

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 X

Month - Year

FEB 2 2007

OCD - ARTESIA, NM

Operator: Range Operating New Mexico, Inc.

Telephone: 505-706-9101

e-mail address: ttucker@rangeresources.com

Address: PO Box 300, Loving, NM

Facility or well name: Teledyne 12 Federal No. 3

API: 30-015-~~3329~~ / NM32636

U/L or Qtr/Qtr Lot ~~B~~ Sec 12 T23S R28E, 2160'FNL 990'FWL

County: Eddy

33927

E

Surface Owner: Federal X State Private ☐ Indian ☐

Pit

Type: Drilling X Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined X Unlined ☐

Liner type: Synthetic X Thickness: 12ml HDPE liner Clay ☐

Pit Volume: 2000 bbl. Approximately

Below-grade tank N/A

Volume: N/A bbl Type of fluid: N/A

Construction material: N/A

Double-walled, with leak detection? ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of groundwater.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points) 10pts.

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)

No

(0 points) 0pts.

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) 0pts.

1000 feet or more

(0 points)

Ranking Score (Total Points)

10pts.

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. Digital Photos shall be submitted for before and after remediation activity. (2) Indicate disposal location: onsite insitu pit 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 ☐ 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 C-144 PRESENTS GROUNDWATER DEPTH INVESTIGATION IN THE AREA OF POTENTIAL INSITU DISPOSAL. 70' BORE HOLE PRODUCED GROUNDWATER at 65' only after 72 HOURS (see Closure Report).

Burial trench may not be deeper
than 15' bgs at this site.

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: 26 January 2007

Printed Name/Title Tony Tucker, Production Supervisor

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.

As a condition of approval, if during

pit construction water is encountered or if water seeps in pits after construction the OCD MUST BE CONTACTED IMMEDIATELY!

Approval:

Printed Name/Title

Signature

Date:

FEB 06 2007



Mr. Tony Tucker
Production Supervisor
RANGE OPERATING NEW MEXICO, INC.
PO Box 300
Loving, NM 88256

27 January 2007

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Teledyne 12 Federal No. 3 Pit Closure Documents

Dear Mr. Bratcher:

Pursuant to the State of New Mexico regulatory requirements for permanent closure of drilling pits, please be advised the following documents are herewith enclosed: (1) Form C-144, (2) digital photos of existing pit, (3) sample location diagram (forwarded in final report) and (4) additional information constituting the proposed "Closure Plan" for closure of the Range Operating New Mexico, Inc., hereinafter "Range", Teledyne 12 Federal No. 3 drilling pit, hereinafter "T12-No. 3", (API No. 30-015-~~33929~~ NM32636) located in U/L ~~S~~ S16 T22S, R28E, 990 FSL and 990' FWL of Eddy County, New Mexico. ~~33929~~ 33927

INTRODUCTION

Remediation of the Range, T12-No. 3 drilling pit is targeted to begin 19 February 2007 with completion expected by 19 March 2007, permitting weather and the occurrence of unexpected conditions not within the Operator's control do not create delays or exacerbate the proposed schedule in any way. Range intends to maintain its commitment to environmental health and safety and fully comply with the Regulatory Performance of the State of New Mexico, OCD regarding this disposal action culminating in permanent closure of the T12-No. 3 drilling pit.

Potential, temporary contamination from the T12-No. 3 drilling pit site, should any exist, resulted solely from oil and gas production activities. Potential contaminants of concern are typical mid to high-level concentrations of brines, typical polymers (such as xanthium gum and starch) and in general, drilling mud and fluids remaining upon completion of said drilling operations.

Area land use is primarily ranching with domestic pasturage and oil and gas production activities. The Range T12-No. 3 drilling pit is located in an area wherein groundwater depth to surface data is shown on the State of New Mexico, State Engineer's web site as ranging between 40 and 50 feet. Further, in conjunction with their normal online databank, the State of New Mexico, OCD is cross-referencing with a groundwater map titled "Eddy County Depth to Groundwater", produced by Wayne Johnson at Chevron/Texaco, dated 9 February 2005.

Consequently, as an option to haul off, Range engaged in a coring program to investigate the actual depth to groundwater in the specific area to be impacted by an *insitu* pit for purposes of the disposal of drilling fines. This drilling program substantiates groundwater located in this specific area is present at 66 feet following a 72 hour recharge which showed no water for the first 72 hours but the water equilibrated later.

