



ENVIRONMENTAL PLUS, INC.
CONSULTING AND REMEDIAL CONSTRUCTION

December 23, 2006

Mr. Larry Johnson, Environmental Engineer
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division Environmental Bureau
1625 North French
Hobbs, New Mexico 88240

Subject: Final C-144

Re: Boyd & McWilliams Energy Group
Federal 22 #1 (Ref. #256001)
UL-K, Section 22, Township 13 South, Range 30 East
Chavez County New Mexico



Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), on behalf of Boyd & McWilliams Energy Group (BMEG), submits the enclosed New Mexico Oil Conservation Division (NMOCD) final C-144 form and supporting information documenting closure of the drill pit at the above-referenced well site in accordance with the NMOCD Pit and Below-Grade Tank Guidelines (Pit Guidelines), November 1, 2004. Because the elevated soil chloride residuals monitored at the site have been isolated under and encapsulated in a polyethylene liner at least 3-feet below ground surface (bgs), the chloride source term will not be capable of impacting local groundwater (intermittent and >100-foot bgs) or be capable of interfering with surface revegetation and ultimate restoration to agricultural productivity.

In addition to closing the drill pit, the location and access road have been reclaimed consistent with the US Department of Interior Bureau of Land Management (BLM) protocols as required by the BLM in its July 19, 2006 letter (i.e., 3160(51300)) (attached) to BMEG, (i.e., cleaning the location and disposing of trash; removing anchors; removing gate, cattle guard and replacing fence; and reseeding disturbed areas including the 1.25 mile long access road). The "Final Abandonment Notice" being submitted simultaneously to the BLM on Form 3160-5 (Sundry Notice and Reports on Wells) is also attached and requests relinquishment of BLM right-of way #097017.

Please direct all official communications to:

Boyd & McWilliams Energy Group
Toby McWilliams
550 W Texas Suite 310
Midland, Texas 79701
Telephone: 1-800-788-0418
Email: BMEG@BMEG.US

RP # 1446

ENVIRONMENTAL PLUS, INC.



ENVIRONMENTAL PLUS, INC.
CONSULTING AND REMEDIAL CONSTRUCTION

Should you have any questions or concerns, please call me at (505) 394-3481. Mr. Toby McWilliams can be contacted at 1-800-788-0418.

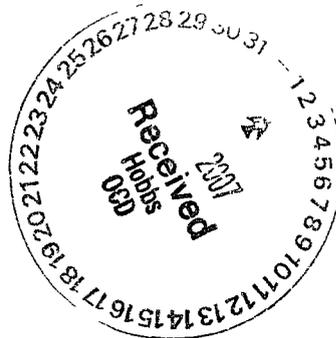
Sincerely,

ENVIRONMENTAL PLUS, INC.

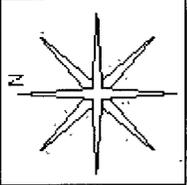
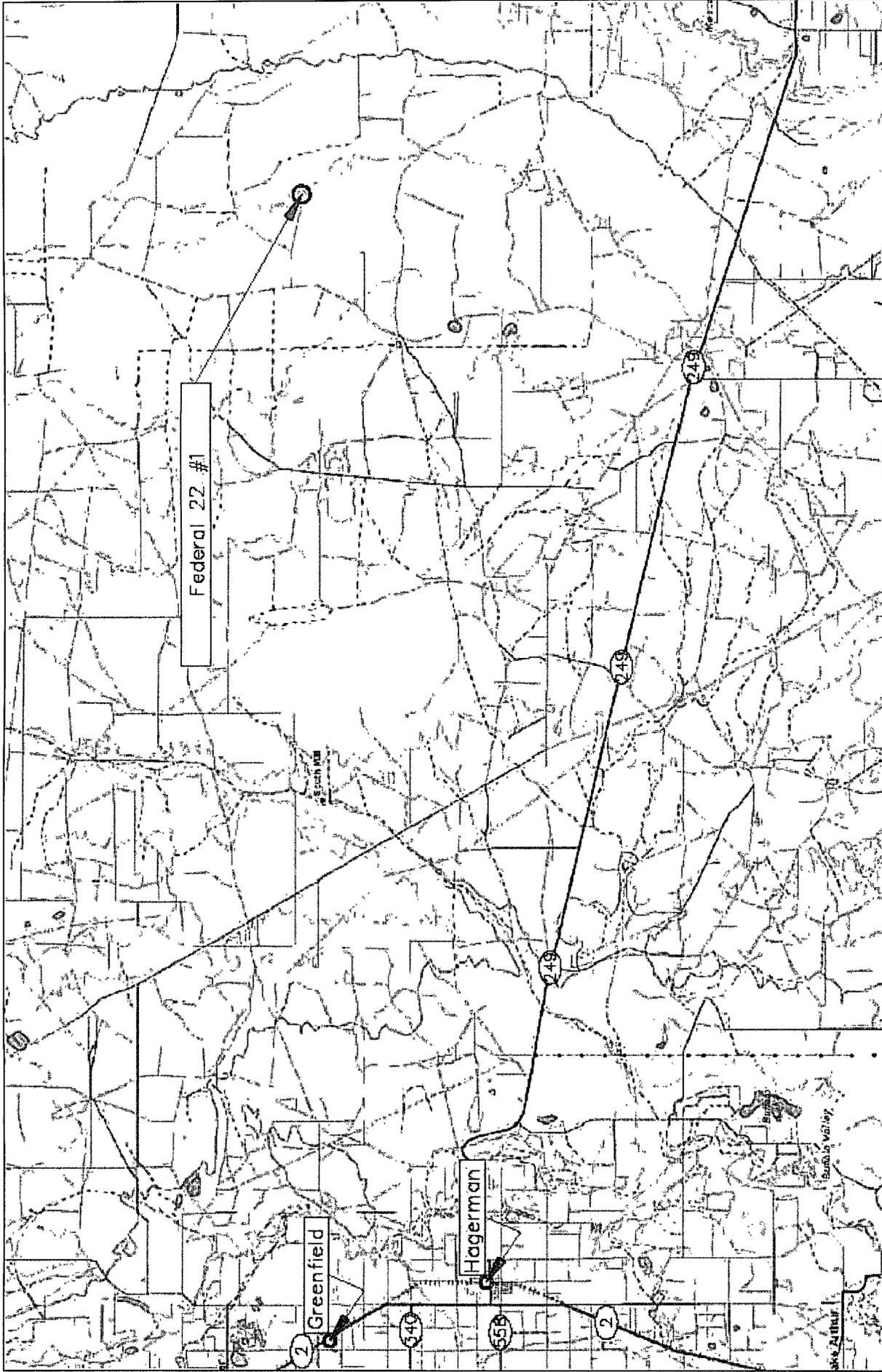
Pat McCasland
Senior Consultant

cc: Toby McWilliams, Boyd & McWilliams Energy Group (BMEG@BMEG.US)
Larry Bray, BLM (Larry_Bray@nm.blm.gov)
File

Enclosures: Area Topographical Map
Vicinity Topographical Map
Site Map
Table 1 - Analytical Results Summary
Laboratory Reports
Photographs
BLM letter #3160(51300) to BMEG dated July 19, 2006
Email to L. Bray BLM (8-18-06) documenting conversation and points of information
BLM Form 3160-5 – Notice of Intent
BLM Form 3160-5 – Final Abandonment Notice
NMOCD Form C-144 (final)

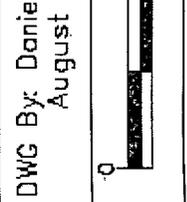


ENVIRONMENTAL PLUS, INC.



