District II
1025 N. French Dr., Hobbs, NM 88240
District III
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 IANI 15 2008 OCD-ARTESIA

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

OCT 0.9 2007

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 X OCD-ARTESIA e-mail address: martha_howard@swn.com _Telephone: (281) 618-4887 Operator: Southwestern Energy Production Co. Address. 2350 N Sam Houston Parkway East. Suite 300 Houston, Texas 77032 Facility or well name Karlshad Corral 2 #7H Sec 2 30-015-34936 U/L or Qtr/Qtr K API#: Longitude 103°57'24.59" 32°09'31.45" County. Eddy Latitude Surface Owner: Federal [] State K Private [] Indian [Pit Below-grade tank Type: Drilling M Production Disposal Volume _____bbl Type of fluid. Workover [Emergency [Construction material: Lined | Unlined | Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic

Thickness 12 mil Clay □ Pit Volume 13000 bbl 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) 0 high water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic A (0 points) No 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, 0 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more 4 (0 points) A Ranking Score (Total Points) If this is a pit closure: (1) Attach a diagram of the facility showing the put's relationship to other equipment and tanks. (2) Indicate disposal location (check the onsite box if N/A your are burying in place) onsite Z 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: SOUTHWESTELD ENERGY: Production Co. LIDET: CONTENTS FER NMOCA BUK 50 At CLOSUTE. ENCH APPLOX 30'X 120'X 20' DECP LINE TRENCH 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 []. Printed Name/Title Martha Howard / Regulatory Analyst 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.

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

Approval: Printed Name/Title

If burial trench is to be constructed in pit area, samples are to be obtained and analyses submitted to OCD PRIOR to lining trench.

Signature

ord

PIT CLOSED

Accepted for record NMOCD

DATE CLOSED 12/5

Date ___

1/8/08