Robin Terrell
Mewbourne Oil Company
PO Box 5270
Hobbs, New Mexico 88241

October 19, 2007

Mike Bratcher
NMOCD District 2 Office
1301 W. Grand
Artesia, New Mexico 88210

RE: Quahadah Ridge 5 Federal 001 - Final Pit Closure

Quahadah Ridge 5 Federal 001	Depth to Ground Water: 175'
API: 30-015-34291	Planned Analytical Testing: Chlorides
Sec 5-T21S-R29E	Site Ranking Score:
990' FSL & 1650' FEL	Primary Land Use: Ranching and Oil & Gas Production

Pursuant to Pit Rule 50 of the New Mexico Oil Conservation District of the State of New Mexico regulatory requirement for pit closure, please accept the following documentation for final closure of the drilling pit for the aforementioned location.

An Insitu burial trench was excavated and lined with 12mil liner. All drill cuttings were stiffened and transferred to the lined Insitu trench. Upon transferring all pit contents to the lined burial trench, field tests were performed on the soil within in the confines of the original drill pit. The field results of chloride delineation of the impacted material are as follows (a diagram has also been attached):

Q1	9' -100mg/kg	Q2	9' -100mg/kg	Q3	9' -100mg/kg
Q4	9' 850mg/kg 12' 470mg/kg 15' -100mg/kg	Q5	9' 2200mg/kg 12' 1000mg/kg 15' 760mg/kg 17' 480mg/kg 20' -100mg/kg		

After field tests were performed, Mike Bratcher of the New Mexico Oil Conservation Division (NMOCD) was contacted. Approval for closure was granted with the following stipulation:

> No additional material will need to be removed but a 20mil cap will need to be placed over Section Q5.

Pursuant to NMOCD Pit Rule 50, a 20mil liner was placed on top of the Insitu trench to seal in the impacted soils and the stiffened drill cuttings. A 20mil cap was also placed over Section Q5. The pit area was backfilled with clean native material, contoured to the surrounding terrain and reseeded with an approved seed mixture.

Soil samples were collected, prepared and packaged per EPA guidelines and forwarded to Trace Analysis in Lubbock, Texas for official analytical testing. Please find the official analytical results attached hereto.

Please review the attached documentation and contact me at 505-393-5905 with any questions or concerns.

