State of New Mexico English rals and Natural Resources Conservation Division 1224 buth St. Francis Dr.

Form C-144 June 1, 2004

APR - 2 2007

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fo office.

Pit or Below-Grade Tank Registration or Closure

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

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank OCD - ARRE Operator: Road and Stevens Inc. Telephone: (505) 622-3770 o-mail address: 30-015-35235 Address: 16x 15/8, Kuswell NM 88201 T165 R 27E ATTE NM978L U/L or Qtr/Qtr L Sec 4 Facility or well many LAKE 4 Fed Unit #1 Longitude 4/104'17'23.1" NAD: 1927 [] 1983 [] Latitude N32',57'26.1 County: Eddu Surface Owner: Federal M State | Private | Indian | Below-grade tank Volume: ____bbl Type of fluid: Type: Drilling Production Disposal Construction material: Workover Emergency Double-walled, with leak detection? Yes- If not, explain why not. Lined Unlined Liner type: Synthetic Thickness 12 mil Clay Pit Volume Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) 10 high water elevation of ground water.) 100 feet or more (0 points) (20 points) Yes Wellhead protection area: (Less than 200 feet from a private domestic 0 No) (0 points) water source, or less than 1000 feet from all other water sources.) 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) 0 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 N/A your are burying in place) onsite 📈 offsite 🔲 If offsite, name of facility_ . (3) Attach a general description of remedial action taken including _ft. and attach sample results. Allached Closuce 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 . Sertina Your certification and NMOCD approval of this application/cl ould 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 respect sibility for compliance with any other federal, state, or local laws and/or regulations. Approval: Printed Name/Title

15' depth maximum for birrif trouch - Good prolding inder barriel trach liner

P.O. Box 310 Hobbs, NM 88241-0310

New Mexic Environmental Services

Hobbs. New Mexico Off 505.392.8584 Cell 505.631.2442 Fax 505.392.3085

Hobbs, New Mexico

Reserve Pit Remediation

SURFACE PIT CLOSURE PLAN

PIT PARAMETERS

COMPANY: Read and Stevens Oil Co.

WELL SITE: Lake 4 Fed Unit #1

LEGAL DESCRIPTION: Unit L Sec 4 T16s R27e, 2781

FNL 660 FWL, Eddy co.

The reserve pit inset on this leasehold is being permitted to close as per New Mexico OCD "Pit and Below Grade Tank Guidelines" dated November 1, 2004.

This pit was excavated and formed to the dimensions roughly 100' X 120' X 6' deep. A 12 mil membrane liner and pad was used to prevent leakage to the surface soils. A visual examination of the membrane liner indicates that the liner had maintained its integrity.

After the drilling and completion phase of this project, the water phase of the pit contents were pumped and hauled to an approved water injection facility. It is estimated that the volume of solids remaining are to +/- 1500 yards. The burial cell is to be excavated and lined with a minimum 12 mil membrane that complies with ASTM Standards: D-5747, D-5199, D-5994, and D-4833. The cuttings will be loaded as to allow for > 36" freeboard to ground level. After the cuttings are loaded the 12 mil liner will be folded over the top, and a 20 mil minimum thickness liner meeting the minimum requirements as outlined in ASTM Standard Methods: D-5747, D-5199, D-5994, D-4833; will be used to cap and cover to an extended area that exceeds three feet in all directions from the

edge of the burial cell. This cap will be constructed as to slope and allow for water runoff from burial cell.

A minimum of 36" of top soil will be used to cover the burial cell. This soil must be capable of supporting plant growth. A seed mixture will be used as to conform to local BLM and OCD requirements.

After the drilling solids are buried, the natural contour of the surrounding soils will be mechanically shaped as to prevent erosion of the well site until vegetation is established.

READ AND STEVENS, Lake 4 Fed Unit #1 LEASE#NM97866 V-DOOR SouthEast