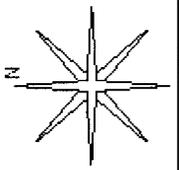
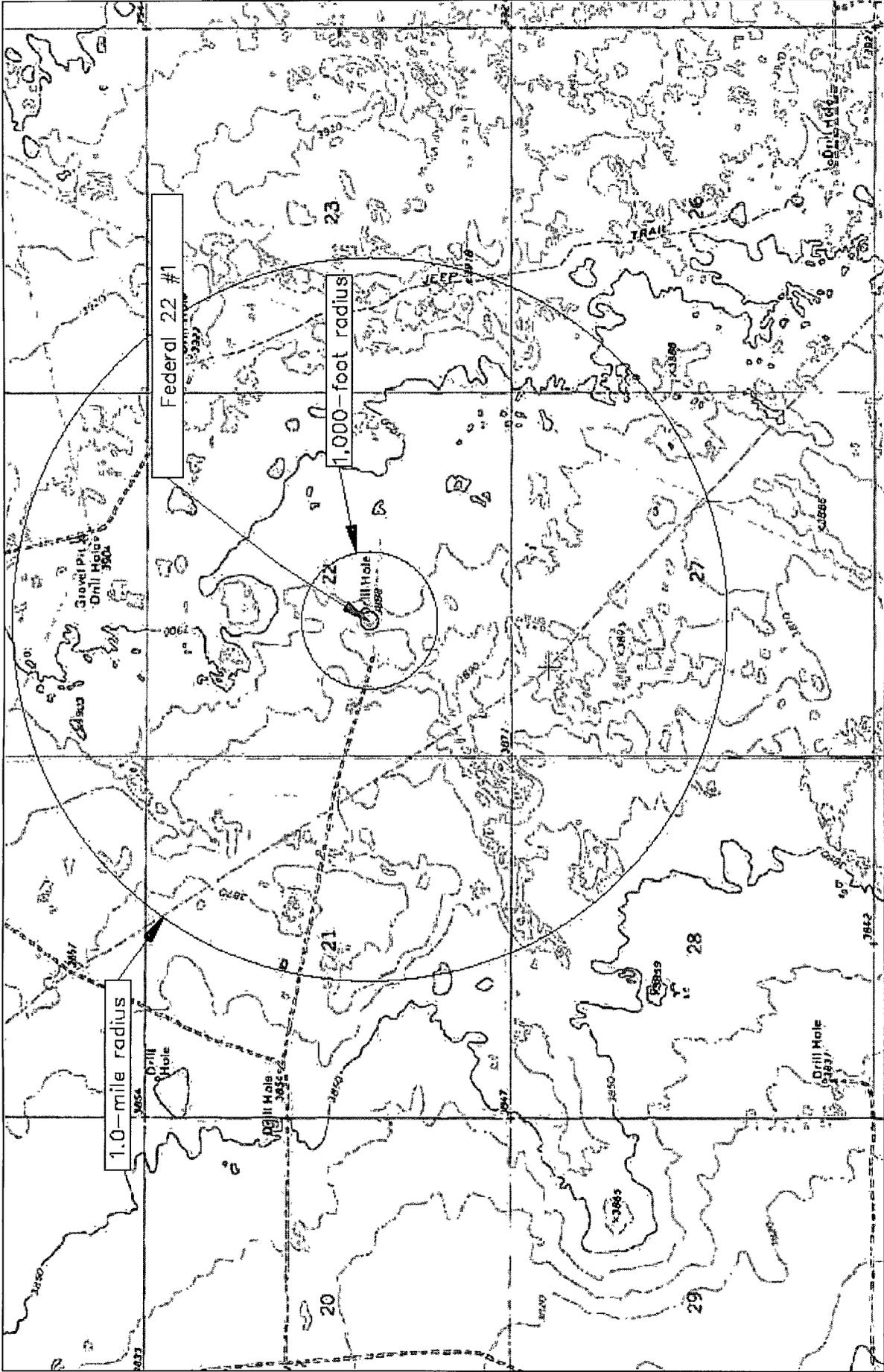
DWG By: Daniel Dominguez
August 2006

REVISED:
SHEET
1 of 1



Chaves County, New Mexico
NE 1/4 of the SW 1/4, Sec. 22, T13S, R30E
N 33°10' 25.93" W 103°54' 53.68"
Elevation: 3,888 feet amsl

