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

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

Form C-144
March 12, 2004

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

30-005-63454

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: Eagle Resources, LP (505) Telephone: 622 9800 e-mail address: tmc@eagleng.com
Address: P.O. Box 3900, Roswell, NM 88202-3900
Facility or well name: BARNARD SB #1 API #: _____ U/L or Qtr/Qtr B Sec 3 T 7-S R 29-E
County: CHAVES Latitude N34° 9' 46.8" Longitude W103° 59' 48.2" NAD: 1927 ☑ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank	
Type: Drilling ☑ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☑ Unlined ☐ Liner type: Synthetic ☑ Thickness 20 mil Clay ☐ Volume 3500 bbl Cross weave or Woven #B	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) 10 (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (No)	(20 points) (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more ✓	(20 points) (10 points) (0 points) 0
	Ranking Score (Total Points)	10

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: 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. #B

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☑, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.
Date: 4/19/04
Printed Name/Title Tim Collier / Operations Mgr. Signature Tim Collier

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
Date: APR 22 2004
Printed Name/Title Field Rep II Signature

As per Tim Collier Via Phone 4-22-04 JB

Barnard 3B #1
Site cleanup for drilling and operations

Pits as attached will be constructed to comply with Rule 19.15.2.50 as applicable to drilling operations. Pits will be lined with a 20 mil. Cross weaved plastic in a matter to contain fluids, liquids and protect health, environment and fresh water...

Flair pit will obviously not be lined but sloped and internally diked to allow for drainage of any fluid in to working pits for proper handling and or transfer.

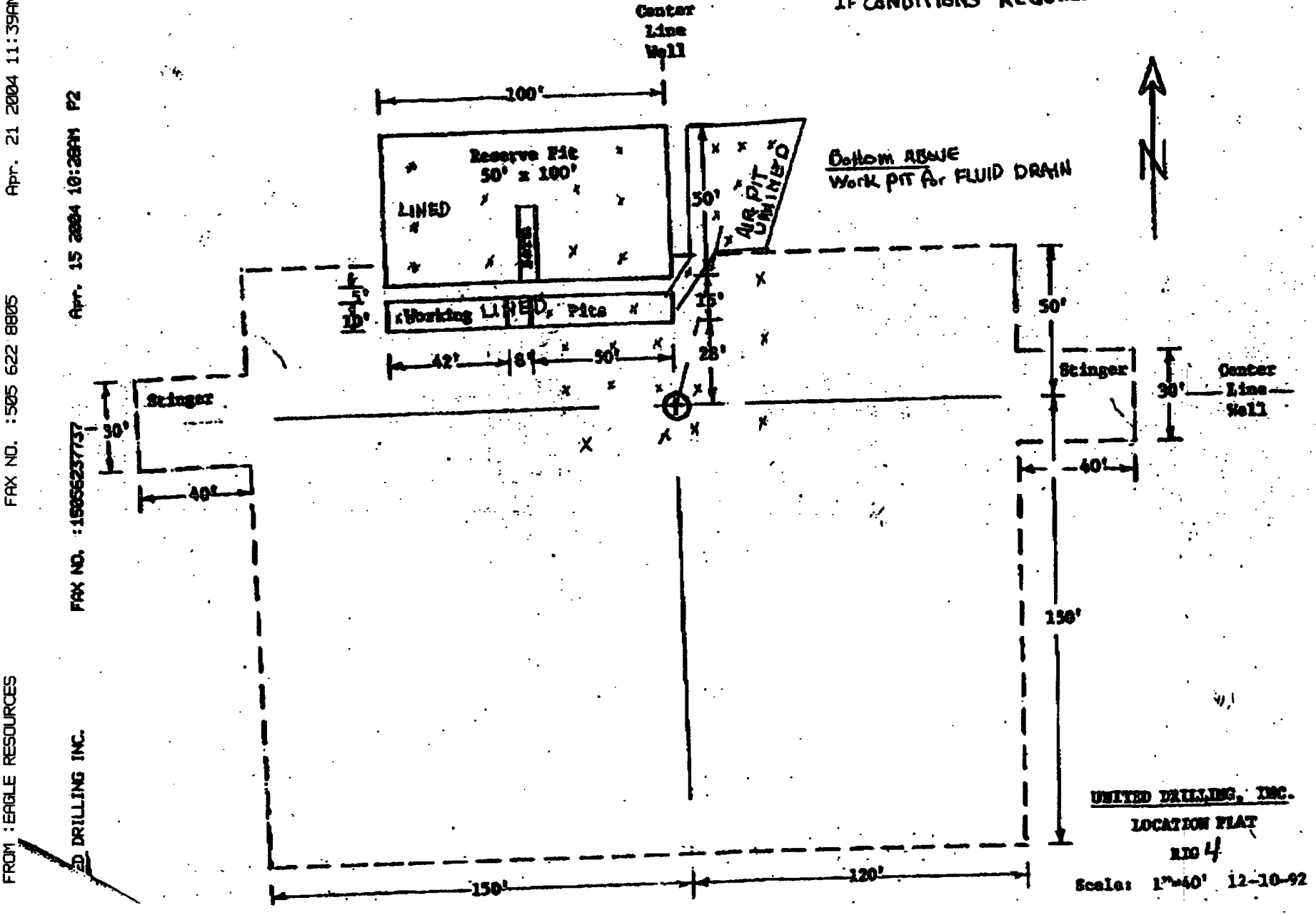
This well is as an air drill. Fluid pits are built only as a logistics consideration and optimize operations for hole conditions that may occur.

