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 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \(\square\) No X Type of action: Registration of a pit or below-grade tank \(\subseteq\) Closure of a pit or below-grade tank X Telephone: 970-259-2701 e-mail address: tripp@nikaenergy.com Operator: SG Interests I, Ltd. Address: PO Box 2677, Durango, Colorado 81302 API#: 30-031-21071 U/L or Qtr/Qtr G Sec 10 T 20N R 6W Facility or well name: Federal 20-6-10 #1 NAD: 1927 🔲 1983 🔲 Latitude _Longitude _ County: McKinley Surface Owner: Federal X State Private I Indian Below-grade tank <u>Pit</u> Type: Drilling Production Disposal Volume: bbl Type of fluid: Workover X 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 <u>1000</u> bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No (0 points) X water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) X irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) 20 Points **Ranking Score (Total 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 your are burying in place) onsite X offsite I 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 I If yes, show depth below ground surface (5) Attach soil sample results and a diagram of sample locations and excavations. Additional Comments: Pulled free water from pit. When dry the liner was cut at mud line and pit was backfilled with soil removed from original excavation. Pit location drawing on reverse side.

has been/will be constructed or closed according to NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan .

Date: _04/03/2006

Printed Name/Title William Schwab III Agent for SG Interests Signature

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

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:

COUNTY ON & GAS INSPECTOR SIST. AS

Printed Name/Title

Signature \

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