Figure 1
Area Map
Boyd & McWilliams Energy Group
Federal 22 #1

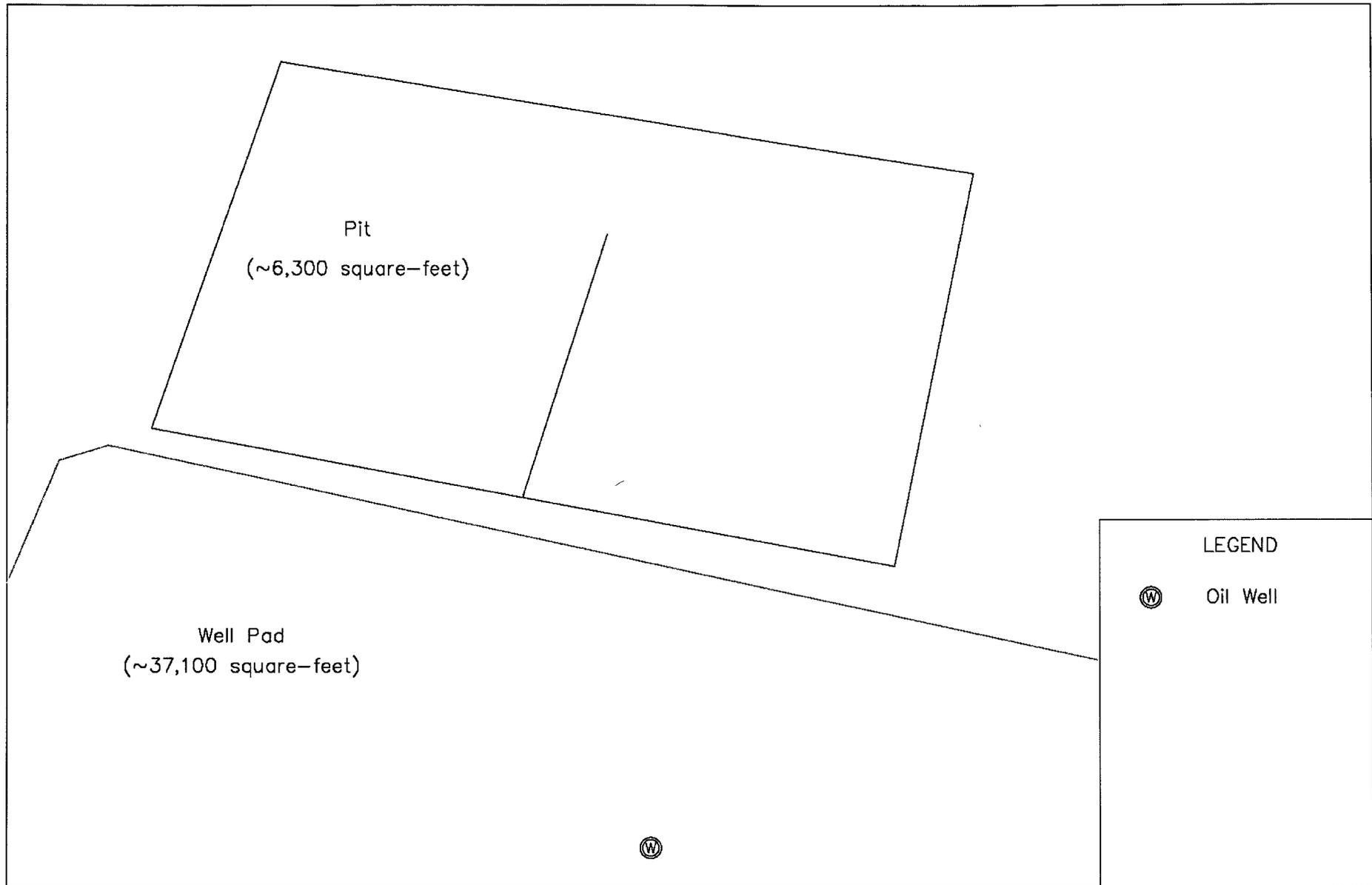


REVISER:
 DWG By: Daniel Dominguez
 August 2006

0 2,000 4,000 SHEET
 Feet 1 of 1

Chaves County, New Mexico
 NE 1/4 of the SW 1/4, Sec. 22, T13S, R30E
 N 33° 10' 25.93" W 103° 54' 53.68"
 Elevation: 3,888 feet amsl

Figure 2
 Vicinity Map
 Boyd & McWilliams Energy Group
 Federal 22 #1



LEGEND

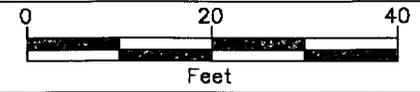
Ⓜ Oil Well

Figure 3
Site Map
Boyd & McWilliams Energy Group
Federal 22 #1

Chaves County, New Mexico
NE 1/4 of the SW 1/4, Sec. 22, T13S, R30E
N 33° 10' 25.93" W 103° 54' 53.68"
Elevation: 3,888 feet amsl

DWG By: Daniel Dominguez
August 2006

REVISED:



SHEET
1 of 1

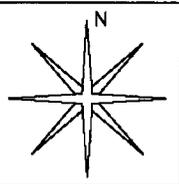


TABLE 1
Boyd & McWilliams Energy Group
Federal 22 #1 Pit Analytical Results Summary

Sample Location	Sampling Interval (FT BGS ¹)	SAMPLE ID#	Date	Lithology	Status	GRO ³ mg/Kg	DRO ⁴ mg/Kg	TPH ⁵ mg/Kg	BTEX mg/Kg	Benzene mg/Kg	Toluene mg/Kg	Ethylbenzene mg/Kg	m,p-o Xylene mg/Kg	Chloride mg/Kg
Southeast Sidewall	4	#1-SE Wall-4'	9/19/2006	sand	in-situ	na	na	na	na	na	na	na	na	11.7
Eastnorth Sidewall	4	#2-EN Wall-4'	9/19/2006	sand	in-situ	na	na	na	na	na	na	na	na	145
North Sidewall	4	#3-N Wall-4'	9/19/2006	sand	under liner	<0.25	<25.0	<10.0	<0.015	<0.005	<0.005	<0.005	<0.010	3.91
North Sidewall	4	#4-N Wall-4'	9/19/2006	sand	under liner	na	na	na	na	na	na	na	na	2,050
West Sidewall	4	#5-W Wall-4'	9/19/2006	sand	under liner	na	na	na	na	na	na	na	na	11,000
South Sidewall	4	#6-S Wall-4'	9/19/2006	sand	under liner	na	na	na	na	na	na	na	na	256
Bottom	6	#7-Bottom-6'	9/19/2006	sand	under liner	na	na	na	na	na	na	na	na	6,310
	6	#8-Bottom-6'	9/19/2006	sand	under liner	<0.25	<25.0	<10.0	<0.015	<0.005	<0.005	<0.005	<0.010	14,200
	6	#9-Bottom-6'	9/19/2006	sand	under liner	na	na	na	na	na	na	na	na	9,760
Trench #1	11	Trench #1-11'	9/21/2006	sand	under liner	na	na	na	na	na	na	na	na	452
	15	Trench #1-15'	9/21/2006	sand	under liner	na	na	na	na	na	na	na	na	940
Trench #2	11	Trench #2-11'	9/21/2006	sand	under liner	na	na	na	na	na	na	na	na	1,990
	15	Trench #2-15'	9/21/2006	sand	under liner	na	na	na	na	na	na	na	na	3,660
New Mexico Oil Conservation Division Remedial Goals								5,000	50	10				WQCC

¹VOC-Volatile Organic Contaminants/Constituents

³GRO-Gasoline Range Organics C₆-C₁₀

⁴DRO-Diesel Range Organics C₁₀-C₂₈

⁵TPH-Total Petroleum Hydrocarbon = GRO+DRO

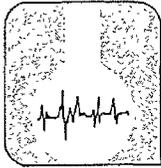
⁶Bolded values are in excess of the New Mexico Oil Conservation Division guideline threshold for the parameter

⁷Italicized values are < the instrument detection limit

⁸na - Not Analyzed (-) indicates the sample was not collected due to refusal

Reported detection limits are considered "de minimus" values and are included in the GRO/DRO and BTEX summations

WQCC - (New Mexico Water Quality Control Commission) Chloride residuals cannot be capable of impacting local groundwater in excess of the 250 mg/L WQCC standard



**ASSAIGAI
ANALYTICAL
LABORATORIES, INC.**

P.O. Box 90430 • Albuquerque, New Mexico 87199 • (505) 345-8964 • FAX (505) 345-7259

3332 Wedgewood, Ste. N • El Paso, Texas 79925 • (915) 593-6000 • FAX (915) 593-7820
127 Eastgate Drive, 212-C • Los Alamos, New Mexico 87544 • (505) 662-2558

ENVIRONMENTAL PLUS, INC.
attn: PAT McCASLAND
P.O. BOX 1558
EUNICE

NM 88231

Explanation of codes.

B	Analyte Detected in Method Blank
E	Result is Estimated
H	Analyzed Out of Hold Time
N	Tentatively Identified Compound
S	Subcontracted
1-9	See Footnote

STANDARD

Assaigai Analytical Laboratories, Inc.

Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight)

Client: **ENVIRONMENTAL PLUS, INC.**
Project: **256001**
Order: **0609648 ENV03** Receipt: **09-25-06**

[Signature]
William P. Bava, President of Assaigai Analytical Laboratories, Inc.

