

Robin Terrell
Mewbourne Oil Company
PO Box 5270
Hobbs, New Mexico 88241

October 5, 2007

Chris Williams
NMOCD District 1 Office
1625 N. French Dr
Hobbs, New Mexico 88240

OLD Log

RE: Red Hawk 32 State 001 - Final Pit Closure

Red Hawk 32 State 001
API: 30-025-37615
Sec 32-T19S-R34E
660' F NL & 660' FEL

Depth to Ground Water: 150'
Planned Analytical Testing: Chlorides
Site Ranking Score: 0 (zero)
Primary Land Use: Ranching and Oil & Gas Production

Pursuant to Pit Rule 50 of the New Mexico Oil Conservation District of the State of New Mexico regulatory requirement for pit closure, please accept the following documentation for final closure of the drilling pit for the aforementioned location.

An Insitu burial trench was excavated and lined with 12mil liner. All drill cuttings were stiffened and transferred to the lined Insitu trench. Upon transferring all pit contents to the lined burial trench, field tests were performed on the soil within in the confines of the original drill pit. The field results of chloride delineation of the impacted material are as follows (a diagram has also been attached):

Q1	11' 140mg/kg	Q2	11' 130mg/kg	Q3	11' 120mg/kg
Q4	11' 1400 mg/kg 14' 240mg/kg	Q5	11' 9000mg/kg 14' 310mg/kg		

After field tests were performed, Chris Williams of the New Mexico Oil Conservation Division (NMOCD) was contacted. Approval for closure was granted with the following stipulations:

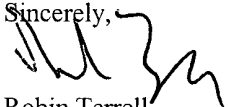
Additional material will need to be excavated from the impacted area. The impacted material in Section "Q4" and "Q5" needs to be excavated to 14' and placed into the lined Insitu trench. A 20mil cap will be placed over the Insitu trench.

Pursuant to NMOCD Pit Rule 50, a 20mil liner was placed on top of the Insitu trench to seal in the impacted soils and the stiffened drill cuttings. The soils in Sections "Q4" and "Q5" were removed per the aforementioned stipulation. The pit area was backfilled with clean native material and contoured to the surrounding terrain.

Soil samples were collected, prepared and packaged per EPA guidelines and forwarded to Trace Analysis in Lubbock, Texas for official analytical testing. Please find the official analytical results attached hereto.

Please review the attached documentation and contact me at 505-393-5905 with any questions or concerns.

