

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

HOBBS OCD

OCT 19 2012

RECEIVED

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

**For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.**

**Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application**

- Type of action:
- Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
 - Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
 - Modification to an existing permit
 - Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Ruthco Oil Co LLC OGRID #: 230835
 Address: PO Box 1212 Eunice Nm 88231
 Facility or well name: Hobbs East SA No. 104
 API Number: 30-02507950 OCD Permit Number: P105536
 U/L or Qtr/Qtr F Section 30 Township 18S Range 39E County: Lea
 Center of Proposed Design: Latitude 32° 43' 10.20" Longitude 103° 05' 08.25" NAD: 1927 1983
 Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2. **Pit:** Subsection F or G of 19.15.17.11 NMAC
 Temporary: Drilling Workover
 Permanent Emergency Cavitation P&A
 Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other _____
 String-Reinforced
 Liner Seams: Welded Factory Other NO SEAMS Volume: 34 bbl Dimensions: L 30 x W 30 x D 2.5

3. **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
 Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
 Drying Pad Above Ground Steel Tanks Haul-off Bins Other _____
 Lined Unlined Liner type: Thickness _____ mil LLDPE HDPE PVC Other _____
 Liner Seams: Welded Factory Other _____

4. **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
 Volume: _____ bbl Type of fluid: _____
 Tank Construction material: _____
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other _____
 Liner type: Thickness _____ mil HDPE PVC Other _____

5. **Alternative Method:**
 Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- Four foot height, four strands of barbed wire evenly spaced between one and four feet
- Alternate. Please specify _____

7.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- Screen Netting Other _____
- Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

- 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- Signed in compliance with 19.15.16.8 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: *The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.*

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

11. **Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
 Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13. **Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
 Climatological Factors Assessment
 Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
 Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
 Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
 Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
 Quality Control/Quality Assurance Construction and Installation Plan
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Nuisance or Hazardous Odors, including H₂S, Prevention Plan
 Emergency Response Plan
 Oil Field Waste Stream Characterization
 Monitoring and Inspection Plan
 Erosion Control Plan
 Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14. **Proposed Closure:** 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System
 Alternative

Proposed Closure Method: Waste Excavation and Removal
 Waste Removal (Closed-loop systems only)
 On-site Closure Method (Only for temporary pits and closed-loop systems)
 In-place Burial On-site Trench Burial
 Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15. **Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
 Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

Yes (If yes, please provide the information below) No

Required for impacted areas which will not be used for future service and operations:

Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19. **Operator Application Certification:**
 I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____
 Signature: _____ Date: _____
 e-mail address: _____ Telephone: _____

20. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) **CLOSURE CERTIFICATION**

OCD Representative Signature: Jeffrey Seking Approval Date: 10/19/12
 Title: Environmental Specialist OCD Permit Number: P105536

21. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: 09/27/12

22. **Closure Method:**
 Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)
 If different from approved plan, please explain.

23. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**
Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____
 Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations?
 Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations:
 Site Reclamation (Photo Documentation)
 Soil Backfilling and Cover Installation
 Re-vegetation Application Rates and Seeding Technique

24. **Closure Report Attachment Checklist:** *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

Proof of Closure Notice (surface owner and division)
 Proof of Deed Notice (required for on-site closure)
 Plot Plan (for on-site closures and temporary pits)
 Confirmation Sampling Analytical Results (if applicable)
 Waste Material Sampling Analytical Results (required for on-site closure)
 Disposal Facility Name and Permit Number
 Soil Backfilling and Cover Installation
 Re-vegetation Application Rates and Seeding Technique
 Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: 1927 1983

25. **Operator Closure Certification:**
 I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Joshua L Ruth Title: President
 Signature: Joshua L Ruth Date: 10/19/12
 e-mail address: _____ Telephone: 575-394-0219

Submit To Appropriate District Office
Two Copies
District I
1625 N French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised August 1, 2011

1. WELL API NO.
3002507950

2. Type of Lease
 STATE FEE FED/INDIAN

3. State Oil & Gas Lease No

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4 Reason for filing.
 COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only)
 C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13 K NMAC)

5 Lease Name or Unit Agreement Name
Hobbs East San Andreas Surro

6. Well Number:
F-30

7 Type of Completion:
 NEW WELL WORKOVER DEEPENING PLUGBACK DIFFERENT RESERVOIR OTHER **Pit closure**

8. Name of Operator
Ruth Co.

9 OGRID

10 Address of Operator

11 Pool name or Wildcat

12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	F	30	18S	39E		1980	NL	2310	W	Lea
BH:										

