

NM1 - 43

**GENERAL
CORRESPONDENCE**

YEAR(S):

2005-2004



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
 P.O. BOX 1148
 SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
 Fax (505) 827-5766
www.nmstateclands.org

November 7, 2005

Kendall Livingston
 Loco Hills Landfarm, L.L.C.
 P.O. Box 1152
 Artesia, NM 88210

RE: Request to establish land farm commercial operations on split estate property located w/i SW/4 SW/4 SW/4, SW1/4 SE/4 SW/4 of Section 32, T16S, R30E, Eddy County

Dear Mr. Livingston:

The New Mexico State Land Office (Land Office) is in receipt of your November 3, 2005 letter, and has no objection to Loco Hills Landfarm, L.L.C. (Loco Hills) commencing operations on the above-referenced property where the Land Office holds the mineral rights. We reserve the right to enter the property to confirm that operations are proceeding as represented in your letter.

Your letter states that the property will not be "excavated or mined sub-surface for sale or use outside the area" and that applicable New Mexico Oil Conservation Division rules regarding surface waste facilities will be followed.

The Land Office appreciates your notification for approval to begin operations at that site. Should you have further questions, please contact me at (505) 827-5752 or you may contact our Environmental Engineer, Thaddeus Kostrubala at (505) 827-5723.

Sincerely,

Katherine Moss

Katherine Moss
 Associate Counsel

cc: Jim Norkwick, NMSLO – Director, Field Operations
 Thaddeus Kostrubala, NMSLO – Environmental Engineer

-State Land Office Beneficiaries-

Carle Tingley Hospital • Charitable Penal & Reform • Children's Hospital • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saliac Lands • Water Reservoirs • Western New Mexico University



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February 2, 2004

Roger C. Anderson
Environmental Bureau Chief, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Anderson,

This letter is in response to a notice the New Mexico State Land Office received regarding an application by Loco Hills Landfarm, LLC to construct and operate a Rule 711 commercial landfarm facility located on the S/2 SW/4 of Section 32, Township 16 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. As adjacent land owners to the proposed site, the New Mexico State Land Office would like to submit its concern over this request.

The New Mexico State Land Office has concerns about the environmental impacts related to landfarming. The proposed site occurs within habitat of the Lesser Prairie Chicken, a federal "candidate" for listing as an Endangered Species. The State Land Office has been involved in an interagency working group for the past two years, developing a pre-emptive management strategy that could prevent listing of this species, and ensure continued use of state land in Southeastern New Mexico for the benefit of public schools. Location of a landfarm on this tract could result in further habitat fragmentation, and impede progress that State, Federal and private interests have been working so diligently towards for over two years.

The State Land Office requests NMOCD deny this application or in the alternative hold a public hearing. I appreciate the time to comment on our office's concerns about the Loco Hills Landfarm, LLC application. If you have questions please feel free to contact Cody Morrow or Dana Vackar Strang with our office at 505-827-5760.

Sincerely,

A handwritten signature in black ink, appearing to read "JERRY KING".

JERRY KING
ASSISTANT COMMISSIONER, SURFACE RESOURCES



SWEATT CONSTRUCTION INC.

POST OFFICE BOX 827
ARTESIA, NEW MEXICO 88211-0827
(505) 748-1238 - FAX (505) 748-1230
Hobbs, New Mexico (505) 397-4541
1-800-530-8293

GENERAL DIRT WORK
OIL FIELD ROADS - PITS - LOCATIONS

January 20th 2005

Loco Hills Landfarm, LLC
P.O. Box 1152
Artesia, NM 88210

Dear Sirs,

We would like to submit this bid for the following clean-up and re-seeding project at your Loco Hills Landfarm north of loco hills.

To completely disc 15 acres 4 times every two weeks	40hrs X \$45.00 = \$1800.00
To have each cell tested for TPH, BTEX, and Benzene	\$ 600.00
To completely cover 15 acres using onsite material	20hrs X \$94.00 = \$1880.00
To reseed 15 acres with farm tractor and seeder	20hrs X \$45.00 = \$ 900.00
To water 15 acres as needed to help reseeding	10hrs X \$60.00 = \$ 600.00
Water	320bbls X \$0.40 = \$ 128.00
Seed	150lbs X \$14.00 = <u>\$2100.00</u>
Sub-total	<u>\$8008.00</u>
Tax	<u>\$ 420.42</u>
Total	<u>\$ 8428.42</u>

Thank You for the opportunity to bid this project and if you have any questions about this bid then please call us at 505-748-1238.

Thank You

Lee Owens



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 26, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mr. Kendall Livingston
Loco Hills Landfarm, LLC
812 W. Texas #1
Artesia, NM 88210

RE: OCD Rule 711 Permit NM-01-0043 (Pending NMOCD Approval)
Loco Hills Landfarm, LLC
S/2 SW/4 of Section 32, Township 16 South, Range 30 East,
NMPM Eddy County, New Mexico

Dear Mr. Livingston:

The permit referred to above cannot be approved without the following:

A formal, third party estimate of closure costs of the landfarm must be submitted. The conditions of approval of the permit will state, in pertinent part, that:

1. Soils must be disked a minimum of one time every two weeks to enhance biodegradation of contaminants.
2. Successive lifts of contaminated soils may not be spread until a laboratory measurement of TPH in the previous lift is less than 100 ppm, BTEX is less than 50 ppm, and benzene is less than 10 ppm.

Your third party estimate must include equipment costs necessary for the disking to reach the contaminant levels shown above, and sampling costs required to ascertain that the levels have been met. Covering the 15 acres and seeding alone will not be acceptable for closure. Such an estimate is required by Rule 711, which may be accessed at www.emnrd.state.nm.us/ocd

If you have any questions, contact me at 505-476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin
Environmental Engineer



SWEATT CONSTRUCTION INC.

POST OFFICE BOX 827
ARTESIA, NEW MEXICO 88211-0827
(505) 748-1238 - FAX (505) 748-1230
Hobbs, New Mexico (505) 397-4541
1-800-530-8293

GENERAL DIRT WORK
OIL FIELD ROADS - PITS - LOCATIONS

January 24, 2005

Loco Hills Landfarm

Attn: Ed Martin

Dear Sir:

We are pleased to submit the following bid on your Landfarm Closing Cost project in Eddy County, New Mexico.

To furnish labor, materials and equipment to spread good material over a 15 acre site. Then reseed the area to facilitate natural growth.

Bid price is as follows:

Cover 15 acres - D6R Dozer	30 hrs @ 94.00/hr	\$2,820.00
Farm Tractor and Roustabout for seeding		\$1,340.00
Seed for 15 acres		\$1,950.00
		<hr/>
Subtotal		\$6,110.00
Sales tax		\$ 343.69
		<hr/>
TOTAL		\$6,453.69

REJECTED

Thank you for the opportunity to bid on this project, if you have any questions please feel free to contact our office.

Sincerely,

Kendall Livingston /nl

Kendall Livingston

Affidavit of Publication

NO. 18674

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 5 consecutive weeks/days on the same

day as follows:

First Publication	November	9	2004
Second Publication	November	10	2004
Third Publication	November	11	2004
Fourth Publication	November	12	2004
Fifth Publication	November	14	2004

Subscribed and sworn to before me this

14th Day November 2004

Barbara Ann Boers
Notary Public, Eddy County, New Mexico

My Commission expires September : 23, 2007

Copy of Publication:

LEGAL NOTICE

Letter of Notification
To landowners located one mile or less from the new facility boundary. Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505. Telephone 505-827-7131: Loco Hills Landfarm LLC, Operator and Land Owner, has submitted for approval, an application to construct and operate a rule 711 Commercial Solids Landfarm Remediation Facility located in the SE/4SW/4SW/4, Sw/4 SE/4 SW/4 of Section 32, Township 16 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Hydrocarbon contaminated soils associated with oil and gas production will be remediated by spreading them on the ground in 6-12inch lifts or less, and periodically disking them to enhance biodegradation of contaminants. There is no evidence of groundwater under this site nor any in the area.

LEGAL NOTICE

The permit addresses the construction, operations, spill/leak protection, contingency plan, monitoring procedures, and closure plan to be incorporated at the site. Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The point of contact is Ed Martin. The application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least 30 days after the date of the publication of this notice, during which comments may be submitted to the Director, and a hearing may be requested by any interested person. Request for hearing shall set forth the reasons why a hearing shall be held. A hearing shall be held if the Director determines that there is significant public interest. If no hearing is held, the Director will approve or

LEGAL NOTICE

disapprove the application based on the information available. If public hearing is held, the Director will approve the application based upon the information in the application and information presented at the hearing. Published in the Artesia Daily Press, Artesia, N.M. November 9, 10, 11, 12, 14, 2004.