Sincerely,

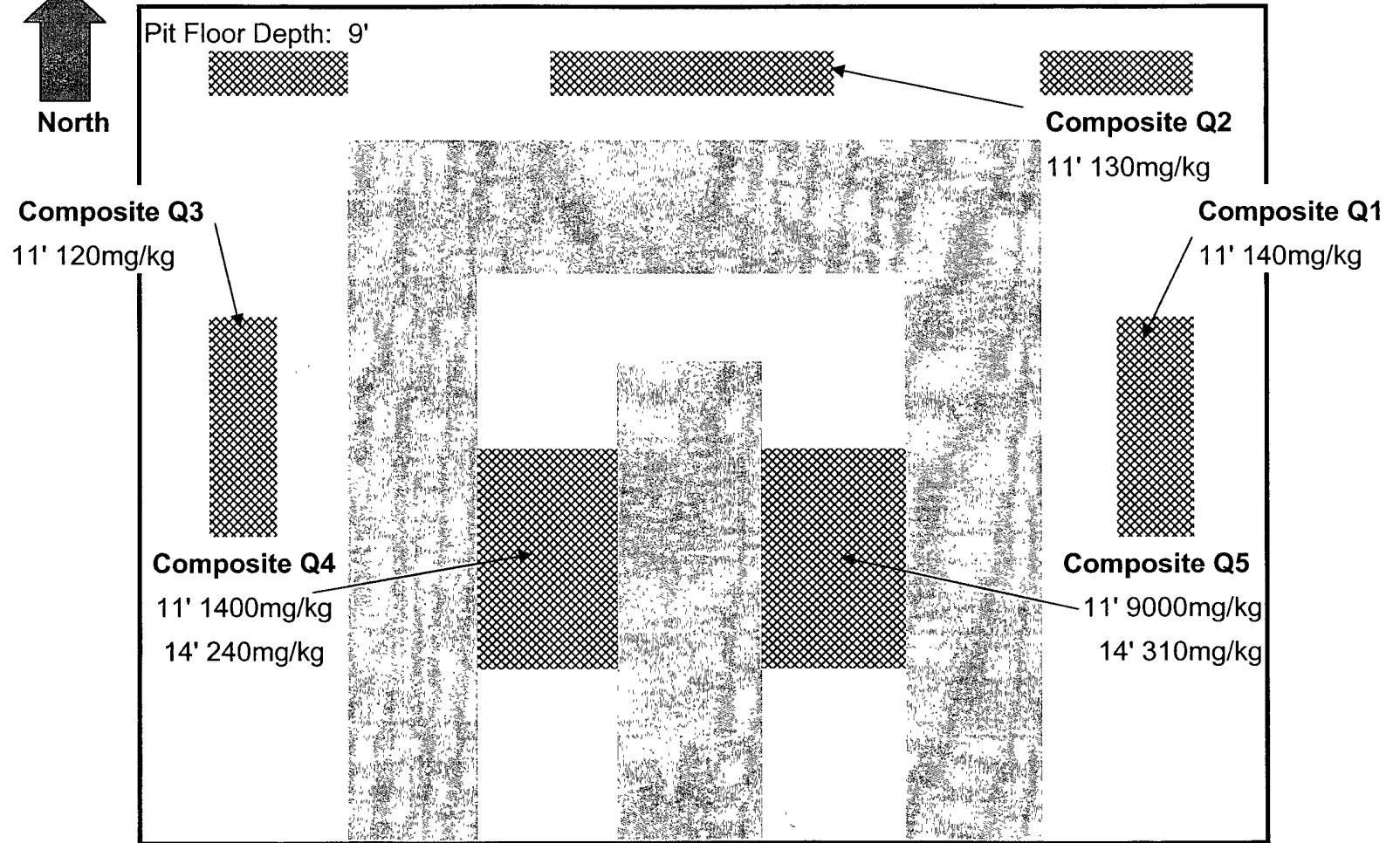
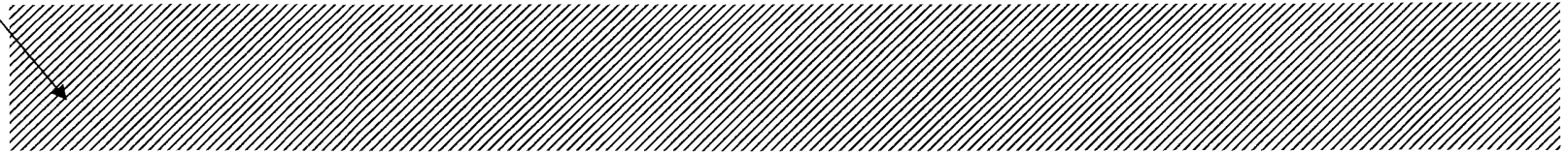

Robin Terrell
Production Engineer

/sjt

OK to close
Chris Williams
12/21/07

Red Hawk 32 State 001
Field Results
10/5/2007

Lined Burial
Trench



*** NOTE: AT 13' EXCAVATED INTO A GOOD CLAY LAYER

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: <u>Muenboune Oil Co.</u> Telephone: <u>(505) 393-5905</u> e-mail address: _____	
Address: <u>Box 5270 Hobbs NM 88241</u>	
Facility or well name: <u>Red Hawk 32 State #1</u> API #: <u>30-025-37615</u> U/L or Qtr/Qtr: <u>A</u> Sec: <u>32</u> T: <u>195</u> R: <u>34E</u>	
County: <u>LCA</u> Latitude: <u>N32°37'19.7"</u> Longitude: <u>W103°34'33.5"</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>	
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" 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: <u>12</u> mil Clay <input type="checkbox"/> Pit Volume: _____ 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.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more <u>150'</u> (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) <u>No</u> (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) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) <u>0</u>	

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 N/A. (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 N/A ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: <u>Refer to Attached pit Closure Plan.</u>

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: 9/14/07

Printed Name/Title: Dusty L. Wilson/Field Supervisor 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:

Printed Name/Title

Signature

ENVIRONMENTAL ENGINEER

Date:

9.17.07

Valley Energy Services, Inc.