Sincerely,

Robin Terrell
Production Engineer
/sjt

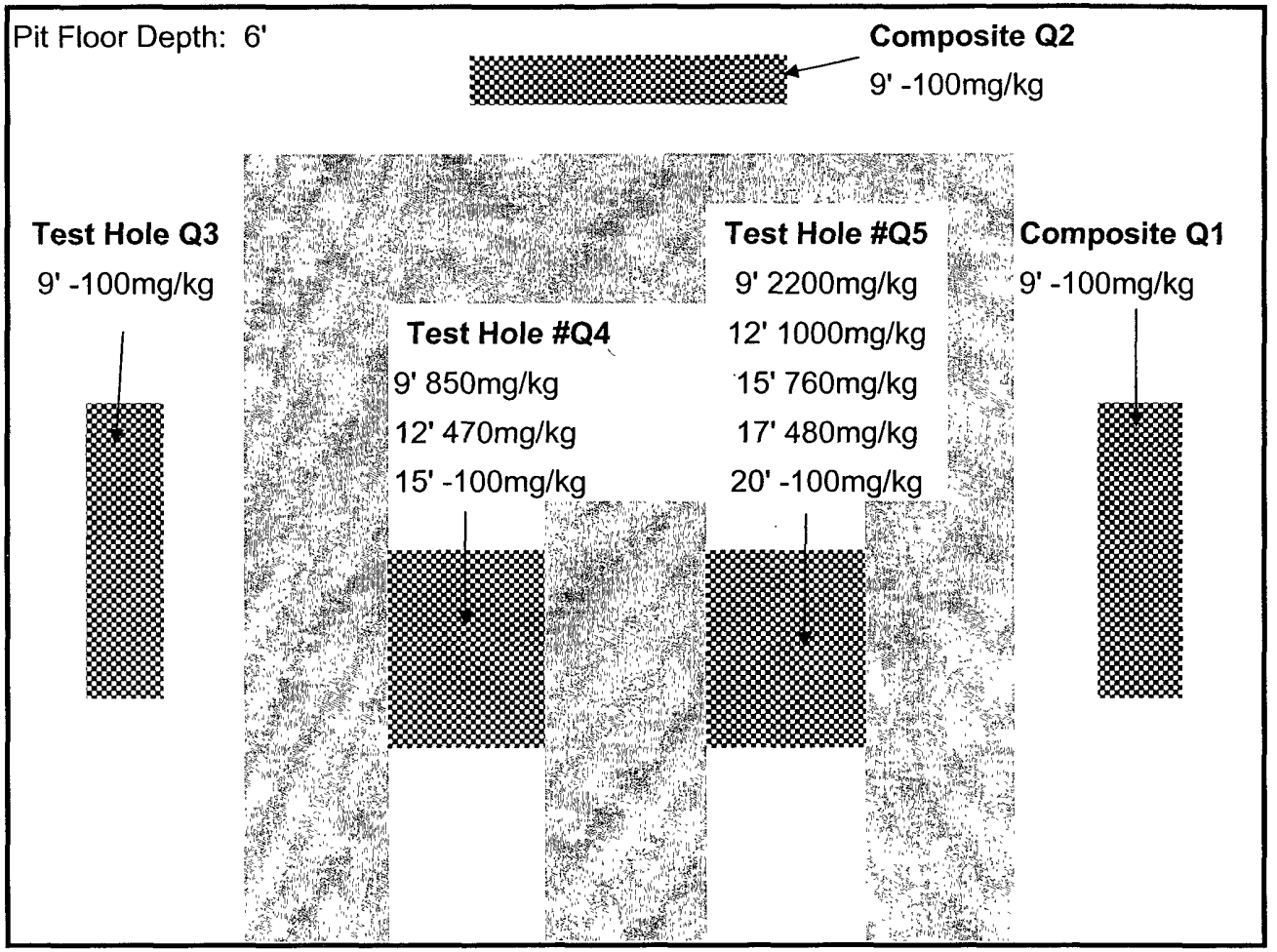
Accepted for record
NMOCD

OCD Copy

JAN 10 2008

Quahadah Ridge 5 Federal 001
Field Results
Floor 10/19/07

Lined Burial Trench



Valley Energy Services, Inc.

PO Box 207
Loving, NM 88256

Invoice

Date	Invoice #
10/19/2007	644

Bill To

Mewbourne Oil Company
Robin Terrell
PO Box 5270
Hobbs, NM 88241

Terms	Rep
Due on receipt	SJT

Location
Quahada Ridge 5 Federal ...

Quantity	Item Code	Description	Price Each	Amount
4	Enviro Sampling	pulled infield analysis for delineation; contacted Mike Bratcher of the NMOCD - approval for closure was granted - no stipulations	65.00	260.00T
0.5	Enviro Reports		65.00	32.50T
0.5	Enviro misc	prepared, packaged and sent samples to Trace Analysis for official analyticals	65.00	32.50T
35	Mileage Charge		0.50	17.50T
		New Mexico Sales Tax	6.3125%	21.62

Total $364.12

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
8808 Camp Bowie Blvd West, Suite 180 Ft Worth, Texas 76116 817•201•5260 FAX 817•560•4336
E-Mail lab@traceanalysis.com

Analytical and Quality Control Report

Robin Terrell
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM, 88220

Report Date: November 14, 2007

Work Order: 7110830

Project Location: Sec 5-T21S-R29E, Eddy County NM
Project Name: Quahada Ridge 5 Fed #1
Project Number: API 30-015-34291

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
142265	Q1 9'	soil	2007-10-19	09:00	2007-11-08
142266	Q2 9'	soil	2007-10-19	09:30	2007-11-08
142267	Q3 9'	soil	2007-10-19	10:00	2007-11-08
142268	Q4 15'	soil	2007-10-19	10:30	2007-11-08
142269	Q5 20'	soil	2007-10-19	08:30	2007-11-08

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank.

