

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

RECEIVED

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
MAY 01 2011
HOBBSOCD

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Quantum Resources	Contact Cam Robbins
Address 5 Houston Center, 1401 McKinley St. Ste 2400, Houston, TX	Telephone No. (575) 390-4666
Facility Name NE Pearl Queen #10 pit	Facility Type Open pit

Surface Owner P. Sims	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	24	19S	35E	990'	North	330'	West	Lea

Latitude 32°39'3.468"N Longitude 103°25'8.652"W

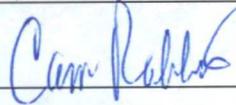
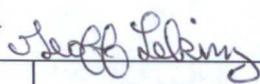
NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input 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.* N/A		

Describe Cause of Problem and Remedial Action Taken.* NMOCD discovered an open pit on November 15, 2010 near the Northeast Pearl Queen #10 well head (30-025-20983) that had detritus and asphaltic material at the bottom of the pit. A track hoe was utilized to remove the detritus and 160 yards of soil and asphaltic material. The material was taken to a NMOCD approved facility. Samples were taken from the bottom of the pit and sent to a commercial laboratory for confirmation of field numbers. The lab results showed a chloride concentration of 16 mg/kg and GRO and DRO less than 10 mg/kg. On January 13th, 2011, a soil bore was advanced to get confirmation of groundwater depth. ARC Environmental was on site 5 days later to gauge the well. No groundwater was evidenced for the site.

Describe Area Affected and Cleanup Action Taken.* The C-144 was verbally approved by NMOCD on Jan. 21, 2011. The affected size of the pit was 58 ft x 30 ft x 12 ft deep. The scrap metal from the pit was taken to Hobbs Iron and Metal and the asphaltic material (94 yards) was taken to Sundance. The bottom of the pit was excavated 2 ft. The two feet were taken to a commercial laboratory for analysis. The soils returned clean (BTEX non-detect, Cl- was 64 mg/kg, TPH 418.1 was 1820 mg/kg, GRO non-detect and DRO was 211 mg/kg) and these soils were returned to the excavation. A five point bottom composite at 12 ft bgs was taken for laboratory confirmation on Feb 15, 2011 (BTEX non-detect, Cl- was 16 mg/kg, TPH 418.1 was 1430 mg/kg, GRO was non-detect and DRO was 306 mg/kg). The site was backfilled to 1 foot bgs with clean caliche and the top foot was backfilled with clean blow sand. Soil amendments were added and the site was seeded Feb. 28, 2011.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Cam Robbins	Approved by ^{ENV ENGR.} District Supervisor: 	
Title: Production Foreman	Approval Date: 03/01/11	Expiration Date: -
E-mail Address: maximum@valornet.com	Conditions of Approval:	
Date: 3/1/2011 Phone: (575) 390-4666	Attached <input type="checkbox"/> IRP-02-11-2681	

* Attach Additional Sheets If Necessary

District 1625
 District 1301
 District 1000
 District 1220

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

Form C-141
 Revised October 10, 2003

Submit 2 Copies to appropriate
 District Office in accordance
 with Rule 116 on back
 side of form

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company: Quantum Resources		Contact: Petar Evtimov
Address: 233 State Hwy 249, Ste 310, Houston, Tx		Telephone No.: 832-698-7000
Facility Name: NE Pearl Queen #10 pit		Facility Type: Open pit
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
12	24	19S	35E	990'	North	330'	West	Lea
Latitude		32°39'3.468"N		Longitude		103°25'8.652"W		

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input 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.* N/A		

Describe Cause of Problem and Remedial Action Taken.* NMOC discovered an open pit on November 15, 2010 near the Northeast Pearl Queen #10 well head (30-025-20983) that had detritus and asphaltic material at the bottom of the pit. A track hoe was utilized to remove the detritus and 160 yards of soil and asphaltic material. The material was taken to a NMOC approved facility. Samples were taken from the bottom of the pit and sent to a commercial laboratory for confirmation of field numbers. The lab results showed a chloride concentration of 16 mg/kg and GRO and DRO less than 10 mg/kg. On January 13th, 2011, a soil bore was advanced to get confirmation of groundwater depth. ARC Environmental was on site 5 days later to gauge the well. No groundwater was evidenced for the site.

Describe Area Affected and Cleanup Action Taken.* The affected size of the pit was 40 ft x 70 ft. The bottom of the pit will be excavated 1 - 2 ft and a five point composite taken for laboratory confirmation. Chloride levels must be below 1,000 mg/kg and GRO and DRO must have a combined reading below 2,500 ppm. The site will be back filled with soil below 500 mg/kg for chloride and a reading of less than 100 ppm on a PID. Soil amendments will be added to the site and seeded with native vegetation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>Cam Robbins</i>	OIL CONSERVATION DIVISION	
Printed Name: CAM Robbins	ENV. ENGINEER	
Title: PROD FORMAN	Approved by: <i>Jeffrey Labing</i>	Approved by: District Supervisor
E-mail Address: maximum@valornet.com	Approval Date: 02/07/11	Expiration Date: 04/07/11
Date: 2-7-11	Conditions of Approval: SUBMIT FINAL C-141 BY 04/07/11	Attached <input type="checkbox"/>
Phone: 575-390-4666		IRP-02-11-2681

* Attach Additional Sheets If Necessary

Rice Environmental Consulting & Safety

P.O. Box 5630 Hobbs, NM 88241
Phone 575.393.4411 Fax 575.393.0293

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MAY 01 2011
HOBBSOCD

March 1st, 2011

Mr. Geoffrey Leking

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1625 N. French Drive
Hobbs, New Mexico 88240

RE: Quantum Resources

Northeast Pearl Queen Well #10 30-025-20983

Unknown Pit (P-1-02-254)

1RP-02-11-2681

TERMINATION REQUEST

Unit Letter D, Sec. 24, T19S R35E, 990' FNL & 330' FWL

Lea County, New Mexico

Mr. Leking:

Rice Environmental Consulting and Safety (RECS) would like to take this opportunity to present the Waste Excavation and Removal Closure Plan of the C-144 for the Quantum Resources' above mentioned site. Attached you will find the initial and final C-141 and C-144 and our C-144 work plan that addressed the reclamation of the Unknown Pit near the Northeast Pearl Queen #10 well.

Sincerely,



Haskell Conder
Environmental Manager
RECS

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Form C-144
July 21, 2008

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

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MAY 01 2011
HOBBS OCO
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: Quantum Resources OGRID #: _____
Address: 5 Houston Center, 1401 McKinley St. Ste 2400, Houston, TX
Facility or well name: Northeast Pearl Queen Unit #10
API Number: 30-025-20983 OCD Permit Number: P-1-02-254
U/L or Qtr/Qtr D Section 24 Township T19S Range R35E County: LEA
Center of Proposed Design: Latitude _____ Longitude _____ 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 _____ mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

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 19.15.3.103 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 identify 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) ~~CLOS CERT~~

OCD Representative Signature: Steffrey Poling Approval Date: 03/01/11

Title: Environmental Engineer OCD Permit Number: P-1-02-254

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: 2/28/2011

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 identify 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): Cam Robbins Title: Production Foreman

Signature: Cam Robbins Date: 3/1/2011

e-mail address: maximum@valornet.com Telephone: (575) 390-4666

Summary/Overview

The site is located approximately 16 miles east of Hobbs, New Mexico in Unit Letter D, Sec. 24, T19S R35E. On November 15th, 2010, NMOCD discovered an unknown pit and informed Melrose Operating now Quantum Resources of their finding and their request that it be closed per NMOCD standards.

