

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

Form C-144  
June 1, 2004



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 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: Parallel Petroleum Corporation Telephone: 432-685-6563 e-mail address: kmccormick@plll.com		DEC 13 2007	
Address: 1004 N. Big Spring, Suite 400, Midland, TX 79701			
Facility or well name: Gate Dancer 1525-32 #1	API #: 30-005-63885	U/L or Qtr/Qtr A	Sec 32 T 15S R 25E
County: Chaves	Latitude 32 58 37.1N	Longitude 104 27 22.8W	NAD: 1927 X 1983 <input type="checkbox"/> <b>OCD-ARTESIA</b>
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private XX Indian <input type="checkbox"/>			
<b>Pit</b>		<b>Below-grade tank</b>	
Type: Drilling XX Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined XX Unlined <input type="checkbox"/> Liner type: Synthetic XX Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 10,000 bbl		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.) 60'	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	10
	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)	20
	No	( 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)	0
<b>Ranking Score (Total Points)</b>			30

**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 XX 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 XX 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 IS A FINAL REPORT FOR PIT CLOSURE REPORTING
PIT CLOSED 05-05-2007. SEE ATTACHED DOCUMENTATION: CHAIN OF CUSTODY, ANALYTICAL RESULTS OF SAMPLE 3' BELOW LINER, PREVIOUS
C-144 FILED W/PLAN, SCHEMATIC OF FACILITY

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: 12-10-2007

Printed Name/Title KAYE MC CORMICK//SR PROD & REG TECH 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

ACCEPTED FOR RECORD

Approval:

Printed Name/Title \_\_\_\_\_

Signature \_\_\_\_\_

DEC 13 2007

Date: \_\_\_\_\_

Gerry Guye, Deputy Field Inspector  
NMOCD-District II ARTESIA

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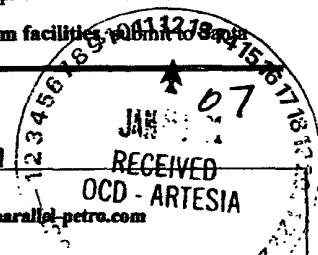
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**Pit or Below-Grade Tank Registration or Closure**

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: Parallel Petroleum Corporation Telephone: 432-684-3905 e-mail address: dduham@parallel-petra.com  
Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79701  
Facility or well name: Gate Dancer 1525-32 #1 API#: 30-005-63885 U/L or Qtr/Qtr A Sec 32 T 15S R 25E  
County: Chaves Latitude 32°58'37.1"N Longitude 104°27'22.8"W NAD: 1927 X 1983   
Surface Owner: Federal  State  Private X Indian

Pit	Below-grade tank									
Type: Drilling X Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic X Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 10,000 bbl	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.) 60'	<table border="1"> <tr><td>Less than 50 feet</td><td>(20 points)</td><td></td></tr> <tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td><td>10</td></tr> <tr><td>100 feet or more</td><td>( 0 points)</td><td></td></tr> </table>	Less than 50 feet	(20 points)		50 feet or more, but less than 100 feet	(10 points)	10	100 feet or more	( 0 points)	
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100 feet or more	( 0 points)									
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Ranking Score (Total Points)		30								

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 X. 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:  
The drilling pit for this site will be closed as per the attached Pit Closure Plan.  
*Pit closed 5-5-07*  
*[Signature]*

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: 1-15-07

Printed Name/Title Gary Miller, agent, Phone 432-682-4559 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: *Jim W. Green*  
Printed Name/Title District II Supervisor Signature \_\_\_\_\_ Date: 1/22/07



# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603  
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <b>ALLSTATE ENVIRONMENTAL</b>	<b>BILL TO</b>	<b>ANALYSIS REQUEST</b>												
Project Manager: <b>DAN TOLAN</b>	P.O. #:													
Address: <b>125 E. COTTONWOOD RD</b>	Company: <b>DILUTE ENV</b>													
City: <b>ARTESIA</b> State: <b>NM</b> Zip: <b>88210</b>	Attn:													
Phone #: <b>505-748-5567</b> Fax #: <b>505-365-2851</b>	Address: <b>705011322</b>													
Project #:	Project Owner:													City: <b>ARTESIA</b>
Project Name: <b>PARALLEL GATE DANCE</b>														State: <b>TX</b> Zip:
Project Location: <b>CHAVEZ COUNTY</b>														Phone #:
Sampler Name: <b>DAN TOLAN</b>	Fax #:													

Lab I.D.	Sample I.D.	(GRAB OR C) OMP.	# CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE	TIME	
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER				
12593-1	GD-1	G	1			X							5-10	1300	X	
-2	GD-2	G	1			X							5-10	1300	X	
-3	GD-3	G	1			X							5-10	1300	X	
-4	GD-4	G	1			X							5-10	1300	X	
-5	GD-5	G	1			X							5-10	1300	X	

CHAVEZ

RELEASE NOTE: Liability and Damages. Cardinal's Liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated releases or other terms.

Relinquished By:	Date: <b>5-15-07</b>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:
	Time: <b>0930</b>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:
	Time:		
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No	CHECKED BY: (Initials) <b>JB</b>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



## Pit Closure Plan – Drilling Pit

**Operator:** Parallel Petroleum Corporation  
**Well Name:** Gate Dancer 1525-32 #1Y, API # 30-005-63885  
**Location:** Unit A Section 32, Township 15 S, Range 25 E, Chaves County, NM

1. Any remaining liquids will be removed from the pit.
2. Remaining solid wastes (i.e. buckets, cans, miscellaneous trash, debris, contaminated solids, etc.) will be removed from the pit, except for dried mud and cuttings, cement, and frac materials in drilling and reserve pits which have been approved by the OCD for encapsulation.
3. **This well did not penetrate a salt section and was drilled with less than 9.5 lb/gal brine. Therefore, the drilling pit will be closed by encapsulation:**

It is proposed to bury the drill cutting in place and not remove or trench the cutting if it can be done so that a minimum of 3' of file can be placed over the material. A 20 mil liner will be placed over the drill cutting before the area is backfilled.

If this method can not be used, trench burial will be utilized for burial and capping of the drilling mud and cuttings. Up to two trenches (approximately 5 feet wide x 10 feet deep x 125 feet length) will be dug next to the pit and the cuttings buried and capped. The trenching and capping will be accomplished by lining the trench with an impervious, reinforced, synthetic or fabricated liner at least 12 mils in thickness; mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide stability and support for the trench cap; emplacing the stiffened mud and cuttings into the lined trench; capping the trench with a 20 mil minimum thickness impervious, fiber reinforced, synthetic or fabricated liner (the synthetic liner will overlap the trench area by at least 3 feet in all directions); and covering the trench with a minimum of 3 feet of clean soil that is capable of supporting native plant growth.

Parallel Petroleum Corporation  
Gate Dancer 1525-32 #1  
Chaves county, New Mexico  
Begin Date 04/27/07 End Date 05/07/07