PO Box 207
Loving, NM 88256

Invoice

Date	Invoice #
10/5/2007	629

Bill To
Mewbourne Oil Company Robin Terrell PO Box 5270 Hobbs, NM 88241

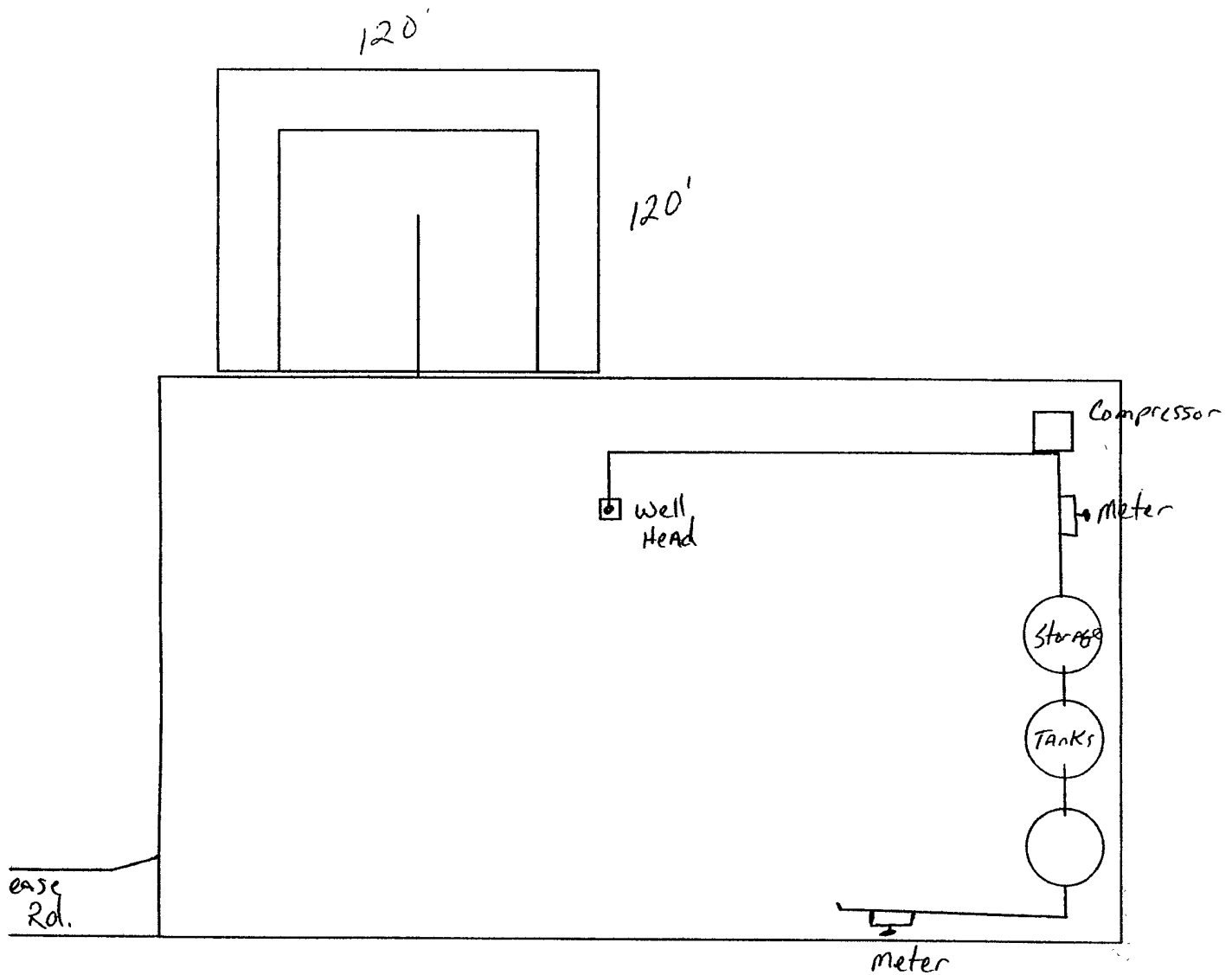
Terms	Rep
Due on receipt	SJT

Location
Red Hawk 32 State 1