13 Date Spudded

14. Date T.D Reached

15 Date Rig Released
N/A

16. Date Completed (Ready to Produce)

17. Elevations (DF and RKB, RT, GR, etc.)

18. Total Measured Depth of Well

19 Plug Back Measured Depth

20 Was Directional Survey Made?

21 Type Electric and Other Logs Run

22 Producing Interval(s), of this completion - Top, Bottom, Name

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)	27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

PRODUCTION

Date First Production

Production Method (*Flowing, gas lift, pumping - Size and type pump*)

Well Status (*Prod. or Shut-in*)

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29 Disposition of Gas (*Sold, used for fuel, vented, etc.*)

30 Test Witnessed By

31. List Attachments

32 If a temporary pit was used at the well, attach a plat with the location of the temporary pit. **Plat is Attached**

33. If an on-site burial was used at the well, report the exact location of the on-site burial
N/A Latitude **N/A** Longitude **Handled Off** NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature **Jacob Melancon** Printed Name **Jacob Melancon** Title **Environmental Supervisor** Date **10.6.12**

E-mail Address **melancon.jacob@yahoo.com**

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

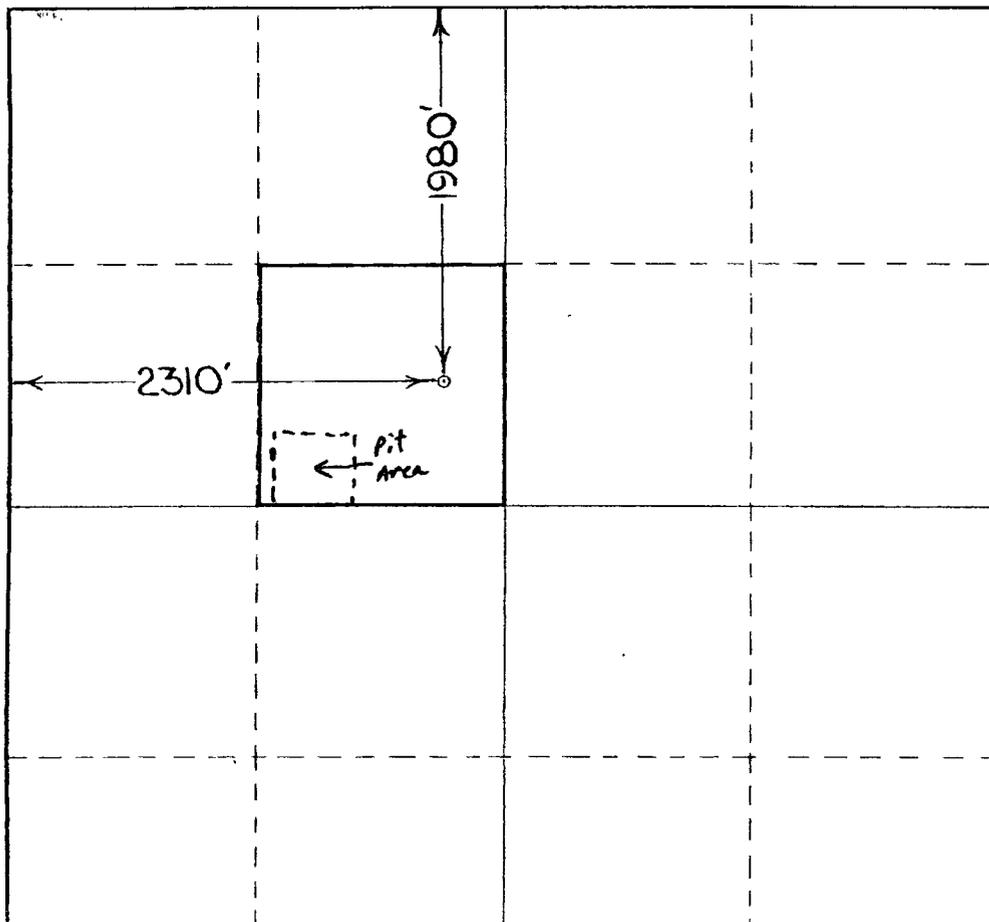
Operator Rice Engineering & Operating, Inc.		Lease Hobbs East San Andres SWD			Well No. F-30
Unit Letter F	Section 30	Township 18S	Range 39E	County Lea	
Actual Footage Location of Well: 2310 feet from the west line and 1980 feet from the north line					
Ground Level Elev. 3615' DF	Producing Formation San Andres-Glorieta		Pool Hobbs East San Andres	Dedicated Acreage: NA Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **ORIGINAL SIGNED BY**
L. B. GOODHEART
Position **L. B. Goodheart**
Division Manager
Company
Rice Eng. & Oper., Inc.
Date
November 20, 1955