Based on results of drilling and facts created from same the following procedure will be followed.

Samples will be collected prior to operations commencing to establish back ground for TPH and chlorides. Sample will be comprised of material collected at surface from points designated on attached pit drawing.
Fluid Pits will be constructed and lined.
Fluids remaining from drilling operation will be evaporated or hauled as appropriate.
Cutting will be handled by two methods. 1. Haul the obvious to land farm for proper handling. 2. Test, treat and remediate and blend the pit areas using acceptable processes to reduce TPH to less than or equal to 5000 ppm. Microbes, fertilizer 13.13.13 will be tilled and watered. Sample will be taken every 3 months until site closure to monitor progress,
The pit area will be shaped and closed as quickly as possible.

x Sample Collection Points

BARNARD 3B #1
3350' TEST - GLORIETA
AIR/FOAM
(FLUID DRILL ALTERNATE)
IF CONDITIONS REQUIRE



UNITED DRILLING, INC.
LOCATION PLAT
RIG 4
Scale: 1"=40' 12-10-92

2D DRILLING INC.

Jack Ahlen
Consulting Geologist
Ste 533 Petroleum Bldg.
200 W. First St.
Roswell New Mexico 88203
505 622 0440 Of 505 622 7764 H
20 April 2004

Tim Collier
Eagle Resources LP

Re Barnard 3A #1
Sec3 T3S, R29E
Chaves Co. NM

Examination of cable tool and drillers logs in sections 17, 21, and 22 of T2S, R30E reveal a surface Ogalalla sand and caliche to a depth of 190 to 210 feet. The Ogalalla rests on Triasic red beds which are about 1400 feet thick. A persistent sandstone is present approximately 210 to 230 feet below the top of the Triasic. Fresh water is recorded from this zone in the Claudill Dev. Co #1 Wilmes et al, located 660' FSL and 2130' FEL of Sec. 21 (see attached cable tool drillers log). Other wells in the vicinity show scattered thin shaley sands below this depth but none seem to be consistent stratigraphically.

The proposed well, (Barnard 3B #1) in Sec.3, T3S, R29E will be spudded in Triasic sediments approximately 100 to 150 feet stratigraphicaly below the Triasic top referenced above. The ground elevation in section 3 is 200 feet lower than that for the Claudell well ; considering regional dip to be from 30 to 50 feet easterly, therefore this will place the water sand noted above, within 200 feet of the surface. I would suggest you set your surface string to a depth of 300 feet and circulate cement to avoid contamination of near surface aquifers.

If I may be of further help please advise.

Sincerely,

Jack Ahlen

Wilmes et al. – No.1 (Farm and No.)

Claudell Dev Co. (Operator)

N. Mex. (State) Roosevelt (County)

T. R.: 2S 30E

660' fr S & 2310' fr W

21

Elev. 4570 L&S

Drillers Log (Authority)

Remarks

21-2-30

0'

Caliche

Sd.

Sd. & shells

100'

Blue sd. & water

"

b Og.

Blue Sh.

Gry. " 200' — Top Triassic 200'

Sd.

Rd. Sh.

Rd. Sd.

Rd. Sh.

" " & shells

Gry sh. Rd. Sd. "

Sd. & water ← water

300'

Gry. sh. & shells

Gry. sh.

Rd. Sh.

Gry. Sh. 400'

Sd. "

230

Gry. sdy. Sh.

" Sd. & water ← water

Rd. Sh.

Rd. Sh. 500'

Rd. Sh.

Gry. Sdy. Sh. Gas Smell

600'

Rd. Sh.

Blue sh.

Rd. Sh.

(Santa Rosa) Sd.

700'

Rd. Sh.

R. B. (Sd.)

Rd. Sh. 800'

Gry. Sh.

Brn. Sh. Rd. sd.

Wh. Sh.

Rd. "

Rd. Sh. 900'

Rd. Sh.

Gry. "

Rd. Sd.

Rd. Sh.

Gry. Sdy. Sh.

1000'

Rd. Muddy Sh.