

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

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

Operator: Steele Acquisition II LLC Telephone: 15057935258 e-mail address: stuart.t.tallen@steeleacquisition.com  
 Address: 1099 18th St Suite 600 Denver 80202  
 Facility or well name: M-8 API #: 20-039-23023 U/L or Qtr/Qtr K Sec 3 T 23N R 4W  
 County: Rio Arriba Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927  1983   
 Surface Owner: Federal  State  Private  Indian

<b>Pit</b>	<b>Below-grade tank</b>	
Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input checked="" 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 _____ 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)
	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	(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)
<b>Ranking Score (Total Points)</b>		<u>10</u>

**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: Closure of Workover Pit. RCVD SEP 21 '07  
OIL CONS. DIV.  
DIST. 3

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: 9/21/07  
 Printed Name/Title: Wm. Stuart Tallen Signature: Wm. Stuart Tallen  
 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: Brenda Bell Date: SEP 21 2007

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., 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-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. <b>30-039-23023</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Searilla Tribal Contract 71</b>
8. Well Number <b>8</b>
9. OGRID Number
10. Pool name or Wildcat <b>South Lincoln Valley Dakota</b>

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator **Star Acquisition TITLE**

3. Address of Operator  
**1099 18th St Suite 600 Denver CO 80202**

4. Well Location  
 Unit Letter **K** : **2310** feet from the **North** line and **2310** feet from the **West** line  
 Section **3** Township **23N** Range **4W** NMPM County **Rio Arriba**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
**7230 KB**

Pit or Below-grade Tank Application  or Closure

Pit type **Wellhead** Depth to Groundwater **7100'** Distance from nearest fresh water well **7100'** Distance from nearest surface water **1000'**

Pit Liner Thickness: **mit** Below-Grade Tank: Volume **bbbls** Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <b>Pit Permit</b> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

*Star Acquisition is going to construct a  
 LINED wellhead pit.*

RCVD SEP 21 '07  
 OIL CONS. DIV.  
 DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE *Wm Stuart T. Iker* TITLE *Field Supervisor* DATE *9-21-07*

Type or print name For State Use Only E-mail address: Telephone No.

APPROVED BY: *Brenda Roll* TITLE *Deputy Oil & Gas Inspector* DATE *SEP 21 2007*  
*District #3*