Consequently, *insitu* disposal shall be engaged in accordance with the conditions of the approved Form C-144. It is the belief of Range that compliant environmental performance and reduction of liability in this area pursuant to New Mexico; OCD regulations can be achieved with *insitu* disposal predicated on the evidentiary data heretofore presented. Further, should future Regulatory Performa mandate additional action or should the Operator choose to take additional action, the *insitu* option, in this case, (1) limits the environmental impact in general, (2) allows the Operator/government immediate access to said liability, (3) contains said material within the Operator's lease boundary and (4) in the event evidence of water is discovered during the digging of the *insitu* pit, all actions would cease and New Mexico, OCD would immediately be notified that a haul off was necessary.

This compliance action shall strictly apply the State of New Mexico, OCD standards, i.e. clean-up level for the T12-No. 3 drilling pit shall meet the less than 100 ppm of TPH, ND for BTEX and the less than 250 ppm of chlorides unless approved otherwise and substantiated by background information documented to be higher than the above cited indices.

CLOSURE PLAN

Prior to commencement of closure activities, the Range contractor will contact One-Call for line spot clearance confirming the State of New Mexico, OCD is in agreement with the proposed "Closure Plan" for removal of approximately 2,500 bbl. of liquid followed by the removal of all fines (drill cuttings) assuming (1) these fines have sufficiently dried allowing for maneuverability of heavy equipment in the pit area or (2) mixing shall occur in order to attain sufficient dryness of said fines prior to deposit into the *insitu* 20 ml HDPE liner, enabling *insitu* burial application to take place and final pit closure.

Environmental health and safety regulations mandate control of pit volumes at all times. Thus, the liquid material was pumped off as needed and properly disposed of during active drilling operations. Water accumulated since this time is either due to liquid material not completely hauled from actual drilling operations or rain. This water has subsequently been hauled from the location and properly disposed of in accordance with OCD Regulatory Performa.

- ❖ Contractor shall mobilize to the T12-No. 3 drilling pit site located approximately 20 miles southwest of Artesia, New Mexico (see Form C-144) accessing via Highway 31 out of Carlsbad, New Mexico. Personnel and heavy equipment necessary to provide for the initiation and completion of remediation activities presented above shall be engaged as is appropriate to the mandated exercise.
- ❖ No remediation activity shall occur off the existing pad or already disturbed areas as authorized by the APD and approved Best Management Practices (BMP's). NGP shall consider weather conditions and necessary equipment positioning to provide a clear area for adequate staging for site control and safety compliance, ensuring operations shall be compliant with New Mexico, OCD Regulatory Performa.
- ❖ The T12-No. 3 drilling pit is currently lined by a 12ml HDPE liner, which shall be removed by heavy equipment and disposed of with the drilling fines *insitu* pursuant to New Mexico, OCD requirements. *Insitu* actions provide for the encasement of all drilling pit contents in a 20 ml HDPE liner placed vertically approximately 12 feet below ground.

- ❖ Once the burial trench/pit has been dug to sufficient dimensions to ensure proper placement of the pit contents, the track hoe shall begin to deposit pit materials within the secured "container" until all pit material has been placed within it. This 20ml HDPE liner "container" shall not be permanently sealed until after the drilling pit bottom has been sampled and approved for closure by the State of New Mexico, OCD. In the event more material must be harvested to achieve compliance, and said harvest shall increase the volume of the *insitu* material to such a degree that it will threaten the integrity of the "container" or potentially cause leakage to occur by reason of increased volume, an additional *insitu* 20ml HDPE liner "container" shall be placed either adjacent (when space and terrain permits) to or close to the existing "container". Such action will provide for reasonable assurance that no leakage will occur and maintain all contaminants within a specific geographic location within the lease boundary.
- ❖ Prior to initiation of backfilling, the Operator shall take appropriate samples of the pit area to ensure compliance with OCD Standards for remediation of possible soil chloride levels greater than 250 ppm. However if levels at the bottom of the drilling pit test out or acceptable range, a background set of samples shall be obtained for testing from the immediate vicinity and compared to those of the pit bottom. Simultaneously, more soil shall be removed from the "hot spots". Once completed, new data acquisition shall occur and sample results determine whether or not compliance has been reached in order to begin backfilling. No backfilling shall begin without authorization by the State of New Mexico, OCD.
- ❖ Backfilling of the T12-No. 3 drilling pit shall be commensurate with existing topography and terrain relief features (contouring) so as to return it to its "near-as" previous condition, including a contour for moisture accumulation which prevents abnormal or unsustainable water impoundment resulting in erosive actions. Pursuant to the APD, the T12-No. 3 site shall be seeded in compliance with BLM seed mixtures.
- ❖ The "Closure Plan" shall include a final report providing lab analysis of the backfill material, digital project photos and evidentiary narrative to support the completed disposition of the reclaimed T12-No. 3 drilling pit site.