Quantum Resources contracted with Rice Environmental Consulting and Safety (RECS) to close the unknown pit per NMOCD guidelines.

The potential contaminants of concern are chlorides, hydrocarbons, and BTEX.

The land's primary use is for domestic pasture for ranching and the production of oil and gas.

On January 13th, 2011, a soil bore was advanced approximately 60 feet north-west of the pit to determine depth to groundwater. The bore was drilled to red bed clay which is the bottom of the aquifer. The bore was left open for over 5 days and then gauged by ARC Environmental personnel. No groundwater was evidenced in the bore.

Protocols and Procedures

- **RECS will assure that One-Calls occur for line spot clearance before excavation begins.**
The One-Calls were cleared by November 29th, 2010
- **RECS will notify the surface owner, P. Sims, of the RECS' proposal for the site closure method.**
P. Sims was notified on January 25th, 2011 that work would commence at the subject site.
- **RECS will mobilize to the site location with equipment and personnel needed to reclaim the site per NMOCD requirements.**
RECS personnel were on site beginning on November 29th, 2010 and continued through to February 28th, 2011. Throughout the reclamation, a belly dump, a dump truck, two back hoes, and a track hoe were used at various times.
- **RECS personnel will supervise the removal of detritus from the bottom of the pit and excavate asphaltic soils. The detritus and asphaltic soils will be disposed of at a NMOCD approved facility.**
Work began by on November 29th, 2010. A plastic liner was laid down and the detritus from the pit was removed and placed on the plastic. On December 1st, 2010, the detritus was NORM surveyed. Work began by digging out the berm that surrounded the pit. Plastic was laid south of the pit as a holding for the

removed asphaltic material. Asphaltine was removed from the walls of the pit and placed on the plastic. In addition, the pit was excavated down two feet. The soils from the two feet were sent to a commercial laboratory and came back clean (BTEX non-detect, chloride = 64 mg/kg, TPH 418.1 = 1820 mg/kg, GRO non-detect, and DRO = 211 mg/kg). The soils were returned to the excavation. The scrap metal from the bottom of the pit was separated out and one load of scrap metal was taken to Hobbs Iron and Metal on January 28th, 2011. The remaining scrap metal was hauled to Hobbs Iron and Metal on January 31st, 2011. On February 7th and 8th, 2011, the asphaltic material from the walls of the pit and the top foot of soils (94 yards) were transported to Sundance.

- **RECS will obtain, at a minimum, a 5 point composite sample from the bottom of the pit for the areas with staining or discoloration and have it analyzed by a commercial laboratory for benzene, total BTEX, TPH, the GRO and DRO combined fraction and chlorides. Benzene will not exceed 0.2 mg/kg, total BTEX will not exceed 50 mg/kg, total TPH will not exceed 2500 mg/kg, the GRO and DRO combined fraction will not exceed 500 mg/kg, and chlorides will not exceed 1,000 mg/kg.**

The final excavation of the pit was 58 ft x 30 ft x 12 ft deep. At 12 ft bgs, a 5 point bottom composite was taken to a commercial laboratory for confirmation of field testing on February 15th, 2011. BTEX for the 5 point composite showed non-detect. The chloride reading showed 16 mg/kg. TPH 418.1 showed a reading of 1430 mg/kg. GRO showed non-detect and the DRO showed 306 mg/kg.

- **RECS will notify the State of the results on form C-141.**
The initial and final C-141 is attached.

- **If sampling demonstrates that a leak occurred, RECS will comply with 19.15.29 NMAC and 19.15.30 NMAC; otherwise RECS will backfill the pit with compacted, non-waste containing, earthen material; construct a NMOCD prescribed soil cover; re-contour and re-vegetate the site.**

Sampling demonstrated that a leak occurred. The pit was excavated down two feet. The soils from the two feet were sent to a commercial laboratory and came back clean (BTEX non-detect, chloride = 64 mg/kg, TPH 418.1 = 1820 mg/kg, GRO non-detect, and DRO = 211 mg/kg). The soils were returned to the excavation. The site was backfilled with 204 feet of clean caliche. The top foot of the excavation was backfilled with clean blow sand. 156 yards of blow sand was imported to complete the backfill and contour it to the surrounding landscape. CA+ Nhance, a soil amendment, was added to the soil. A fence with silk netting was placed around the area to provide a hindrance to wind erosion and to keep the seed in place. The site was seeded February 28, 2011.

- **Once all remediation criteria have been met for site closure, the site will be seeded. Vegetative cover will equal 70% of the native perennial vegetative cover consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons or until successful growth is established.**

The site was seeded on February 28th, 2011. The species of vegetation used for seeding are the following: Sand Dropseed, Green Sprangletop, Plain Bristlegrass, Blue Grama, Black Grama, Sideoats Grama, Tall Fescue, Sorghum Alum, and Triticale (a hybrid wheat). The site will be observed for two successive growing seasons or until successful growth is established.

Confirmation Sampling Plan

- Not applicable

Disposal Facility Name and Permit Number

- Sundance Services, Inc.; Permit Number: 149972

Soil Backfill and Cover Design Specifications

- **The soil cover for closures shall consist of background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.**

The top foot of the excavation was backfilled with clean blow sand. 156 yards of blow sand was imported to complete the backfill and contour it to the surrounding landscape. CA+ Nhance, a soil amendment, was added to the soil.

- **RECS will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material.**

The site was contoured to the surrounding landscape to prevent ponding of water at the site.

Revegetation Plan

- **During the first growing season after RECS closes the pit, RECS shall seed the disturbed areas.**

The site was seeded on February 28th, 2011.

- **RECS shall obtain vegetative cover that equals 70% of the native perennial vegetative cover consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons or until successful growth is established.**

The species of vegetation used for seeding are the following: Sand Dropseed, Green Sprangletop, Plain Bristlegrass, Blue Grama, Black Grama, Sideoats Grama, Tall Fescue, Sorghum Alum, and Triticale (a hybrid wheat). The site should return to normal vegetative capacity within two growing seasons.

Site Reclamation Plan

- **Once RECS closes the pit, RECS shall reclaim the pit area and associated roads to restore the impacted surfaces to the condition prior to oil and gas operations.**

The site was backfilled and contoured to the surrounding area. The site and the two track road were seeded on February 28th, 2011.

- **The area will be re-contoured to the existing area and blends with the surrounding topology and re-vegetate.**

The site was backfilled and contoured to the surrounding area. The site and the two track road were seeded on February 28th, 2011.

If you have any questions or need any further information, please do not hesitate to contact me.



SUNDANCE SERVICES, Inc.