Sample: **#1-SE WALL-4'**
Matrix: **SOIL**

Collected: **09-19-06 10:05:00** By: **SR**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0001A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06763	WC.2006.2380.17	16887-00-6	Chloride	11.7	mg / Kg	10	0.5		09-27-06	09-27-06

Sample: **#2-EN WALL-4'**
Matrix: **SOIL**

Collected: **09-19-06 10:30:00** By: **SR**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0002A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06763	WC.2006.2380.18	16887-00-6	Chloride	145	mg / Kg	10	0.5		09-27-06	09-27-06

Sample: **#3-N WALL-4'**
Matrix: **SOIL**

Collected: **09-19-06 10:45:00** By: **SR**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0003A		SW846 5035B/8015B	GRO by GC/FID					By: EJB		
V06473	XG.2006.1206.8		Gasoline Range Organics	ND	mg / Kg	1	0.25		09-27-06	09-27-06
0609648-0003A		SW846 5035B/8021B	Purgeable VOCs by GC/PID					By: EJB		
V06476	XG.2006.1207.4	71-43-2	Benzene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
V06476	XG.2006.1207.4	100-41-4	Ethylbenzene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
V06476	XG.2006.1207.4	95-47-6	o-Xylene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
V06476	XG.2006.1207.4	179601-23-1	p/m-Xylenes	ND	mg / Kg	1	0.01		09-27-06	09-27-06
V06476	XG.2006.1207.4	108-88-3	Toluene	ND	mg / Kg	1	0.005		09-27-06	09-27-06

Assagai Analytical Laboratories, Inc.

Certificate of Analysis

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Client: ENVIRONMENTAL PLUS, INC.
Project: 256001
Order: 0609648 ENV03 Receipt: 09-25-06

Sample: #3-N WALL-4' Collected: 09-19-06 10:45:00 By: SR
Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0003A		SW846 8015B	Diesel Range Organics by GC/FID					By: EJB		
S06529	XG.2006.1240.28		Diesel Range Organics	ND	mg / Kg	1	25		09-27-06	09-28-06
0609648-0003A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06798	WC.2006.2495.3	16887-00-6	Chloride	3.91	mg / Kg	5	0.5		10-05-06	10-05-06

Sample: #4-N WALL-4' Collected: 09-19-06 11:00:00 By: SR
Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0004A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06763	WC.2006.2380.32	16887-00-6	Chloride	2050	mg / Kg	20	0.5		09-27-06	09-28-06

Sample: #5-W WALL-4' Collected: 09-19-06 11:20:00 By: SR
Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0005A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06763	WC.2006.2380.33	16887-00-6	Chloride	11000	mg / Kg	100	0.5		09-27-06	09-28-06

Sample: #6-S WALL-4' Collected: 09-19-06 11:35:00 By: SR
Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0006A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06763	WC.2006.2380.21	16887-00-6	Chloride	256	mg / Kg	10	0.5		09-27-06	09-27-06

Sample: #7-BOTTOM-6' Collected: 09-19-06 12:35:00 By: SR
Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0007A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06763	WC.2006.2380.34	16887-00-6	Chloride	6310	mg / Kg	100	0.5		09-27-06	09-28-06

Assaigai Analytical Laboratories, Inc.

Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).

Client: ENVIRONMENTAL PLUS, INC.
 Project: 256001
 Order: 0609648 ENV03 Receipt: 09-25-06

Sample: #8-BOTTOM-6' Collected: 09-19-06 12:50:00 By: SR
 Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0008A		SW846 5035B/8015B	GRO by GC/FID					By: EJB		
V08473	XG.2006.1206.9		Gasoline Range Organics	ND	mg / Kg	1	0.25		09-27-06	09-27-06
0609648-0008A		SW846 5035B/8021B	Purgeable VOCs by GC/PID					By: EJB		
V08476	XG.2006.1207.7	71-43-2	Benzene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
V08476	XG.2006.1207.7	100-41-4	Ethylbenzene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
V08476	XG.2006.1207.7	95-47-6	o-Xylene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
V08476	XG.2006.1207.7	179601-23-1	p/m-Xylenes	ND	mg / Kg	1	0.01		09-27-06	09-27-06
V08476	XG.2006.1207.7	108-88-3	Toluene	ND	mg / Kg	1	0.005		09-27-06	09-27-06
0609648-0008A		SW846 8015B	Diesel Range Organics by GC/FID					By: EJB		
S08828	XG.2006.1240.25		Diesel Range Organics	ND	mg / Kg	1	25		09-27-06	09-28-06
0609648-0008A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W06798	WC.2006.2495.10	18887-00-6	Chloride	14200	mg / Kg	1000	0.5		10-05-06	10-05-06

Sample: #9-BOTTOM-6' Collected: 09-19-06 12:56:00 By: SR
 Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0009A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W08763	WC.2006.2380.35	18887-00-6	Chloride	9760	mg / Kg	100	0.5		09-27-06	09-28-06

Sample: TRENCH #1-11' Collected: 09-21-06 13:20:00 By: SR
 Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0010A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W08763	WC.2006.2380.26	18887-00-6	Chloride	452	mg / Kg	10	0.5		09-27-06	09-28-06

Sample: TRENCH #1-15' Collected: 09-21-06 12:00:00 By: SR
 Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0011A		SW846 9056	Anions by Ion Chromatography					By: JTK		
W08763	WC.2006.2380.27	18887-00-6	Chloride	940	mg / Kg	10	0.5		09-27-06	09-28-06

Assajai Analytical Laboratories, Inc.

Certificate of Analysis*All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).*

Client: ENVIRONMENTAL PLUS, INC.
 Project: 256001
 Order: 0609648 ENV03 Receipt: 09-25-06

Sample: TRENCH #2-11' Collected: 09-21-06 13:00:00 By: SR
 Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609648-0012A		SW846 9056	Anions by Ion Chromatography							
W06763	WC.2006.2380.28	16887-00-6	Chloride	1990	mg / Kg	10	0.5		09-27-06	09-28-06

Sample: TRENCH #2-15' Collected: 09-21-06 13:30:00 By: SR
 Matrix: SOIL

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0609848-0013A		SW846 9056	Anions by Ion Chromatography							
W06798	WC.2006.2495.11	16887-00-6	Chloride	3660	mg / Kg	500	0.5		10-05-06	10-05-06

