

District I
1635 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 ☐ Submitted 4/16/04

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

Operator MCKAY OIL CORPORATION Telephone: 505-623-4735 e-mail address: jennifer@mckayoil.com

Address: PO Box 2014 Roswell, NM 88202-2014

Facility or well name Samantha Federal B #1 API 30-005-63764 U/L or Qtr/Qtr O Sec 31 T 5S R 22E

County CHAVES Latitude _____ Longitude _____ NAD 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

JAN 25 2008
OCD-ARTESIA

Pit	Below-grade tank	
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 checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>400</u> bbl	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	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	<u>100 feet or more</u>	<u>(0 points)</u>
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)
	<u>No</u>	<u>(0 points)</u>
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)
	<u>1000 feet or more</u>	<u>(0 points)</u>
Ranking Score (Total Points)		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 ☐ 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: The pit remediation was commence and a rock base was encountered approximately 2' to 3' from surface. Therefore, burying the pit in the same location is not possible without a large amount of surface disturbance The surface is Federal surface and the Operator requested to bury the pit materials in a trench to be dug north of the old pit located on the Samantha Fed #1 (660'FSL & 2080'FEL, Sec 31, T5S, R22E). A copy of the approved BLM Sundry Notice is attached hereto Pursuant to the BLM Sundry Notice, exploratory trenches were dug and the location has been determined to be sufficient for burying the pit materials from the Samantha B Fed #1 Operator now requests to remediate the Samantha B Fed #1 as per the attached pit remediation plan.

TRENCH BURY contents @ Samantha Fed #1 30-005-62895

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: 1-24-2008

Printed Name/Title James L. Schultz, Agent

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 _____

Signature

Signed By [Signature]

Date

JAN 31 2008

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.

N.M. Oil Cons. DIV-DIST. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

DEC 26 2001
OCD-ARTESIA

2. Name of Operator
McKay Oil Corporation

3a. Address
PO Box 2014, Roswell, NM 88202-2014

3b. Phone No. (include area code)
505.623.4735

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660'FSL & 2080'FEL, Sec. 31, T5S, R22E

5. Lease Serial No.

NM 88084

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Samantha Fed. #1

9. API Well No.

300-005-62893

10. Field and Pool, or Exploratory Area

W. Pecos ABO Slope

11. County or Parish, State

Chaves. NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Operator intends to dig five (5) exploratory trenches (each 4' X 6' X 6') on the northside of the old reserve pit to determine if the reserve pit from the Samantha B Fed. #1 could be buried in a trench 60' X 60' X 10' on the Samantha Fed. #1. The remediation of the trench and pits will be in compliance with New Mexico Oil Conservation Division Pit Remediation Rule 50.

ACCEPTED FOR RECORD

JAN 10 2007

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

James L. Schultz

Title Agent

Signature

Date

12/06/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Lands And Minerals

Title

Date

12/17/07

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Reserve Field Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