Legal 18674

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OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0612 Postmark Here Clerk: KM2HK4 WN 11/08/04
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Sent To Bureau of Land Management
 Street, Apt. No.; or PO Box No. 620 E. Greene St.
 City, State, ZIP+4 Carlsbad, NM 88220

PS Form 3800, June 2002 See Reverse for Instructions

7004 1350 0005 3317 2193

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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OFFICIAL USE

Postage	\$ 0.37	UNIT ID: 0612 Postmark Here Clerk: KM2HK4 WN 11/08/04
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Sent To New Mexico State Land Office
 Street, Apt. No.; or PO Box No. P.O. Box 1148
 City, State, ZIP+4 Santa Fe, NM 87504

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

2. Article Number
 (Transfer from service label) 7004 1350 0005 3317 2193

PS Form 3811, February 2004 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) Hochstern C. Date of Delivery 11/9/04

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
New Mexico State Land Office
316 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504

2. Article Number
 (Transfer from service label) 7004 1350 0005 3317 2186

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] Agent Addressee

B. Received by (Printed Name) [Signature] C. Date of Delivery NOV 10 2004

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 18, 2004

Mr. Kendall Livingston
Loco Hills Landfarm, LLC
812 W. Texas, #1
Artesia, NM 88210

Dear Mr. Livingston:

The New Mexico Oil Conservation Division has received your Application For Waste Management Facility (OCD Form C-137) and it has been deemed administratively complete. NMOCD Rule 711 [NMAC 19.15.9.711 B. (2) (b)] states "The applicant will issue public notice in a form approved by the Division in a newspaper of general circulation in the county in which the facility is to be located". The format for this public notice is as follows:

Loco Hills Landfarm, LLC, Mr. Kendall Livingston, Operator, 812 W. Texas #1, Artesia, NM 88210 has submitted for approval an application to construct and operate a Rule 711 commercial landfarm facility located in the S/2 SW/4 of Section 32, Township 16 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, 1220 South Saint Frances Drive, Santa Fe, New Mexico 87505, Telephone 505-476-3440 The application may be viewed at the above address or at the Artesia district office at 1301 W. Grand Ave., Artesia, NM 88210 between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and any interested person may request public hearing. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

Upon publication of the above notice, the public is allowed 30 days in which to submit comments on the application. Please send me the affidavit of publication you receive

from the newspaper. At the end of this period, barring any requests for a hearing, the application will be acted upon by the OCD and you will be notified of its decision.

If you have any questions, please contact me at (505) 476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Ed Martin".

Edwin E. Martin
Environmental Bureau

Cc: Mike Bratcher, NMOCD, Artesia

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-137
Revised June 10, 2003

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

Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

Commercial Centralized

RECEIVED

1. Type: Evaporation Injection Other

Solids/Landfarm Treating Plant

OIL CONSERVATION
DIVISION

2. Operator: Loco Hills Landfarm L.L.C.

Address: 812 W Texas #1 Artesia NM 88210

Contact Person: Kendall Livingston Phone: 505-365-4772

3. Location: E 1/4 SW 1/4 SW 1/4 SE 1/4 SW 1/4 Section 32 Township 16 S Range 30 E

Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? Yes No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

8. Attach a contingency plan for reporting and clean-up for spills or releases.

9. Attach a routine inspection and maintenance plan to ensure permit compliance.

10. Attach a closure plan.

11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H₂S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Kendall Livingston

Title: Organizer

Signature: Kendall Livingston

Date: 11-8-04

E-mail Address: KendallLivingston@hotmail.com

**APPLICATION FOR WASTE MANAGEMENT FACILITY
SOIL REMEDIATION/LANDFARM FACILITY
EDDY COUNTY, NEW MEXICO**

OWNED AND OPERATED BY:
LOCO HILLS LANDFARM LLC

1.0 TYPE OF OPERATION

COMMERCIAL (CHANGED - PHONE CONVERSATION WITH K. LIVINGSTON. Ed Martin)
A ~~Centralized~~ Soil remediation/landfarm facility

2.0 OPERATOR

Loco Hills Landfarm LLC
P.O. Box 1152
Artesia, New Mexico 88210

Contact Person: Kendall Livingston
Phone Number: 505-365-4772

3.0 LOCATION OF LANDFARM

The proposed waste management facility is located in the Southern ½ of the Southwest ¼ of Section 32, Township 16 South, Range 30 East. The address is 221 Mallett Road. From Loco Hills North on CR 217(Hagerman Cutoff) for 3.8 miles, then West on CR257(Mallett Rd.) for 4000 feet.

4.0 EXPANSION REQUEST

The application is for a new facility, not an expansion request.

5.0 LAND AND OWNERSHIP

Loco Hills Landfarm
P.O. Box 1152
Artesia, New Mexico 88210

6.0 FACILITY DESCRIPTION

COMMERCIAL
The proposed facility will be a ~~centralized~~ *COMMERCIAL* waste management facility. Only EPA exempted, non-hazardous oilfield contaminated soils will be accepted at this facility. All accepted soil will be remediated by using landfarm techniques.

Figure 2 shows the proposed landfarm site ownership boundaries. Figure 2 shows the proposed arrangement of landfarm cells in the southwest quarter of section 32. The

cells will be accessed by County Road 257 as shown on Figure 1. The facility will be fenced with a gated entry, after permit is approved and before opening of the landfarm. All the gates will be locked when an attendant is not present at the facility.

There is one existing buried pipeline crossing the southwest corner of cell 1. Proper distance will be left between landfarm and the pipeline r-o-w. It is owned by by Conoco Pipeline and they have been contacted. There are no other pipelines crossing within the proposed landfarm.

There are no residences, public buildings within one mile of the proposed site.

There will be no office or storage buildings in the proposed landfarm area. This proposed landfarm does not store any chemical onsite. This waste management facility will only be used to remediate oilfield-contaminated soils.

7.0 FACILITY CONSTRUCTION/OPERATION

A. Facility Construction

- 1) Location: The facility will be constructed in the SW $\frac{1}{4}$ of Section 32 as shown in Figure 2. A total of 3 cells are proposed for landfarming in the facility. Each cell will measure 530 feet by 440 feet or approximately 4.9 acres. The cell size will not be more that 5 acres. Each cell will be bermed around the perimeter.
- 2) Fences and Signs: The site will be fenced. After permit approval, a sign will be posted at the entrance consisting of facility name, legal description and emergency phone numbers.
- 3) Facility Buffer Zone: A minimum of 15feet distance will be maintained Between the landfarm cells and the property boundary. This will not adversely effect the property next to the landfarm.
- 4) Pipeline Buffer Zone: There will be one pipeline crossing within the landfarm area and there will be a 20 foot buffer zone and 10 from equipment tacked areas.
- 5) Facility Berming: Each landfarm cell will be bermed with soil available at the site to prevent runoff and runon. The berms will be constructed with sufficient height to contain a 100 year flood event.

A 100 year flood event of 6.0 inches has been reported for a 24 hour duration storm (See Appendix A). Hence, minimum height of the berm should be more than six inches. However, a berm height of 24 inches will be maintained for each cell. The flood event data was obtained from the

City of Hobbs Engineering Department. Annual rainfall for the area is reported to be less than 10 inches.

Proposed cell dimension: 530 feet x 440 feet
Cell area: 4.92 acres
Berm height (proposed) 2 feet (min)
Each cell can hold: 3.2 gallons of storm water.
(Approximately 4 times the 100-year flood volume collected in a cell)

- 6) Treatment Zone Monitoring: A background soil sample from the center portion of each cell in the landfill site was collected on August 31, 2004. A borehold was installed using a hand auger to the depth of 2 to 2.5 feet below the native ground surface. The sample was analyzed for total petroleum hydrocarbons (TPH), major cation/anions, volatile aromatic organics (BTEX), and heavy metals using EPA approved methods. The laboratory report copies along with the chain of custody documentation are enclosed in Appendix B.

Treatment zone monitoring will consist of collecting one random grab soil sample from each individual cell. Monitoring will be performed twelve months after the first contaminated soils are received and then bi-annually thereafter. The sample will be collected at 2 to 3 feet below the native ground surface using a stainless steel bucket type shovel. The holes will be backfilled after obtaining soil samples.

All sampling equipment will be decontaminated between sampling. Soil samples collected for monitoring will be analyzed for TPH and BTEX on a quarterly basis and for major cations/anions and heavy metals annually by using EPA methods.

The analytical results from the treatment zone will be submitted to the OCD Santa Fe office for review on an annual basis.

- 7) Double-Lines System: The treatment zone at the proposed location is composed of uncemented material hence a double lined system is not proposed for this site.

B. FACILITY OPERATION

The facility will be operated in such way that operation of this landfarm will not adversely impact groundwater, surface water, public health or the environment. The facility operating procedures will involve the following.

