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

regulations.

Approval:

Printed Name/Title:

Date:

nct 14 2005

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

June 1 2004

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \(\subseteq No \) \(\textbf{X} \) Type of action: Registration of a pit or below-grade tank \(\sum \) Closure of a pit or below-grade tank \(\sum \) Operator: Stephens & Johnson Operating Co. Telephone: 940-723-2166 e-mail address: mkincaid@sjoc.net_ Address: P.O. Box 2249 Wichita Falls, Texas 76307-2249 Facility or well name: East Millman Pool Unit #3-1 API#: 30-015-10194 U/L or Otr/Otr I Sec 12 T195 R 28E County: Eddy Latitude Longitude NAD: 1927 1983 Surface Owner Federal State Private Indian Pit Below-grade tank Volume: _____bbl Type of fluid: ___ Type: Drilling Production Disposal RECEIVED Workover X Emergency ☐ Construction material: ___ Double-walled, with leak detection? Yes If not, explain why not. OCT 1 1 2005 Lined X Unlimited Liner type: Synthetic Thickness 12 mil Clay 90U-ARTEBIA Pit Volume ______700 bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water.) 100 feet or more (0 points) Wellhead protection area. (Less than 200 feet from a private domestic Yes (20 points) water source, or less than 1000 feet from all other water sources.) No (0 points) 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) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 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 you are burying in place) onsite X 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 XYes I 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: This pit was a small workover pit and contained only produced water (saltwater) from the East Millman Pool Unit. The saltwater will be completely removed from the pit and the 12 mil synthetic liner will be removed and disposed. The pit will then be covered with the material originally dug out to make the pit and the pit area returned to its original condition as much as possible. 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: 10/5/05 Printed Name/Title: William M. Kincaid - Petroleum Engineer

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

Field Supervisor