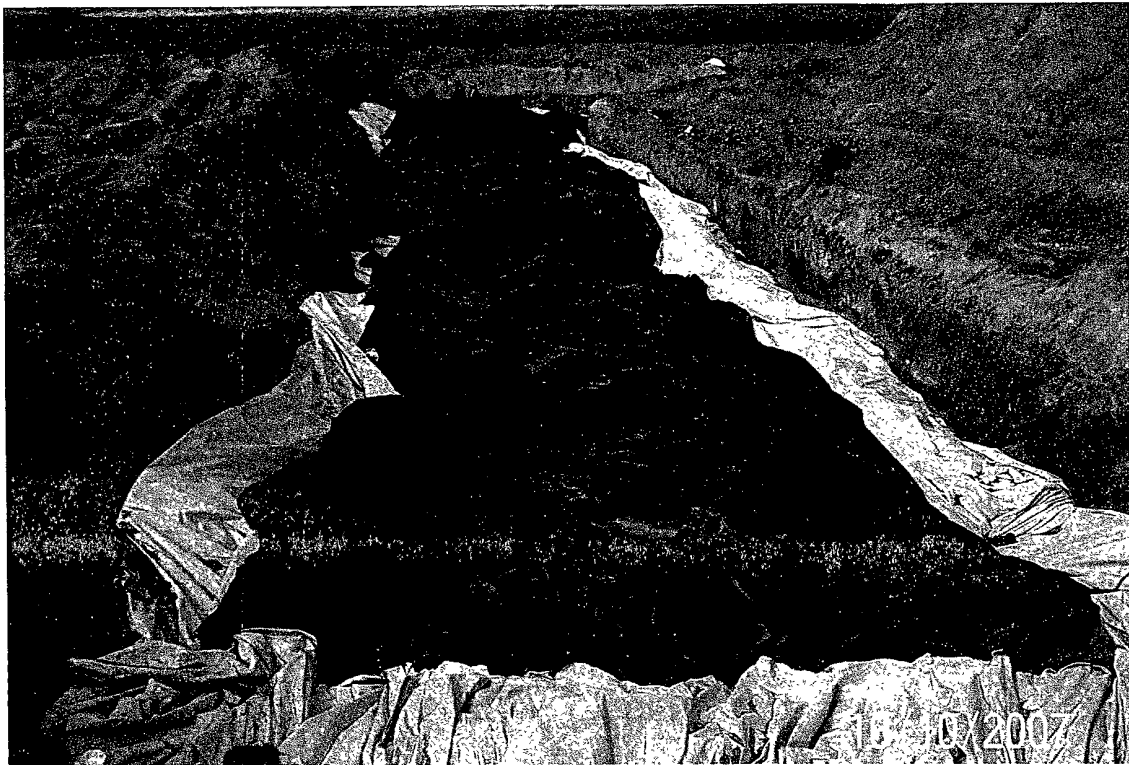
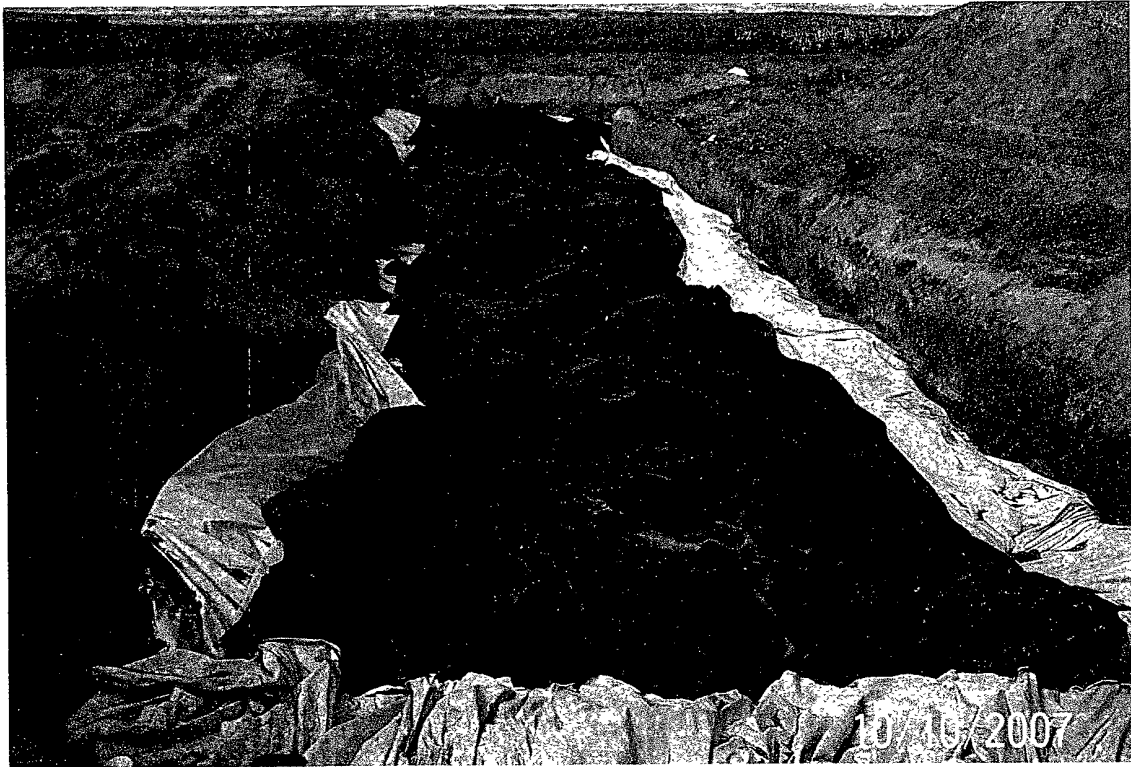
Quantity	Item Code	Description	Price Each	Amount
4	Enviro Sampling	pulled infield samples for delineation, Robin contacted Chris Williams of the NMOCD - Hobbs - approval granted with stipulations	65.00	260.00T
0.5	Enviro Reports		65.00	32.50T
0.5	Enviro misc	prepared, packaged and sent samples to Trace Analysis for official analyticals	65.00	32.50T
50	Mileage Charge		0.50	25.00T
		New Mexico Sales Tax	6.3125%	22.09
			Total	\$372.09

