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. For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144

June 1, 2004

1220 South St. Francis Dr. For downsom Santa Fe, NM 87505

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \(\subseteq \) No x Type of action: Registration of a pit or below-grade tank \(x \) Closure of a pit or below-grade tank \(\subseteq \)		
Operator: Melrose Operating Company	U/L or Qtr/Qtr :SW of SE Sec 3 T 1	18SR_28E
Pit Type: Drilling X Production Disposal Workover Emergency Lined X Unlined Liner type: Synthetic X Thickness 12 mil Clay Pit Volume 4800 bbl	Below-grade tank Volume:bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes If no	_
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 XX	(20 points) (10 points) (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 XX Less than 200 feet	(20 points) (0 points) (20 points) (20 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	200 feet or more, but less than 1000 feet 1000 feet or more XX Ranking Score (Total Points)	(10 points) (0 points)
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: (check the onsite box if your are burying in place) onsite X offsite If offsite, name of facility		
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 X, a general permit , or an (attached) alternative OCD-approved plan . Date:1-30-06 Printed Name/Title _Ann E. Ritchie, Regulatory Agent Signature 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: Printed Name/Title	Signature	Date=EB 0 6 2006

Standard Pit & Drilling Rig layout

Pad Schematic

Eddy County, New Mexico (Not to Scale)

50' x 50' [2] **→** ŏ ← **S** Lease Road Z