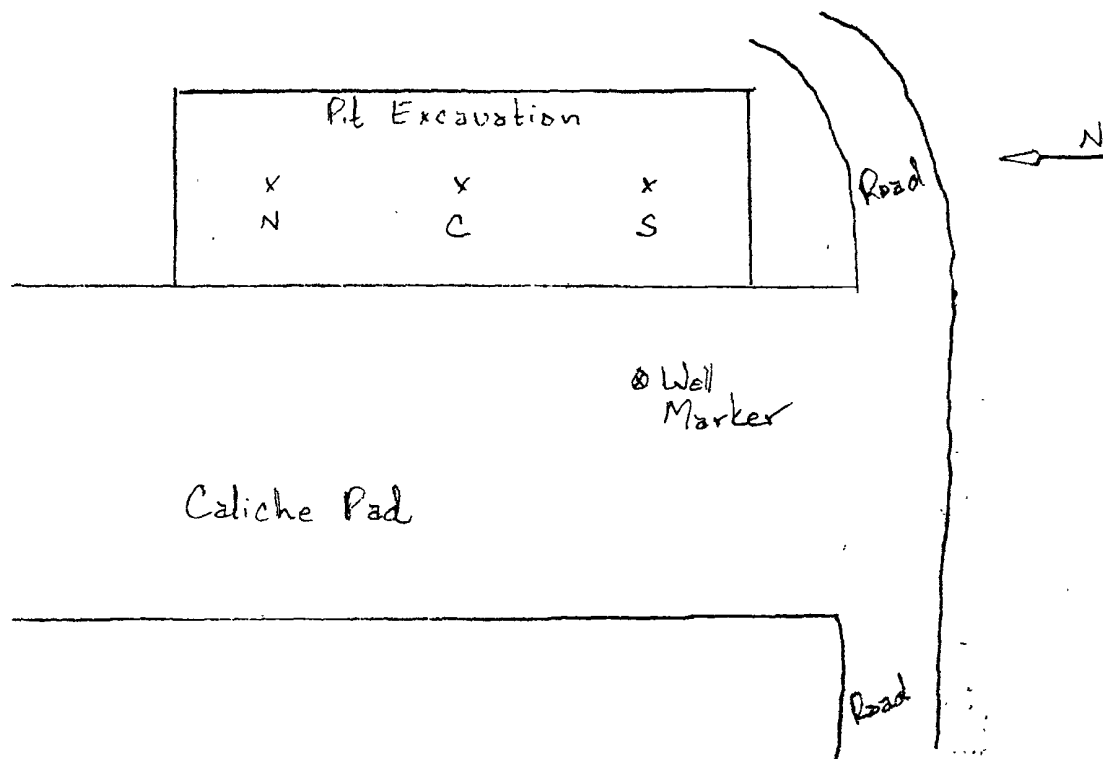
10/16/07

Field Chloride Screens (continued)

N	16' bgs	600 ppm Red brown sandy clay, ~ 35% clay
C	21' bgs	5800 ppm Reddish brown sandy clay, ~ 30% clay
S	20' bgs	2000 ppm Reddish brown sandy clay, ~ 30% clay

N	22' bgs	600 ppm Reddish brown sandy clay, ~ 40% clay
C	27' bgs	1,200 ppm Reddish brown sandy clay, ~ 35% clay
S	27' bgs	1,400 ppm Reddish brown sandy clay, ~ 35% clay