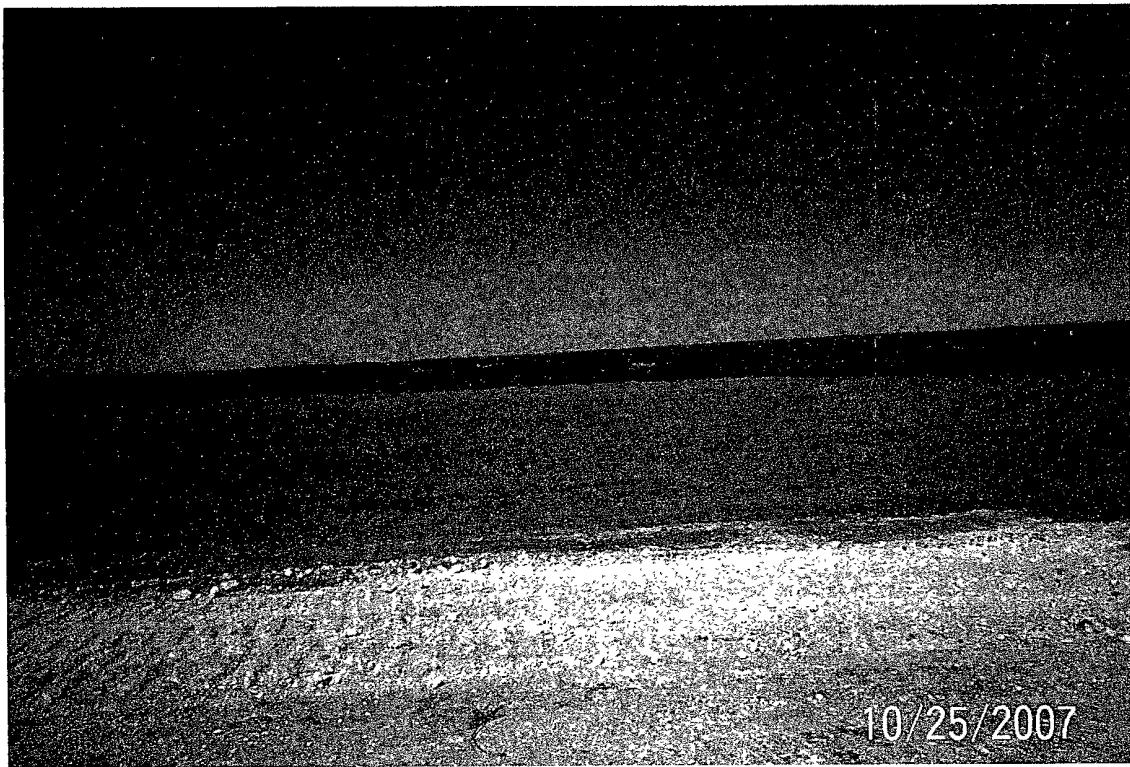
LOCATION DIAGRAM

Mewbourne Oil, Red Hawk 32 State #1
API #30-025-37615
V-DOOR East









TRACE ANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9

200 East Sunset Road, Suite E

5002 Basin Street, Suite A1

8808 Camp Bowie Blvd West, Suite 180

Lubbock, Texas 79424

El Paso, Texas 79922

Midland, Texas 79703

Ft Worth, Texas 76116

800•378•1296

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806•794•1296

915•585•3443

432•689•6301

817•201•5260

FAX 806•794•1298

FAX 915•585•4944

FAX 432•689•6313

FAX 817•560•4336

E-Mail lab@traceanalysis.com

Bill To: Mewbourne Oil Company

P O. Box 5270

Hobbs, NM 88220

Attn: Robin Terrell

RECEIVED

OCT 15 2007

BY:

Invoice No. 25704



Lab Location: Lubbock

Invoice Date: 2007-10-10

Payment Due: 2007-11-09

Work Order: 7100702



Project Location: Sec 32, T19S R34E, Lea County, NM

Project Name: Red Hawk 32 St 001

Project Number: API 30-025-37615

Item	Quantity	Matrix	Description	Price	Sub Total
Chloride (48-Hr. TAT)	5	soil	138596 - 138600	\$29.75	\$148.75

Payment Terms: Net-30

Total \$148.75

Dr Blair Leftwich, Director

Report Date: October 9, 2007
API 30-025-37615

Work Order: 7100702
Red Hawk 32 St 001

Page Number: 1 of 2
Sec 32, T19S R34E, Lea County, NM

Summary Report

Robin Terrell
Mewhourne Oil Company
P. O. Box 5270
Hobbs, NM, 88220

Report Date: October 9, 2007

Work Order: 7100702



Project Location: Sec 32, T19S R34E, Lea County, NM
Project Name: Red Hawk 32 St 001
Project Number: API 30-025-37615

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
138596	Q1-11'	soil	2007-10-05	13:00	2007-10-06
138597	Q2-11'	soil	2007-10-05	13:15	2007-10-06
138598	Q3-11'	soil	2007-10-05	13:30	2007-10-06
138599	Q4-14'	soil	2007-10-05	14:00	2007-10-06
138600	Q5-14'	soil	2007-10-05	14:15	2007-10-06

Sample: 138596 - Q1-11'

Param	Flag	Result	Units	RL
Chloride		123	mg/Kg	5.00

Sample: 138597 - Q2-11'

Param	Flag	Result	Units	RL
Chloride		241	mg/Kg	5.00

Sample: 138598 - Q3-11'

Param	Flag	Result	Units	RL
Chloride		405	mg/Kg	5.00

Sample: 138599 - Q4-14'

Param	Flag	Result	Units	RL
Chloride		231	mg/Kg	5.00

Sample: 138600 - Q5-14'

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296
This is only a summary. Please, refer to the complete report package for quality control data