1. Disposal of waste will occur only under the supervision of an attendant on duty. The facility will be secured when no attendant is on duty.
2. All contaminated solids received at the facility will be spread and disked within 72 hours of receipt.
3. Soils will be spread on the surface in 6 to 12 inch lifts. Loco Hills Landfarm has access to tractors that can disk soil deeper than 12 inches. The equipment pictures indicating disking capacity are enclosed.
4. Soils will be disked every two weeks to enhance biodegradation of contaminants.
5. There will be no mixing of exempt and nonexempt soils.
6. A new layer of contaminated soil will not be spread over an existing layer until the TPH is less than 5000mg/kg and the sum of all aromatic hydrocarbons (BTEX) is less than 1000 mg/kg and benzene is less than 10 mg/kg in the existing layer. Laboratory analysis and a sampling location record will be maintained at the facility.
7. Moisture will only be added to enhance bioremediation or to control dust when necessary. Any ponding of precipitation water will be removed within 72 hours of discovery.
8. Enhanced bio-remediation through addition of microbes or fertilizers will not be practiced in this landfarm.
9. No free liquids or soils with free liquids will be accepted at the facility.
10. Comprehensive records of all material disposed of at the facility will be maintained. The records for each load will include: 1) generator name, 2) the origin (location), 3) date received, 4) quantity, 5) certification of exempt status or analysis for hazardous constituents if non-exempt, 6) exact cell number/location where soil disposed and any addition of moisture, etc.

C. Characterization and Tracking of Wastes

The proposed landfarm will accept only oilfield contaminated soils which are exempt from RCRA Subtitle C (hazardous waste) regulations. Tests for hazardous characteristics will be performed if non-hazardous, non-exempt oilfield contaminated solids needs to be disposed at the proposed landfarm. The OCD approval will also be sought prior to non-exempt oilfield contaminated soil disposal. At no time will the landfarm accept hazardous waste. A "Certification of Waste Status" signed by a Loco Hill Landfarm Personnel will accompany all loads received at the facility.

Waste characterization for non-exempt waste will be done prior to removal of waste from the generator's facility in accordance with the EPA SW-846 Sampling procedures.

The wastes transported from the generator will be removed to the landfarm without additional materials being added during the transport. A certification from the transporter stating that no additional materials have been added will be collected.

8.0 SPILL/LEAK PREVENTION AND REPORTING

No spills are anticipated at the facility since no liquid wastes are accepted at the proposed landfarm. The only time water will be used is for dust control or to enhance remediation. In case of any break, spill, blow out, or undesirable event Loco Hills Landfarm will notify the OCD in accordance with Rule 116.

9.0 INSPECTION, MAINTENANCE AND REPORTING

Berms, fences and the remediation area will be inspected frequently. Any repairs or general maintenance will be performed immediately. Inspection records including date, kinds of inspections, and type of repairs made will be maintained. A berm height of 2 feet will be maintained all around the cell at all times to prevent runoff and run on. Berms and cells will be inspected after any significant rainfall or windstorms. During dry and windy months, water will be added periodically to the soil in the cell to prevent blowing dirt.

The waste material transported by the truck will not be accepted without the proper documentation. The procedure as discussed in Characterization and Tracking of Wastes, above will be followed before transporter delivery is accepted. Contaminated soil received at the facility will be spread and disked within 72 hours of receipt. Soils will be spread on the surface in 6 to 12 inch lifts and disked every 2 weeks to enhance remediation of contaminants. Once the soil is laid over the cell, periodic cell material will be performed to monitor the remediation progress. This periodic sampling consists of collecting one composite sample from each cell for TPH and BTEX. Enhancing cell remediation by addition of moisture will be considered depending on the remediation progress. Additional lifts of soils will not be spread until laboratory tests on previous lifts are below the OCD recommended levels. The OCD recommended remediation levels are 5000mg/kg for TPH, 1000 mg/kg for total BTEX and 10 mg/kg for benzene. Records of sampling results and location will be forwarded to the OCD and approval to add new lifts will be requested. If tank bottoms or miscellaneous hydrocarbons are to be remediated at the proposed landfarm, then Form C-117 A will be filed.

Comprehensive records of all materials accepted at the facility will be documented and logged as described in the Facility Operation section above. All required analytical results and OCD forms will be submitted to the OCD as referenced in the

guidelines. The treatment zone will be monitored on a quarterly basis starting six months after commissioning of the cell as discussed in the Treatment Zone Monitoring section above. The treatment zone monitoring results will be submitted to the OCD on a semi-annual basis.

10.0 CLOSURE PLAN

Loco Hills Landfarm will notify the OCD of cessation of operations at the landfarm facility one-month in advance.

After such notification to the OCD, no new material will be accepted at the landfarm facility. Existing soil at the facility will be remediated to meet the OCD requirements in effect at the time of closure and other state and federal regulations. The landfarm area will be re-seeded with natural grasses and allowed to return to its natural state.

Six months after the cessation of disposal operations, Loco Hills Landfarm will complete the cleanup of constructed facilities and restoration of the facility site within the following six months, unless an extension is granted by the Director.

11.0 SITE CHARACTERISTICS

The site is located in the north Loco Hills area in deep red sands with a hard caliche surface 2-3 feet below the surface. No major waterways are in the area. The area is in a slightly falling to the west and north.

Annual average precipitation over the site is reported to be between 8 and 9 inches per year. The ground surface of the area is flat to gently sloping. The altitude of the site's ground varies from 3735 to 3758 feet above mean sea level (MSL).

Soils

Soils in the area include red sand at the surface and a hard caliche surface two feet below the surface.

Hydrology

There is no record of any ground water in the area. Any usable water has always been piped in from the caprock 20 miles to the east. Slight unusable and un-retrievable water has been logged as deep as 440 feet and as deep as 460 feet. There are copies of well logs from wells in the area attached to this permit application.

12.0 PROOF OF NOTICE

Loco Hills Landfarm LLC will notify the following land owners that own land within 1 mile of the site.

Bureau of Land Management
620 E Greene St.
Carlsbad, NM 88220

New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504

13.0 H2S CONTINGENCY PLAN

The H2S contingency plan is not applicable, as H2S is not generated at the landfarm facility.

14.0 ADDITIONAL INFORMATION

Loco Hills Landfarm LLC will furnish the OCD with a \$25000 bond upon approval of this centralized landfarm permit as per rule 711.

Letter of Notification

To landowners located one mile or less from the new facility boundary.

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505. Telephone 505-827-7131:

Loco Hills Landfarm LLC, Operator and Land Owner, has submitted for approval, an application to construct and operate a rule 711 Commercial Solids Landfarm Remediation Facility located in the SE/4 SW/4 SW/4, SW/4 SE/4 SW/4 of Section 32, Township 16 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Hydrocarbon contaminated soils associated with oil and gas production will be remediated by spreading them on the ground in 6-12 inch lifts or less, and periodically disking them to enhance biodegradation of contaminants. There is no evidence of groundwater under this site nor any in the area. The permit addresses the construction, operations, spill/leak protection, contingency plan, monitoring procedures, and closure plan to be incorporated at the site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The point of contact is Ed Martin. The application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least 30 days after the date of the publication of this notice, during which comments may be submitted to the Director, and a hearing may be requested by any interested person. Request for hearing shall set forth the reasons why a hearing shall be held. A hearing shall be held if the Director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the application based on the information available. If public hearing is held, the Director will approve the application based upon the information in the application and information presented at the hearing.

Waste Disposal Recordkeeping Form

- 1). Date of waste receipt: _____

- 2). Origin of waste (project name or location): _____

- 3). Generator: _____

- 4). Transporter: _____

- 5). Quantity: _____ (tons or cubic yards [circle one])

- 6). Disposal cell location: _____

- 7). Were any microbes, moisture, fertilizer, etc. added to the waste?

Yes___ No___

- 8). Was waste accompanied by:
 - a). CERTIFICATION OF WASTE STATUS signed by the Generator?

Yes___ No___

 - b). VERIFICATION OF WASTE STATUS issued and signed by NMED?

Yes___ No___

- 9). Did the Transporter supply certification that the wastes delivered are those wastes received from the Generator and that no additional materials have been added?

Yes___ No___

- 10). Comments/Observations: _____

Waste Recordkeeping Form Completed by: _____ (Print)

Date Form completed: _____

NEW MEXICO PUBLIC REGULATION COMMISSION

COMMISSIONERS

DISTRICT 1 HERB H. HUGHES
DISTRICT 2 DAVID KING
DISTRICT 3 JEROME D. BLOCK
DISTRICT 4 LYNDA M. LOVEJOY
DISTRICT 5 E. SHIRLEY BACA



CORPORATION DEPARTMENT

1120 Paseo de Peralta/P.O. Box 1269
Santa Fe, NM 87504-1269
(505) 827-4508
1-800-947-4722

JULY 15, 2004

KENDALL LIVINGSTON
PO BOX 1152
ARTESIA, NM 88210

RE: LOCO HILLS LANDFARM, L.L.C.
SCC#2477792

BE ADVISED THAT THIS COMMISSION HAS APPROVED AND FILED THE ARTICLES OF ORGANIZATION, FOR THE ABOVE REFERENCED ORGANIZATION EFFECTIVE JUNE 25, 2004.

THE ATTACHED CERTIFICATE DOES NOT CONSTITUTE AUTHORIZATION FOR THE ABOVE REFERENCED ORGANIZATION TO TRANSACT ANY BUSINESS WHICH REQUIRES COMPLIANCE WITH OTHER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING, BUT NOT LIMITED TO, STATE LICENSING REQUIREMENTS. IT IS THE ORGANIZATION'S SOLE RESPONSIBILITY TO OBTAIN SUCH COMPLIANCE WITH ALL LEGAL REQUIREMENTS APPLICABLE THERETO PRIOR TO ENGAGING IN THE BUSINESS FOR WHICH IT HAS OBTAINED THE ATTACHED CERTIFICATE OF ORGANIZATION.

