

IAN 25 2006

Attachment to form C-144
Wapiti #1, D, 17, 10S, 29E
API 30-030-005-63660

Proposed Closure Procedure

This pit is located approximately 30' north of the Wapiti #1 dry hole. The location of this well is 990' FNL and 660' FWL, Section 17, T10S, R29E, Chaves County, NM. Or 33 27 0.165 N, 104 00 49.87 E.

This pit was dug approximately 10' deep and was lined with a 20 mil Synthetic liner which is in good shape and does not leak. The well was drilled with air so the contents of the pit are primarily drill cuttings which were brought to surface by a fresh water foam system. We plan to encapsulate the cuttings top and bottom with 20 mil synthetic liner and bury in place. The area will finally be covered with top soil which has been stored on location.

As stated above, the cuttings will be disposed of on site, encapsulated in synthetic liner and buried approximately 6-8' deep. Ground water at this location is at approximately 450' as found by our drilling efforts.

We plan on beginning this pit closure as soon as we have approval and will report it done as soon thereafter as possible.