

Edge Petroleum Operating
Company, Inc.

OGRID: 224400

Pit Closure Closed: 11/20/07

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14186 Exhibit No. 20
Submitted by:
McElvain Oil & Gas Properties, Inc.
Hearing Date: October 15, 2008

District I
1625 N. Erma 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: <u>Edge Petroleum Operating Company, Inc.</u> Telephone: <u>713-654-8960</u> e-mail address: <u>angela@edford.com</u>		
Address: <u>1301 Travis, Suite 2000, Houston, TX 77002</u>		
Facility or well name: <u>Red Lake 36 A State #004</u> API #: <u>30-015-35222</u> W/L or Qtr/Qtr A: <u>Sec 36, T 17S, R 27E</u>		
County: <u>Eddy</u> Latitude <u>32.796553° N</u> Longitude <u>104.232793° W</u> NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>		
Pit 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 type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>0</u> bbl	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) <u>10</u> (0 points) 0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) 0
Ranking Score (Total Points)		<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:

Trench bury on site. Excavate a trench adjacent to or within drilling pits. Line trench with 12 mil plastic. Place contents of pit in trench. Cover with 20 mil plastic, back fill level with 3 feet of clean top soil, contour land and seed. Notify NMOCD before starting work.

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: 4-12-2007

Printed Name/Title: Angela Lightner

Your certification and NMOCD approval otherwise endanger public health or the regulations.

Notify OCD 24 hours prior to beginning pit closure

Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling

Angela Lightner

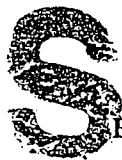
liability should the contents of the pit or tank contaminate ground water or liability for compliance with any other federal, state, or local laws and/or

Approval:

Printed Name/Title: Jim W. Green Signature:

Date: 5/31/07

District I
1625 P. French Dr., Hobbs, NM 88240
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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: <u>Edge Petroleum Operating Company, Inc.</u> Telephone: <u>713-654-8960</u> e-mail address: <u>angela@arkford.com</u>		
Address: <u>1301 Travis, Suite 2000, Houston, TX 77002</u>		
Facility or well name: <u>Red Lake 36 C State #004</u> API #: <u>30-015-35213</u> U/L or Qtr/Qtr C <u>Sec 36 T 17S R 27E</u>		
County: <u>Eddy</u> Latitude <u>32.796553° N</u> Longitude <u>104 232793° W</u> NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit 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 type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u> </u> bbl	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) 0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) 0
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:
Trench bury on site. Excavate a trench adjacent to or within drilling pits. Line trench with 12 mil plastic. Place contents of pit in trench. Cover with 20 mil plastic, back fill level with 3 feet of clean top soil, contour land and seed. Notify NMOCD before starting work.

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: 4/12/2007

Printed Name/Title Angela Lightner / Consultant

Signature

Angela Lightner

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

Orisinda approved by T. Gurn

Signature

Signed By

Whit Branch

Date: JUN 20 2007

Notify OCD 24 hours prior to beginning pit closure.

Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

23-Apr-07

EDGE PETROLEUM OPERATING COMPANY, INC.

1301 TRAVIS, SUITE 2000

HOUSTON TX 77002

LOV NO. 0210707

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

RED LAKE 36 C STATE No.004

C-36-17S-27E


30-015-35213-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/23/2007	Routine/Periodic	Gerry Guye	Yes	No	5/21/2007	iGEG0711331572

Comments on Inspection: Drilling Pit Open, liner intact. Well is in violation of Rule 19.15.3.117, in that completion reports required by this rule have not been submitted.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210
Phone: 505-748-1283 * Fax: 505-748-9720 * <http://www.emnrd.state.nm.us>



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Scanned
& mailed
9/27/07
LM*

7001 1940 0001 9971 5192

20-Sep-07

EDGE PETROLEUM OPERATING COMPANY, INC.

1301 TRAVIS, SUITE 2000

HOUSTON TX 77002

LOV NO. 0219207

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

RED LAKE 36 C STATE No.004

C-36-17S-27E

30-015-35213-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/20/2007	Routine/Periodic	Ron Harvey	Yes	No	10/21/2007	iREH0726348678
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Drilling pit is open and full of solids, looks like fluids have been drained off. C-144 approved for pit closure on 4/23/07. Well completed in on 1/23/07. Violation of Rule 50. Pits are to be closed within 6 months after completion of well.