THE ATTACHED ARTICLES OF ORGANIZATION SHOULD BECOME A PERMANENT DOCUMENT OF THE ORGANIZATION'S RECORDS. YOUR CANCELLED CHECK, AS VALIDATED BY THIS COMMISSION, IS YOUR RECEIPT. IF YOU HAVE ANY QUESTION, PLEASE CONTACT THE CHARTERED DOCUMENT DIVISION AT (505) 827-4511 FOR ASSISTANCE.

CHARTERED DOCUMENT DIVISION
ALM



OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF ORGANIZATION

OF

LOCO HILLS LANDFARM, L.L.C.

2477792

The Public Regulation Commission certifies that the Articles of Organization, duly signed & verified pursuant to the provisions of the

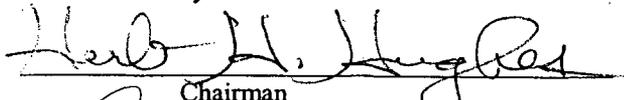
LIMITED LIABILITY COMPANY ACT
(53-19-1 TO 53-19-74 NMSA 1978)

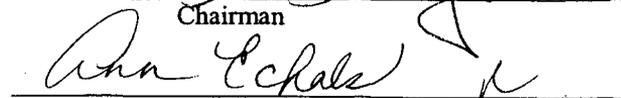
have been received by it and are found to conform to law.

Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Organization and attaches hereto, a duplicate of the Articles of Organization.

Dated: JUNE 25, 2004

In testimony whereof, the Public Regulation of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to affixed at the City of Santa Fe.


Chairman


Bureau Chief

JUN 25 2004

CORPORATION BUREAU

ARTICLES OF ORGANIZATIONOFLOCO HILLS LANDFARM, L.L.C.

The undersigned organizer, desiring to form a limited liability company pursuant to the New Mexico Limited Liability Company Act, hereby submits the following Articles of Organization.

IName

The name of the limited liability company is **LOCO HILLS LANDFARM, L.L.C.**

IIAddress

The address of the limited liability company's initial registered office shall be 812 W. Texas #1, Artesia, New Mexico, 88210, and the name of the initial registered agent at that address is **Kendall Livingston**. The limited liability company's current principal place of business is 812 W. Texas #1, Artesia, New Mexico, 88210.

RECEIVED

MAY 28 2004

III

Period of Existence

The limited liability company shall begin its existence upon the filing of these Articles of Organization. The limited liability company shall dissolve upon the occurrence of an event specified in NMSA 1978, Section 53-19-39 (1993 Repl. Pamp.), as filing or with the consent or dissociation of its members, which ever occurs first.

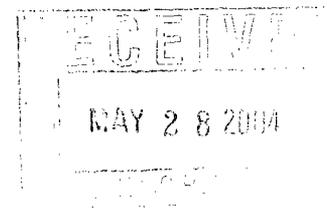
IV

Management

The limited liability company shall be managed by a manager in accordance with an Operating Agreement to be adopted by the members, whereby the ordinary and day-to-day business of the company shall be managed by the members.

Operating Agreement

The limited liability company shall adopt an Operating Agreement, which may be amended from time to time. The Operating Agreement may restrict the transfer of membership interests.

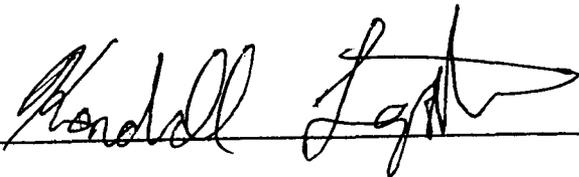


VI

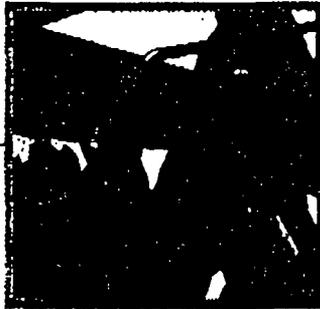
Organizer

The name and address of the organizer of this limited liability company is
Kendall Livingston, P.O. Box 1152, Artesia, New Mexico, 88210.

IN WITNESS WHEREOF, I have executed these Articles of Organization
on the 29 day of May, 2004.



KENDALL LIVINGSTON, Organizer

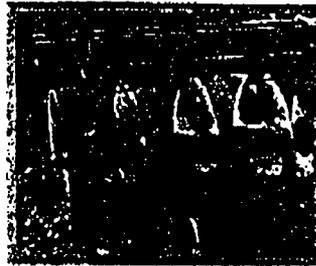


You can level the 670 Disk fore and aft with this simple crank. It's easy - no tools required.

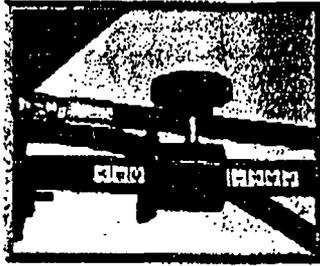


Mechanical hitch adjustment (top) is standard. It lets you easily adjust line of draft for varying soil conditions.

Convenient hydraulic adjust (below) is optional.



Combination scrapers self-adjust to clean sticky soils from blades. They can be set in rigid position to reduce blade wear in light, sandy, or dry soils. Rigid scrapers are also available.



To set depth, just loosen this knob, slide the collar, and tighten the knob back down. The 670 will return to your preset depth, pass after pass.

It furrow filler
rather out your
by eliminating
ft by the front
ing.

Light draft: heavy soils, dry/hard conditions, level terrain.

Medium draft: average conditions.

Heavy draft: light or sandy soils, medium moisture, rolling terrain.

SPECIFICATIONS

(Specifications and design subject to change)

670 OFFSET DISK

Frames

Mainframes 3x7-in. (76x178-mm) tubular steel

Gang frames 4x6-in. (102x152-mm) tubular steel

Blades 24 or 26 in. (10x650 mm)

Gang angle adjustment

Front 16 or 19 degrees

Rear 18, 21, or 24 degrees

Furrow filler 18 in. (457 mm), integral, part of gang

Scrapers Combination

Bearing Dura-Flex 3+1 bearings enclosed
in a flange housing

Depth gauging Single point depth control

Gang bolts 1/4 in. (31.75 mm), square

Hitch clevis plate hole size 17/16 x 15/16 in. slot
(37x49 mm)

Transport dimensions (approximate) 17 ft 11 in. (5.46 m)

When raised for

transport, the largest 670 Disk has an

overall length of 28 ft 6 in. (8.69 m)

overall width of 11 ft 10 in. (3.63 m)

greater than the width of most

blades and gang frames.

