

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 x

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

Operator: Morexco, Inc. (15262) Telephone: 432 684-6381 e-mail address: ann.ritchie@wtor.net

Address: c/o P.O. Box 953, Midland, TX 79702

Facility or well name: Sun State, Well #1 API #: 30 015 24774 U/L or Qtr/Qtr A Sec 7 T18S R28E

County: Eddy Latitude: N Longitude: W NAD: 1927 X 1983

Surface Owner: Federal State X Private Indian ☐

APR 21 2008

OCD-ARTESIA

Pit

Type: Drilling Production X Disposal ☐
Workover ☐ Emergency ☐
Lined Unlined ☐
Liner type: Synthetic Thickness mil Clay ☐
Pit Volume: ---

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	(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**

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 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: Propose to haul in topsoil from commercial sources after production pit is completely cleared and material hauled off to commercial facility.
Soil sample of pit attached - sample date 2-12-07.

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: 04/14/08

Printed Name/Title Ann E. Ritchie 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.

Approval: [Signature]
Printed [Signature]

Signed By [Signature]

Date: APR 24 2008

Approved with stipulations. See attachment.

Stipulations for closing pit:

- Notify NMOCD 24 hours prior to commencement of closure activities.
- Notify NMOCD 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to NMOCD.
- Representative samples are to be obtained from pit sidewalls and bottom.
- Laboratory analyses of samples obtained are to be submitted to NMOCD, and, approval granted for closure prior to backfilling pit.
- Clean, native material to be used for backfilling.
- Pit to be closed and closure report submitted to NMOCD not later than May 26, 2008.

Note: ChevronTexaco Eddy County Depth to Ground Water Map indicates groundwater at the Sun State 001 well site may be encountered from 25' – 50' bgs (below ground surface).



Sampling Date: 02/12/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/HM

*Analyses performed on 1:4 w.v aqueous extracts.

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.