

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 X No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank X

FEB 20 2008

Operator: SDX Resources, Inc. Telephone: 432/685-1761

e-mail address: cmorgan@sdxresources.com

OCD-ARTESIA

Address: PO Box 5061, Midland, TX 79704

Facility or well name: Pure Federal #2 API #: 30-015-35584 U/L or Qtr/Qtr G Sec 21 T 17S R 28E

County: Eddy 1650' FNL 2310' FEL Longitude NAD: 1927 ☐ 1983 ☐ 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 8000 bbl

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	10
	50 feet or more, but less than 100 feet	(10 points)	
	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)	0
	No	(0 points)	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	0
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	(0 points)	
Ranking Score (Total Points)			10

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 X 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 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: Mixed pit contents with earthen material. Dug & lined an encapsulation pit (within the existing reserve area) with a 12 mil synthetic liner.

Placed mixed contents in encapsulation pit. Capped with 20 mil synthetic liner & covered entire area with 3' clean top soil. Pit closed 1/08.

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 X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 2/18/08

Printed Name/Title: Bonnie Atwater, Regulatory Tech

Signature

Bonnie Atwater

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:

Accepted for record
NMOCD

FEB 22 2008

Printed Name/Title

Signature

Date:



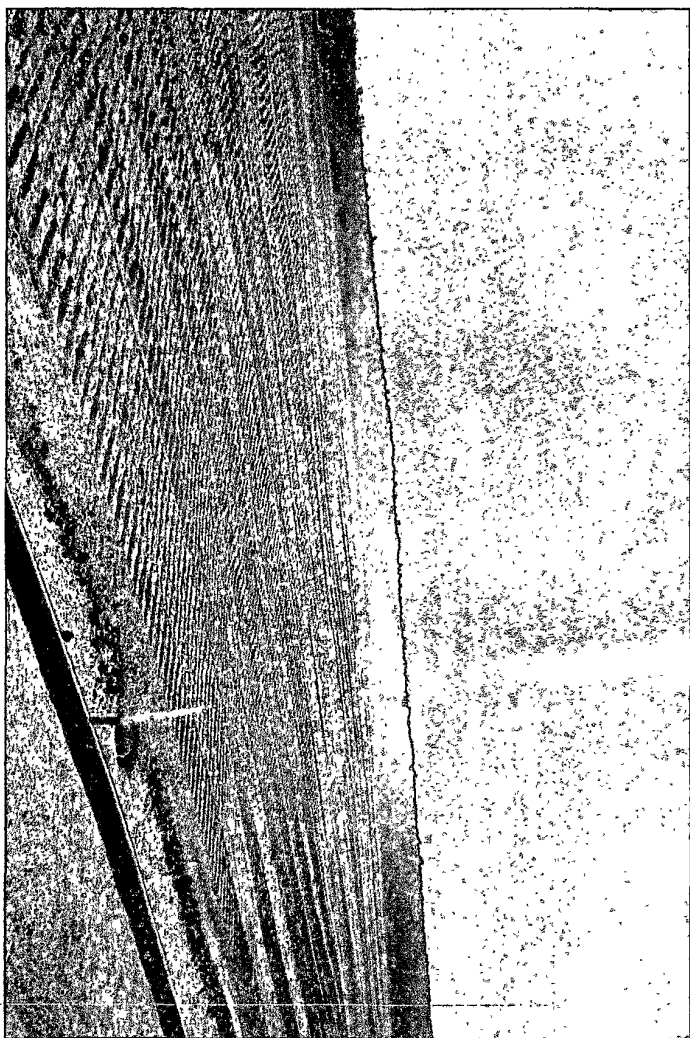
SDX RESOURCES, INC.
PURE FEDERAL #2
1650 FNL-2310 FEL
SEC. 21-T17S-R28E UNIT(G)
API 30-015-35584
EDDY CO. NMNM-048344

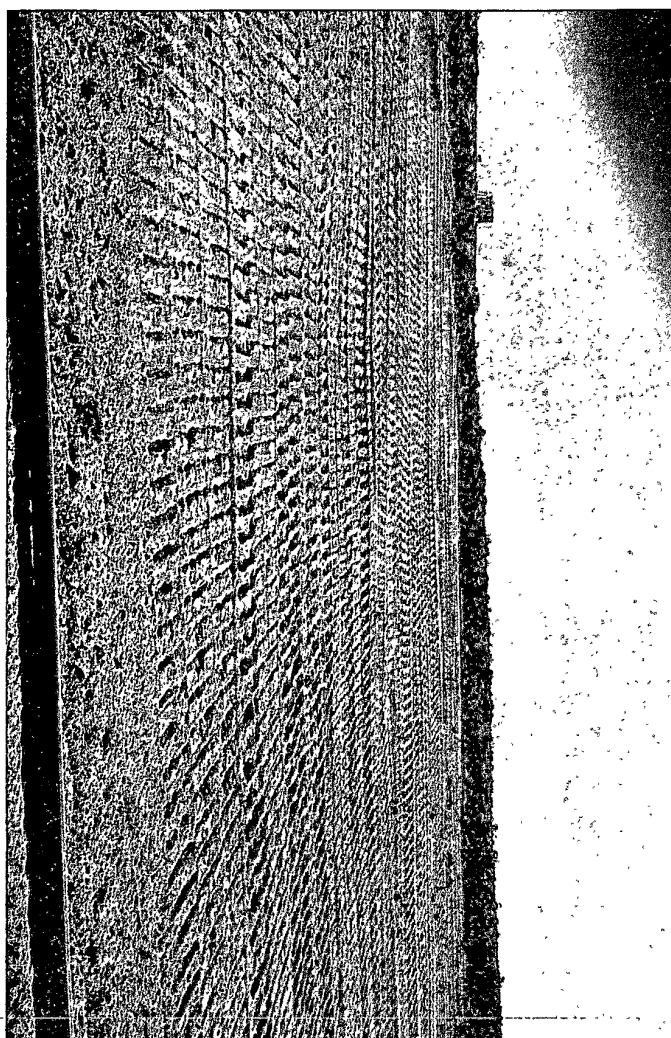














PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR
MORGAN TOOLS
ATTN: STEPHEN WILSON
1908 SOUTH 1ST
ARTESIA, NM 88210
FAX TO: (575) 748-8761**

Receiving Date: 01/25/08
Reporting Date: 01/28/08
Project Owner: SDX RESOURCES (30-015-35584)
Project Name: PURE FEDERAL #2
Project Location: SEC 21-T17S-R28E

Analysis Date: 01/25/08
Sampling Date: 01/25/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: KS

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H14156-1	#1 BACKGROUND	144
H14156-2	#2 NORTH	160
H14156-3	#3 SOUTH	144
H14156-4	#4 EAST	160
H14156-5	#5 WEST	160
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w/v aqueous extracts.

approx to Gen
 up pit
 01-28-08
 OGD
 Mike Bratcher

Kristen Sipe
Chemist

01/28/08
Date

H14156 MORGAN

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.