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

Date Surveyed

Registered Professional Engineer and/or Land Surveyor



September 12, 2012

JACOB MELANCON

PARKER ENERGY

P. O. BOX 1957

EUNICE, NM 88231

RE: HOBBS EAST SAN ANDREAS

Enclosed are the results of analyses for samples received by the laboratory on 09/06/12 16:30.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Celey D. Keene".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 PARKER ENERGY
 JACOB MELANCON
 P. O. BOX 1957
 EUNICE NM, 88231
 Fax To: (575) 394-0443

Received:	09/06/2012	Sampling Date:	09/03/2012
Reported:	09/12/2012	Sampling Type:	Soil
Project Name:	HOBBS EAST SAN ANDREAS	Sampling Condition:	Cool & Intact
Project Number:	1209	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: COMPOSITE S 3' (H202162-01)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2012	ND	1.67	83.7	2.00	11.0	
Toluene*	<0.050	0.050	09/10/2012	ND	1.77	88.5	2.00	10.1	
Ethylbenzene*	<0.050	0.050	09/10/2012	ND	1.85	92.7	2.00	9.96	
Total Xylenes*	<0.150	0.150	09/10/2012	ND	6.09	101	6.00	9.11	

Surrogate 4-Bromofluorobenzene (PIE) 96.5 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	256	16.0	09/12/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<100	100	09/11/2012	ND	182	91.0	200	1.47	
DRO >C10-C28	799	100	09/11/2012	ND	191	95.5	200	3.59	

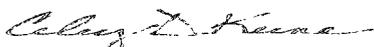
Surrogate 1-Chlorooctane 93.8 % 65.2-140

Surrogate 1-Chlorooctadecane 153 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 PARKER ENERGY
 JACOB MELANCON
 P. O. BOX 1957
 EUNICE NM, 88231
 Fax To: (575) 394-0443

Received:	09/06/2012	Sampling Date:	09/03/2012
Reported:	09/12/2012	Sampling Type:	Soil
Project Name:	HOBBS EAST SAN ANDREAS	Sampling Condition:	Cool & Intact
Project Number:	1209	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: COMPOSITE S 4' (H202162-02)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2012	ND	1.67	83.7	2.00	11.0	
Toluene*	<0.050	0.050	09/10/2012	ND	1.77	88.5	2.00	10.1	
Ethylbenzene*	<0.050	0.050	09/10/2012	ND	1.85	92.7	2.00	9.96	
Total Xylenes*	<0.150	0.150	09/10/2012	ND	6.09	101	6.00	9.11	

Surrogate 4-Bromofluorobenzene (PIL) 106% 89 4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1020	16.0	09/12/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	09/11/2012	ND	182	91.0	200	1.47	
DRO >C10-C28	<50.0	50.0	09/11/2012	ND	191	95.5	200	3.59	

Surrogate 1-Chlorooctane 93.4% 65 2-140

Surrogate 1-Chlorooctadecane 96.0% 63 6-154

Cardinal Laboratories

* = Accredited Analyte

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Caley D. Keene, Lab Director/Quality Manager

Analytical Results For:

 PARKER ENERGY
 JACOB MELANCON
 P. O. BOX 1957
 EUNICE NM, 88231
 Fax To: (575) 394-0443

Received:	09/06/2012	Sampling Date:	09/03/2012
Reported:	09/12/2012	Sampling Type:	Soil
Project Name:	HOBBS EAST SAN ANDREAS	Sampling Condition:	Cool & Intact
Project Number:	1209	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: COMPOSITE S 5' (H202162-03)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/10/2012	ND	1.67	83.7	2.00	11.0	
Toluene*	<0.050	0.050	09/10/2012	ND	1.77	88.5	2.00	10.1	
Ethylbenzene*	<0.050	0.050	09/10/2012	ND	1.85	92.7	2.00	9.96	
Total Xylenes*	<0.150	0.150	09/10/2012	ND	6.09	101	6.00	9.11	