RED LAKE 36 A STATE No.004

A-36-17S-27E

30-015-35222-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/20/2007	Routine/Periodic	Ron Harvey	Yes	No	10/21/2007	iREH0726349294
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Drilling pit open and contains fluids/solids. Pit liner and pit fence ok. Well completed 1/13/07. Pit in violation of Rule 50. Pits are to be closed within 6 months of completion of well.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

Ron Harvey
Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas

30-Oct-07

Well Inspection History

API Number: **30-015-35222-00-00**

Well Name & No.: **RED LAKE 36 A STATE**

Operator: **EDGE PETROLEUM OPERATING COMPAN**

District: **ARTESIA**

County Name: **EDDY**

Field: **RED LAKE 36 A STATE**

Legal: **S: 36 T: 17S R: 27E**

Well Type: **OIL (PRODUCING)**

Insp. Dt.	Insp. Type	Insp. Purpose	Insp. No.	RmdyRqDt	Insp. By	Viol. SNC	Failed Codes
10/24/2007	Compliance Verification	Normal Routine Activity	iREH0729739		214		
	No Action Taken To bring Well into Compliance Photos taken.						
9/20/2007	Routine/Periodic	Normal Routine Activity	iREH0726349		214	Y	101
	Drilling pit open and contains fluids/solids. Pit liner and pit fence ok. Well completed 1/13/07. Pit in violation of Rule 50. Pits are to be closed within 6 months of completion of well.						
7/16/2007	Routine/Periodic	Normal Routine Activity	iREH0719746		214		
	Drilling Pit Open, liner intact.						

Total Inspections Performed: 3

30-Oct-07

Well Inspection History

API Number: 30-015-35213-00-00

Well Name & No.: RED LAKE 36 C STATE

Operator: EDGE PETROLEUM OPERATING COMPAN

District: ARTESIA

County Name: EDDY

Field: RED LAKE 36 C STATE

Legal: S: 36 T: 17S R: 27E

Well Type: OIL (PRODUCING)

Insp. Dt.	Insp. Type	Insp. Purpose	Insp. No.	RmdyRqDt	Insp. By	Viol. SNC	Failed Codes
10/24/2007	Compliance Verification	Normal Routine Activity	iREH0729738		214		
	no Action Taken To bring Well into Compliance Photos taken.						
9/20/2007	Routine/Periodic	Normal Routine Activity	iREH0726348		214	Y	101
	Drilling pit is open anf full of solids, looks like fluids have been drained off. C-144 approved for pit closure on 4/23/07. Well completed in on 1/23/07. Violation of Rule 50. Pits are to be closed within 6 months after completion of well.						
9/20/2007	Routine/Periodic	Normal Routine Activity	iREH0726348		214		
	Drilling fluids have been removed from pit, liner ok.						
7/25/2007	Routine/Periodic	Normal Routine Activity	iMLB07206514		211		
	Drilling pit open. N&M Oilfield Services transport on location to commence removing fluids. Fluid pump on transport has broken down.						
4/23/2007	Routine/Periodic	Normal Routine Activity	iGEG0711331		209	Y	
	Drilling Pit Open, liner intact. Well is in violation of Rule 19.15.3.117, in that completion reports required by this rule have not been submitted.						
3/6/2007	Routine/Periodic	Normal Routine Activity	iPCH0706533		210		
	drilling Pit Open, liner intact.,well is active						

Total Inspections Performed: 6

015-35213



NOV 08 2007
OCD-ARTESIA

November 7, 2007

New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1301 W. Grand
Artesia, New Mexico 88210

ATTENTION: Mr. Ron Harvey

REFERENCE: Letter of Violation
Inspection No. IREH0726348678
Red Lake 36 'C' State No. 004
C36-17S-27E - 30-015-35213-00-00

Dear Mr. Harvey:


Edge Petroleum Operating Company, Inc. is in receipt of your letter of violation dated September 20, 2007 regarding the open drilling pit for the referenced well.

It was the intent of Edge to close the drilling pit by mid summer; however the process has been delayed due to the high chloride levels that exist in the area. Our field agent is currently working with the Artesia Oil Conservation Division to resolve this issue and proceed with the pit closing operations.

Edge Petroleum strives to be a prudent operator and will continue to remain aware of the Oil Conservation rules and regulations to be compliant in our operations.

Should you require additional information or have any questions, please do not hesitate to contact me at 713.427.8842 or dgordon@edgepet.com. As always your assistance and consideration is greatly appreciated.

Sincerely,


Debra J. Gordon
Staff Engineering Analyst

*Work to close pit will
start as soon as Red
Lake 36A*4 is closed
BJS*

Cc/ R. Price - Engineering
D. Pittman - Field Foreman
J. Robinson - Field Ops
Well Regulatory File