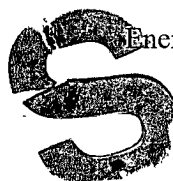


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
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 office

Pit or Below-Grade Tank Registration or Closure

OCT 01 2007

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 ☒

OCD-ARTESIA

Operator: **Parallel Petroleum Corporation** Telephone: **432-684-3905** e-mail address: **ddurham@plll.com**
Address: **1004 N. Big Spring Street, Suite 400, Midland, Texas 79701**
Facility or well name: **War Cloud State Com 1425-36 State Com #1Y** API #: **30-005-63944** U/L or Qtr/Qtr **H** Sec **36** T **14S** R **25E**
County: **Chaves** Latitude **33° 03' 41.03" N** Longitude **104° 23' 16.64" W** NAD: 1927 X 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank	
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 12 mil Clay <input type="checkbox"/> Pit Volume 25,000 bbl	Volume: _____ bbl Type of fluid: _____ 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.) 120'	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points) 0
	100 feet or more	(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	(20 points)
	No	(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	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(0 points) 0
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 you are burying in place) onsite ☒ offsite ☐ 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 ☐ 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:

The fluids in the reserve pit will be allowed to dry or taken to disposal or used at another Parallel Petroleum Corp. drilling well in the area. The drill cuttings and plastic will be placed in a plastic lined burial trench located next to the reserve pit. The trench will then be covered with plastic and backfilled with a minimum of 3' of soil. The reserve pit area will then be backfilled and re-contoured and seeded to BLM specifications.

20 mil

See Attached Stipulations

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the _____ 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: 9-27-2007

Printed Name/Title **Gary Miller, 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:

Gerry Guye
Compliance Officer

Signature _____

Date: _____

OCT 9 2007

Stipulations for closing
Of Pit

Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back filling. Notify NMOCD 24 hours prior to obtaining samples.

If burial trench is to be constructed in the pit area, samples are to be obtained from that area and analyses submitted to NMOCD prior to lining the pit, but after contaminated soils have been excavated from trench area.

Notify NMOCD 24 hours prior to beginning closure.

DATA INDICATES THIS AREA TO BE WATER SENSITIVE. As a condition of approval, if during pit construction, water is encountered or if water seeps into pits after construction the **OCD MUST BE CONTACTED IMMEDIATELY**

If pit is situated in an agricultural area pit contents must be hauled to an NMOCD approved disposal area.

Pits must be closed within 6 months of the date production casing is set.