Attachments Be

warning

670 OFFSET DISK - RECOMMENDED PTO HORSEPOWER

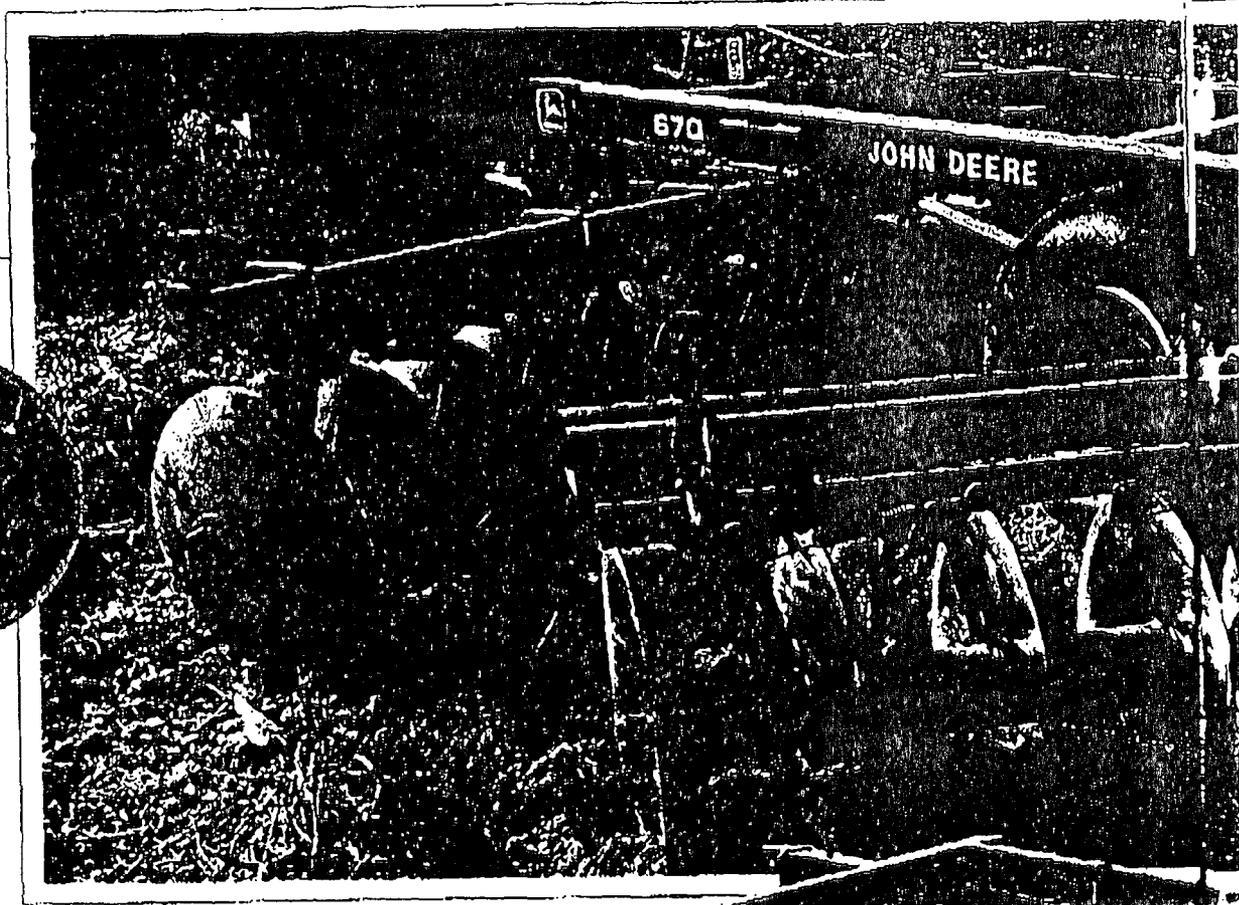
WORKING WIDTH	RECOMMENDED PTO HORSEPOWER											
	11-ft. 11-in.	12-ft. 6-in.	13-ft. 4-in.	13-ft. 5-in.	14-ft. 9-in.	15-ft. 2-in.	16-ft. 2-in.	16-ft. 11-in.	18-ft. 4-in.	18-ft. 7-in.	20-ft. 4-in.	20-ft. 5-in.
BLADE SPACING	9-in.	11-in.	9-in.	11-in.	9-in.	11-in.	9-in.	11-in.	11-in.	9-in.	11-in.	9-in.
LIGHT DRAFT	115	115	115	115	140	140	140	140	160	140	185	20
MEDIUM DRAFT	125	125	125	125	150	150	150	150	170	150	215	170
HEAVY DRAFT	140	140	140	140	160	160	160	160	185	160	250	185

11

WEIGHT PER BLADE

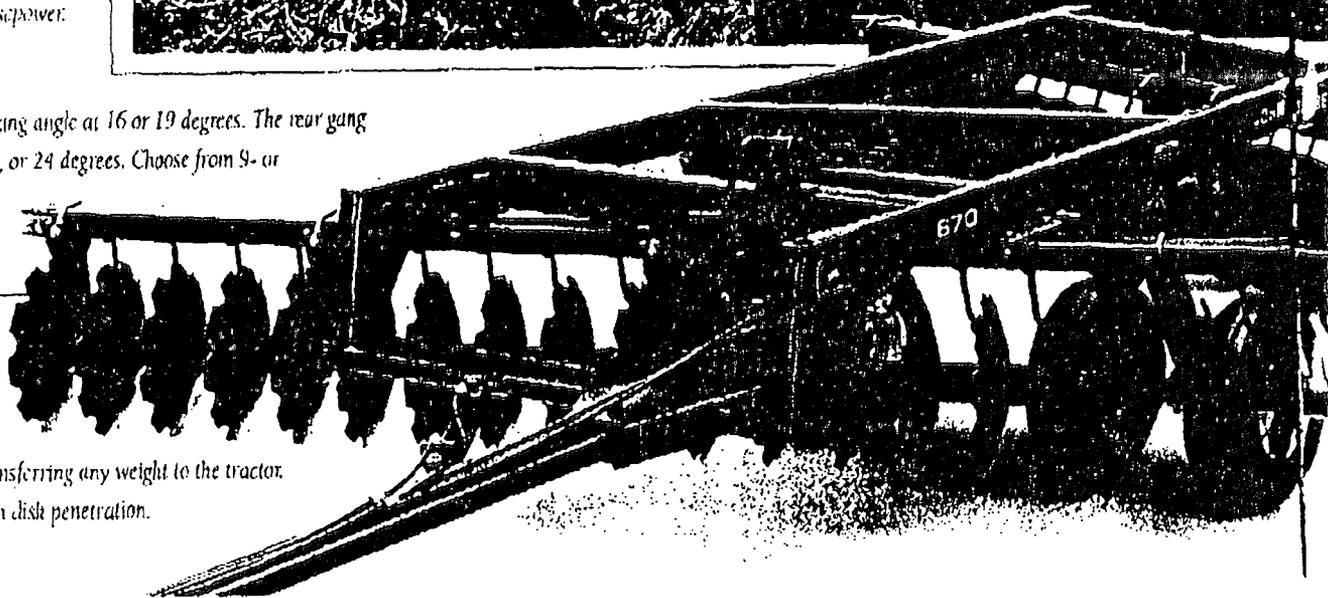


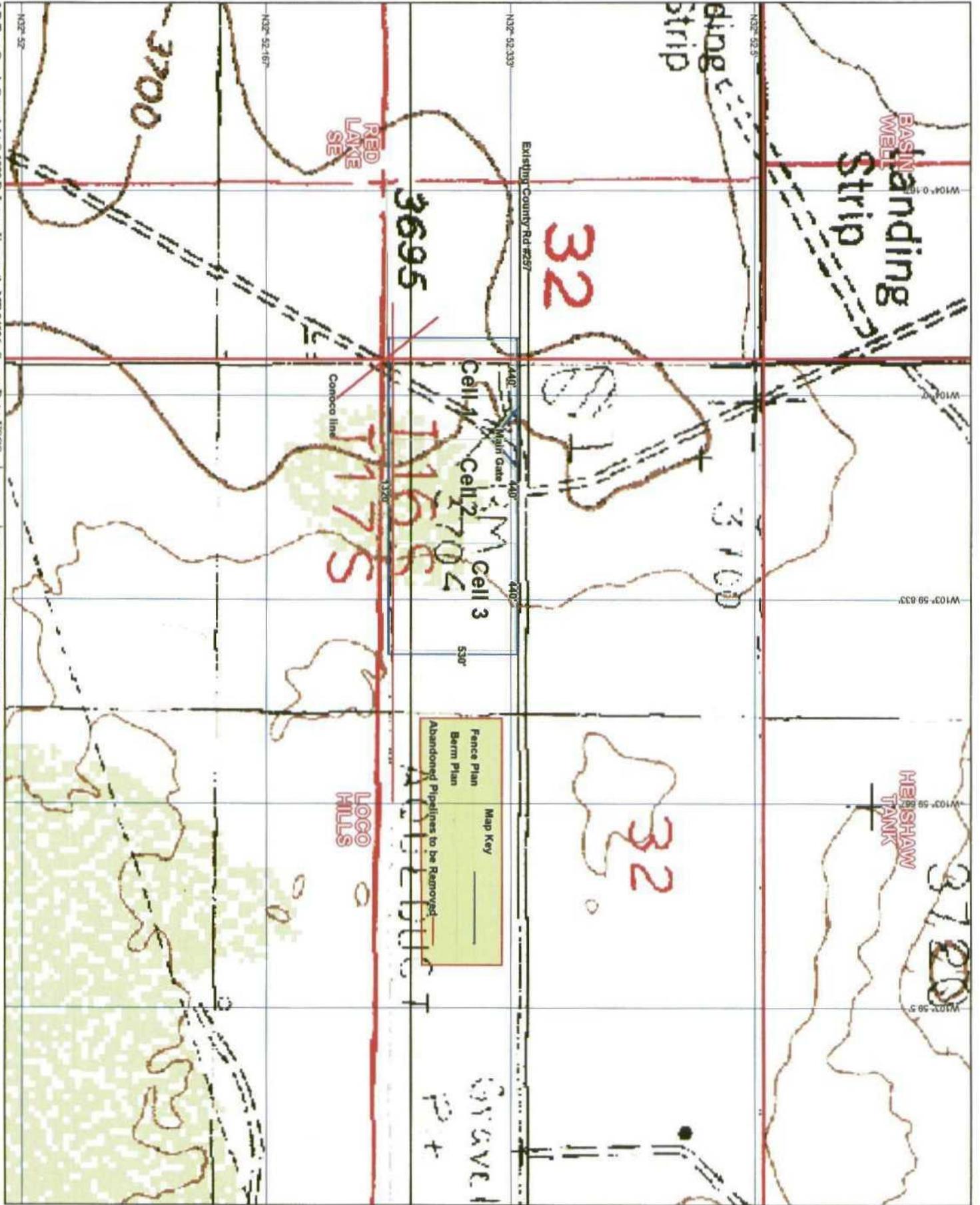
With a weight per blade of 135- to 174-pounds, a 670 Offset Disk fits well with tractors from 115 to 250 horsepower.



