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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico ergy Minerals and Natural Resources

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

Form C-144 June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

Month year OCD - ARTESIA, NM Is pit or below-grade tank covered by a "general plan"? Yes X No . Type of action: Registration of a pit or below-grade tank \(\subseteq\) Closure of a pit or below-grade tank X Operator: Oxy USA WTP Limited Partnership Telephone: 505-397-0510 e-mail address: office@sesi-nm.com Address: __PO Box 1988, Carlsbad, New Mexico 88220 Facility or well name: Right hand Canyon 35 Fed No 7 API #: 30-015-34529 U/L or Qtr/Qtr K Sec 35 T 21S Latitude 32º26'01.25 NAD: 1927 X 1983 Longitude 104°28'09.39 Surface Owner: Federal X State Private Indian Pit Below-grade tank Type: Drilling X Production

Disposal Volume: bbl Type of fluid: Workover 🔲 Emergency 🔲 Construction material: Lined X Unlined Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic X Thickness __12_mil Clay __ Pit Volume _11,000_bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 100 feet or more (0 points) XXXX Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No (0 points) XXXX 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.) (0 points) XXXX 1000 feet or more 0 points Ranking Score (Total 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 _ (3) Attach a general description of remedial action taken your are burying in place) onsite X offsite I If offsite, name of facility_ including remediation start date and end date. (4) Groundwater encountered: No X 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. Additional Comments: Category #2 Location Closure work plan for drilling pit. The drilling pit will be capped and encapsulated insitu. This will be accomplished by mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide physical stability and support for the pit cover. The edges of the liner will be folded over the stiffened mud and cuttings; capping the pit with a 20 mil thickness impervious; reinforced synthetic liner meeting ASTM standards that is designed to be resistant to the material encapsulated; and covering the cap with a minimum of 3' feet of clean soil or like material that is capable of supporting native plant growth. The mud was mixed with freshwater and is less than 9.5 lbs. A one call and a 48-hour notice will be provided to the Oil Conservation Division 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 , a general permit X or an (attachea) alternative OCD-approved plan . Signature Date: __3-05-07_ _Printed Name/Title __Jerri Lee/ Consultant_ 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. Signature Will Sungayor Date AR 2 2 2007 Approval: Printed Name/Title