Grand Avenue, Artesia, NM 88240 O Rio Brazos Road, Aztec, NM 87410 O Rio Brazos Road, Aztec, NM 87505 O Rio Brazos Road, Aztec, NM 87505

State of New Mexico Energy Minerals and Natural Resources

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

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

Operator: Parallel Petroleum Corporation Telephone: 432-684-3905 e-mail address: gmiller@hec-enviro.com Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79701 API#: 30 -015-34983 Facility or well name: Tool Box Federal #1 U/L or Qtr/Qtr Unit P Sec 12 T 19S R 21E Latitude 32° 40' 4.6" N Longitude 104° 44' 8.9" W NAD: 1927 X 1983 🔲 County: Eddy Surface Owner: Federal X State Private Indian Below-grade tank Type: Drilling X Production Disposal Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes
If not, explain why not. Lined X Unlined Liner type: Synthetic X Thickness 12 mil Clay Pit Volume 25,000 bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal 0 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 750' 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No (0 points) water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points)

		` ' '
	Ranking Score (Total Points)	0
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 [] offsite [] If offsite, name of facility	(3) Attach a general de	escription of remedial action taken including
remediation start date and end date. (4) Groundwater encountered: No 🔲 Y	res I 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.		
Additional Comments: This well will share a location pad and pit with the Parallel Petroleum Corp., Squeeze Box Federal #1. The Squeeze Box Federal has not yet been drilled		
The two wells will be drilled back to back, using the same reserve pit and pad. It is planned to drill the Squeeze Box #1 well first then move 18' and drill the Tool Box #1.		
The C-102 for the Squeeze Box Federal #1 was mailed to the Artesia NMOCD office on 2-6-2006.		
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		

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 \square , or an (attached) alternative OCD-approved plan \square .

Date: 5-6-06

Printed Name/Title Gary Miller, Agent Phone 432/682/4559

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

Gerry Guye
Deputy Field Inspector
District II - Artesia

Signature

Date: JUN 2 8 2006