

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

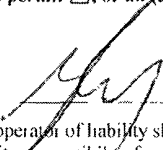
Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

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

Operator: Chevron USA Inc (COG Operating, LLC-Agent) Telephone: (432) 685-4340 e-mail address: PLdwards@conchoresources.com	
Address: 550 West Texas Ave., Suite 1300, Midland, Texas 79701	
Facility or well name: Skelly Unit #971	API #: 30-015-36061 U/L or Qtr/Qtr: C Sec: 22 T-17-S R-31-E
County: Eddy	Latitude: 32.826331 Longitude: 103.860027 NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>
Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>	
Pit 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: 5,000 bbl	Below-grade tank 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): 110'	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:
Closed by trench burial, procedure attached, on 4-2-2008, on approval by Mike Bratcher
Lab and field sample results are attached
All material above 250 mg/Kg chlorides as removed from pit and placed in the lined burial trench was constructed W of the pit.

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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OGD-approved plan <input type="checkbox"/> .		
Date: 4-16-08		
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:		
Printed Name/Title: _____	Signature: _____	Date: _____

Highlander Environmental Corp.

Pit Closure Sampling Report

Job Number:

3457

Date:

3-31-09

Client:

COG

Well Name

Skelly unit # 971

Eddy Co. NM

API#

30-015-35947

Depth of Pit

8'

Depth to

Groundwater

Orientation of pit (N) S E W

All pit sample depths are below pit bottom (BPB)

Sample Location	Depth (BPB)	Field Chloride Results (mg/Kg)	Lab Chloride Results (mg/Kg)
NE	2'	200	<100
NW	2'	100	<100
SE	2'	100	<100
SW	2'	650	
	5'	200	<100
Center	2'	250	<100

DNR- Did not run at lab.

BGS- Below Ground Surface

BPB- Below Pit Bottom

All material above 850 mg/kg removed from Res. Pit & Placed in Burial Trench. Located East of Res. Pit

Summary Report

Garv Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX. 79705

Report Date: April 16, 2008

Work Order: 8041511



Project Name: Skelly Unit #971
Project Number: 3457

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
156825	NE-2	soil	2008-03-31	00:00	2008-04-15
156826	NW-2	soil	2008-03-31	00:00	2008-04-15
156827	SE-2	soil	2008-03-31	00:00	2008-04-15
156828	SW-5	soil	2008-03-31	00:00	2008-04-15
156829	Center-2	soil	2008-03-31	00:00	2008-04-15

Sample: 156825 - NE-2

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 156826 - NW-2

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 156827 - SE-2

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 156828 - SW-5

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 156829 - Center-2

Report Date: April 16, 2008
3457

Work Order: 8041511
Skelly Unit #971

Page Number: 2 of 2

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

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FEB 26 2008

Form C-144
June 1, 2004

OCD-ARTESIA
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 Chevron USA Inc (COG Operating LLC -Agent) Telephone 432-685-4332 e-mail address kcarrillo@conchoresources.com
Address 550 W. Texas, Suite 1300 Midland, TX 79701
Facility or well name, Skelly Unit #979 API # 30-015-36061 U/I. or Qtr/Qtr C Sec 22 T 17S R 31E
County EDDY Latitude 32.826331° N Longitude 103.860027° W NAD 1927 ☒ 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 <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>5000</u> bbl	Volume <u> </u> bbl Type of fluid <u> </u> Construction material <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) <u>110'</u>	Less than 50 feet	(20 points)
	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)
	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)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(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 (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: COG Operating LLC proposes to close the drilling pit as follows:

1. Remove fluids from pit.
2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud & cuttings.
3. Cover liner w/ 20 mil liner w/ excess of 3' on all sides as per option IV.B 3 (b) of Pit and Below-Grade Tank Guidelines.
4. Cover w/ a minimum of 3' of native soil.
5. Contour pit to prevent erosion & ponding of rainwater.

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 02/22/08
Printed Name/Title Kanicia Carrillo, Regulatory Analyst Signature [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.

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

If burial trench is to be constructed in pit area, samples are to be obtained and analyses submitted to OCD PRIOR to lining trench.

Signature

Signed By [Signature]

Date

FEB 27 2008

Gary Miller

From: Bratcher, Mike, EMNRD [mike.bratcher@state.nm.us]
Sent: Wednesday, April 02, 2008 8:59 AM
To: Gary Miller, Pat Ellis
Subject: RE: COG Field sample results-Polaris B Fed #16 & Skelly Unit #971

Gary,

These two pits are good to close as proposed

Mike Bratcher
NMOCD District II
Office (575)748-1283x108
Cell (575)626-0857

From: Gary Miller [mailto:gmiller@hec-enviro.com]
Sent: Tuesday, April 01, 2008 1:20 PM
To: Bratcher, Mike, EMNRD; Pat Ellis
Subject: COG Field sample results-Polaris B Fed #16 & Skelly Unit #971

Mike the attached are two reserve pit sites mentioned above. All material that is over 250 mg/kg chlorides on the field samples was removed and placed in the lined burial trenches at each site and are ready for closure. If you agree, we will get both sites closed and I will forward the lab data and the final C-144 when completed.

Gary E. Miller
Highlander Environmental Corp.
1910 N. Big Spring
Midland, Texas 79705

432-682-4559 office
432-557-4681 cell
432-682-3946 fax

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4/2/2008