Case Narrative

Samples for project Quahada Ridge 5 Fed #1 were received by TraceAnalysis, Inc on 2007-11-08 and assigned to work order 7110830. Samples for work order 7110830 were received intact at a temperature of 22 0 deg.C.

Samples were analyzed for the following tests using their respective methods.

Test	Method
Chloride (Titration)	SM 4500-Cl B

Results for these samples are reported on a wet weight basis unless data package indicates otherwise

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 7110830 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Analytical Report

Sample: 142265 - Q1 9'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43040	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37138	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<50.0	mg/Kg	10	5.00

Sample: 142266 - Q2 9'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43040	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37138	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<50.0	mg/Kg	10	5.00

Sample: 142267 - Q3 9'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43040	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37138	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<50.0	mg/Kg	10	5.00

Sample: 142268 - Q4 15'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43040	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37138	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<50.0	mg/Kg	10	5.00

Sample: 142269 - Q5 20'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43040	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37138	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<50.0	mg/Kg	10	5.00

Method Blank (1) QC Batch: 43040

QC Batch: 43040 Date Analyzed: 2007-11-10 Analyzed By: MM
Prep Batch: 37138 QC Preparation: 2007-11-09 Prepared By: MM

Parameter	Flag	MDL Result	Units	RL
Chloride		<3.25	mg/Kg	5

Laboratory Control Spike (LCS-1)

QC Batch: 43040 Date Analyzed: 2007-11-10 Analyzed By: MM
Prep Batch: 37138 QC Preparation: 2007-11-09 Prepared By: MM

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	98.0	mg/Kg	1	100	<3.25	98	96.1 - 103

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec Limit	RPD	RPD Limit
Chloride	99.6	mg/Kg	1	100	<3.25	100	96.1 - 103	2	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample 142270

QC Batch: 43040 Date Analyzed: 2007-11-10 Analyzed By: MM
Prep Batch: 37138 QC Preparation: 2007-11-09 Prepared By: MM

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	648	mg/Kg	10	500	209.15	88	80 - 120

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec	Rec. Limit	RPD	RPD Limit
Chloride	637	mg/Kg	10	500	209.15	86	80 - 120	2	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 43040 Date Analyzed: 2007-11-10 Analyzed By: MM

Param	Flag	Units	ICVs True Conc	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-11-10

Standard (CCV-1)

QC Batch 43040 Date Analyzed: 2007-11-10 Analyzed By: MM

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-11-10

LAB Order ID # 7110830 Page 1 of 1

TraceAnalysis, Inc.

email. lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794 1298, 1 (800) 378 1296

5002 Basin Street, Suite A1, Midland, Texas 79703, Tel (432) 689-6301, Fax (432) 689-6313

200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585 4944, 1 (888) 588-3443

8808 Camp Bowie Blvd West, Suite 180, Ft. Worth, Texas 76116, Tel (817) 201-5260, Fax (817) 560-4336

Company Name: Mewbourne Oil Co.