Report Date: October 9, 2007
API 30-025-37615

Work Order: 7100702
Red Hawk 32 St 001

Page Number: 2 of 2
Sec 32, T19S R34E, Lea County, NM

Param	Flag	Result	Units	RL
Chloride		153	mg/kg	5.00



TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9

200 East Sunset Road, Suite E

5002 Basin Street, Suite A1

8808 Camp Bowie Blvd. West, Suite 180

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El Paso, Texas 79922

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FAX 806•794•1298

FAX 915•585•4944

FAX 432•689•6313

FAX 817•580•4336

E-Mail: lab@traceanalysis.com

Analytical and Quality Control Report

Robin Terrell
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM. 88220

Report Date: October 9, 2007

Work Order: 7100702




Project Location: Sec 32, T19S R34E, Lea County, NM
Project Name: Red Hawk 32 St 001
Project Number: API 30-025-37615

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
138596	Q1-11'	soil	2007-10-05	13:00	2007-10-06
138597	Q2-11'	soil	2007-10-05	13:15	2007-10-06
138598	Q3-11'	soil	2007-10-05	13:30	2007-10-06
138599	Q4-14'	soil	2007-10-05	14:00	2007-10-06
138600	Q5-14'	soil	2007-10-05	14:15	2007-10-06

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 5 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.


Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank

Case Narrative

Samples for project Red Hawk 32 St 001 were received by TraceAnalysis, Inc. on 2007-10-06 and assigned to work order 7100702. Samples for work order 7100702 were received intact at a temperature of 4.0 deg C.

Samples were analyzed for the following tests using their respective methods.

Test	Method
Chloride (Titration)	SM 4500-Cl B

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 7100702 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Report Date: October 9, 2007
API 30-025-37615Work Order: 7100702
Red Hawk 32 St. 001Page Number: 3 of 3
Sec 32, T19S R34E, Lea County, NM

Analytical Report

Sample: 138596 - Q1-11'

Analysis: Chloride (Titration)
QC Batch: 41904
Prep Batch: 36193Analytical Method: SM 4500-Cl B
Date Analyzed: 2007-10-09
Sample Preparation: 2007-10-09Prep Method: N/A
Analyzed By: ER
Prepared By: ER

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		123	mg/Kg	10	5.00

Sample: 138597 - Q2-11'

Analysis: Chloride (Titration)
QC Batch: 41904
Prep Batch: 36193Analytical Method: SM 4500-Cl B
Date Analyzed: 2007-10-09
Sample Preparation: 2007-10-09Prep Method: N/A
Analyzed By: ER
Prepared By: ER

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		241	mg/Kg	20	5.00

Sample: 138598 - Q3-11'

Analysis: Chloride (Titration)
QC Batch: 41904
Prep Batch: 36193Analytical Method: SM 4500-Cl B
Date Analyzed: 2007-10-09
Sample Preparation: 2007-10-09Prep Method: N/A
Analyzed By: ER
Prepared By: ER

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		405	mg/Kg	20	5.00

Sample: 138599 - Q4-14'

Analysis: Chloride (Titration)
QC Batch: 41904
Prep Batch: 36193Analytical Method: SM 4500-Cl B
Date Analyzed: 2007-10-09
Sample Preparation: 2007-10-09Prep Method: N/A
Analyzed By: ER
Prepared By: ER

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		231	mg/Kg	10	5.00

Sample: 138600 - Q5-14'

Analysis: Chloride (Titration)
QC Batch: 41904
Prep Batch: 36193Analytical Method: SM 4500-Cl B
Date Analyzed: 2007-10-09
Sample Preparation: 2007-10-09Prep Method: N/A
Analyzed By: ER
Prepared By: ER

Report Date: October 9, 2007
API 30-025-37615

Work Order: 7100702
Red Hawk 32 St. 001

Page Number: 4 of 5
Sec 32, T19S R34E, Lea County NM

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		153	mg/Kg	10	5.00

Method Blank (1) QC Batch 41904

QC Batch: 41904
Prep Batch: 36193

Date Analyzed: 2007-10-09
QC Preparation: 2007-10-09

Analyzed By: ER
Prepared By: ER

Parameter	Flag	MDL Result	Units	RL
Chloride		<3.25	mg/Kg	5

Laboratory Control Spike (LCS-1)