Should you have questions, please call 505-745-3691 (office) or 505-706-9109 (cell).

Sincerely,



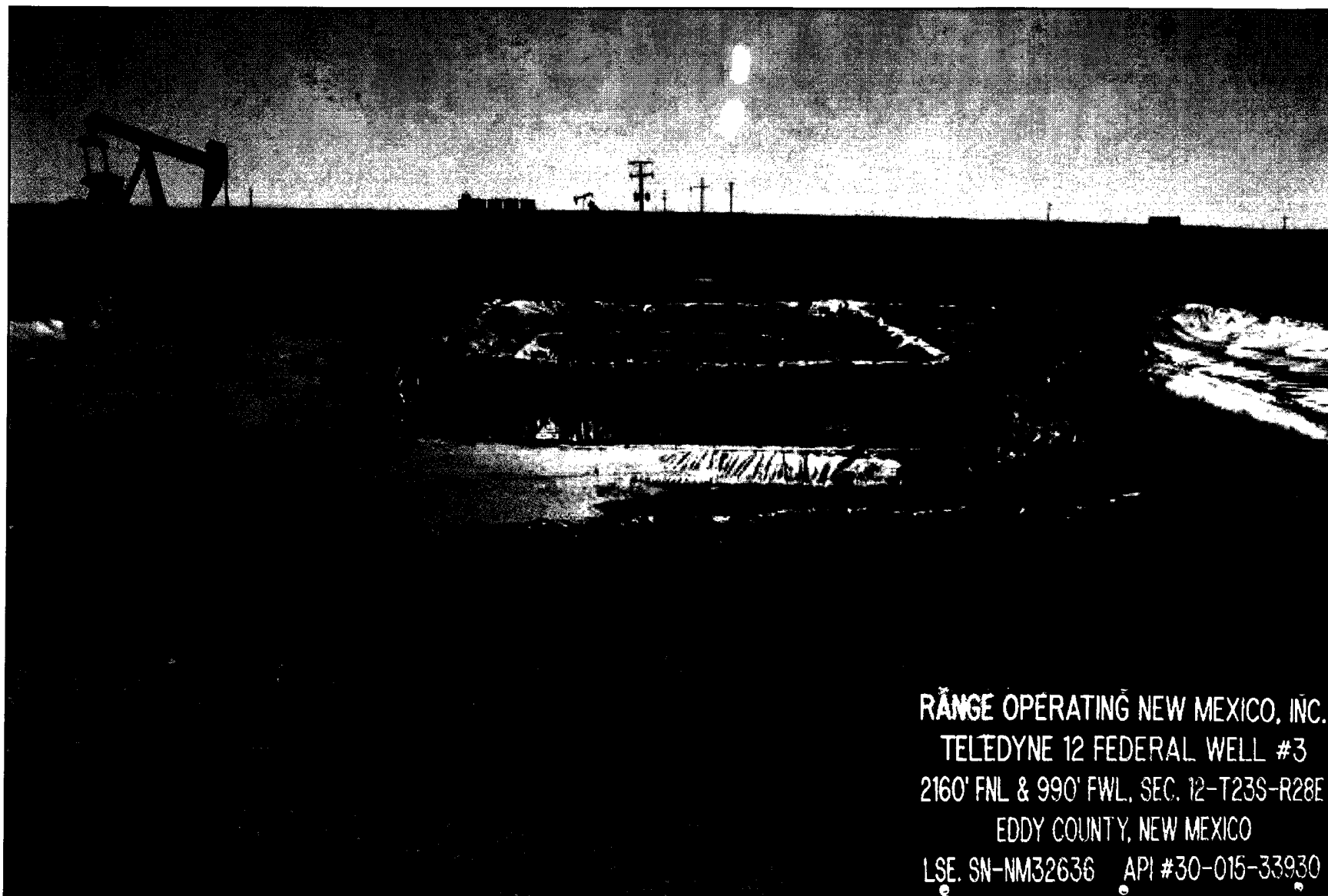
Tony Tucker
Production Supervisor

cc: State of New Mexico, OCD, Form C-144



Range Operating New Mexico, Inc.