P.O. Box 1737 Eunice, New Mexico 88231
(575) 394-2511

TICKET No. 153525

LEASE OPERATOR/SHIPPER/COMPANY: Melrose

LEASE NAME: No P# #10

TRANSPORTER COMPANY: Francis tubing TIME 6:08 AM (AM/PM)

DATE: 12-1-10 VEHICLE NO: 08 GENERATOR COMPANY MAN'S NAME: Cam Robbins

CHARGE TO: Melrose RIG NAME AND NUMBER

TYPE OF MATERIAL

- Production Water
- Tank Bottoms
- Solids
- Drilling Fluids
- Contaminated Soil
- BS&W Content:
- Rinsate
- Jet Out
- Call Out

Description: O/D

RRC or API # C-133#

VOLUME OF MATERIAL [] BBLs. : 20 YARD : []

AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO SUNDANCE SERVICES, INC.'S FACILITY FOR DISPOSAL.

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DRIVER: MANUEL FRANCO
(SIGNATURE)

FACILITY REPRESENTATIVE: [Signature]
(SIGNATURE)

White - Sundance Canap - Sundance Acct #1 Pink - Transporter

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SUNDANCE SERVICES, Inc.

P.O. Box 1737 Eunice, New Mexico 88231
(575) 394-2511

TICKET No. 153501

LEASE OPERATOR/SHIPPER/COMPANY: Melrose

LEASE NAME: NEPA #10

TRANSPORTER COMPANY: M. FRANKO TRUCK

TIME: 3:44 AM PM

DATE: 12/1/10 VEHICLE NO: 08

GENERATOR COMPANY MAN'S NAME: Cam Robbins

CHARGE TO: Melrose

RIG NAME AND NUMBER

TYPE OF MATERIAL

- Production Water
- Tank Bottoms
- Solids
- Drilling Fluids
- Contaminated Soil
- BS&W Content:
- Rinsate
- Jet Out
- Call Out

Description: oil

RRC or API #

C-133#

VOLUME OF MATERIAL [] BBLs. : X YARD 20 : []

AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

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DRIVER: MAWEL FRANKO
(SIGNATURE)

FACILITY REPRESENTATIVE: Ada Sta Cruz
(SIGNATURE)

White - Sundance Canary - Sundance Acct #1 Pink - Transporter

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SUNDANCE SERVICES, Inc.

P.O. Box 1737 Eunice, New Mexico 88231
(575) 394-2511

TICKET No. 153459

LEASE OPERATOR/SHIPPER/COMPANY: Melrose

LEASE NAME: NEPOU #10

TRANSPORTER COMPANY: M. Franco Truck TIME 12:28 AM (PM)

DATE: 12/1/10 VEHICLE NO: 08 GENERATOR COMPANY MAN'S NAME: Cam Robbins

CHARGE TO: Melrose RIG NAME AND NUMBER

TYPE OF MATERIAL

- Production Water
- Tank Bottoms
- Solids
- Drilling Fluids
- Contaminated Soil
- BS&W Content:
- Rinsate
- Jet Out
- Call Out

Description: old

RRC or API # C-133#

VOLUME OF MATERIAL BBLs. YARD 20

AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

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DRIVER: MANUEL Franco
(SIGNATURE)

FACILITY REPRESENTATIVE: Ada Sta Cruz
(SIGNATURE)

White - Sundance Canary - Sundance Acct #1 Pink - Transporter

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SUNDANCE SERVICES, Inc.

P.O. Box 1737 Eunice, New Mexico 88231
(575) 394-2511

TICKET No. 153437

LEASE OPERATOR/SHIPPER/COMPANY: Melrose

LEASE NAME: North East Pearl Queen Unit #10

TRANSPORTER COMPANY: Manuel Franco Trucking TIME: 9:58 (AM/PM)

DATE: 12/10 VEHICLE NO: 03 GENERATOR COMPANY MAN'S NAME: Cam Robbins

CHARGE TO: Melrose RIG NAME AND NUMBER

TYPE OF MATERIAL

- | | | |
|---|---|-----------------------------------|
| <input type="checkbox"/> Production Water | <input type="checkbox"/> Drilling Fluids | <input type="checkbox"/> Rinsate |
| <input type="checkbox"/> Tank Bottoms | <input checked="" type="checkbox"/> Contaminated Soil | <input type="checkbox"/> Jet Out |
| <input type="checkbox"/> Solids | <input type="checkbox"/> BS&W Content: | <input type="checkbox"/> Call Out |

Description: Oil

RRC or API # C-133#

VOLUME OF MATERIAL [] BBLs. : X YARD 20 : []

AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HEREWITH IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

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DRIVER: MANUEL FRANCO
(SIGNATURE)

FACILITY REPRESENTATIVE: Ada Sta Cruz
(SIGNATURE)

White - Sundance Canary - Sundance Acct #1 Pink - Transporter

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TICKET No. 153516

LEASE OPERATOR/SHIPPER/COMPANY: Melrose

LEASE NAME: NE PG #10

TRANSPORTER COMPANY: Heredia Trucking

TIME: 4:40 AM (PM)

DATE: 12/1/10

VEHICLE NO: 003

GENERATOR COMPANY
MAN'S NAME: Cam Robbins

CHARGE TO: Melrose

RIG NAME
AND NUMBER

TYPE OF MATERIAL

- | | | |
|---|---|-----------------------------------|
| <input type="checkbox"/> Production Water | <input type="checkbox"/> Drilling Fluids | <input type="checkbox"/> Rinsate |
| <input type="checkbox"/> Tank Bottoms | <input checked="" type="checkbox"/> Contaminated Soil | <input type="checkbox"/> Jet Out |
| <input type="checkbox"/> Solids | <input type="checkbox"/> BS&W Content: | <input type="checkbox"/> Call Out |

Description: Oil

RRC or API #

C-133#

VOLUME OF MATERIAL [] BBLs. : YARD 12 : []

AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

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DRIVER: Armando Hernandez
(SIGNATURE)

FACILITY REPRESENTATIVE: Dea Sta Cruz
(SIGNATURE)

White - Sundance

Canary - Sundance Acct #1

Pink - Transporter

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P.O. Box 1737 Eunice, New Mexico 86231
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TICKET No. 153551

LEASE OPERATOR/SHIPPER/COMPANY: Melrose

LEASE NAME: N.E.P.G. #10

TRANSPORTER COMPANY: Heredia Trucking

TIME 9:22 (AM/PM)

DATE: 12/10

VEHICLE NO: 007

GENERATOR COMPANY
MAN'S NAME: Cam Robbins

CHARGE TO: Melrose

RIG NAME
AND NUMBER

TYPE OF MATERIAL

- | | | |
|---|---|-----------------------------------|
| <input type="checkbox"/> Production Water | <input type="checkbox"/> Drilling Fluids | <input type="checkbox"/> Rinsate |
| <input type="checkbox"/> Tank Bottoms | <input checked="" type="checkbox"/> Contaminated Soil | <input type="checkbox"/> Jet Out |
| <input type="checkbox"/> Solids | <input type="checkbox"/> BS&W Content: | <input type="checkbox"/> Call Out |