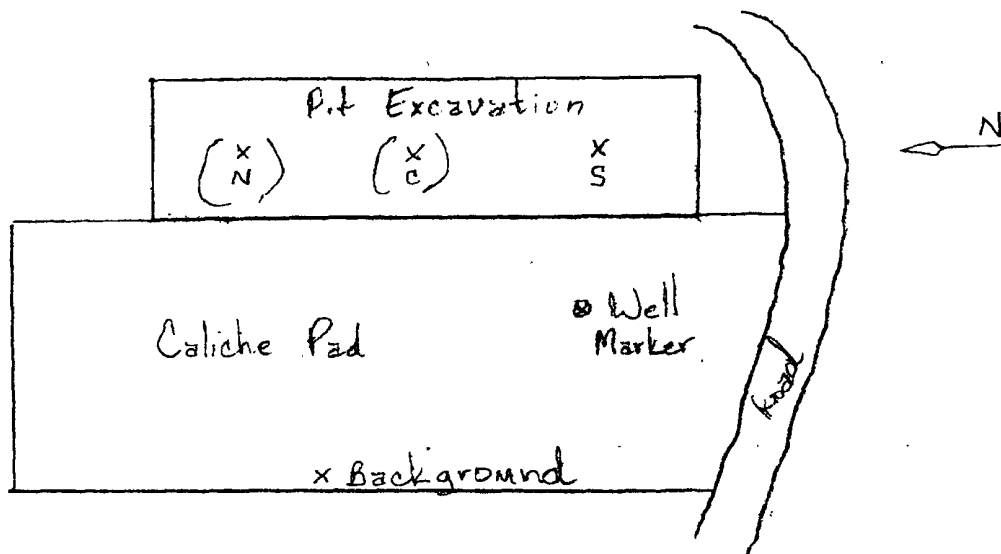
Field Chloride Screens on Pit Bottom



Returned to continue sampling and screening.

- | | | |
|---|---------|--|
| N | 28' bgs | 800 ppm Cl^- (parts per million chloride) |
| | | Reddish brown sandy clay, ~ 30% clay |
| C | 32' bgs | 1,800 ppm Cl^- |
| | | Reddish brown sandy clay, ~ 30% clay |
| S | 32' bgs | 1,600 ppm Cl^- |
| | | Red brown sandy clay, ~ 30% clay |
| | | |
| N | 35' bgs | 1,000 ppm Cl^- |
| | | Red brown sandy clay, ~ 35% clay |

Field Chloride Screens



Collected sample from the south (S) sample point only. Other sample points need to be excavated further.

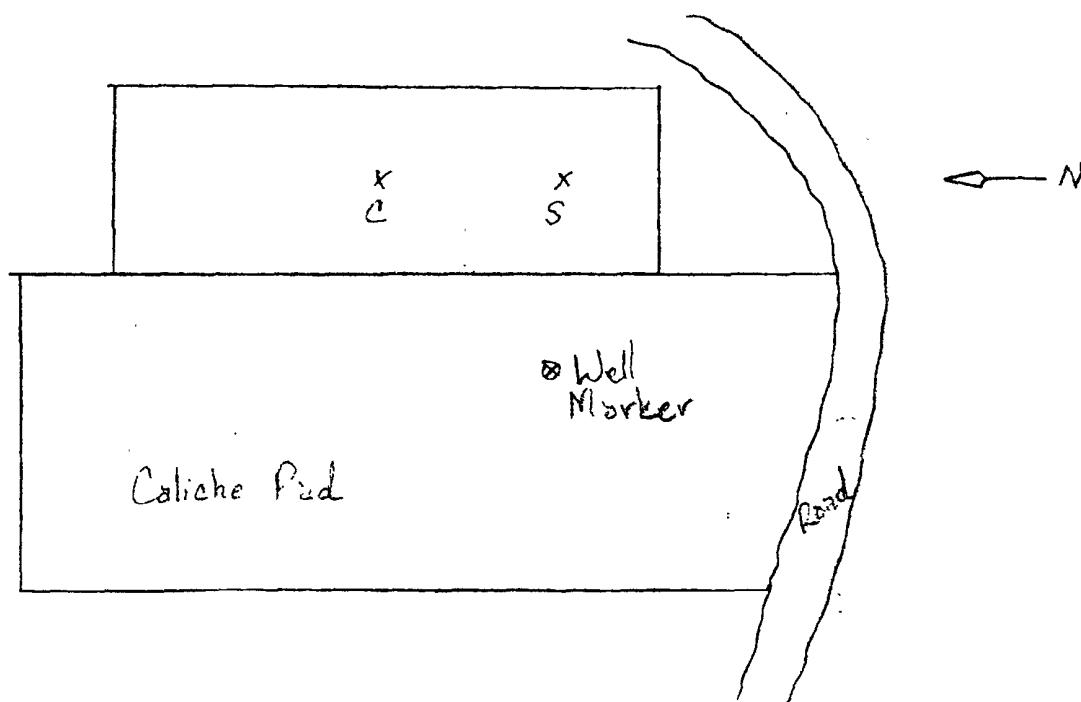
S 42' bgs (below ground surface) 1400 ppm Cl^- (parts per million Chloride) Red Fine sand.

