

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesian, NM 88210  
District III  
1000 Rio Grande Blvd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-144  
June 1, 2004

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

**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  Closure of a pit or below-grade tank

Operator: AmeriState Exploration Telephone: (512) 623-5500 e-mail address: \_\_\_\_\_  
 Address: 401 Congress Ave, Ste 2700, Austin TX 78701  
 Facility or well name: East Millern Unit # 231 NE#: 30-015-34859 U/L or Quarter: C Sec: 14 T: 19S R: 28E  
 County: Eddy Latitude: N32° 40' 02.7" Longitude: W104° 08' 50.7" NAD: 1927  1983   
 Surface Owner: Federal  State  Private  Indian

<b>ER</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: <u>12 mil</u> Clay <input type="checkbox"/> FR Volume: _____ bbl		<b>Below-grade tank</b> Volume: _____ bbl Type of tank: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
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 <u>100 feet or more</u> <u>150'</u>	(20 points) (10 points) ( 0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes <u>No</u>	(20 points) ( 0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet <u>1000 feet or more</u>	(20 points) (10 points) ( 0 points)	0
<b>Ranking Score (Total Points)</b>		<b>0</b>	

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 you are burying in place) onsite  offsite  If offsite, name of facility: N/A. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No  Yes  If yes, show depth below ground surface: N/A ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and orientations.

Additional Comments: Refer to Attached Pit Closure Plans

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: 5/24/07  
 Printed Name/Title: Dusty L. Wilson/Field 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 challenge 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: Mike Pearson Date: 6/5/07

Notify OCD 24 hours prior to beginning pit closure. — Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling

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P.O. Box 310  
Hobbs, NM 88241-0310

Off 505.392.8584  
Cell 505.631.2442  
Fax 505.392.3085

# **New Mexico Environmental Services**

**Hobbs, New Mexico**

*Reserve Pit Remediation*

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## **SURFACE PIT CLOSURE PLAN**

### **PIT PARAMETERS**

COMPANY: Ameristate Exploration

WELL SITE: East Millman Unit #231

LEGAL DESCRIPTION: Unit C Sec 14 T19s R28e, 200

FNL 2514 FWL, Eddy co.

The reserve pit inset on this leasehold is being permitted to close as per New Mexico OCD "Pit and Below Grade Tank Guidelines" dated November 1, 2004.

This pit was excavated and formed to the dimensions roughly 120' X 120' X 6' deep. A 12 mil membrane liner and pad was used to prevent leakage to the surface soils. A visual examination of the membrane liner indicates that the liner had maintained its integrity.

After the drilling and completion phase of this project, the water phase of the pit contents were pumped and hauled to an approved water injection facility. It is estimated that the volume of solids remaining are to +/- 1400 yards. The burial cell is to be excavated and lined with a minimum 12 mil membrane that complies with ASTM Standards: D-5747, D-5199, D-5994, and D-4833. The cuttings will be loaded as to allow for > 36" freeboard to ground level. After the cuttings are loaded the 12 mil liner will be folded over the top, and a 20 mil minimum thickness liner meeting the minimum requirements as outlined in ASTM Standard Methods: D-5747, D-5199, D-5994, D-4833; will be used to cap and cover to an extended area that exceeds three feet in all directions from the

edge of the burial cell. This cap will be constructed as to slope and allow for water runoff from burial cell.

A minimum of 36" of top soil will be used to cover the burial cell. This soil must be capable of supporting plant growth. A seed mixture will be used as to conform to local BLM and OCD requirements.

After the drilling solids are buried, the natural contour of the surrounding soils will be mechanically shaped as to prevent erosion of the well site until vegetation is established.

AMERISTATE EXPLORATION L.L.C.  
EAST MILLMAN UNIT #231  
API#30-015-34859  
V-DOOR SOUTH

1/12/12  
1/12/12