Description: old

RRC or API #

C-133#

VOLUME OF MATERIAL BBLs. : YARD 12 :

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DRIVER: Alicia Heredia
(SIGNATURE)

FACILITY REPRESENTATIVE: Ma. Sta Cruz
(SIGNATURE)

White - Sundance

Canary - Sundance Acct #1

Pink - Transporter

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SUNDANCE SERVICES, Inc.
 P.O. Box 1737 Eunice, New Mexico 88231
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TICKET No. **159620**

LEASE OPERATOR/SHIPPER/COMPANY: Quantum Res.
 LEASE NAME: NE Peace Green # 10 Pit.
 TRANSPORTER COMPANY: Fisher TIME: 2:27 AM/PM
 DATE: 3/1/11 VEHICLE NO: 15 GENERATOR COMPANY NAME: Cum Robben

CHARGE TO: Quantum RIG NAME AND NUMBER

TYPE OF MATERIAL

Production Water Drilling Fluids Rinsate
 Tank Bottoms Contaminated Soil Jet Out
 Solids BS&W Content Call Out

Description: pld

RRC or API # C-133#

VOLUME OF MATERIAL BBLs. YARD 12

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DRIVER: [Signature]
 FACILITY REPRESENTATIVE: [Signature]

White - Sundance Canary - Sundance Acct #1 Pink - Transporter

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 SUNDANCE SERVICES, Inc. P.O. Box 1737 Eunice, New Mexico 88231 (575) 394-2511		TICKET No. 159645
LEASE OPERATOR/SHIPPER/COMPANY: <i>Quantum Res.</i>		
LEASE NAME: <i>N.E. Pearl Green # 11</i>		
TRANSPORTER COMPANY: <i>Parker</i>		TIME: <i>4:10 AM</i> (PM)
DATE: <i>2/7/11</i>	VEHICLE NO.: <i>21</i>	GENERATOR COMPANY MAN'S NAME: <i>Paul Robbins</i>
CHARGE TO: <i>Quantum Res.</i>		RIG NAME AND NUMBER:
TYPE OF MATERIAL		
<input type="checkbox"/> Production Water	<input type="checkbox"/> Drilling Fluids	<input type="checkbox"/> Rinsate
<input type="checkbox"/> Tank Bottoms	<input checked="" type="checkbox"/> Contaminated Soil	<input type="checkbox"/> Jet Out
<input type="checkbox"/> Solids	<input type="checkbox"/> BS&W Content:	<input type="checkbox"/> Call Out
Description: <i>oil</i>		
RRC or API #		C-133#
VOLUME OF MATERIAL [] BBLS. _____ : <input checked="" type="checkbox"/> YARD <i>20</i> : [] _____		
<p>AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.</p> <p>ALSO AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO SUNDANCE SERVICES, INC.'S FACILITY FOR DISPOSAL.</p> <p>THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.</p>		
DRIVER: <i>Russ [Signature]</i>		
FACILITY REPRESENTATIVE: <i>[Signature]</i>		
White - Sundance Canary - Sundance Acct #1 Pink - Transporter		
<small>Re-order from: TOTALLY SHARP ADVERTISING • 432-886-5401 • www.PromoSuperMarket.com</small>		

 SUNDANCE SERVICES, Inc. P.O. Box 1737 Eunice, New Mexico 88231 (575) 394-2511		TICKET No. 159602	
LEASE OPERATOR/SHIPPER/COMPANY: <u>Quantum Resources</u>			
LEASE NAME: <u>N.E. Pearl Queen # 10</u>			
TRANSPORTER COMPANY: <u>Haskew</u>		TIME: <u>11:51 AM/PM</u>	
DATE: <u>2/7/11</u>		VEHICLE NO: <u>21</u>	
		GENERATOR COMPANY MAN'S NAME: <u>Paul Robbins</u>	
CHARGE TO: <u>Quantum Resources</u>		RIG NAME AND NUMBER:	
TYPE OF MATERIAL			
<input type="checkbox"/> Production Water <input type="checkbox"/> Drilling Fluids <input type="checkbox"/> Rinsate <input type="checkbox"/> Tank Bottoms <input checked="" type="checkbox"/> Contaminated Soil <input type="checkbox"/> Jet Out <input type="checkbox"/> Solids <input type="checkbox"/> BS&W Content: <input type="checkbox"/> Call Out			
Description: <u>0/D</u>			
RRC or API #		<u>C-133#</u>	
VOLUME OF MATERIAL <input type="checkbox"/> BBLs. : <input checked="" type="checkbox"/> YARD <u>20</u> : <input type="checkbox"/>			
<p>AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.</p> <p>ALSO AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO SUNDANCE SERVICES, INC.'S FACILITY FOR DISPOSAL.</p> <p>THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter's Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.</p>			
DRIVER: <u>[Signature]</u>			
FACILITY REPRESENTATIVE: <u>[Signature]</u>			
White - Sundance		Canary - Sundance Acct #1	
Pink - Transporter			
<small>Re-order from: TOTALLY SHARP ADVERTISING - 432-536-5401 - www.PromoSupermarket.com</small>			

 SUNDANCE SERVICES, Inc. P.O. Box 1737 Eunice, New Mexico 88231 (575) 394-2511		TICKET No. 159653
LEASE OPERATOR/SHIPPER/COMPANY: <i>Quantum Res.</i>		
LEASE NAME: <i>NE Prayl Guion #10-Pit</i>		
TRANSPORTER COMPANY: <i>Plucker</i>		TIME: <i>11:33 AM</i>
DATE: <i>2/7/11</i>	VEHICLE NO: <i>15</i>	GENERATOR COMPANY NAME: <i>Tom Robbins</i>
CHARGE TO: <i>Quantum Res.</i>		RIG NAME AND NUMBER
TYPE OF MATERIAL		
<input type="checkbox"/> Production Water <input type="checkbox"/> Drilling Fluids <input type="checkbox"/> Rinsate <input type="checkbox"/> Tank Bottoms <input checked="" type="checkbox"/> Contaminated Soil <input type="checkbox"/> Jet Out <input type="checkbox"/> Solids <input type="checkbox"/> BS&W Content <input type="checkbox"/> Call Out		
Description: <i>OID</i>		
RRC or API #		C-1334
VOLUME OF MATERIAL <input type="checkbox"/> BBLs. _____ : <input checked="" type="checkbox"/> YARD <i>12</i> : <input type="checkbox"/> _____		
<p>AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HEREWITF IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.</p> <p>ALSO AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO SUNDANCE SERVICES, INC.'S FACILITY FOR DISPOSAL.</p> <p>THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.</p>		
DRIVER: <i>[Signature]</i> <small>(SIGNATURE)</small>		
FACILITY REPRESENTATIVE: <i>[Signature]</i> <small>(SIGNATURE)</small>		
White - Sundance	Canary - Sundance Acct #1	Pink - Transporter
<small>Re-order from: TOTALLY SHARP ADVERTISING • 432-586-5481 • www.PromoSupermarket.com</small>		



SUNDANCE SERVICES, Inc.