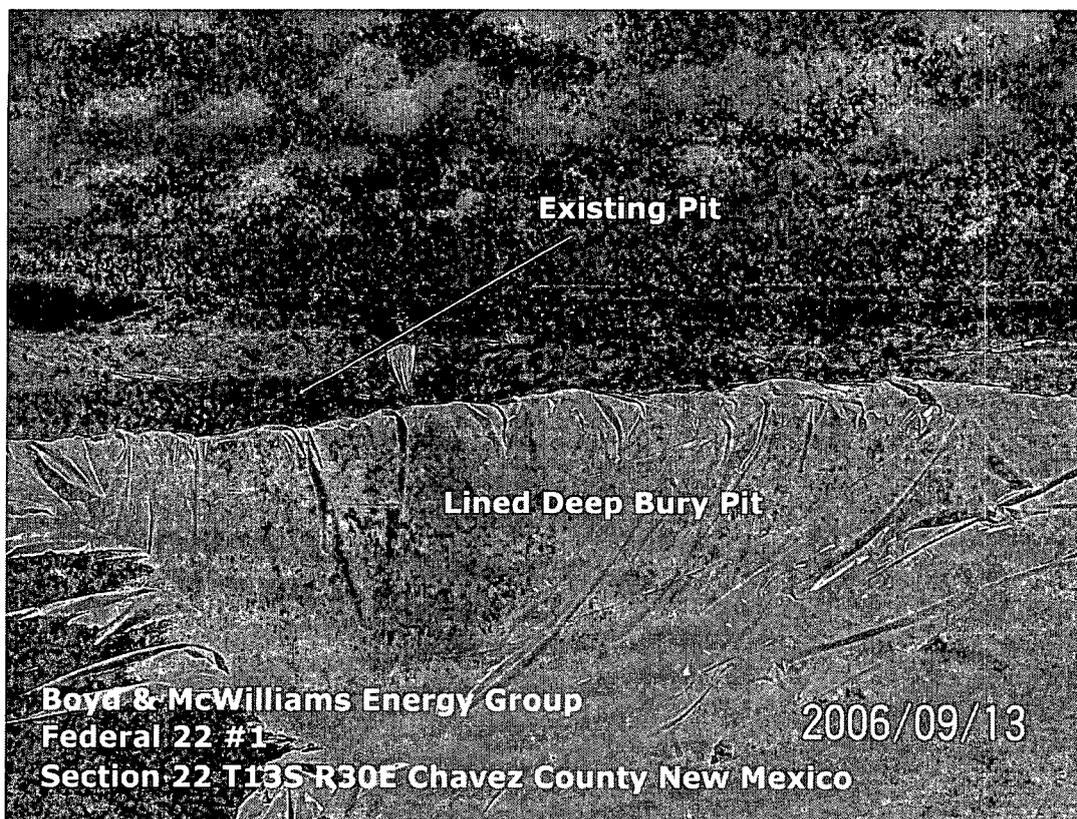
Unless otherwise noted, all samples were received in acceptable condition and all sampling was performed by client or client representative. Sample result of ND indicates Not Detected, ie result is less than the sample specific Detection Limit. Sample specific Detection Limit is determined by multiplying the sample Dilution Factor by the listed Reporting Detection Limit. All results relate only to the items tested. Any miscellaneous workorder information or footnotes will appear below.

Analytical results are not corrected for method blank or field blank contamination.

MEMO: The samples were received at 12.8 degrees Celsius.



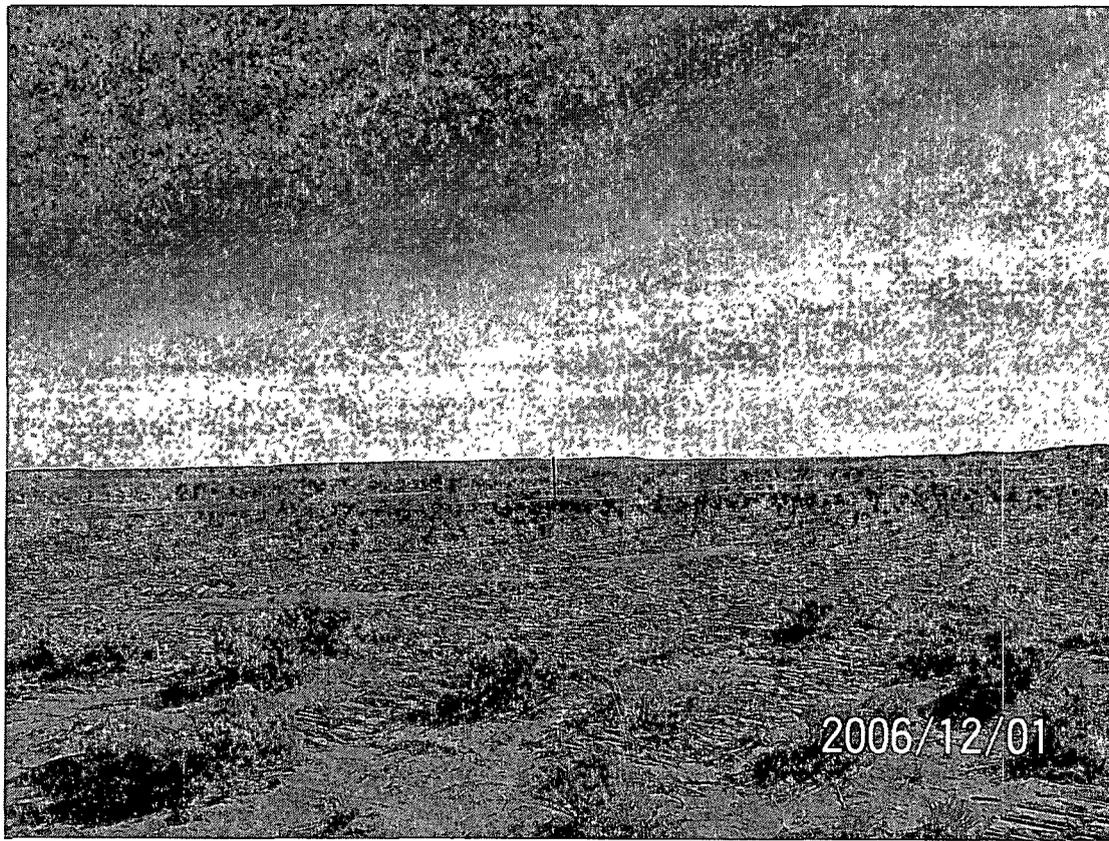
Photograph #1 – Pit with berms, looking southerly.



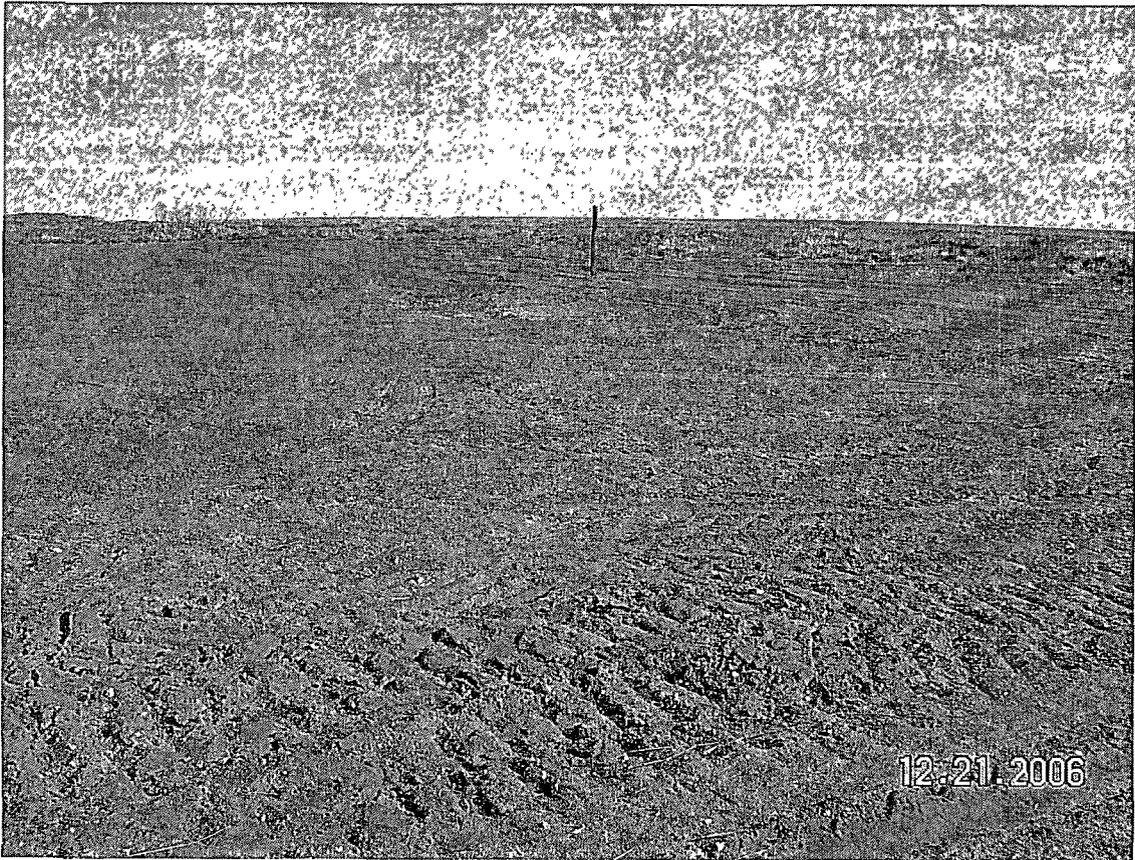
Photograph #2 – Lined Deep Bury Pit.