Surrogate 4-Bromofluorobenzene (PIL) 102 % 89 4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	960	16.0	09/12/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	09/11/2012	ND	182	91.0	200	1.47	
DRO >C10-C28	<50.0	50.0	09/11/2012	ND	191	95.5	200	3.59	

Surrogate 1-Chlorooctane 97.3 % 65 2-140
Surrogate 1-Chlorooctadecane 99.5 % 63 6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

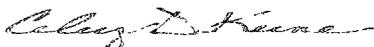
Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 5°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*= Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: <u>Parker Energy</u> Project Manager: <u>Jacob Melanson</u> Address: <u>2305 N. Ave. C</u> City: <u>Commerce</u> State: <u>N.M.</u> Zip: <u>88231</u> Phone #: <u>575-394-0073</u> Fax #: <u>575-394-0073</u> Project #: <u>1209</u> Project Owner: <u>Victory Energy</u> Project Name: <u>Hobbs East 500 Analysis</u> Project Location: Sampler Name:				BILL TO P.O. Box # <u>1148</u> Company: <u>Victory Energy</u> Attn: <u>Delinda Rusk</u> Address: City: <u>Commerce</u> State: <u>N.M.</u> Zip: <u>88231</u> Phone #: <u>575-631-2663</u> Fax #: <u>575-394-0043</u>		ANALYSIS REQUEST															
FOR LAB USE ONLY	Lab I.D.	Sample I.D.	# CONTAINERS	# CO-RABOR (C/COMP)	MATRIX	PRESERV.	SAMPLING														
					GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER	ACID/BASE ICE/COOL OTHER	DATE	TIME	TPH	HPL	BTEX	CL-									
	#202169	Composite S3	1	1			2-3	2:10	✓	✓	✓										
	2	Composite S4	1	1			7-3	3:10	✓	✓	✓										
	3	Composite S5	1	1			9-3	4:10	✓	✓	✓										

PLEASE NOTE: User's responsibility is to ensure that the correct sample is collected in the appropriate container and that the sample is properly preserved and stored until analysis. Cardinal Laboratories is not responsible for any damage to or loss of samples or for any delay in analysis. The user is responsible for providing the correct sample and for ensuring that the sample is properly preserved and stored until analysis. The user is responsible for providing the correct sample and for ensuring that the sample is properly preserved and stored until analysis.

Relinquished By: 	Date: <u>9/16/12</u> Time:	Received By: 	Date: _____ Time: _____	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No REMARKS: <p style="text-align: center;">small barrels to melanson jacob @ victory energy</p>
Relinquished By: _____	Date: _____ Time: _____	Received By: _____	Date: _____ Time: _____	Delivered By: (Circle One) <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other: _____
Sample Condition Cool, Intact <input type="checkbox"/> Yes <input type="checkbox"/> No				CHECKED BY:

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326



September 24, 2012

JACOB MELANCON

PARKER ENERGY

P. O. BOX 1957

EUNICE, NM 88231

RE: HOBBS EAST SWD

Enclosed are the results of analyses for samples received by the laboratory on 09/21/12 11:32.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Celey D. Keene".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 PARKER ENERGY
 JACOB MELANCON
 P. O. BOX 1957
 EUNICE NM, 88231
 Fax To: (575) 394-0443

 Received: 09/21/2012
 Reported: 09/24/2012
 Project Name: HOBBS EAST SWD
 Project Number: 1201
 Project Location: SWD SYSTEM

 Sampling Date: 09/21/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: BS 1 83' (H202314-01)

BTEX 8021B		mg/kg		Analyzed By: AP				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	09/22/2012	ND	2.08	104	2.00	8.29	
Toluene*	<0.050	0.050	09/22/2012	ND	2.29	115	2.00	7.75	
Ethylbenzene*	<0.050	0.050	09/22/2012	ND	2.26	113	2.00	8.01	
Total Xylenes*	<0.150	0.150	09/22/2012	ND	6.91	115	6.00	7.92	