Phone #:

Address: (Street, City, Zip) PO Box 5270 Hobbs, NM 88240

Fax #:

Contact Person: Robin Terrell

E-mail: Robin & Sherry

Invoice to: (If different from above)

Project #: API 30 015-34291

Project Name: Quahada Ridge 5 Fed #1

Project Location (including state): Sec 5 - T21S - R29E Eddy County NM

Sampler Signature: Sherry J Tucker

ANALYSIS REQUEST
(Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO3	H2SO4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
142265	Q1 9'	1			X							X		11/6/07	0900
266	Q2 9'	1			X							X		"	0930
267	Q3 9'	1			X							X		"	1000
268	Q4 15'	1			X							X		"	1030
269	Q5 20'	1			X							X		11/6/07	0830

LAB #	MTBE 8021B / 602 / 8260B / 624	BTEX 8021B / 602 / 8260B / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270C / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260B / 624	GC/MS Semi. Vol. 8270C / 625	PCB's 8082 / 608	Pesticides 8081A / 608	BOD, TSS, pH	Moisture Content	Chloride						Turn Around Time if different from standard	Hold
142265																		X						RUSH	
266																	X	X							
267																		X							
268																		X							
269																		X							

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
Sherry Tucker	JEB	11.07.07	1730		UPS	11-07-07	1730	
				[signature]		110807	1130	22

LAB USE ONLY

Intact (Y) / N

Headspace Y / N / (NA)

Log-in-Review

REMARKS:

- [ ] Dry Weight Basis Required
- [ ] TRRP Report Required
- [ ] Check If Special Reporting Limits Are Needed

Carrier # Bus GLI 304356547 20

LAB Order ID # 7110830 Page 1 of 1

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794-1298, 1 (800) 378-1296
5002 Basin Street, Suite A1, Midland, Texas 79703, Tel (432) 689-6301, Fax (432) 689-6313
200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585-4944, 1 (888) 588-3443
8808 Camp Bowie Blvd West, Suite 180, Ft. Worth, Texas 76116, Tel (817) 201-5260, Fax (817) 560-4336

Company Name: Mewbourne Oil Co. | Phone #:

Address: (Street, City, Zip) PO Box 5270 Hobbs, NM 88240 | Fax #:

Contact Person: Robin Terrell | E-mail: Robin : Sheely

Invoice to: (If different from above)

Project #: API 30-015-34291 | Project Name: Quahada Ridge 5 Fed #1

Project Location (including state): Sec 5 - T21S - R29E Eddy County NM | Sampler Signature: Sherry J. Tucker

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
142265	Q1 9'	1			X							X		10/19/07	0900
266	Q2 9'	1			X							X			0930
267	Q3 9'	1			X							X			1000
268	Q4 15'	1			X							X			1030
269	Q5 20'	1			X							X		10/19/07	0830

Analysis columns: MTBE 8021B / 602 / 8260B / 624; BTEX 8021B / 602 / 8260B / 624; TPH 418.1 / TX1005 / TX1005 Ext(C35); TPH 8015 GRO / DRO / TVHC; PAH 8270C / 625; Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7; TCLP Metals Ag As Ba Cd Cr Pb Se Hg; TCLP Volatiles; TCLP Semi Volatiles; TCLP Pesticides; RCI; GC/MS Vol. 8260B / 624; GC/MS Semi. Vol. 8270C / 625; PCB's 8082 / 608; Pesticides 8081A / 608; BOD, TSS, pH; Moisture Content; Chlorides

Turn Around Time if different from standard: RUSH

Hold

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°C:
Sherry Tucker	MEC	11-07-07	1730		UPS	11-07-07	1730	
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°C:
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°C:
						11/08/07	1130	22

LAB USE ONLY: Intact (Y / N); Headspace Y / N / NA; Log-in-Review

REMARKS: 11/14 EP

- ☐ Dry Weight Basis Required
- ☐ TRRP Report Required
- ☐ Check If Special Reporting Limits Are Needed

Carrier # BUS GLI 3043565470

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C O C

ORIGINAL COPY

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

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: Mewbourne Oil Co. Telephone: (505) 393-5905 e-mail address:
Address: P.O. Box 5270, Hobbs NM 88241
Facility or well name: Quahada Ridge 5 Fed #1 API #: 30-015-34291 U/L or Qtr/Qtr: O Sec 5 T 21S R 29E
County: Eddy Latitude N32° 30' 14.2" Longitude W104° 00' 12.4" NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume ____ bbl	Below-grade tank Volume: ____ bbl Type of Fluid: Construction material: Double-walled, with leak detection? Yes ☐ 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 100 feet or more (150')	(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 No	(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 1000 feet or more	(20 points) (10 points) (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 your 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 excavations.