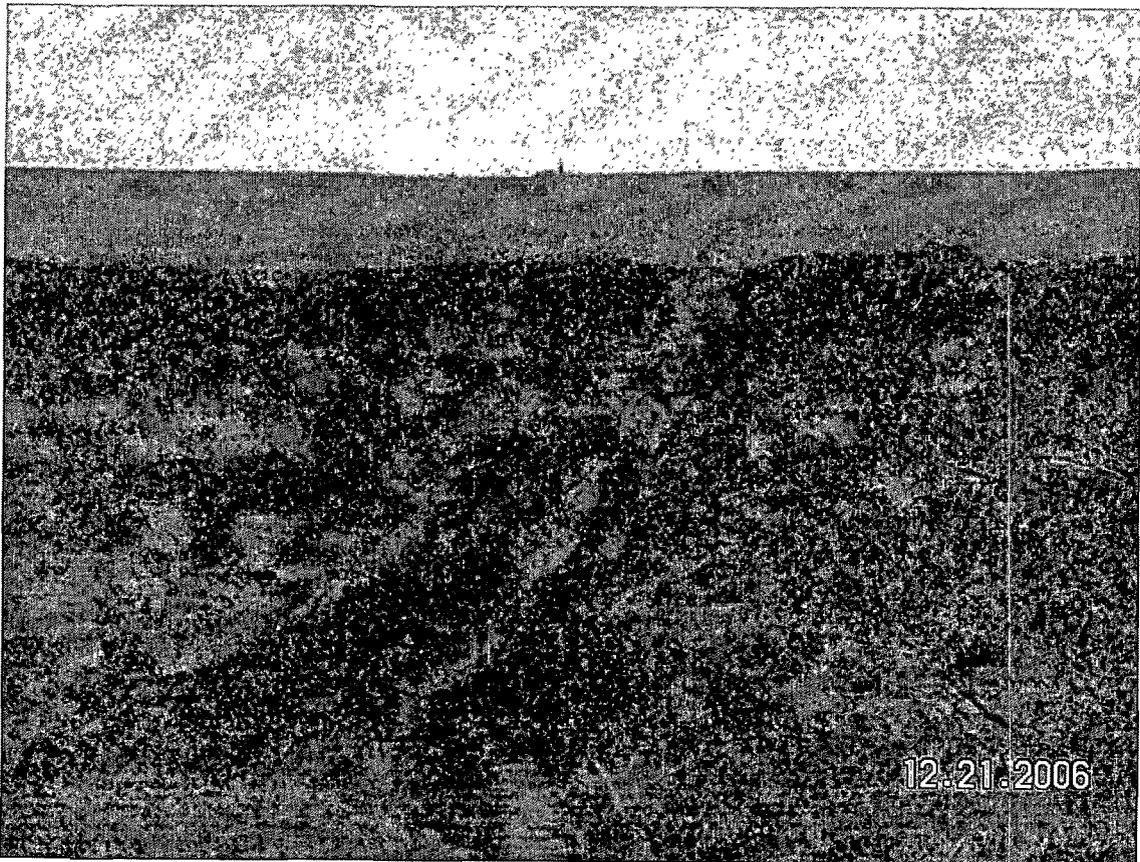
Photograph #3 – Liner installed in bottom of excavated pit.



Photograph #4 – Excavated pit covered with 3-feet of topsoil and location contoured.



Photograph #5 – Drill location reseeded.



Photograph #6 – Access road reseeded.



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

T
J.A. Hogwood - Equip. Tech.
505-627-0263

In Reply Refer To:
3160(51300)

JUL 19 2006

CERTIFIED MAIL--RETURN RECEIPT REQUESTED
7003 0500 0000 4453 4586

SAINE MAYO - P+A Supervisor
505-627-0218

Boyd & McWilliams Energy Group
Suite 704
550 W Texas Ave
Midland, TX 79701

RECEIVED JUL 20 2006

33.17
103.9

RE: NM 17226A
Federal 22 No. 1
API No. 30-005-20392 00S1
NESW Section 22 T. 19 S. R. 30 E.
Chaves County, New Mexico.

Chavez Co

33° 10' 25.81" N

1980' FSL FFWL 103° 54' 51.905" W

③

Examination of the Federal 22 No. 1 location on June 13, 2006 found the location has not been reclaimed to BLM's requirements. The workover pits are open, the pit fencing is in a state of disrepair, the barbwire is laying on the ground, there is a quantity of 1" +/- steel cable laying on the pad, at least one anchor is in place, at least one steel rod stake is inconspicuously protruding at least a foot above the ground, some plastic from the previous drilling pit is still facing at the north edge of the open workover pit.

① must release

Access to this location is through a gate and across a cattle guard located about a half mile to the west of the location. Boyd & McWilliams holds an unrelinquished right of way NMNM 097017 for the lease road to this location. Relinquishment of NMNM 097017 will include removal of this gate and cattle guard and restoration of the fence to at least its former state. Before making arrangements to remove the cattle guard and restore the fence contact Randy Legler of the Roswell Field Office at 505-627-0215 to review options regarding relinquishment of right of way NMNM 097017.

②

Approximately 1.25 miles of road must be reclaimed before relinquishment will be approved. The portion requiring reclamation starts at the well pad and extends westward to the lease road junction in T13S R30E Section 21 SWNW. The remainder of the road extending westward is to be left intact because it provides access to the livestock water at this junction and to the road extending northward which provides access to other Public Lands.

This location and right-of-way are within management areas for the sand dune lizard and the lesser prairie chicken. The work required for the reclamation and abandonment of the Federal 22 No. 1 location and NMNM 097017 are subject to lesser prairie chicken constraints. Specifically, reclamation activities can be conducted from March 15th through June 15th, if the reclamation work is not done between the hours of 3:00 AM to 9:00 AM. Deviation from this requirement requires written authorization from the authorized officer. Outside of this March 15th through June 15th window these time of day constraints do not apply.

Restore the site to a clean and sanitary condition. Remove all fencing, steel cable, pallets, thread protectors, etc. from the location. Cutoff the remaining anchor(s) and protruding steel stake(s) below ground level and backfill as needed. Dispose of waste materials at an authorized waste disposal site. "Waste" means discarded matter including, but not limited to, human waste, cable, garbage, pallets, oil drums, petroleum products, refuse, trash, ashes, and equipment. Decontaminate the location as needed. Remove and transport the contaminated soils to an authorized disposal site.

The open workover pit contents and remains of the weathered liners are to be completely removed from

the location and disposed of at an authorized facility. Remove the pit contents down to the original soil horizon including any contaminated soils and dispose of them at an authorized facility.

