District I
1625 N. French Dr., Hobbs, NM 88240
District II
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 Is pit or below-grade tank covered by a "general plan"? Yes No

| Type of action: Registration of a | oit or below-grade tank [Closure of a pit or below | -grade tank 🗵 |
|--|--|--|
| Operator: Marbob Energy Corporation | Telephone: 505-748-3303 | e-mail address: land2@marbob.com |
| Address: PO Box 227, Artesia, NM 88211-0227 | 1370' FSL & 2350' FWL | |
| Facility or well name: Sly Hawk State No. 3 | API#: 30-015-34040 U/L or | Qtr/Qtr |
| County: Eddy LatitudeLongitude_ | NAD: 1927 🔲 1983 🔲 Surfac | e Owner Federal ⊠ State □ Private □ Indian □ |
| Pit | Below-grade tank | |
| Type: Drilling ☑ Production ☐ Disposal ☐ | Volume:bbl Type of fluid: | BECEIVED |
| Workover ☐ Emergency ☐ | Construction material: | |
| Lined 🛮 Unlined 🔲 | Double-walled, with leak detection? Yes If not, explain why no NOV 3 0 2005 | |
| Liner type: Synthetic ☑ Thickness 12 mil Clay ☐ Volume | QCD-ARTESIA | |
| bbl | | |
| | Less than 50 feet | (20 points) |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) | gh 50 feet or more, but less than 100 feet | (10 points) |
| | 100 feet or more | (0 points) 0 points |
| | Yes | (20 points) |
| Wellhead protection area: (Less than 200 feet from a private domestic | No | (0 points) 0 points |
| water source, or less than 1000 feet from all other water sources.) | | |
| Distance to surface water: (horizontal distance to all wetlands, playas, | Less than 200 feet | (20 points) |
| irrigation canals, ditches, and perennial and ephemeral watercourses.) | 200 feet or more, but less than 1000 feet | (10 points) |
| inguison calcula, enemes, and pereninal and epitemetal watercourses. | 1000 feet or more | (0 points) 0 points |
| | Ranking Score (Total Points) | 0 points |
| If this is a pit closure: (1) attach a diagram of the facility showing the | oit's relationship to other equipment and tanks. (2) ln | dicate disposal location: |
| onsite offsite from If offsite, name of facility | | |
| date. (4) Groundwater encountered: No \(\subseteq \text{Yes} \subseteq \subseteq \text{If yes, show depth} \) | | |
| diagram of sample locations and excavations. | | |
| I hereby certify that the information above is true and complete to the bes | of my knowledge and haliaf I funther contifu that | the above described pit or below grade toply has |
| been/will be constructed or closed according to NMOCD guidelines Date: November 16, 2005 |], a general permit ⊠, or an (attached) alternativ | e OCD-approved plan □. |
| Printed Name/Title Gerald Herrera Signature A. Oberran | | |
| Your certification and NMOCD approval of this application/closure does otherwise endanger public health or the environment. Nor does it relieve regulations. | not relieve the operator of liability should the content | s of the pit or tank contaminate ground water or |
| Approva DEC 6 2005 Gazzy Guyo | | |
| Date: | | |
| Printed Name/Title Compliance Concer Signature Stury Sury | | |
| | | |

Marbob Energy Corporation Attachment to OCD Form C-144

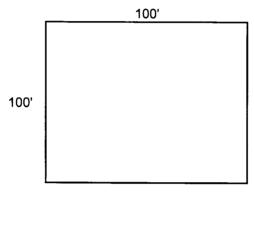
Pit or Below-Grade Tank Registration or Closure

Pit Closure

Sly Hawk State #2

2590' FNL & 2510' FWL Section 3, T25S, R28E Eddy County, New Mexico

(1) Facility diagram





(2) Disposal location:

Fluids will be disposed at an approved disposal facility.

(3) General description of remedial action:

Transfer cuttings to ends, dig deep bury pit in center of pit, line with 12 mil plastic. Use material to stiffen cuttings. Transfer stiffened cuttings into lined pit, leaving mounded for drainage. Cap with 20 mil liner. Cover with three feet of cover material.

(4) Groundwater encountered:

No

(5) Soil sample:

N/A