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 nergy Minerals and Natural Resources

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

March 12, 2004

Form C-144

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

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐ Type of action: Registration of a pit or below-grade tank \(\subseteq\) Closure of a pit or below-grade tank \(\subseteq\)

APR - 5 2007 CO AFTESTA, NA e-mail address: land2@marbob.com Operator: Marbob Energy Corporation Telephone: 505-748-3303 Address: PO Box 227, Artesia, NM 88211-0227 854' FSL & 1650' FEL Facility or well name: Ugly Stik State #1 API#: 30-015-35209 U/L or Otr/Otr SESW Sec 2 T 19S R 27E County: Eddy NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐ Latitude Longitude Pit Below-grade tank Type: Drilling ☑ Production ☐ Disposal ☐ Volume: bbl Type of fluid: ___ Workover Emergency Construction material: Lined D Unlined D Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic
☐ Thickness 12 mil Clay ☐ Volume (20 points) Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal high (10 points) 50 feet or more, but less than 100 feet water elevation of ground water.) 100 feet or more 0 points (0 points) (20 points) Yes 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.) (20 points) Less than 200 feet Distance to surface water: (horizontal distance to all wetlands, playas, (10 points) 200 feet or more, but less than 1000 feet irrigation canals, ditches, and perennial and ephemeral 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 pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite offsite for If offsite, name of facility (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No \(\sigma\) Yes \(\sigma\) 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. 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 , or an (attached) alternative OCD-approved plan . Date: April 3, 2007 Printed Name/Title: **Gerald Herrera** Signature 07 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 Notify OCD 24 hours prior to beginning Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling

Marbob Energy Corporation Attachment to OCD Form C-144

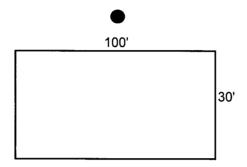
Pit or Below-Grade Tank Registration or Closure

Pit Closure

Ugly Stik State #1

854' FSL & 1650' FEL Section 2 T-19S R-27E 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:
 - a. Mix contents of pit (with material from location for pad reduction) to stiffen.
 - b. Push to one end of pit, use other end for possibly two capsulation pits.
 - c. Line pits with 12 mil plastic.
 - d. Transfer contents into lined pits.
 - e. Cap with 20 mil liner
 - e. Cover with 3' of cover dirt.
 - f. Re-seed to BLM requirements.
- (4) Groundwater encountered:

No

(5) Soil sample:

N/A