Contact Randy Legler of the Roswell Field Office at 505-627-0215 at least three days before commencing the workover pit removal. *

Reclaim the pad and the road using these requirements. Confine reclamation work to the areas previously disturbed in construction of this location and road to reduce risk of impacting unsurveyed archaeological resources and thus removing the need to pay for an archaeological survey of this old location. Remove the caliche surfacing down to the original soil horizon. Dispose of the caliche at an authorized location or reclaim it if desired. Remove all structures from the road bed and pad. Rip the disturbed areas and turn outs to a depth of at least 16 inches with approximately 8 to 10 inches between rips. Rip on the contour to discourage soil erosion. The rips in the road can be spaced wider than 10" up to approximately 16" if they will better discourage vehicle traffic and are still at least 16" deep. Replace fill material into the cut areas. Reduce remaining cut-and-fill slopes to 3:1 or less. Fill or smooth barrow, lead-off ditches, drainage ditches, and/or other erosion control earthwork. Return the reclaimed areas as closely as possible to the natural contours. Construct water breaks as needed at least eight inches high and perpendicular to the reclaimed road center line. Spread any stockpiled topsoil when it is not frozen or wet over the area to be reclaimed and seeded. Seed both the pad and road. Leave the final surface rough enough to discourage vehicle traffic and trap wind blown and wind moved seeds. Protect reclaimed surfaces from vehicle travel. Construct traffic barriers at all vehicle access points to discourage further use of the reclaimed road and pad. A dead-end ditch and earthen barricade may be used. The barricade may be constructed using spoil from the ditch to discourage vehicle entry.

Jerry Dutchover of our office may be able to provide a conveniently located authorized pit for disposal of uncontaminated caliche, 505-627-0236.

Seed the areas to be reclaimed to meet BLM's Desired Plant Community objectives. Seed both the pad and road. Use a certified noxious weed free seed mixture. Use seed tested for viability and purity in accordance with State law(s) within nine months prior to purchase. Use a commercial seed mixture certified or registered and tagged in accordance with State law(s). Make the seed available for inspection by BLM's Authorized Officer. Normally, the best time for seeding is between June 15 and September 15. However, the disturbed areas may be seeded immediately after completing surface abandonment procedures. During dry weather applying enough water to cause the soil to crust over will help hold the seeds in place until enough natural precipitation falls to trigger germination.

Broadcast seed with a seed spreader then harrow for seed coverage or use a seed drill. Once seed is covered strive to leave a very rough surface to trap wind blown and wind moved seeds and moisture. Ensure the seed mixture is uniformly distributed over the area to be reclaimed. Apply enough water to cause the soil to crust over to help hold the seeds in place until enough natural precipitation falls to trigger germination. If necessary, repeat seeding until a satisfactory stand is established as determined by BLM's Authorized Officer.

Use the Sandy Plains CP-2 Ecological Site seed mixture to meet BLM's Desired Plant Community objectives for this location:

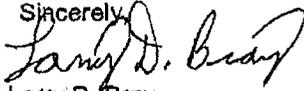
<u>Common Name and Preferred Variety</u>	<u>Scientific Name</u>	<u>Live Seed Per Acre</u>	<u>Pounds of Pure</u>
Sand bluestem, var. Woodward	<i>Andropogon hallii</i>	2.0	
Little bluestem var. Pastura	<i>Schizachyrium scoparium</i>	1.0	
Sideoats grama, var. Vaughn or El Reno	<i>Bouteloua curtipendula</i>	1.5	
Sand dropseed	<i>Sporobolus cryptandrus</i>	0.33	
Plains bristlegrass	<i>Setaria macrostachya</i>	2.0	
Desert or Scarlet Globemallow	<i>Sphaeralcea ambigua</i> or <i>S. coccinea</i>	0.67	
Buckwheat	<i>Eriogonum spp.</i>	<u>1.5</u>	
TOTAL POUNDS PURE LIVE SEED PER ACRE		9.00	

If one species is not available increase ALL others proportionately.

Contact Randy Legler of the Roswell Field Office at 505-627-0215 at least three (3) working days before seeding and if there are any questions.

Submit a Final Abandonment Notice on Form 3160-5 (Sundry Notice and Reports on Wells) stating surface restoration is complete and ready for inspection when the above required actions have been accomplished, an original and 5 copies are required. Liability under bond is retained until surface reclamation is complete.

The above requirements are to be completed within 30 days of receipt of this letter. You have the right to an administrative review of these requirements in accordance with the provisions in 43 CFR 3165.3. If you have any questions or need clarification of the requirements contact Randy Legler, Surface Protection Specialist, at (505) 627-0215.

Sincerely,

 Larry D. Bray
 Assistant Field Office Manager,
 Lands & Minerals

Talked to

From: Pat McCasland [mailto:pmccasland@envplus.net]
Sent: Friday, August 18, 2006 11:52 AM
To: Larry Bray (BLM)
Cc: Toby McWilliams; 'Cody Miller'; Daniel Dominguez (EPI); Dave Duncan (EPI); 'EPI'; 'Jason Stegemoller'; Jessica Harper (EPI); 'Roger Boone'
Subject: Boyd & McWilliams Energy Group (BMEG) Federal 22 No.1 Reclamation

Mr. Bray,

Thank you for taking the time to discuss the reclamation procedures at the Boyd & McWilliams Energy Group (BMEG) Federal 22 No.1 well site in Chavez County New Mexico (NM 17226A). This email documents the following points of information conveyed to Pat McCasland (Environmental Plus, Inc. (EPI)), on behalf of BMEG, in our conversation on August 18, 2006 regarding BLM letter 3160(51300).

1. All BLM documents must be signed by BMEG and not the consultant.
2. Burial of the workover/drilling reserve pit on site can be approved by the BLM, provided BMEG receives approval from the New Mexico Oil Conservation Division (NMOCD), via form C-144.
3. BMEG must request, via a "Sundry Notice," and receive BLM approval to bury the pit on site before proceeding.
4. A written request for an extension to the 30-day completion deadline will not be necessary given the current effort.
5. BLM will be copied on all NMOCD communications.

Please contact me at the EPI office or Mr. Toby McWilliams (BMEG) at 800.788.0418.