P.O. Box 1737 Eunice, New Mexico 88231
(575) 394-2511

TICKET No. **159737**

LEASE OPERATOR/SHIPPER/COMPANY: Quantum Res.
 LEASE NAME: Nr Paul Guean Pit #10
 TRANSPORTER COMPANY: Parker TIME: 11:12 AM/PM
 DATE: 2/8/11 VEHICLE NO: 15 GENERATOR COMPANY
 MAN'S NAME:
 CHARGE TO: Quantum Res. BIG NAME
 AND NUMBER:

TYPE OF MATERIAL

- Production Water
- Tank Bottoms
- Solids
- Drilling Fluids
- Contaminated Soil
- BS&W Content
- Rinsate
- Jet Out
- Call Out

Description: old

RRC or API # _____ C-133# _____

VOLUME OF MATERIAL [] BBLs. _____ [X] YARD 12 [] _____

AS A CONDITION TO SUNDANCE SERVICES, INC'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HEREWITH IS MATERIAL EXEMPT FROM THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO SUNDANCE SERVICES, INC'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO SUNDANCE SERVICES, INC'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: [Signature]
(SIGNATURE)

FACILITY REPRESENTATIVE: [Signature]
(SIGNATURE)

White - Sundance Canary - Sundance Acct #1 Pink - Transporter

 **SUNDANCE SERVICES, Inc.**
 P.O. Box 1737 Eunice, New Mexico 88231
 (575) 394-2511

TICKET No. 159765

LEASE OPERATOR/SHIPPER/COMPANY: Quantum Res.

LEASE NAME: NE Pearl Queen Pit #10

TRANSPORTER COMPANY: Parker TIME: 12:49 AM (PM)

DATE: 2/18/11 VEHICLE NO: 15 GENERATOR COMPANY: Cam Robbins
MAN'S NAME

CHARGE TO: Quantum Res. RIG NAME AND NUMBER: _____

TYPE OF MATERIAL

Production Water Drilling Fluids Rinsate

Tank Bottoms Contaminated Soil Jet Out

Solids BS&W Content: Call Out

Description: Oil

RRC or API # _____ C-133# _____

VOLUME OF MATERIAL BBLs _____ YARD 12 _____

AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. § 6901, et seq., THE NM HEALTH AND SAF. CODE § 361.001 et seq., AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED DRILLING FLUIDS, PRODUCED WATERS, AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO SUNDANCE SERVICES, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO SUNDANCE SERVICES, INC.'S FACILITY FOR DISPOSAL.

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DRIVER: [Signature]
(SIGNATURE)

FACILITY REPRESENTATIVE: [Signature]
(SIGNATURE)

White - Sundance Canary - Sundance Acct #1 Pink - Transporter

Re-order from: TOTALLY SHARP ADVERTISING • 432-586-5401 • www.PromoSupermarket.com

Mar 01 11 10:02a

MAXIMUM LEASE SER INC

575-394-0050

p.4



HOBBS IRON & METAL, INC.
920 SOUTH GRIMES PH. 575-393-1726
P.O. BOX 2007
HOBBS, NEW MEXICO 88241

LEA COUNTY STATE BANK
Hobbs, New Mexico 88241
95-183-1122

CHECK NO.
085036

DATE

AMOUNT

PAY

THREE HUNDRED TWENTY-FOUR AND 80 / 100

02/17/2011

\$ 324.80

Void

TO THE
ORDER
OF

QUANTUM RESOURCES
2350 AVE O
EUNICE, NM 88231

Copy

Adjudick

⑈085036⑈ ⑆112201836⑆ 01038702⑈

Date	Invoice Number	Invoice Description	Invoice Amount	Discount Taken	Amount Paid
01/28/11	196825	scrap	\$252.80	\$0.00	\$252.80
01/31/11	197009	SCRAP	\$72.00	\$0.00	\$72.00

Vendor: MELR01 Check #: 85036 Check Date: 02/17/11 \$324.80 \$0.00 \$324.80
 QUANTUM RESOURCES



New Mexico Regulation and Licensing Department
CONSTRUCTION INDUSTRIES DIVISION
 505 Marquette Avenue, NE • Suite 1810 • Albuquerque, New Mexico 87102
www.rld.state.nm.us/OS/RecycledMetals.html

RECYCLED METAL PURCHASE RECORD

Hobbs Iron & Metal, Inc.

920 S. Grimes Hobbs, N.M. 88240 505-393-1726 / 505-393-5654 Fax

SELLER

JESUS GUTIERREZ VASQUEZ DRIVER LICENSE
 5387 CO RD 154 #37 06-104-1242CO
 GLENWD SPGS, CO 81601 COLORADO

COMPANY NAME: MELROSE OPERATING/ PARKER

Address: 2350 AVE O EUNICE, NM 88231

PURCHASE INFORMATION

Item	Gross	Tare	Net	\$/#	Total
UNPREPARED STEEL	19,700.0	18,800.0	900.0	\$0.0800 LB	\$72.00
				TOTAL	\$72.00
				PAID CHECK	

SELLERS STATEMENT OF OWNERSHIP

I hereby represent and warrant that I am legal owner of the material reported on this record and have the legal right to sell this material to a second-hand metal dealer, or that I am legally entitled to sell the material to a second-hand metal dealer on behalf of the legal owner

1-31-11

JESUS GUTIERREZ VASQUEZ

Original forms and signatures kept on record at Hobbs Iron and Metal, Inc. 920 S. Grimes, Hobbs, NM and are available upon request by Regulation and Licensing Department.


New Mexico Regulation and Licensing Department
CONSTRUCTION INDUSTRIES DIVISION

 505 Marquette Avenue, NE - Suite 1810 - Albuquerque, New Mexico 87102
www.rld.state.nm.us/CSI/RecycledMetals.html
RECYCLED METAL PURCHASE RECORD

Hobbs Iron & Metal, Inc.

920 S. Grimes Hobbs, N.M. 88240 505-393-1726 / 505-393-5654 Fax

SELLER

 ROY CRIPPIN
 1000 AVE G
 EUNICE, NM 88231

 DRIVER LICENSE
 508362871 NM
 NEW MEXICO

COMPANY NAME: MELROSE OPERATING

PURCHASE INFORMATION

Item	Gross	Tare	Net	S/#	Total
UNPREPARED STEEL	24,180.0	21,020.0	3,160.0	\$0.0800 LB	\$252.80

TOTAL \$252.80
PAID CHECK
SELLERS STATEMENT OF OWNERSHIP

I hereby represent and warrant that I am legal owner of the material reported on this record and have the legal right to sell this material to a second-hand metal dealer, or that I am legally entitled to sell the material to a second-hand metal dealer on behalf of the legal owner

1-28-11

ROY CRIPPIN

Original forms and signatures kept on record at Hobbs Iron and Metal, Inc. 920 S. Grimes, Hobbs, NM and are available upon request by Regulation and Licensing Department.