Pulled a background sample from ~150 ft west of the pit. Reddish tan fine sandy clay, ~50% clay, 30% gypsum rock. 12' bgs.

Marbob Energy / High Net

10/19/07

Field Chloride Screen



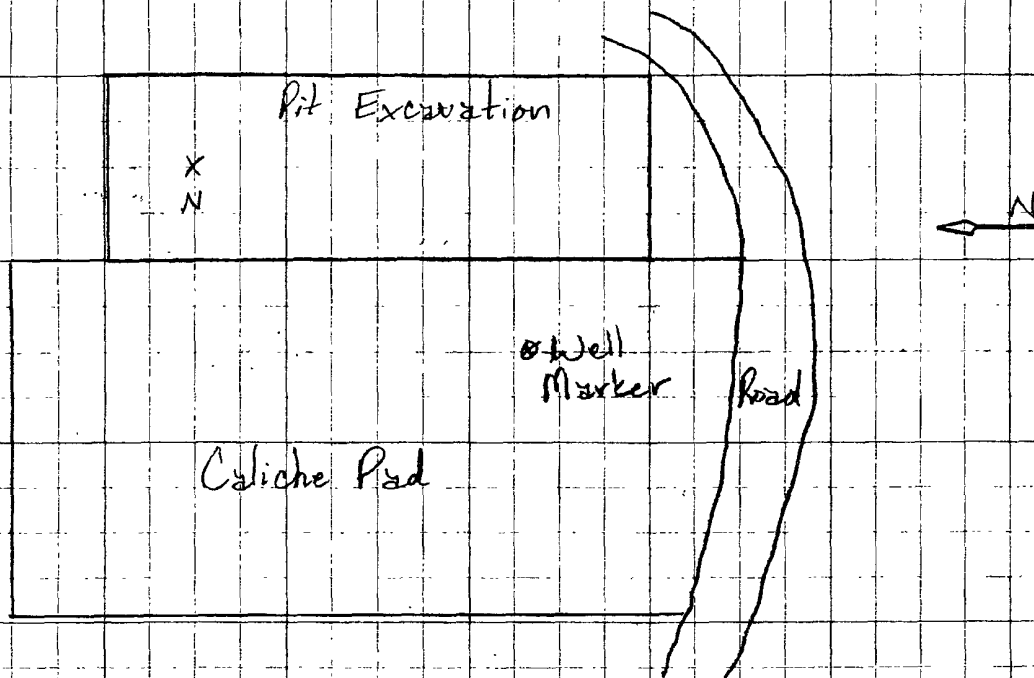
Collected next sample from the center (C) sample point at 39' bgs (below ground surface). 1,400 ppm Cl^- (parts per million Chloride). Reddish brown sandy clay, ~25% clay.

Collected a sample from the south (S) sample point at 42' bgs. 1,400 ppm Cl^- . Reddish brown sandy clay, ~25% clay.

Marbob Energy / High Net

10/22/07

Field Chloride Screens on Pit Bottom



Note: NMDCD on location today

Collected sample from N (north) sample point.
Approximately 37' bgs (below ground surface),
reddish brown sandy clay, ~ 30% clay,
800 ppm Cl^- (parts per million Chloride).
SP?

Note: Mike Bratcher (OCD, Eddy County) observed excavation activities and chloride field screening. He indicated that he would study our data and consider the situation. He would call Rand French (Marbob).

Note: Closure was approved after conferencing with OCD.

Rand French.