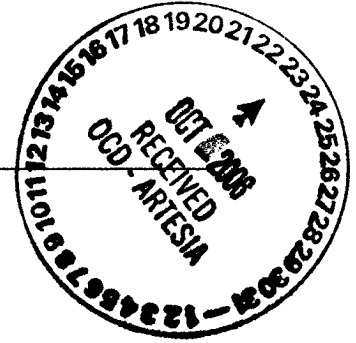


O'Briant & Associates, Inc.



P. O. Box 10487 Midland, TX, 79702
(432) 683-5511 (24 Hr. Ans), (432) 683-5903 (Fax)

E-Mail: cobriant@apex2000.net

TO: Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

FROM: Sheryl L. Jonas
Sandel Operating Company
O'Briant and Associates, Inc.

DATE: October 17, 2006

Well: **Harris State No. 1**
P-36-18-23
API#30-015-10258
Eddy County, New Mexico

Subject: PIT CLOSURE

Dear Mr. Gum:

The following is a procedure to close the pits on the above captioned plugged and abandoned location.

- 1.) De-water fluid in pits.
- 2.) Dry cement or soil mixed with remaining semi-solid fluid.
- 3.) Dig a deep trench within the pit. ~~7' - 14'~~
- 4.) Line trench with 12. ~~or 20~~ mil plastic liner and place solids in trench.
- 5.) Cover with ~~12~~ mil plastic liner and 3' of clean topsoil.
- 20 MIL 6.) After liner and contents have been disposed of; a test for contamination will be run by collecting a five-point composite soil sample and submit it to an independent laboratory for analysis if seepage has been determined.
- 7.) If TPH concentration and chloride tests show no contamination or within limits, the location will be leveled as nearly as possible to original top ground contour.

If there are any questions or additional work required please advise me by fax or phone.

Sheryl L. Jonas

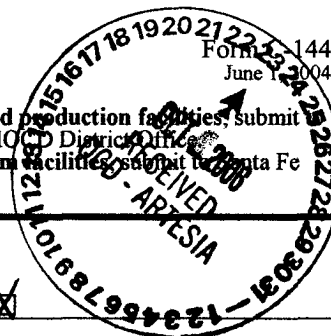
Cc: Paul West
Sandel Operating Company

District I
1625 N. French, 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 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: Sandel Operating Corp. Telephone: 432-683-5511 e-mail address: Sjonas4011@aol.com
Address: %O'Brian & Associates, Inc. P. O. Box 10487, Midland, TX 79702
Facility or well name: Harris State No 1. API #: 30-015-10258 U/L or Qtr/Qtr P Sec 36 T 18S R 23E
County: Eddy Latitude 32.69899795343 Longitude -104.6387291129 NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐
Workover ☒ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☐ Thickness 12 mil Clay ☐
Pit Volume 1000 bbl

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) 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) 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) 10 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 ☒ 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.

Additional Comments:

See Attached diagram and closure procedure.

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: 10-17-06

Printed Name/Title Agent for Sandel Operating

Signature Sheryl L. Jomas

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 Jim W. Gunn Signature Jim W. Gunn

Date: 10/23/06