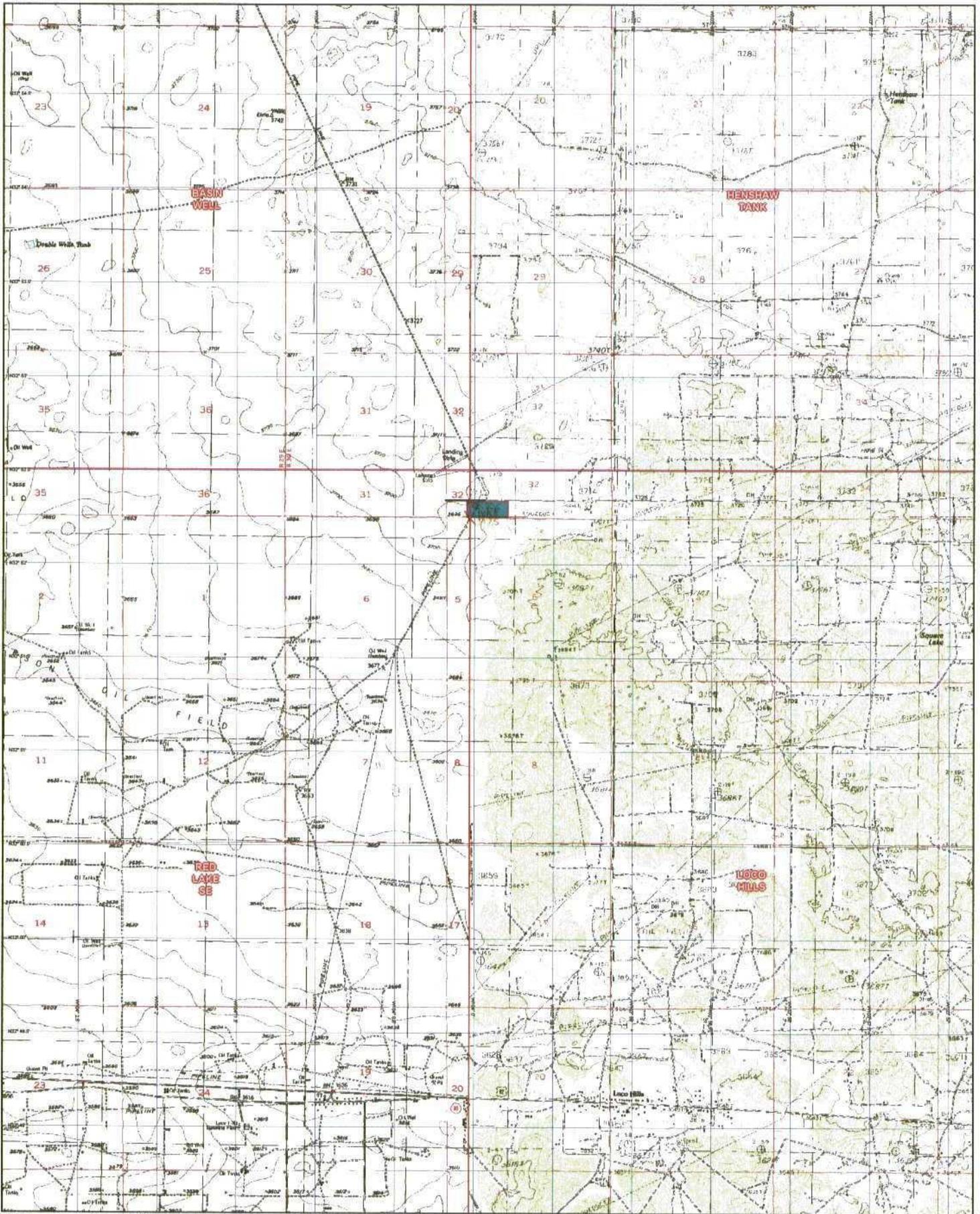
You can set the front gang angle at 16 or 19 degrees. The rear gang is adjustable to 18, 21, or 24 degrees. Choose from 9- or 12-inch blade spacing.

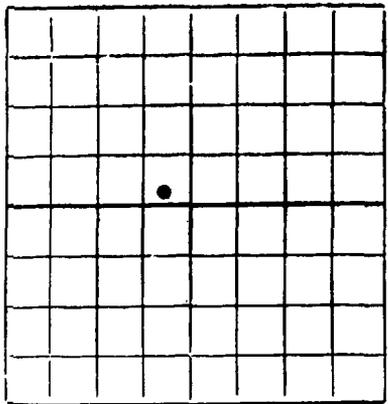
The self-leveling design provides level disk work and level transport, without transferring any weight to the tractor. You also get maximum disk penetration.





3-D TopoQuads Copyright © 1999 DeLorme Yarmouth, ME 04096 Source Data: USGS 1:250 ft Scale: 1:6,400 Detail: 1:50 Datum: WGS84





AREA 640 ACRES
LOCATE WELL CORRECTLY

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

ILLEGIBLE

WELL RECORD

RECEIVED
JAN 31 1961
D. C. C.
ARTESIA OFFICE

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

Southwestern, Inc.
(Company or Operator)

Tract # State

Well No. A-2, in SE 1/4 of NW 1/4, of Sec. 32, T. 16S, R. 30E, NMPM.

Square Lake Pool, Eddy County.

Well is 1980 feet from North line and 1980 feet from East line of Section 32. If State Land the Oil and Gas Lease No. is 5996.

Drilling Commenced Oct 12, 1958 Drilling was Completed Nov 17, 1958

Name of Drilling Contractor Southwestern, Inc.

Address Box 1116, Lovington, New Mexico

Elevation above sea level at Top of Tubing Head GL 3721.20. The information given is to be kept confidential until 19...

OIL SANDS OR ZONES

No. 1, from 2666 to 2672 No. 4, from ... to ...
No. 2, from 2812 to 2836 No. 5, from ... to ...
No. 3, from ... to ... No. 6, from ... to ...

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 435 to 564 feet. Rose 50 feet in hole
No. 2, from 2090 to 2105 feet. Rose 370' in hole
No. 3, from ... to ... feet.
No. 4, from ... to ... feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 1/2"	24	used	491	Tex Pat		None	Surface Pipe
7"	28	used	2130.90	Tex Pat	Pulled 2130.90		Water String
6 1/2"	14	used	2845	Fleet shoe		# 1 & 2	Oil String

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
10	8 1/2"	800	80	Benton		None

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from.....feet to.....feet, and from.....feet to.....feet.
 Cable tools were used from.....**0**.....feet to.....**2969**.....feet, and from.....feet to.....feet.

PRODUCTION

Put to Producing....., 19.....

NO TESTS MADE

OIL WELL: The production during the first 24 hours was.....barrels of liquid of which.....% was
 was oil;% was emulsion;% water; and.....% was sediment. A.P.I.
 Gravity.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of
 liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anhy..... 500	T. Devonian.....	T. Ojo Alamo.....
T. Salt..... 595	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt..... 1045	T. Montoya.....	T. Farmington.....
T. Yates..... 1440	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers..... 1535	T. McKee.....	T. Menefee.....
T. Queen..... 2075	T. Ellenburger.....	T. Point Lookout.....
T. Grayburg..... 2198	T. Gr. Wash.....	T. Mancos.....
T. San And..... 2603	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

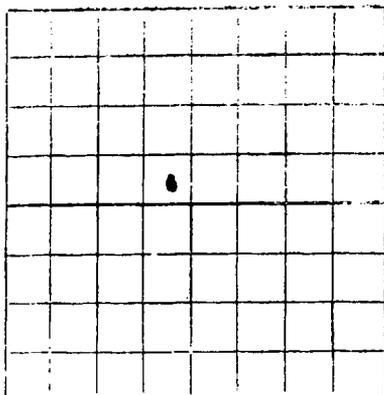
From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	280	280	Sandy Lime				
28'	674	393	Lime				
675	1045	370	Salt				
1045	2107	1062	Anhy, Kime & Shale				
2108	2442	334	Dolo & Anhy				
2443	2969	526	Anhy & Lime				

OIL CONSERVATION COMMISSION
ARTESIA DISTRICT OFFICE

No. Copies Received **6**

DISTRIBUTION

OPERATOR	
SANTA FE	1
PRORATION OFFICE	
STATE LAND OFFICE	2



AREA 640 ACRES
LOCATE WELL CORRECTLY

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

..... Southwestern, Inc. Humble State A-2
(Company or Operator) (Lease)

Well No. 2, in SE ¼ of NW ¼, of Sec. 32, T. 16-S, R. 30-E, NMPM.
Square Lake Pool, Eddy County.

Well is 1980 feet from North line and 1980 feet from West line
of Section 32. If State Land the Oil and Gas Lease No. is 37723.

Drilling Commenced Oct. 12, 1958 Drilling was Completed Nov. 17, 1958.

Name of Drilling Contractor Southwestern, Inc.
Address Box 1116 Lovington, New Mexico

Elevation above sea level at Top of Tubing Head GL 3721 The information given is to be kept confidential until
Nov. 17, 1959.