Additional Comments: Refer to Attached Pit Closure Plan.

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 Vicky 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 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.

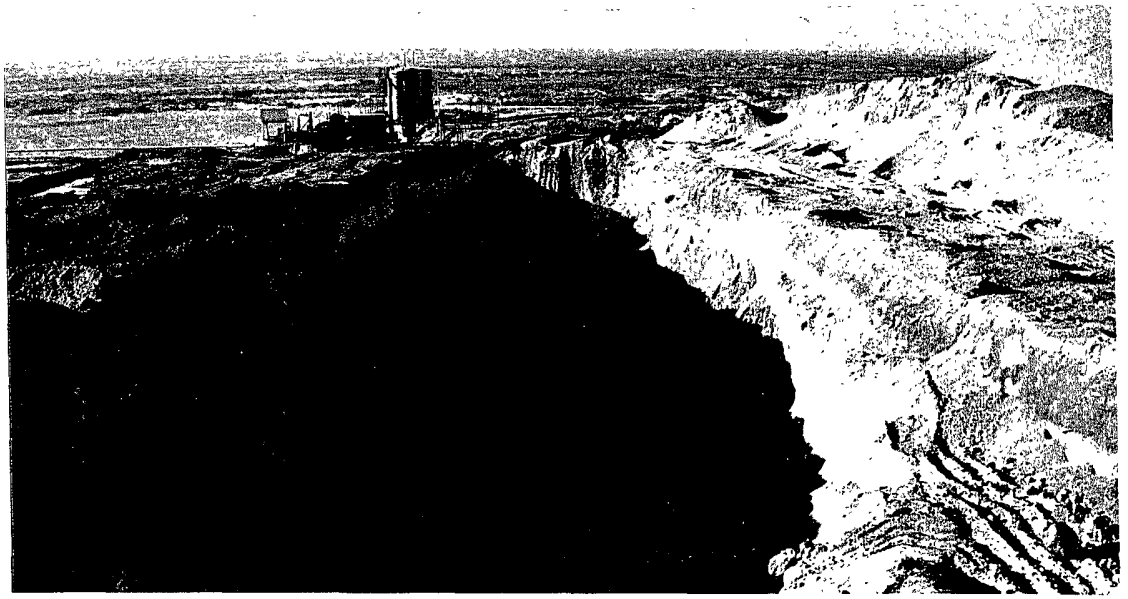
Approval:
Printed Name/Title _____ Signature Mike Bratcher Date: 9/5/07

Notify OCD 24 hours prior to beginning pit closure.