LEA COUNTY LANDFILL
 3219 E. STATE RD #176
 EUNICE, NM 88231

000000 CASH CUSTOMER

SITE	TICKET	GRID	WEIGHMASTER		
47	065923		Tillie DeLaRosa		
DATE IN	DATE OUT	TIME IN	TIME OUT	VEHICLE	ROLL OFF
01/26/11	01/26/11	13:00	13:18	DUMPTRUCK	
REFERENCE		ORIGIN			
BRYANS		50-EUNICE			

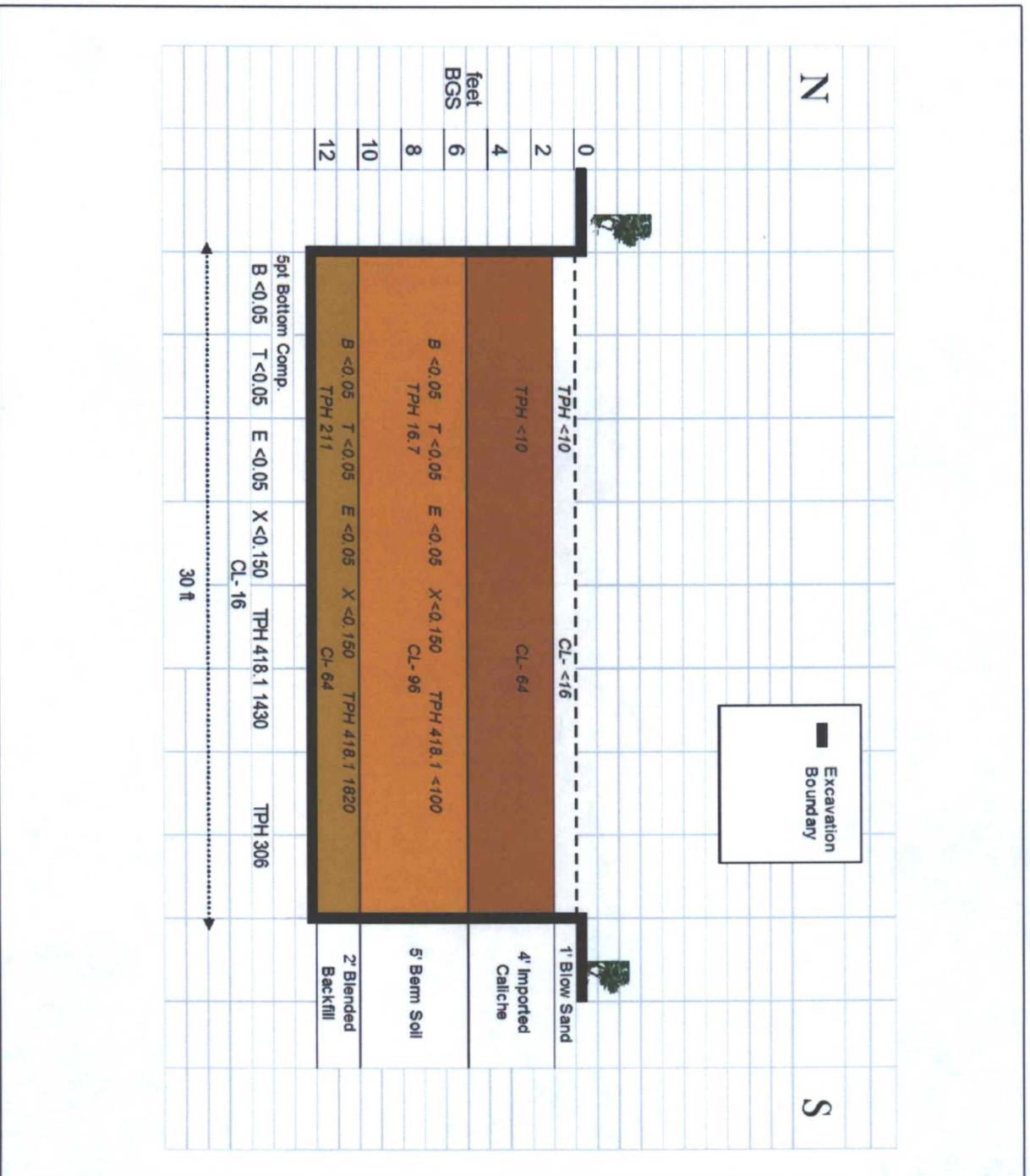
QTY	UNIT	DESCRIPTION	RATE	EXTENSION	FEE	TOTAL
		Scale 1 Gross Wt.				
	LB	16460				
		Scale 1 Tare Wt.				
	LB	15780				
		Net Weight				
	LB	680				
0.34	TON	CONSTRUCTN/DEMO LEA	34.00	11.56	0.61	12.17

Standard Operating Hours 7:30A.M. - 4:30P.M. Mon. - Sat.
 Daylight Saving Time Hours 7:30A.M. - 5:30P.M. Mon. - Sat.
 Sunday CLOSED
 (575) 394-9109

NET AMOUNT	12.17
TENDERED	20.00
CHANGE	7.83
CHECK NO.	