OIL SANDS OR ZONES

No. 1, from 2666 to 2672 No. 4, from to

No. 2, from 2812 to 2836 No. 5, from to

No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 455 to 465 feet. Rose 50 ft. in hole

No. 2, from 2090 to 2105 feet. Rose 370 ft. in hole

No. 3, from to feet.

No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
<u>8 1/2</u>	<u>24</u>	<u>Used</u>	<u>495</u>	<u>Tex Pat</u>	<u>-</u>	<u>none</u>	<u>Surface string</u>
<u>7</u>	<u>23</u>	<u>Used</u>	<u>2130190</u>	<u>Tex Pat</u>	<u>Pull 213090</u>	<u>none</u>	<u>Water string</u>
<u>4 1/2</u>	<u>14</u>	<u>Used</u>	<u>2865.00</u>	<u>Float shoe</u>	<u>-</u>	<u>NO. 1 & 2</u>	<u>Oil string</u>

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
<u>10</u>	<u>21</u>	<u>500 ft.</u>	<u>50</u>	<u>Denton</u>	<u>-</u>	<u>none</u>

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from.....feet to.....feet, and from.....feet to.....feet.
 Cable tools were used from.....feet to.....feet, and from.....feet to.....feet.

PRODUCTION

Put to Producing....., 19..... **load Recovering oil Dec. 28, 1958 -no test made-**

OIL WELL: The production during the first 24 hours was.....barrels of liquid of which.....% was
 was oil;% was emulsion;% water; and.....% was sediment. A.P.I.
 Gravity.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of
 liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

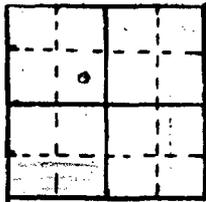
Northwestern New Mexico

T. Anhy..... 300	T. Devonian.....	T. Ojo Alamo.....
T. Salt..... 595	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt..... 1045	T. Montoya.....	T. Farmington.....
T. Yates..... 1440	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers..... 1535	T. McKee.....	T. Menefee.....
T. Queen..... 2075	T. Ellenburger.....	T. Point Lookout.....
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T. Glorieta.....	T.	T. Morrison.....
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T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	280	280	Sandy lime				
281	674	393	Lime				
675	1045	370	Salt				
1045	2107	1062	Anhy, lime, shale				
2108	2442	334	Dolo. & Anhy				
2443	2969	526	Anhy & lime				

CO. ASSIGN
 125
 12



County Eddy Depth 3000-4000' Pool Square Lake *

SCOUT REPORT
NEW MEXICO OIL CONSERVATION COMMISSION

Company Southwestern, Inc. Well No. 1-2 Lease Humble State "A"

1980 Feet from N Line 1980 Feet from W Line, Sec. 32 Twp. 16S Rge.

T. A	500
T. X	595
B. X	1045
T. Del Li	
T. Del Sd	
T. Y	1440
T. SR	1535
T. Q	2075
T. PR	
T. GB	2198
T. SA	2622
T. Glo	
T. Blby	
T. CF	

Land State	Contractor
Elevation 3722	Spudded 10-1-58 Completed 1-12-59
T. Tu	Total Depth 2969 li. P. B. 2850
T. Full	Top Pay 2666 District 7
T. DR	I.P.F. 38 30FD
T. Wich A.	Base on BO 24
T. Abo	Choke: 19/64
T. WC	Tubing @
T. Hu	Press: Tbg. 80 Csg. P/B
T. Per-Pe	GOR Gravity 34
T. Penn	Effective Perfs.:
T. Strawn	244 2666-72
T. Miss	88 h 2712-34
T. WF	

CSG. & CEMENTING RECORD

Size	Feet	Sax Cement
8 5/8	500	50 ✓
7	2130	set ✓
H/2	2860	60 ✓

T. Dev	Acid, Frac & Shooting Record:
T. Sil	500 7A From 2666 To 72
T. Fuss	10,000 50F From 2666 To 72
T. Mon	500 7A From 2712 To 34
T. Simp	15,000 50F From 2712 To 34
T. McK	
T. Ell	
T. G.W.	

T. Gr	SHOWS
T. Perms	2809 S/
T. Perms	2930 S/D 1550-71
T.	S/O+W 1571-80
T.	S/
T.	S/
T.	S/

10-1-58	Loc		
OCT 8	d. 50'		dry CTD
OCT 15	d. 71 sh + sd	NOV 25	run logs
OCT 22	d. 1130 anky + X		TD 2969 li
OCT 29	d. 1835 li + anky		do 2850
NOV 12	d. 2323 solo + anky		Run Pay
NOV 19	d. 2750 li + sh	DEC 1	✓
	TD 2969 li sdo		TD 2969 li
			do 2850

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

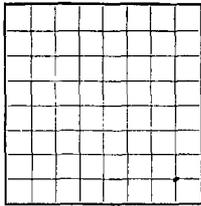
INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy _____	T. Canyon <u>9497</u>	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka <u>10068</u>	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates <u>1253</u>	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers <u>1535</u>	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen <u>2128</u>	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres <u>2888</u>	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzte _____
T. Glorieta <u>4326</u>	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo <u>6383</u>	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp <u>7580</u>	T. Morrow Clastics <u>10824</u>	T. Chinle _____	T. _____
T. Penn. <u>Cisco 9041</u>	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	340	340	Surface, caliche	8035	8169	134	Dolo
340	500	160	Surface, gravel	8169	8489	320	Lime
500	591	91	Anhy	8489	8633	144	Dolo
591	1145	554	Anhy & salt	8633	8725	92	Lime & Dolo
1145	1656	511	Lime	8725	8912	187	Lime
1656	1938	282	Anhy	8912	9122	210	Lime & Shale
1938	2623	685	Anhy & lime	9122	9411	289	Lime & Dolo
2623	2737	114	Anhy, lime & Dolo.	9411	9502	91	Chert
2737	2831	94	Anhy & lime	9502	9762	260	Shale
2831	2935	105	Lime	9762	9812	50	Shale & Lime
2935	3200	265	Lime & Dolo	9812	9894	82	Shale
3200	4432	1232	Lime	9894	10481	587	Lime & Shale
4432	4747	315	Lime & Dolo	10481	10550	69	Shale
4747	5004	257	Dolo	10550	10690	140	Lime & Shale
5004	5724	720	Lime & Dolo	10690	10925	235	Lime
5724	6474	750	Dolo & lime	10925	11025	100	Lime & Shale
6474	6561	87	Lime, Dolo & Shale				
6561	6760	199	Lime & Dolo				
6760	6845	85	Lime				
6845	7513	668	Lime & Dolo				
7513	7586	73	Lime				
7586	7721	135	Lime Dolo & Chert				
7721	7829	108	Lime				
7829	7867	38	Lime & Dolo				

U. S. LAND OFFICE **Artesia, N. M.**
SERIAL NUMBER **N M 04393**
LEASE OR PERMIT TO PROSPECT



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

LOCATE WELL CORRECTLY

Company **Southwestern, Inc.** Address **Box 1116, Lovington, New Mexico**
Lessor or Tract **DeKalb Agr. Assoc.** Field **Square Lake** State **New Mexico**
Well No. **1** Sec. **31** T. **16S** R. **3E** Meridian **NMPL** County **Eddy**
Location **660** ft. N. of **S** Line and **660** ft. W. of **E** Line of **Acacia** Elevation **3703.6**

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Date **May 5, 1958** Signed *Southwestern, Inc. by A. S. Hahn* Title *owner*

The summary on this page is for the condition of the well at above date.

Commenced drilling **March 19**, 19**58** Finished drilling **April 23**, 19**58**

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from **2639'** to **2655'** No. 4, from _____ to _____
No. 2, from **2749'** to **2761'** No. 5, from _____ to _____
No. 3, from **2789'** to **2809'** No. 6, from _____ to _____

IMPORTANT WATER SANDS

No. 1, from **415'** to **440'** No. 3, from _____ to _____
No. 2, from **2070'** to **2100'** No. 4, from _____ to _____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From	To	
8 5/8	26			5.72	Shop Made				Surface String
7	17			2098	Larkin	2071.55			Water Shut off
5 1/2	14			2812	Larkin		2789	2809	Oil String
							2749	2761	
							2639	2655	

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8 5/8	572'	50	Halliburton	none	none
5 1/2	2812'	50	"	"	"

PLUGS AND ADAPTERS

Heaving plug—Material _____ Length _____ Depth set _____
Adapters—Material _____ Size _____

SHOOTING RECORD

Size	Shell used	Explosive used	Quantity	Date	Depth shot	Depth cleaned out

TOOLS USED

Rotary tools were used from _____ feet to _____ feet, and from _____ feet to _____ feet
Cable tools were used from _____ feet to **2812'** feet, and from _____ feet to _____ feet

DATES

Put to producing **May 5**, 19**58**
The production for the first 24 hours was **64** barrels of fluid of which **100%** was oil; **0%** emulsion; **0%** water; and **0%** sediment. Gravity, °Bé. _____
If gas well, cu. ft. per 24 hours _____ Gallons gasoline per 1,000 cu. ft. of gas _____
Rock pressure, lbs. per sq. in. _____