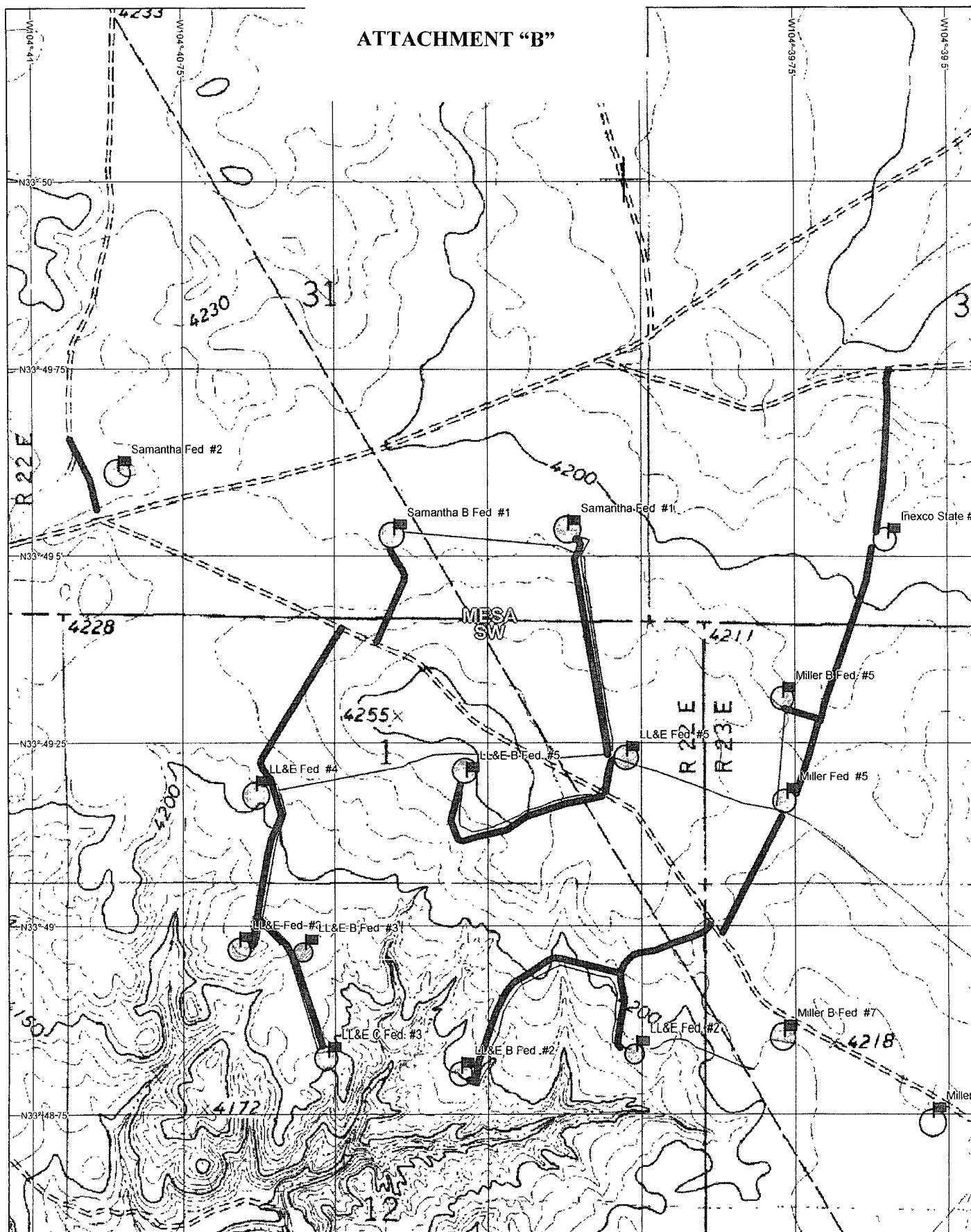
(Instructions on page 2)