QC Batch: 41904
Prep Batch: 36193

Date Analyzed: 2007-10-09
QC Preparation: 2007-10-09

Analyzed By: ER
Prepared By: ER

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	101	mg/Kg	1	100	<3.25	101	90 - 110

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	100	mg/Kg	1	100	<3.25	100	90 - 110	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 138600

QC Batch: 41904
Prep Batch: 36193

Date Analyzed: 2007-10-09
QC Preparation: 2007-10-09

Analyzed By: ER
Prepared By: ER

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	360	mg/Kg	10	1000	152.818	21	84.0 - 117

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	356	mg/Kg	10	1000	152.818	20	84.0 - 117	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

¹Matrix spike recovery out of control limits due to matrix interference. Use LCS/LCSD to demonstrate analysis is under control.

²Matrix spike recovery out of control limits due to matrix interference. Use LCS/LCSD to demonstrate analysis is under control.

Report Date: October 9, 2007
API 30-025-37615

Work Order: 7100702
Red Hawk 32 St 001

Page Number: 5 of 5
Sec 32, T19S R34E, Lea County, NM

Standard (ICV-1)

QC Batch: 41904

Date Analyzed: 2007-10-09

Analyzed By: ER

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-10-09

Standard (CCV-1)

QC Batch: 41904

Date Analyzed: 2007-10-09

Analyzed By: ER

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	99.6	100	85 - 115	2007-10-09

LAB Order ID # 701007

Page 1 of 1

TraceAnalysis, Inc.

email: lab@traceanalysis.com

3701 Aberdeen Avenue, Suite 9
Lubbock, Texas 79424
Tel (806) 794-1298
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1 (800) 378-1296

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Fax (915) 585-4944
1 (888) 588-3443

op Bowie Blvd. West, Suite 180
North, Texas 75116
Tel (817) 201-5260
Fax (817) 560-4336

Company Name: MOC - Melbourne Oil Co

Address: (Street, City, Zip) PO Box 5570 Hobbs NM 88401

Contact Person: Robert Farrell

Phone #: () - -

Fax #: () - -

E-mail: Robert.Farrell@melbournoil.com

Project #: API 30-025-37615

Project Name: Red Hawk 3d St 001

Project Location (including state): Sec 3d, T19S, R34E Lea County, NM

Sampler Signature: [Signature]

LAB # 38596

LAB USE ONLY

FIELD CODE Q1 - 11'

Q2 - 11'

Q3 - 11'

Q4 - 14'

Q5 - 14'

CONTAINERS 1

Volume / Amount 4oz

MATRIX WATER

SOIL

AIR

SLUDGE

PREPARATIVE METHOD

HCl

HNO3

H2SO4

NaOH

ICE

NONE

SAMPLING DATE 10/5/07

TIME 1300

MTBE 8021B / 802 / 8260B / 824

BTEX 8021B / 802 / 8260B / 824

TPH 418.1 / TX1005 / TX1005 Ext(C35)

TPH 8015 GRO / DRO / TVHC

PAH 8270C / 825

Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/2007

TCLP Metals Ag As Ba Cd Cr Pb Se Hg

TCLP Volatiles

TCLP Semi Volatiles

TCLP Pesticides

RCI

GC/MS Vol. 8260B / 824

GC/MS Semi. Vol. 8270C / 825

PCBs 8082 / 808

Pesticides 8081A / 808

BOD, TSS, pH

Moisture Content

Turn Around Time if different from standard

Hold

LAB USE ONLY

Received by: [Signature]

Date: 10.6.07

Time: 1055

Relinquished by: [Signature]

Company: Xunig, Inc.

Date: 10.6.07

Time: 1055

Received by: [Signature]

Company: TA

Date: 10/6/07

Time: 10:55

Relinquished by: [Signature]

Company: [Signature]

Date: [Signature]

Time: [Signature]

REMARKS: Two Wed.

☐ Dry Weight Basis Required
☐ TRRP Report Required
☐ Check if Special Reporting Limits Are Needed

E- To Shelly + Robin 10/9/07

Submission of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.

ADDITIONAL COPY