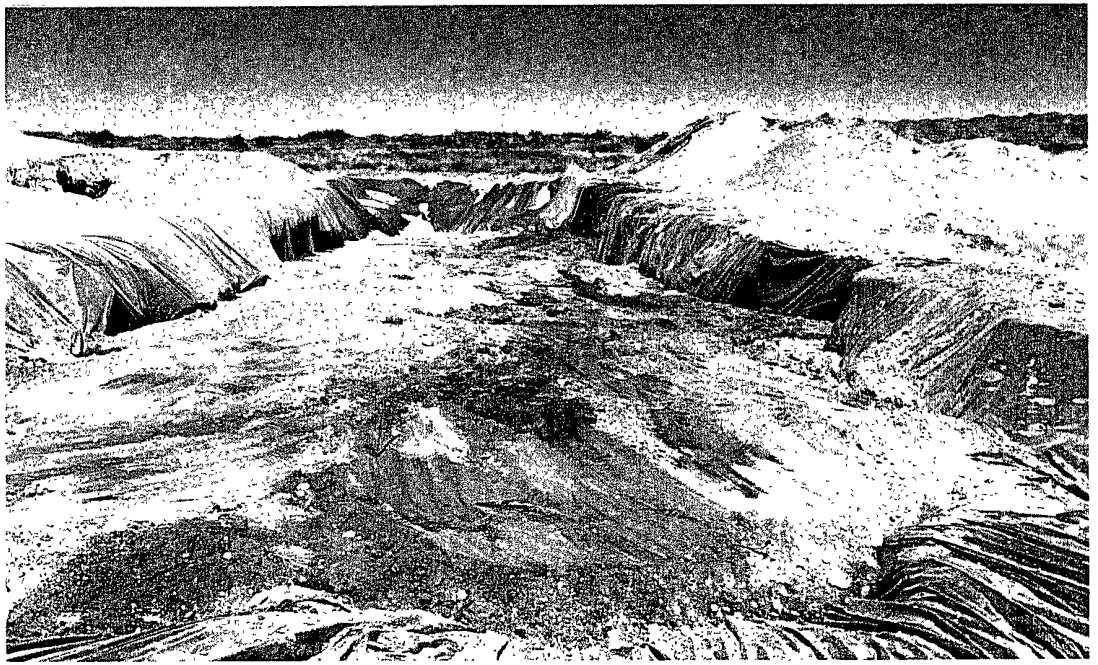
Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling

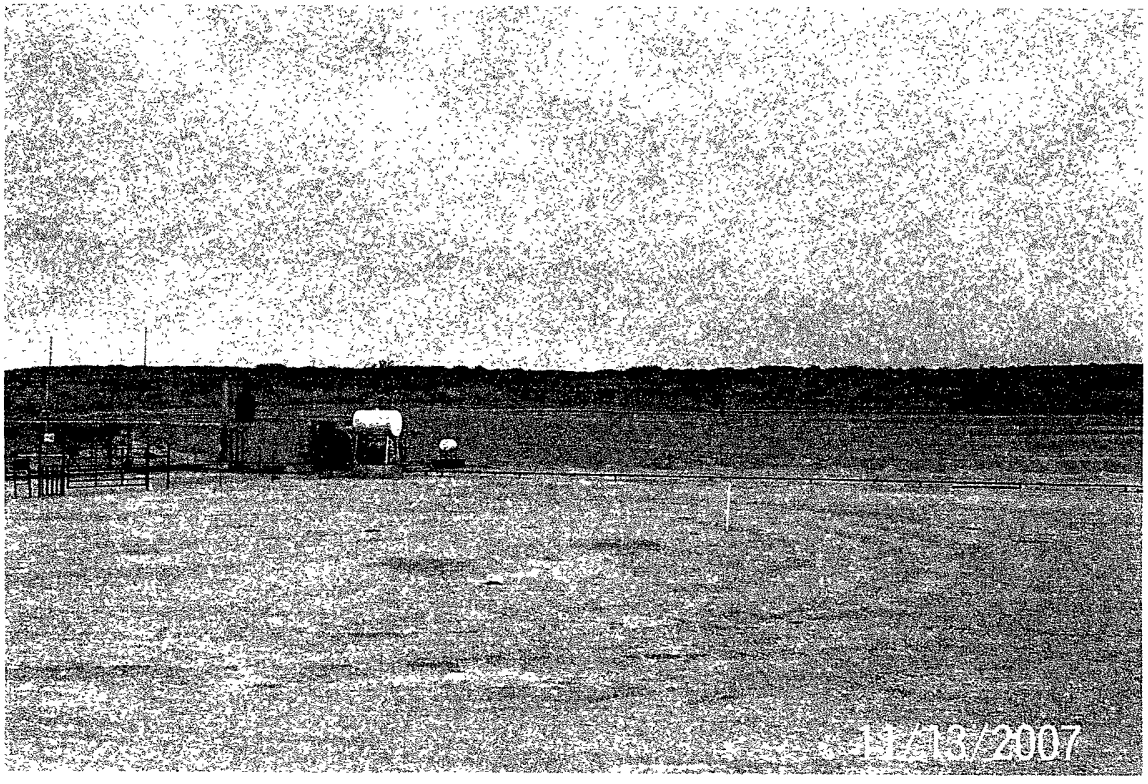
(6)