Surrogate 4-Bromofluorobenzene (PIL) 20.1 % 89 4-126

Chloride, SM4500CI-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	176	16.0	09/22/2012	ND	400	100	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	09/22/2012	ND	185	92.4	200	3.04	
DRO >C10-C28	<10.0	10.0	09/22/2012	ND	179	89.6	200	3.46	

Surrogate 1-Chlorooctane 88.2 % 65 2-140

Surrogate 1-Chlorooctadecane 89.5 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

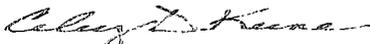
Notes and Definitions

- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celestine D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

Company Name: Parker Energy Project Manager: Jacob Melanson Address: 2305 N. Ave City: Farmington State: NM Zip: 88231 Phone #: 575 394-0548 Fax #: 575 394-0543 Project #: 1206 Project Owner: Project Name: Hobbs East SWD Project Location: SWD System Sampler Name: Jacob Melanson		BILL TO P.O. # / Box #: 1212 Company: Ruth Co. Attn: Melinda Ruth Address: City: Farmington State: NM Zip: 88231 Phone #: 575 631-2205 Fax #:		ANALYSIS REQUEST																	
Lab I.D. H101314		Sample I.D. BSI 531		MATRIX # GIRAB OR C/COMP # CONTAINERS SP-DUNDA-WATER WASTE-WATER SOIL OIL SLUDGE OTHER		PRESERV. ACID-BASE ICE-COOL OTHER		SAMPLING DATE: 9-21-11 TIME: 11:00		CL- TPH BTEX											

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Relinquished By: [Signature] Date: 9/21/11 Time: 11:30	Received By: [Signature] Date: Time:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No REMARKS: RUSH!! E-mail results to melansonj@cardinal-labs.com
Delivered By: (Circle One) Sampler - UPS - Bus - Other.	Sample Condition Cool <input type="checkbox"/> Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	CHECKED BY: [Signature]

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

Ruth Co.

East Hobbs San Andreas SWD

September 27th 2012

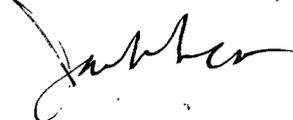
Closure Report for Site

On September 5th Jacob Melancon with Parker Energy was requested to show up on location to observe a drilling pit that had been excavated to a depth of 5' and hauled off and clean soil was brought into fill area. After talking with Geoffrey Lecking with the OCD I was requested to hand auger site and give a 5 point composite sample of site, samples were taken at 3' 4' and 5' samples were then taken to Cardinal Labs for analysis. Samples came back high on chlorides and area was trenched sampled on September 14th while OCD witnessed on site. Area was trenched to a depth of 21' and chlorides were still high at this depth. Area was then excavated to a depth of 8' to remove any visible contamination at request of OCD.

Hungry Horse Environmental was brought in to drill a bore sample in the middle of the drilling pit. Samples were taken in five foot increments and site cleaned up at 83'. Sample was then taken to cardinal labs for analysis, analytical data showed site to be clean and approval was given by Geoffrey Lecking to place a plastic liner in bottom of pit and backfill area with clean soil. Approximately 392 yards of contaminated soil was hauled to Sundance for disposal and 400 yards of clean soil was brought into backfill site.

Any questions or comments feel free to reach Jacob Melancon
Environmental Supervisor at Parker Energy Support Services 575-602-2984

Environmental Supervisor,



Jacob Melancon

Ruth Co. LLC

Hobbs East San Andreas SWD

October 12, 2012

Pit Closure

For this site there was a pit located on the southwest corner of pad, pit was approximately 30x30x3' and lined with a 20 mil plastic liner. Area was excavated to a depth of 8' to remove any visible contamination and hauled to land farm for disposal. Sundance Services Permit NM #-01-0003 Section 29 Township 21S Range 38E was the facility that all contamination was hauled to. A total of 392 yards was hauled out and 400 yards of clean backfill was hauled in. Photos of site were taken and emailed to Geoffrey Leking with OCD to show site progress.

Any questions or Comments feel free to contact Jacob Melancon with Parker Energy at 575-602-2984.