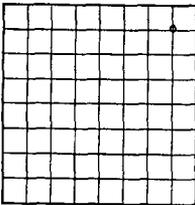
EMPLOYEES

John O'Brian, Driller **Morris Tidmore**, Driller
M. F. Willis, Driller **D. E. Moore**, Driller

FORMATION RECORD

FROM-	TO-	TOTAL FEET	FORMATION
0	570	570	Red Bed, Br. Clay & Sand, Any 10% Water
571	1027	456	Salt
1027	1210	183	Any 80%; Br. Shale 15%; Gray Shale 5%
1211	1470	259	Br. Shale 70%; Br. Sand 20%; Any 10% lates
1470	1530	60	Any 60%; Br. Shale 40%
1530	1563	33	Br. Dolomite and Show of gas
1563	1720	157	Any 90%; Br. Shale 5%; Gray Shale 5%
1720	1820	100	Br. Dolomite 85%; Any 10%; Gray Shale 5%
1820	1875	55	Br. Sand 80%; Br. Shale 10%; Any 10%
1875	2070	195	Any 80%; Br. Shale 15%; Br. Sand 5%
2070	2100	30	Br. Sand 80%; Br. Shale 15%; Queens 5%
2100	2340	240	Water in hole
2340	2350	10	Br. Dolomite 60%; Any 25%; Br. Shale 15%
2350	2390	40	White Lime 50%; Br. Dol. 25%; Br. Shale 25%
2390	2430	40	Br. Sand 10%; Gr. Sand 40%; Any 25%
2430	2500	70	Br. Dolo 25%; Show of Oil 1 gal./hr.
2500	2637	137	Any 80%; Br. Sand 20%
2637	2650	13	Br. Dolo 50%; Br. Shale 30%; Any 20%
2650	2720	70	Dolo. 90%; Any 5%; Br. Shale 5% Grayburg
2720	2760	40	Gr. Sand 40%; Br. Sand 5%; Dolo. 55%
2760	2788	28	Dolo. 90%; Br. Sand 5%; any 5%
2788	2818	30	Br. Sand 50%; Dolo 50%
2818	2834	16	Br. Dolo. 90%; W. Lime 5%; Br. & Blk. Shale 5%
			Br. Sand 80%; Br. Shale 10%; Br. Dolo. 30%
			Show of Free Oil 6 gal./hr. from sand

U. S. Land Office Las Cruces
Serial Number 047200
LEASE OR PERMIT TO PROSPECT Evans



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

LOCATE WELL CORRECTLY

Company S.P. Yates & Martin Yates, Jr. Address 309 Corner Bldg., Artesia, N.M.
Lessor or Tract Evans Field Square Lake State N.M.
Well No. 1 Sec. 5 T. 17S R. 24E Meridian N.M.P.M. County Eddy
Location 660 ft. (S.) of N. Line and 660 ft. (W.) of E. Line of Sec. 5 Elevation 3714

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed S.P. Yates Operator
Date Sept. 4, 1942 Title

The summary on this page is for the condition of the well at above date.

Commenced drilling June 13, 1942 Finished drilling July 27, 1942

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 2685 to 2695 No. 4, from to
No. 2, from 2764 to 2774 No. 5, from to
No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

No. 1, from 415 to 425 No. 3, from to
No. 2, from 2115 to 2135 No. 4, from to

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From	To	
8 5/8"	28#	10	SH	626'					Surface
7"	20#	8	SH	2181'					Oil string
5 1/2"	16#	10	SH	2569'					

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8 5/8"	626	50	Halliburton		50 SSK
7"	2181	None	"		5 tons
5 1/2"	2580	100	"		100 SSK

PLUGS AND ADAPTERS

Heaving plug—Material Length Depth set
Adapters—Material Size

SHOOTING RECORD

Size	Shell used	Explosive used	Quantity	Date	Depth shot	Depth cleared out

TOOLS USED

Rotary tools were used from 0 feet to 2928 feet, and from 0 feet to 0 feet
Cable tools were used from 0 feet to 2928 feet, and from 0 feet to 0 feet

DATES

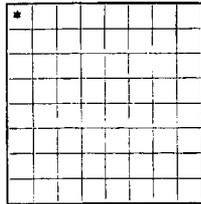
Put to producing Aug. 15, 1942
The production for the first 24 hours was 50 barrels of fluid of which 100% was oil; 0% emulsion; 0% water; and 0% sediment. Gravity, °Bé.
If gas well, cu. ft. per 24 hours Gallons gasoline per 1,000 cu. ft. of gas
Rock pressure, lbs. per sq. in.

EMPLOYEES

T. F. Keith, Driller E. L. Atwood, Driller
E. I. Glouer, Driller

FORMATION RECORD

FROM	TO	TOTAL FEET	FORMATION
0	135		Red Rock
135	140		Gravel
140	165		Red rock and mud
165	250		red sand
250	325		red shale
325	395		red beds
395	435		anhy. ryp and sand
435	475		ryp
475	500		red shale
500	525		red beds
525	540		anhy and ryp
540	552		red bed & anhy
552	580		anhy & sand
580	605		red bed
605	627		salt
627	630		anhy
630	660		anhy and salt
660	660		anhy
660	695		salt
695	708		potash
708	845		salt
845	915		salt & potash shells
915	925		potash & anhy
925	1060		salt
1060	1275		anhy



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

LOCATE WELL CORRECTLY

Company **Southwestern, Inc.** Address **Box 1116, Lovington, N.M.**
Lessor or Tract **DeKalb Agric. Assoc.** Field **Square Lake** State **New Mexico**
Well No. **5** Sec. **5** T. **17S** R. **30E** Meridian **NAD 83** County **Eddy**
Location **330** ft. **N.** of **N.** Line and **660** ft. **W.** of **W.** Line of **N/4 of NW/4 S. 5** Elevation **1695.7**

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed *[Signature]*
Date **April 18, 1959** Title **Operator**

The summary on this page is for the condition of the well at above date.
Commenced drilling **January 28, 1959** Finished drilling **April 3, 1959**

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from **2388** to **2195** No. 4, from **2802** to **2826**
No. 2, from **2650** to **2660** No. 5, from _____ to _____
No. 3, from **2760** to **2766** No. 6, from _____ to _____

IMPORTANT WATER SANDS

No. 1, from **448** to **458** No. 3, from _____ to _____
No. 2, from **2083** to **2100** No. 4, from _____ to _____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from		Perforated		Purpose
						From	To	From	To	
10 3/4	38#	8rd.		421.51			Yes			
8 5/8	24#	8rd.		538'	Reg. Pat. No.					Surface string to shut
7	24#	8rd.		2132'	Tx. Pat. 2132					off water
5 1/2	14#	8rd.		2841	Hulliburton No.					2656 2668 2768 2774 2810 2826

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8 5/8	538	50	Denton	Water	
7	2132			Mudded	
5 1/2	2841	150 sks.	Denton		

PLUGS AND ADAPTERS

Hoaving plug—Material _____ Length _____ Depth set _____
Adapters—Material _____ Size _____

SHOOTING RECORD

Size	Shell used	Explosive used	Quantity	Date	Depth shot	Depth cleaned out

TOOLS USED

Rotary tools were used from _____ feet to _____ feet, and from _____ feet to _____ feet
Cable tools were used from **surface** feet to **2843** feet, and from _____ feet to _____ feet

DATES

Put to producing **May 1, 1959**
The production for the first 24 hours was **28** barrels of fluid of which **100**% was oil; _____% emulsion; _____% water; and _____% sediment. Gravity, °Bé. **36**
If gas well, cu. ft. per 24 hours _____ Gallons gasoline per 1,000 cu. ft. of gas _____
Rock pressure, lbs. per sq. in. _____

EMPLOYEES

J. P. Bakar, Driller **W. R. High**, Driller
Aud Hopper, Driller

FORMATION RECORD

FROM—	TO—	TOTAL FEET	FORMATION
0	395	395	Red Bed
395	585	585	Anhydrite
585	1040	1040	Salt
1040	1400	1400	Anhydrite and Shale
1400	1480	1480	Anhydrite-Shale and trace dolomite
1480	2080	2080	Primarily Brown Dolomite w/ Anhydrite to 1800' then consisting mainly of Anhydrite to 2080 w/ shale, sand and salt from 1825 to 1935
2080	2495	2495	Queen formation marked prominently by Queen Red Sand at top, dolomite and anhydrite w/ brown shale to 2388 picked up Penrose at 2388 sand w/ good stain and apparant porosity. No free oil Picked up Grayburg at 2495 consisting almost entirely of tan to lt. brown Dolomite w/ sand Shale stringers

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

WELL / SURFACE DATA REPORT 10/28/2004

DB File Nbr	(acre ft per annum) Use	Diversion	Owner	Well Number	(quarters) (quarters) Source
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No Records found, try again

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

WELL / SURFACE DATA REPORT 10/28/2004

DB File Nbr	(acre ft per annum) Use	Diversion	Owner	Well Number	(quarters) (quarters) Source
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No Records found, try again