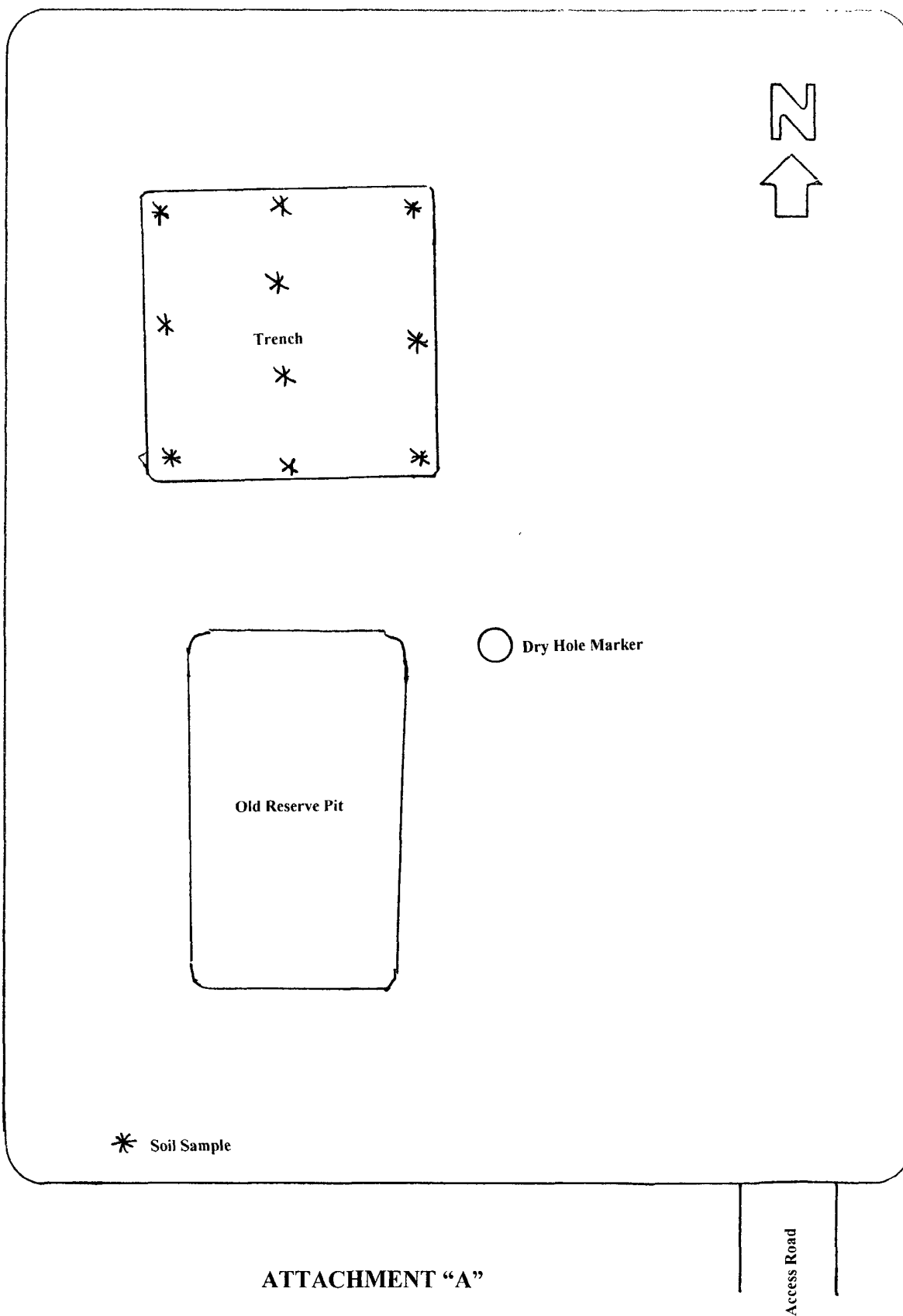
Reserve Pit Remediation Plan

Samantha B Federal #1
660'FSL & 2080'FEL
Sec. 31, T5S, R22E

1. A trench will be dug (approx. 75' long, 75' wide and 10' deep) on the north side of the old reserve pit on Samantha Fed. #1 location (660'FSL & 2080'FEL, Sec. 31, T5S, R22E).
2. Trench will be tested for chlorides as shown on Attachment "A".
3. Trench will be lined with a 20 mil liner.
4. Pit material from the Samantha B Fed. #1 will be hauled to the trench along the route set forth on Attachment "B".
5. The area around and in the pit area of the Samantha B Fed. #1 will be tested for chlorides until the chlorides are below 250 ppm as shown on Attachment "C". All contaminated material will be hauled to the trench.
6. The pit area on the Samantha B Fed. #1 will be lined with a 20 mil liner and backfilled with clean soil obtained from an area rancher's private surface. The clean soil will be 2' to 3' to conform to the surrounding ground level.
7. The pit material in the trench on the Samantha Fed. #1 will be covered with a 20 mil liner and covered with approximately 3' of clean soil.
8. Both locations will be reseeded in accordance with standard BLM regulations.