WW671 TO REORDER CONTACT CAROLINA SOFTWARE (910) 799-6767 SIGNATURE

Cross Section of Excavation



P.O. Box 5630
 Hobbs, NM 88241
 Phone (575) 393-9174
 Fax (575) 393-0293

NE Pearl Queen #10 Pit

Legals: UL/D sec. 24 T19S R35E
 NMOCD Case #: P-1-02-254

Figure 4

Re-vegetation Application Rates and Seeding Techniques

DISTURBED AREA REPORT

LOCATION: NE Pearl Queen # 10 Pit

LAND OWNER: Patrick Sims

UL/ SEC - T - R: UL/D Sec 24 T19S R35E

DEPTH TO GW: None

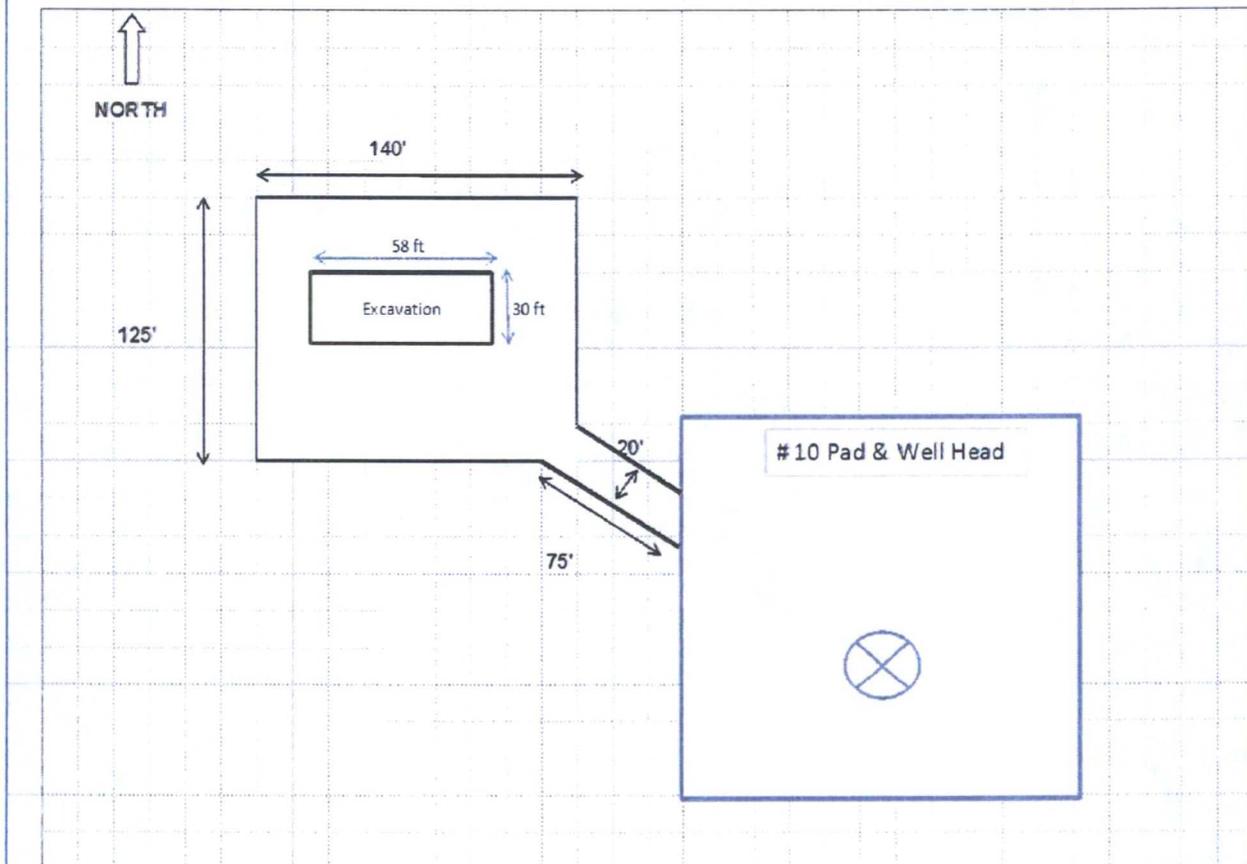
GPS LAT & LON NAD27: N. 32.393.468 W. 103. 25'8.652

SIZE & SQFT OF EFFECTED AREA: 19,000 sq ft

DATE BACKFILLED: 2-26-11

DATE SEEDED: 2-28-11

AMOUNT AND TYPE OF SEED USED: 40lb of Titricale & 40lbs of Mix (included: sand dropseed, green sprangletop, plains bristeigrass, blue grama, black grama, sidecoats grama, tall fescue, sorghum alum) implemented by hand rotary spreader.



NE Pearl Queen #10 Pit

Legals: UL/D sec. 24
T19S R35E

Case #: P-1-02-254

Figure 5



Drawing date: 3-1-11
Drafted by: L. Weinheimer



PO Box 5630
 Hobbs, NM 88241
 Phone: (575) 393-4411
 Fax: (575) 393-0293

REVEGETATION FORM

1. General Information

Site name:							
U/L	Section	Township	Range	County	Latitude	Longitude	
D	24	19S	37E	Lea	N. 32° 39'3.468	W.103° 25'8.652	
Contact Name: Hack Conder							
Email: hconder@riceswd.com							
Site size: 19,000		square feet		Map detail of site attached <input checked="" type="checkbox"/>			
Additional information:							

2. Soils

**Do not rip caliche subsoils; caliche rocks brought to the surface by ripping shall be removed.*

Salvaged from site <input type="checkbox"/>	Bioremediated <input type="checkbox"/>	Imported <input checked="" type="checkbox"/>	Blended <input checked="" type="checkbox"/>	Depth (in):	
Texture:		Describe soil & subsoil:			
Soil prep methods:	Rip <input type="checkbox"/>	Depth(in):	Disc <input type="checkbox"/>	Depth (in):	Rollerpack <input type="checkbox"/>
Date completed:					
2 / 28 /2011					

3. Bioremediation

Fertilizer <input checked="" type="checkbox"/>	Hay <input type="checkbox"/>	Other <input type="checkbox"/>
Type: CA+ Enhance	Describe:	
Lbs/acre: 34.5lb per sq ft		

4. Seeding

**Attach seed bag tags to this form. Seed bag tags shall contain the site name and S-T-R.*

Custom seed mix <input checked="" type="checkbox"/>	Prescribed mix <input type="checkbox"/>	Seed mix name: Doom Mix	Seeding date: 2 / 28 /2011
Broadcast <input type="checkbox"/>			
Method: Hand Rotary Spreader			
Soil conditions during seeding: Dry <input checked="" type="checkbox"/> Damp <input type="checkbox"/> Wet <input type="checkbox"/>			
Photos attached <input type="checkbox"/>		Observations:	
Number of photos:			

5. Certification

I hereby certify that the information in this form and attachments is true and complete to the best of my knowledge and belief.

Name: Jordan Woodfin	Title: Environmental Tech.	Date: 3-1-11
Signature:		