Teledyne 12 Federal #3



RANGE OPERATING NEW MEXICO, INC.
TELEDYNE 12 FEDERAL WELL #3
2160' FNL & 990' FWL, SEC. 12-T23S-R28E
EDDY COUNTY, NEW MEXICO
LSE. SN-NM32636 API #30-015-33930



Range Operating New Mexico, Inc.

Teledyne 12 Federal #3

RANGE OPERATING NEW MEXICO, INC.
TELEDYNE 12 FEDERAL WELL #3
2160' FNL & 990' FWL, SEC. 12-T23S-R28E
EDDY COUNTY, NEW MEXICO
LSE. SN-NM32636 API #30-015-33930



Month - Year
FEB 2 2007
OCD - ARTESIA, NM

File Number: _____

NEW MEXICO OFFICE OF THE STATE ENGINEER
WELL RECORD

1. OWNER OF WELL

Name: Range Operating Work Phone: 505 745-3641
Contact: Tony Tacker Home Phone: _____
Address: PO Box 300
City: Loving State: NM Zip: 88256

2. LOCATION OF WELL (A, B, C, or D required, E or F if known)

A. 1/4 1/4 1/4 Section: 12 Township: 23S Range: 28E N.M.P.M.
in Eddy County.

B. X = _____ feet, Y = _____ feet, N.M. Coordinate System
Zone in the _____ Grant.
U.S.G.S. Quad Map _____

C. Latitude: _____ d _____ m _____ s Longitude: _____ d _____ m _____ s

D. East _____ (m), North _____ (m), UTM Zone 13, NAD _____ (27 or 83)

E. Tract No. _____, Map No. _____ of the _____ Hydrographic Survey

F. Lot No. _____, Block No. _____ of Unit/Tract _____ of the
Subdivision recorded in _____ County.

G. Other: Teledyne 12 Fed #3

H. Give State Engineer File Number if existing well: _____

I. On land owned by (required): _____

3. DRILLING CONTRACTOR

License Number: _____
Name: Butcher Rathke + Anchor Service Work Phone: 888 400 6294
Agent: _____ Home Phone: _____
Mailing Address: PO Box 1323
City: Levelland State: TX Zip: 79336

4. DRILLING RECORD:

Drilling began: 10/6/04; Completed: 10/6/06; Type tools: Auger;
Size of hole: 18 in.; Total depth of well: 20 ft.;
Completed well is: Shallow (shallow, artesian);
Depth to water upon completion of well: 66 ft.

File Number: _____

Trn Number: _____

Form: wr-20

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File Number: _____

NEW MEXICO OFFICE OF THE STATE ENGINEER
WELL RECORD

5. PRINCIPAL WATER-BEARING STRATA:

Depth in Feet		Thickness	Description of	Estimated Yield
From	To	in feet	water-bearing formation	(GPM)
34	70	31	clay, sand, and silt	

6. RECORD OF CASING

Diameter	Pounds	Threads	Depth in Feet		Length	Type of Shoe	Perforations	
(inches)	per ft.	per in.	Top	Bottom	(feet)		From	To

7. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole	Sacks	Cubic Feet	Method of Placement
From	To	Diameter	of mud	of Cement	

8. PLUGGING RECORD

Plugging Contractor: _____
Address: _____
Plugging Method: _____
Date Well Plugged: _____
Plugging approved by: _____
State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1			
2			
3			
4			
5			

File Number: _____
Form: wr-20

Trn Number: _____

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File Number: _____

NEW MEXICO OFFICE OF THE STATE ENGINEER
WELL RECORD

9. LOG OF HOLE:

[illegible]

File Number: _____
Form: wr-20

Trn Number: _____

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File Number: _____

NEW MEXICO OFFICE OF THE STATE ENGINEER
WELL RECORD

10. ADDITIONAL STATEMENTS OR EXPLANATIONS:

*water bearing formation not found @ drill time,
but H₂O recharged to 66 feet after 12 hours*

The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described hole.

Robert Boland
Driller

11/3/06
Date

FOR STATE ENGINEER USE ONLY

Quad _____, FWL _____, FSL _____, Use _____, Location No. _____

File Number: _____

Form: wr-20

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Trn Number: _____