

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

Form C-144
June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

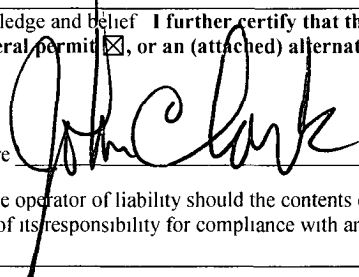
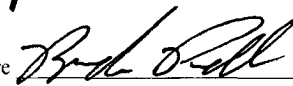
Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

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

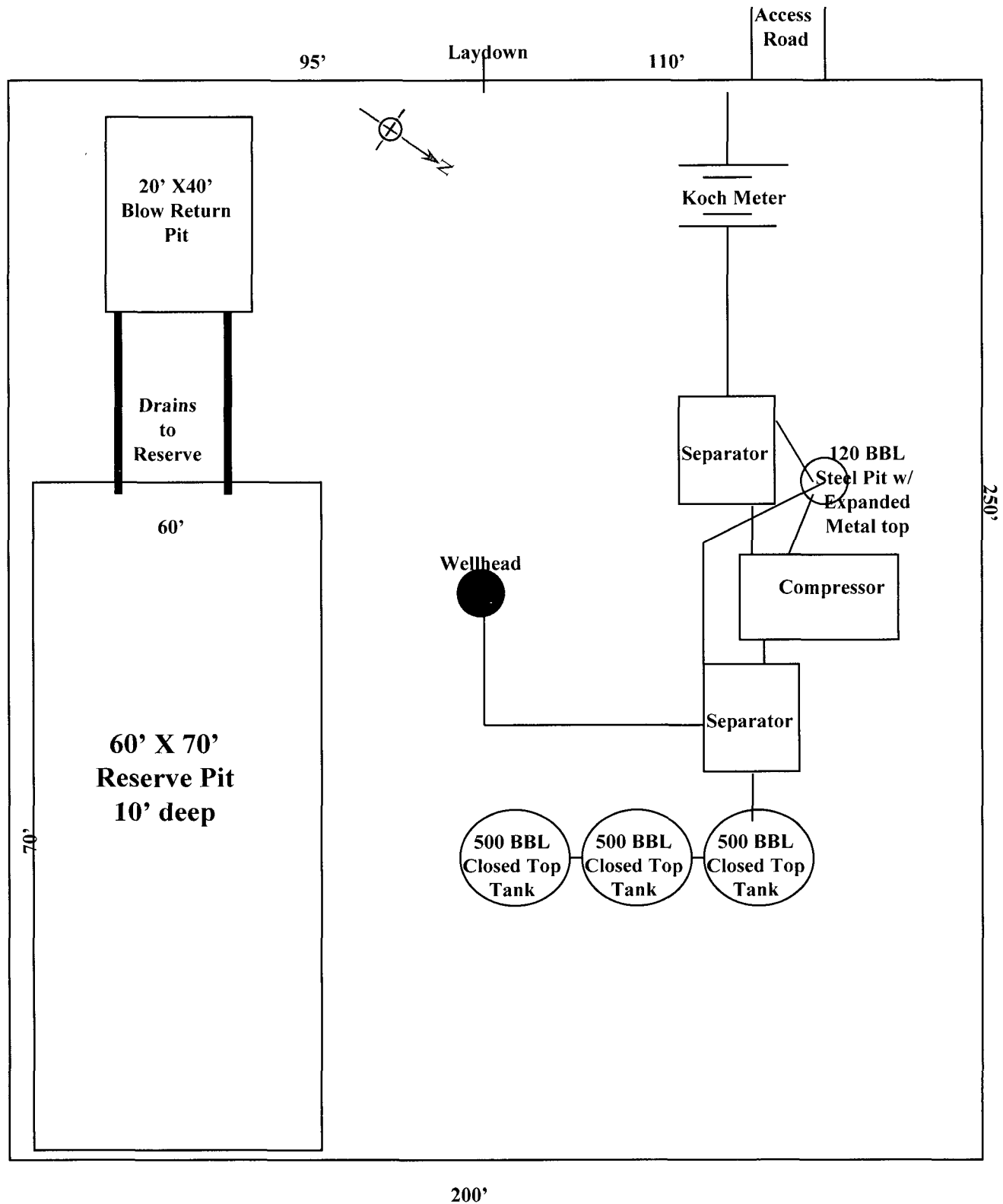
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|---|---|--|
| Operator. <u>Koch Exploration Company, LLC</u> Telephone <u>(505) 334-9111</u> e-mail address. <u>clark23j@kochind.com</u> | | |
| Address <u>PO Box 489 Aztec, NM 87410</u> | | |
| Facility or well name <u>Quinn 338</u> | API #. <u>30-045-27798</u> | U/L or Qtr/Qtr <u>N</u> Sec <u>18</u> T <u>31N</u> R <u>8W</u> |
| County. <u>San Juan</u> | Latitude <u>36 53 64</u> | Longitude <u>107.43.224</u> NAD: 1927 <input 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 type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input checked="" 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> </u> bbl | Below-grade tank 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) | Less than 50 feet | (20 points) |
| | X 50 feet or more, but less than 100 feet | (10 points) 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) |
| | X No | (0 points) 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) |
| | X 200 feet or more, but less than 1000 feet | (10 points) 10 points |
| | 1000 feet or more | (0 points) |
| Ranking Score (Total Points) | | 20 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

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| Additional Comments: CLOSURE |
| RCVD JUL 25 '07 |
| OIL CONS. DIV. |
| DIST. 3 |

| | |
|--|---|
| 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 type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | |
| Date <u>07/24/07</u> | |
| Printed Name/Title <u>John Clark, District Superintendent</u> | Signature <u></u> |
| 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. Deputy Oil & Gas Inspector, District #3 | |
| Printed Name/Title <u> </u> | Signature <u></u> Date <u>AUG 30 2007</u> |

KOCH EXPLORATION COMPANY LLC
Quinn 338
S18, T31N, R8W
975' FSL & 925' FWL - ELEVATION 6054'



QUINN 338

S18 T31N R8W, 975' FSL & 925' FWL

San Juan Co., New Mexico

API No. 30-045-27798 Lease SF 078511

Upon completion of deepening well bore remaining liquids were removed from pit by truck to an approved disposal facility.

Prior to closing the pit, liner was cut off at mud level. The excess liner was hauled to a licensed disposal.

June 26, 2007 the remaining waste in pit was encapsulated. This was accomplished by covering the remaining waste and liner with earthen materials. Surface area where pit was located was contoured according to BLM requirements, and will be seeded with recommended BLM seed mixture.