**NE Pearl Queen #10 Pit
Unit D, Section 24, T-19-S, R-35-E**



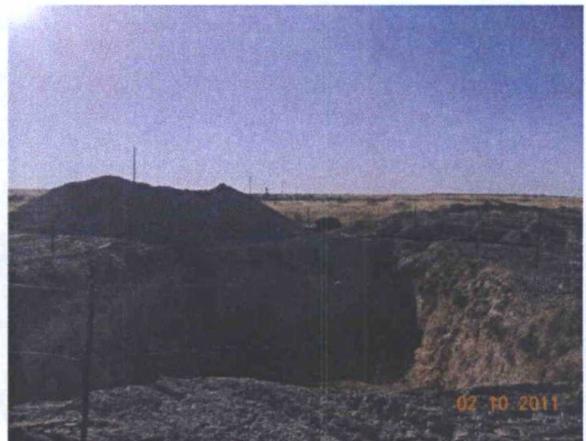
Pit prior to excavation, facing east



Excavating, facing south



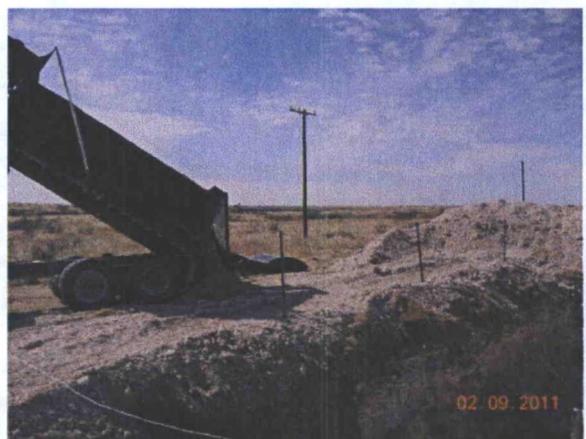
Excavation, facing west



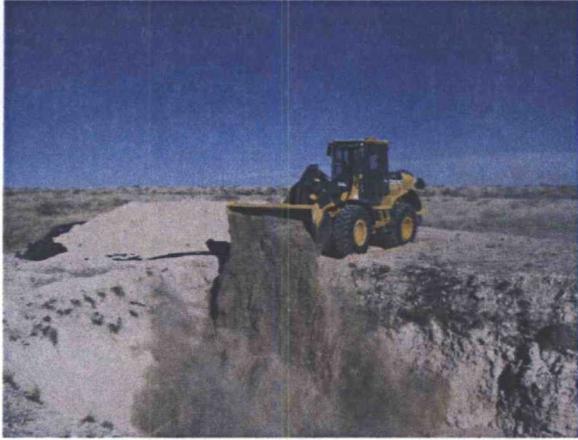
Final Excavation, facing west



Hauling off soil, facing north



Importing caliche, facing southwest



Backfilling excavation, facing northwest



Backfilling, facing south



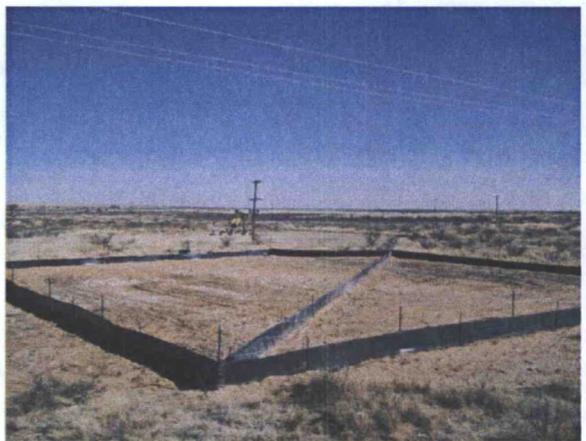
Spreading soil with amendments, facing southwest



Spreading seed using a hand rotary spreader, facing northwest



Tilling in seed using a tractor, facing northwest



Site completed, facing southeast

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

Form C-144
July 21, 2008

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: Quantum Resources OGRID #: _____
Address: 5 Houston Center, 1401 McKinley St. Ste 2400, Houston, TX
Facility or well name: Northeast Pearl Queen Unit #10
API Number: 30-025-20983 OCD Permit Number: P-1-02-254
U/L or Qtr/Qtr D Section 24 Township T19S Range R35E County: LEA
Center of Proposed Design: Latitude _____ Longitude _____ 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 _____ mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

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 19.15.3.103 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.

- | | |
|--|---|
| <p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <ul style="list-style-type: none"> - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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).</p> <ul style="list-style-type: none"> - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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>)</p> <ul style="list-style-type: none"> - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| <p>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>)</p> <ul style="list-style-type: none"> - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| <p>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.</p> <ul style="list-style-type: none"> - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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.</p> <ul style="list-style-type: none"> - Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 500 feet of a wetland.</p> <ul style="list-style-type: none"> - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within the area overlying a subsurface mine.</p> <ul style="list-style-type: none"> - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within an unstable area.</p> <ul style="list-style-type: none"> - 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 |
| <p>Within a 100-year floodplain.</p> <ul style="list-style-type: none"> - 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 identify 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): CAM Robbins Title: Prod Forman

Signature: [Handwritten Signature] Date: 2-7-11

e-mail address: maximum@valornet.com Telephone: 575-390-4666

20.

OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

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: _____

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 identify 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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Rice Environmental Consulting & Safety

P.O. Box 5630 Hobbs, NM 88241
Phone 575.393.4411 Fax 575.393.0293

January 21, 2011

Mr. Geoffrey Leking

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1625 N. French Drive
Hobbs, New Mexico 88240

**RE: Quantum Resources
Northeast Pearl Queen Well #10 30-025-20983
Unknown Pit (P-1-02-254)
Investigation and Corrective Action Plan (Closure Plan)
Unit Letter D, Sec. 24, T19S R35E, 990' FNL & 330' FWL
Lea County, New Mexico**

Mr. Leking:

Rice Environmental Consulting and Safety (RECS) would like to take this opportunity to present the Waste Excavation and Removal Closure Plan of the C-144 for the Quantum Resources' above mentioned site. Attached you will find the C-144 and our work plan to address the reclamation of the Unknown Pit near the Northwest Pearl Queen #10 well.

Sincerely,

Haskell Conder
Environmental Manager
RECS

Summary/Overview

The site is located approximately 16 miles east of Hobbs, New Mexico in Unit Letter D, Sec. 24, T19S R35E. On November 15th, 2010, NMOCD discovered an unknown pit and informed Melrose Operating now Quantum Resources of their finding and their request that it be closed per NMOCD standards.

Quantum Resources contracted with Rice Environmental Consulting and Safety (RECS) to close the unknown pit per NMOCD guidelines.

The potential contaminants of concern are chlorides, hydrocarbons, and BTEX.

The land's primary use is for domestic pasture for ranching and the production of oil and gas.

On January 13th, 2011, a soil bore was advanced approximately 60 feet north-west of the pit to determine depth to groundwater. The bore was drilled to red bed clay which is the bottom of the aquifer. The bore was left open for over 5 days and then gauged by ARC Environmental personnel. No groundwater was evidenced in the bore.

Protocols and Procedures

- RECS will assure that One-Calls occur for line spot clearance before excavation begins.
- RECS will notify the surface owner, P. Sims, of the RECS' proposal for the site closure method.
- RECS will mobilize to the site location with equipment and personnel needed to reclaim the site per NMOCD requirements
- RECS personnel will supervise the removal of detritus from the bottom of the pit and excavate asphaltic soils. The detritus and asphaltic soils will be disposed of at a NMOCD approved facility.
- RECS will obtain, at a minimum, a 5 point composite sample from the bottom of the pit for the areas with staining or discoloration and have it analyzed by a commercial laboratory for benzene, total BTEX, TPH, the GRO and DRO combined fraction and chlorides. Benzene will not exceed 0.2 mg/kg, total BTEX will not exceed 50 mg/kg, total TPH will not exceed 2500 mg/kg, the GRO and DRO combined fraction will not exceed 500 mg/kg, and chlorides will not exceed 1,000 mg/kg.

- RECS will notify the State of the results on form C-141.
- If sampling demonstrates that a leak occurred, RECS will comply with 19.15.29 NMAC and 19.15.30 NMAC; otherwise RECS will backfill the pit with compacted, non-waste containing, earthen material; construct a NMOCD prescribed soil cover; re-contour and re-vegetate the site.
- Once all remediation criteria have been met for site closure, the site will be seeded. Vegetative cover will equal 70% of the native perennial vegetative cover consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons or until successful growth is established.

Confirmation Sampling Plan

- Not applicable

Disposal Facility Name and Permit Number

- Sundance Services, Inc.; Permit Number: 149972

Soil Backfill and Cover Design Specifications

- The soil cover for closures shall consist of background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.
- RECS will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material.

Revegetation Plan

- During the first growing season after RECS closes the pit, RECS shall seed the disturbed areas.
- RECS shall obtain vegetative cover that equals 70% of the native perennial vegetative cover consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons or until successful growth is established.

Site Reclamation Plan

- Once RECS closes the pit, RECS shall reclaim the pit area and associated roads to restore the impacted surfaces to the condition prior to oil and gas operations.
- The area will be re-contoured to the existing area and blends with the surrounding topology and re-vegetate.

If you have any questions or need any further information, please do not hesitate to contact me.