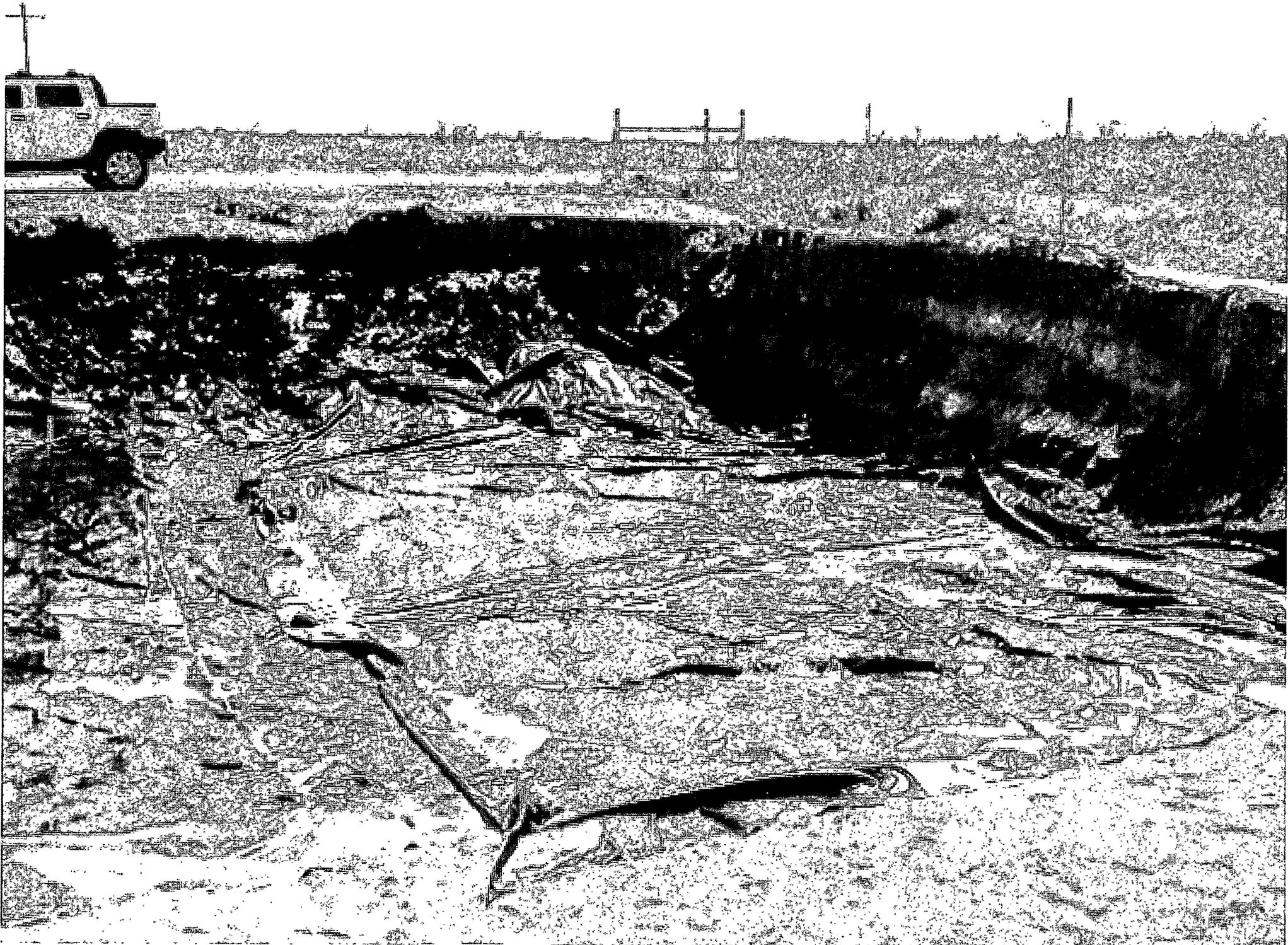
Environmental Supervisor,



Jacob Melancon







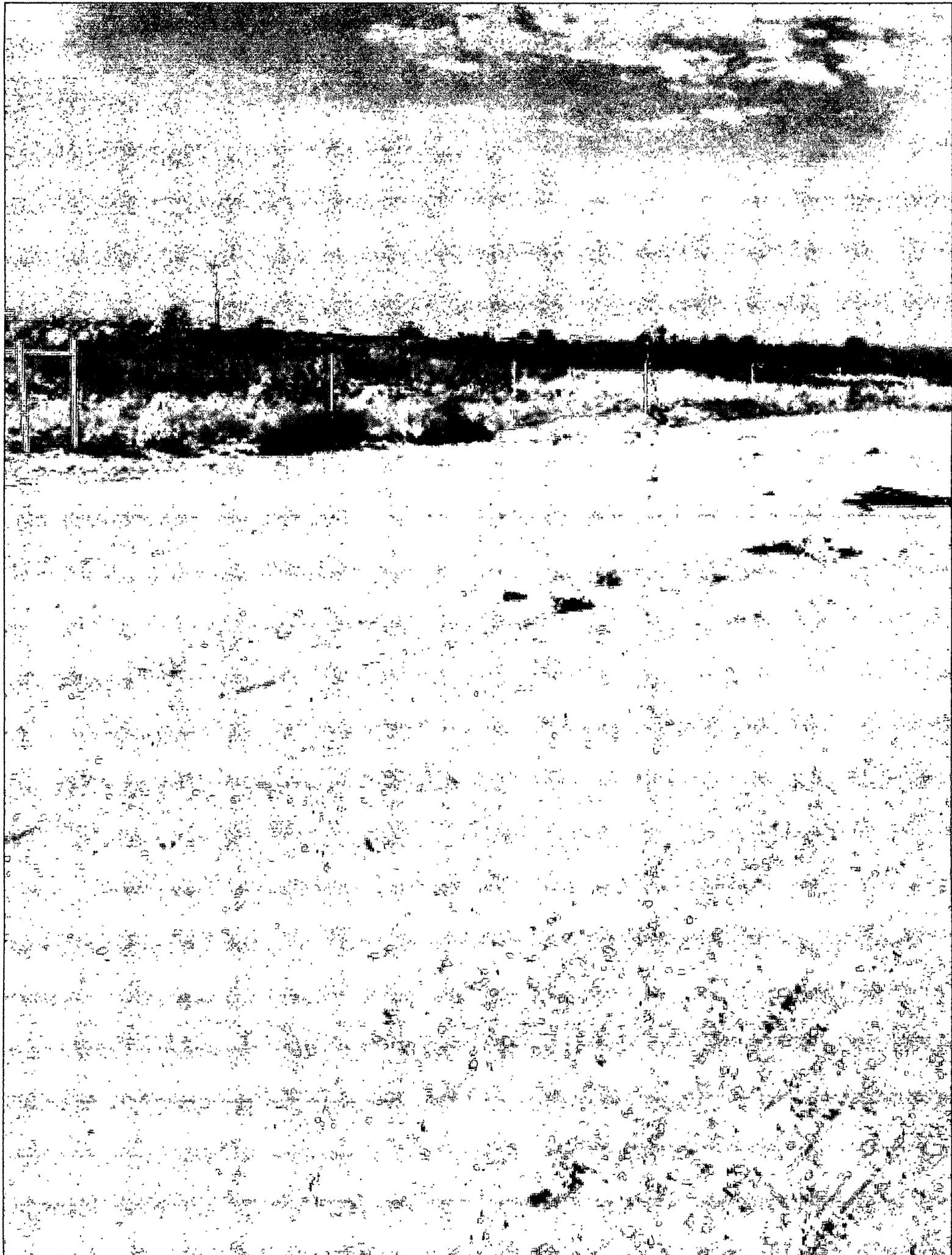


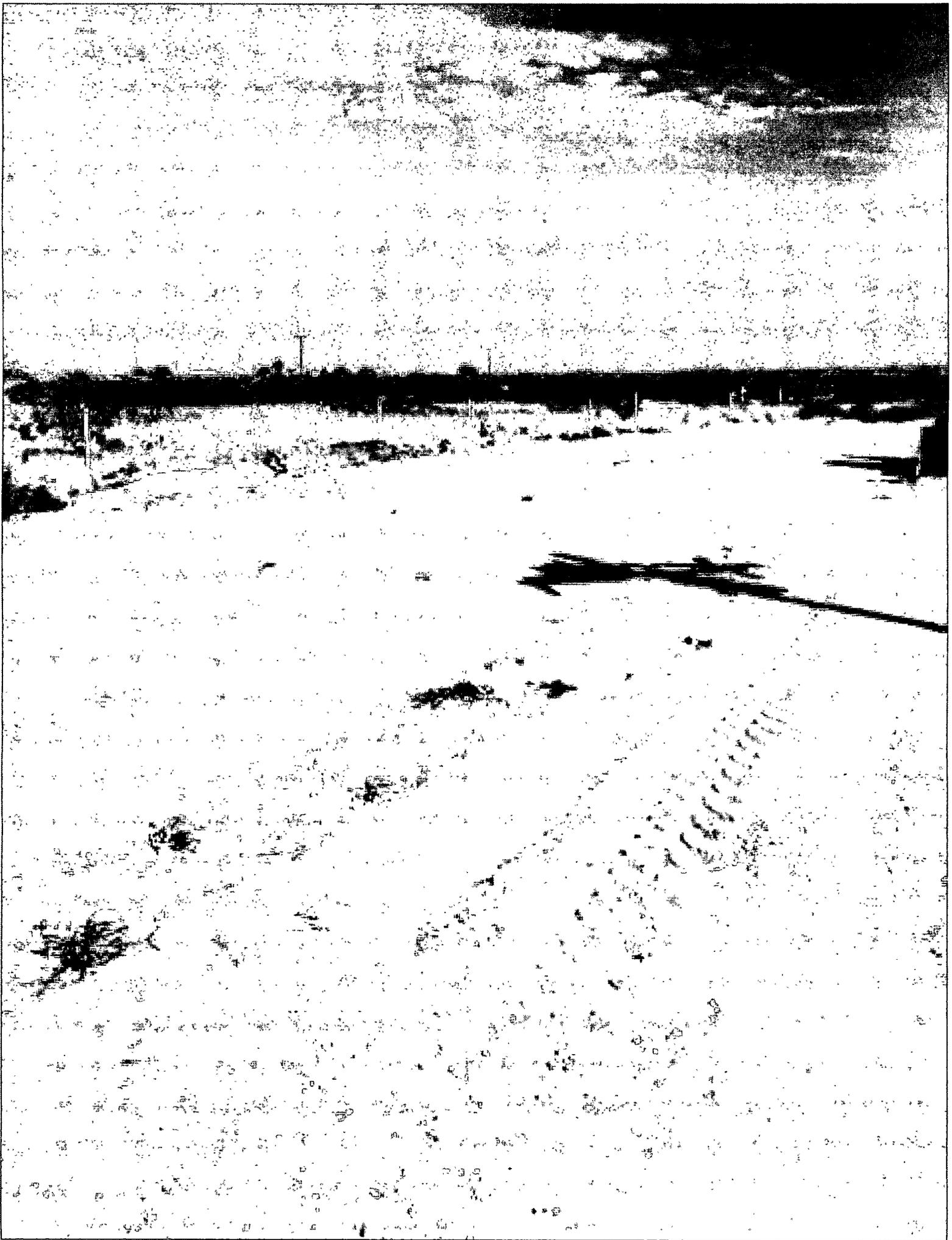












District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCT 03 2012

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company <i>Ruthco Oil LLC</i>	Contact <i>DeLinda Ruth</i>
Address <i>PO Box 1212 ELNICO NM 88231</i>	Telephone No. <i>575-394-0219</i>
Facility Name <i>Hills East SA #104 (F-30)</i>	Facility Type
Surface Owner	Mineral Owner
API No. <i>3002507950</i>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>F</i>	<i>30</i>	<i>185</i>	<i>39E</i>	<i>1980</i>	<i>N</i>	<i>2310</i>	<i>W</i>	<i>LEA</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>Pit closure</i>	Volume of Release <i>N/A</i>	Volume Recovered <i>N/A</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>N/A</i>	Date and Hour of Discovery <i>N/A</i>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*
** none*

Describe Cause of Problem and Remedial Action Taken.*
Drilling pit on location was dug up and hauled off to Sandance for disposal. Area was then backfilled - OCD had Parker Energy Hand auger site, area was still contaminated.

Describe Area Affected and Cleanup Action Taken.* *Area was then trench sampled could not find clean. Area was dug to a depth of 8' to remove all visible contamination, site was then drilled to find clean site was clean at 83'. Approval was given by OCD and a 20 mil plastic liner was put in bottom area was then backfilled.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Joshua L Ruth</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Joshua L Ruth</i>	<i>DeLinda Ruth</i> Environmental Specialist	
Title: <i>President</i>	Approval Date: <i>10/19/12</i>	Expiration Date: _____
E-mail Address:	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: <i>10-3-2012</i> Phone: <i>575-394-0219</i>	IRP-10-12-2853	

* Attach Additional Sheets If Necessary