Sincerely,

Pat McCasland
Senior Consultant
Environmental Plus, Inc.
P.O. Box 1558
2100 Avenue O
Eunice, New Mexico 88231

Office: 505.394.3481
Cellular: 505.390.7864
FAX: 505.394.2601
address: pmccasland@envplus.net

8/18/2006

Use the Sandy Plains CP-2 Ecological Site seed mixture to meet BLM's Desired Plant Community objectives for this location:

Common Name and Preferred Variety	Scientific Name	Live Seed Per Acre	Pounds of Pure
Sand bluestem, var. Woodward	<i>Andropogon hallii</i>	2.0	
Little bluestem var. Pastura	<i>Schizachyrium scoparium</i>	1.0	
Sideoats grama, var. Vaughn or El Reno	<i>Bouteloua curtipendula</i>	1.5	
Sand dropseed	<i>Sporobolus cryptandrus</i>	0.33	
Plains bristlegrass	<i>Setaria macrostachya</i>	2.0	
Desert or Scarlet Globemallow	<i>Sphaeralcea ambigua</i> or <i>S. coccinea</i>	0.67	
Buckwheat	<i>Eriogonum spp.</i>	1.5	
TOTAL POUNDS PURE LIVE SEED PER ACRE		9.00	

Seed Mixture required by BLM at the Boyd & McWilliams Federal 22 #1

Curtis & Curtis Seed
4500 N. Prince
Clovis, NM 88101
Phone: 505-762-4759

Environmental Plus Inc.
Custom Mix
2 Bags @ 24.89 Bulk Pounds Each

Lot#: M-7250

Item	Origin	Purity	Germ	Dormant	Germ & Dormant	Test Date	Total PLS Pounds
Sand Bluestem Woodward	Kansas	19.70%	68.00%	00.00%	68.00%	07/06	6.70
Little Bluestem Pastura	Texas	08.80%	68.00%	00.00%	68.00%	08/06	3.30
Sideoats Grama Vaughn	Texas	11.93%	22.00%	62.00%	84.00%	09/06	5.00
Sand Dropseed Not Stated	New Mexico	02.57%	35.00%	51.00%	86.00%	08/06	1.10
Green Sprangletop Van Horn	Texas	13.96%	96.00%	00.00%	96.00%(TZ)	10/06	6.70
Scarlet Globe Mallow Not Stated	Utah	04.98%	90.00%	00.00%	90.00%(TZ)	08/06	2.20
Buckwheat Not Stated	South Dakota	10.80%	93.00%	00.00%	93.00%	12/06	5.00

Other Crop: 01.41%
Weed Seed: 00.46%
Inert Matter: 25.39%

There Are 2 Bags For This Mix
This Bags Weighs 24.89 Bulk Pounds

Total Bulk Pounds: 49.78
Total PLS Pounds: 30.00

Seed Mixture applied at the Boyd & McWilliams Federal 22 #1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 17226A
2. Name of Operator Boyd and McWilliams Energy Group		6. If Indian, Allottee or Tribe Name
3a. Address 550 West Texas Suite 310	3b. Phone No. (include area code) 800.788.0418	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL-K (NE/4 of the SW/4) 1,980'FSL & 1,980'FWL; Section 22, T13S, R30E		8. Well Name and No. Federal 22 No.1
		9. API Well No. 30-005-20392-00S1
		10. Field and Pool, or Exploratory Area
		11. County or Parish, State Chavez County, New Mexico

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

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

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

Reclaim drill location and access road consistent with the stipulations in BLM letter #3160(51300). Drilling pit will be closed in accordance with the New Mexico Oil Conservation Division (NMOCD) Pit Rule 50 and BLM consensus. Reference the attached NMOCD form C-144 proposing deep burial of the pit contents in a lined pit to be excavated on site.

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Pat McCasland (EPI) for Boyd & McWilliams Title Senior Environmental Consultant

Signature *Pat McCasland for Boyd & McWilliams* Date _____

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

(Instructions on page 2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **Boyd and McWilliams Energy Group**

3a. Address
550 West Texas Suite 310; Midland, Texas 79701

3b. Phone No. (include area code)
800.788.0418

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL-K (NE/4 of the SW/4) 1,980' FSL & 1,980' FWL; Section 22, T13S, R30E

5. Lease Serial No.
NM 17226A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Federal 22 No.1

9. API Well No.
30-005-20392-00S1

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Chavez County, New Mexico

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

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

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

The drill location and access road have been reclaimed consistent with the stipulations in BLM letter #3160(51300), (i.e., the location was cleaned and the trash disposed of; the anchors removed; residual caliche on the location was placed in bottom of the excavated pit as backfill; the disturbed areas (approximately 3.34 acres) were reseeded at the recommended rate with the "Sandy Plains CP-2 Ecological Site" seed mixture as recommended; and the gate and cattle guard were removed and replaced with a permanent fence). The attached New Mexico Oil Conservation Division (NMOCD) form Final C-144 documents deep burial of the pit contents in a lined pit excavated on site in accordance with the New Mexico Oil Conservation Division (NMOCD) Pit Rule 50 and site reclamation/restoration consistent with the BLM stipulations.

Given that the drill pit has been closed and the site successfully reclaimed, Boyd & McWilliams Energy Group requests relinquishment of BLM right-of-way #097017.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Pat McCasland (EPI) for Boyd & McWilliams** Title **Senior Environmental Consultant**

Signature  Date **12-23-06**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

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

Operator: Boyd & McWilliams Energy Group Telephone: 1-800-788-0448 e-mail address: BMEG@BMEG.US

Address: 550 W Texas Suite 310 Midland, Texas 79701

API 3002 5203920000

Facility or well name: Federal 22 #1 API #: NM-268967 Unit Letter (UL): K Qtr/Qtr: NE¼ SW¼ Section: 22, T13S, R30E

County: Lea Latitude: N 33° 10' 25.93" Longitude: W 103° 54' 53.68" NAD: 1927 1983 WGS 84

Surface Owner: Federal State Private Indian

Pit	Below-grade tank	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/>	Volume: bbl Type of fluid:	
Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/>	Construction material:	
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 20 mil Clay <input type="checkbox"/>	Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not.	
Pit Volume: ~3,000 bbl		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) >100' bgs	Less than 50 feet	(20 points) <input type="checkbox"/>
	50 feet or more, but less than 100 feet	(10 points) <input type="checkbox"/>
	100 feet or more	(0 points) <input checked="" type="checkbox"/>
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points) <input type="checkbox"/>
	No	(0 points) <input checked="" type="checkbox"/>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points) <input type="checkbox"/>
	200 feet or more, but less than 1,000 feet	(10 points) <input type="checkbox"/>
	1,000 feet or more	(0 points) <input checked="" type="checkbox"/>
Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: This pit was closed consistent with the NMOCD Pit and Below-Grade Tank Guidelines, November 1, 2004 as promulgated under NMOCD Rule 50 (19.15.2.50 NMAC).

Pit Status Liner intact Liner punctured or torn

Method of Closure The pit contents, along with impacted soils down to a depth of 6-feet bgs, were deep buried on site in a deep pit lined with 20-mil polyethylene meeting ASTM standards designed to be resistant and impervious to the drill cuttings. Pit contents were mixed with earthen materials, as necessary to stiffen the pit contents sufficiently to provide physical stability and support a pit cover. The stiffened pit contents and impacted perimeter soils down to a depth of 6-feet bgs were placed in the deep bury pit to within 3-feet of the land surface, the liner edges folded over the contents and a 20-mil polyethylene cover liner installed. The liner was then covered with three-feet of clean soil capable of supporting native plant growth and reseeded. After soil samples from the sides and floor were tested in the laboratory to have acceptable TPH, benzene, BTEX and chloride concentrations, (i.e., not capable of impacting local groundwater in excess of the New Mexico Water Quality Control Commission (WQCC) standards or inhibiting revegetation of the surface), the excavation created by removal of the drill pit was backfilled to within 3-feet of the surface, a liner installed and brought to grade with the excavated soil from the deep burial pit. The access road and location were contoured and reseeded per BLM requirements on December 20, 2006.

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

Date: 12-23-06 Printed Name/Title Toby McWilliams (Boyd and McWilliams Energy Group) Signature *Toby McWilliams*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Approval: Printed Name/Title L. JOHNSON - ENGR (ED ENGR) Signature *L. Johnson* Date: 6.27.07