ATTACHMENT "B"

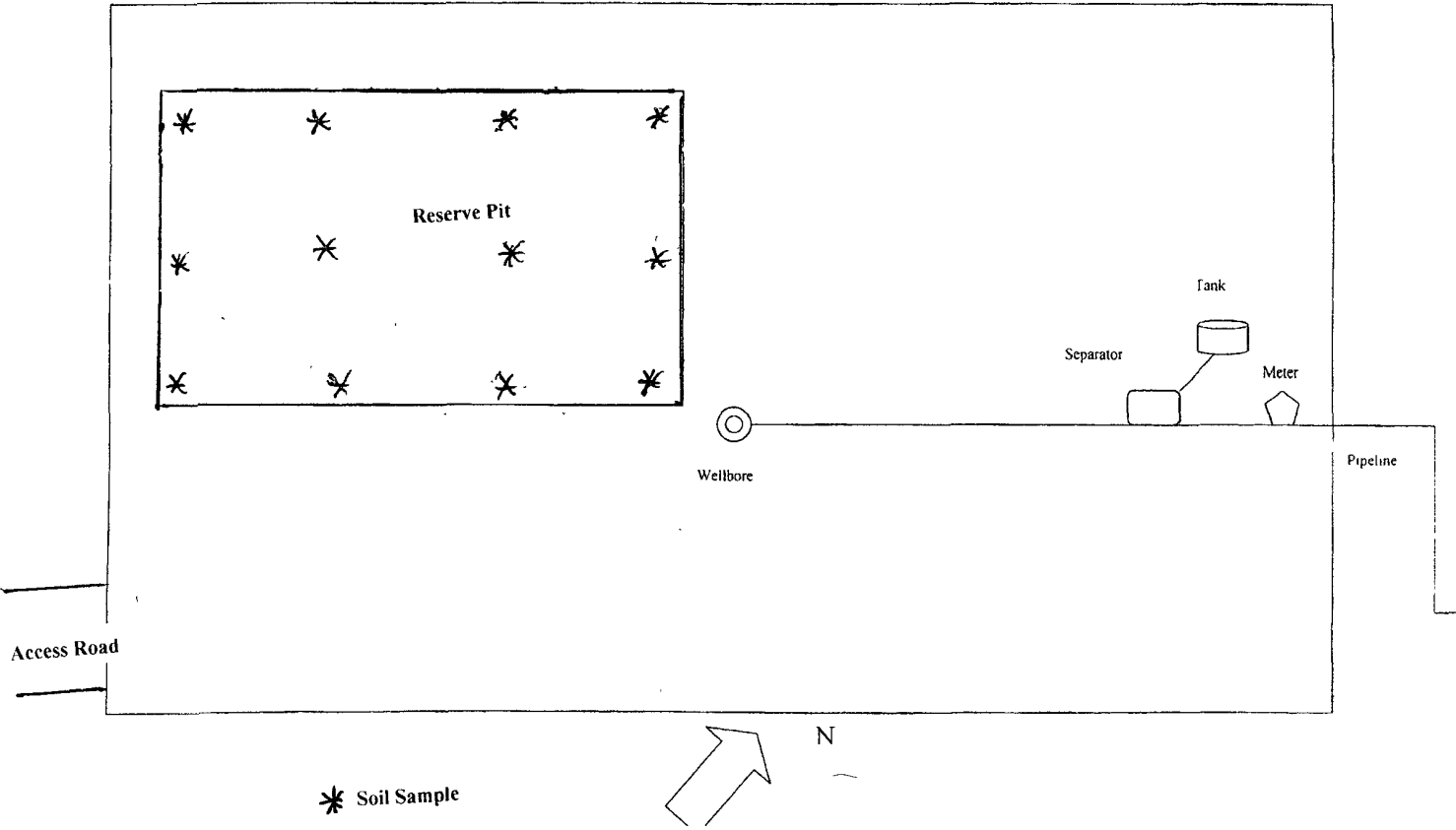




ATTACHMENT "A"

Access Road

SAMANTHA B FEDERAL #1
660' FSL AND 2080' FEL
Sec. 31, T5S, R22E



ATTACHMENT "C"