

5-3-04

District I
1625 R. French Dr., El Paso, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1800 Rio Grande Road, Santa Fe, NM 87505
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 NMOCED District Office.
For abandonment 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 ☐

Owner: Merit Energy Company Telephone: 677-2327 Mail address: _____
Address: P.O. Box 69, Leco Hills, NEW Mexico 88255
Facility or well name: KEEL R #63 API #: 300152824 (OCD) or Q# 6 & 173 & 31E
Lease: Eddy Leasehold ☐ Longlease ☐ NAD: 1927 ☐ 1985 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

II Use: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Wellbore <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>10</u> mil Clay <input type="checkbox"/> Volume _____ gal		Refer to tank Volume: _____ gal Type of tank: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> 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 <input checked="" type="checkbox"/>	(20 points) (10 points) (10 points)	RECEIVED MAY 04 2004 OCD-ARTESIA
Wellhead protection zone: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No <input checked="" type="checkbox"/>	(20 points) (10 points)	
Distance to surface water: (Minimum distance to all wetlands, riparian, vernal pools, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more <input checked="" type="checkbox"/>	(20 points) (10 points) (10 points)	
Ranking Score (Total Points)			

III 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 removal action taken including construction cost 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.

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 constructed or closed according to NMOCED guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Date: _____
Printed Name/Title: William Wolf (Pumper) Signature: William Wolf

Our certification and NMOCED approval of this application 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.

Approved: MAY 10 2004
Date: _____
Printed Name/Title: Wild Sep ID Signature: [Signature]

Please see attached stipulations and/or requirements:

[Handwritten mark]



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

12 May 2004

Merit Energy
13727 Noel Ste. 500
Dallas, Texas 75240

RE:

Approval of pit permit - Keel B # 63 API# 30-015-28294

The Oil Conservation Division of Artesia is in receipt of your application to construct a pit for the purpose of drilling. The request is hereby accepted and approved with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Immediately upon cessation of use the freestanding fluid will be removed and disposed of in an OCD approved facility.
5. Pit encapsulations must meet all specific criteria including, but not limited to:
 - A. Site evaluation
 - B. Liner thickness and type must meet requirements as per guidelines.
 - C. Amount of and type of cover
 - D. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
 - E. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
6. The pit will not be used for any additional storage of fluids.
7. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
8. Re-seeding mixture will must be approved or authorized by surface owner.
9. Please note that your selection of liner thickness requires you to haul the pit liner and it's contents to an approved disposal site.

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,



Van Barton