NEWBOURNE OIL COMPANY
QUAHADA RIDGE "5" FEDERAL #1
990' FSL & 1650' FEL
SEC. 5, T21S, R29E
EDDY COUNTY, NEW MEXICO
LEASE #NM-029588
10/05/2007




10/15/2007

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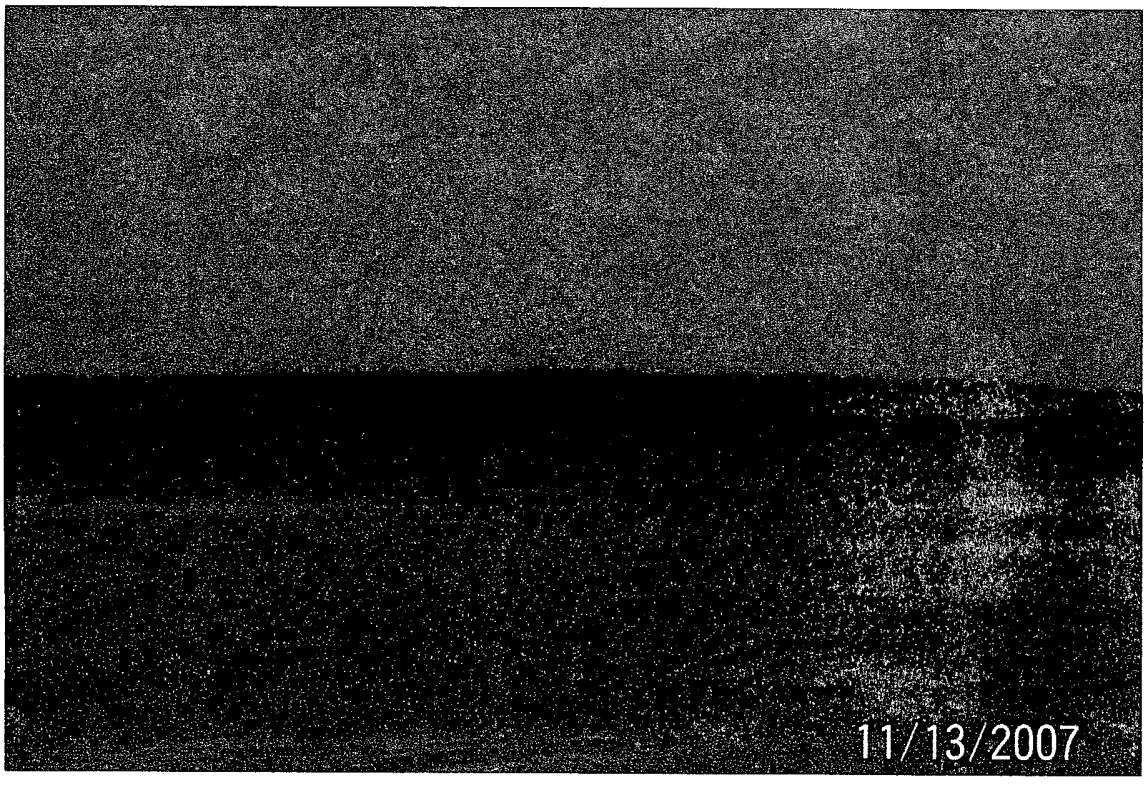
11/13/2007