



ALLSTATE ENVIRONMENTAL SERVICES, LLC



P.O BOX 11322
MIDLAND, TEXAS 79702
OFFICE: (432) 682-3547
FAX: (432) 682-4182
Contractors License #94195

February 28, 2008

New Mexico Oil Conservation Division
District 2
1301 Grand Avenue
Artesia, New Mexico 88210

30-015-35344

Dear Sir/Ma'am

Included in this mailing is the closure report for OGX Resources, Long Nose Com #1 in Eddy County, New Mexico. As indicated in the summary the pit closure work began January 31, 2008 and was completed on February 13, 2008.

Any concern or questions regarding this site may be addressed to Paula Guell, Office Supervisor, Allstate Environmental Services, at 432-682-3547, or e-mail paula@basinbroadband.com or the company e-mail address at allstate@basinbroadband.com

Sincerely,

Paula Guell
Office Supervisor
Allstate Environmental Services, LLC

Cc: OGX Resources, T.X.
Allstate Environmental Services - file

Accepted for record
NMOCD

MAR 04 2008

An Environmental Company
SOLIDIFICATION, BIOREMEDIATION, LAND FARMING, SOIL SHREDDING

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

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

Form C-144
June 1, 2004

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: OGX Resources Telephone: 432-685-1287 e-mail address:		FEB 05 2008	
Address: 400 N Marienfield Suite 200 Midland, Texas 79702		OCD-ARTESIA	
Facility or well name: Long Nose Com API #: 30-015-35344		U/L or Qtr/Qtr M Sec 9 T 24S R 27E	
County: Eddy	Latitude	Longitude	NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>
Surface Owner: Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>			
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 20/12mil Clay <input type="checkbox"/> Pit Volume _____ bbl		Below-grade tank 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.)	Less than 50 feet	(20 points)XXX	
	50 feet or more, but less than 100 feet	(10 points)	
	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)XXX	
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)XXX	
Ranking Score (Total Points)		20 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 you 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: Closure work plan for drilling pit. An encapsulation trench will be constructed and lined with a 12 mil synthetic liner next to existing drilling pit.
The drilling pit contents will be excavated and emplaced into the encapsulation trench using a mixture of three to one pit material and Class H bulk cement or CKD. The emulsion of pit material and cement will be mixed using a trackhoe and water added if needed. After completion of solidifying pit material in cement and pit contents have set in place for a minimum of 24 hours, the encapsulation trench will then be capped using a 20 mil synthetic liner and backfilled to grade using a minimum of 3' of like material and clean soil. A one call and 48 hour notification to OCD will be made before action begins.

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: 1/29/08

Printed Name/Title Dan Dolan/Agent

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:

Signature

Signed By

Date: FEB 13 2008

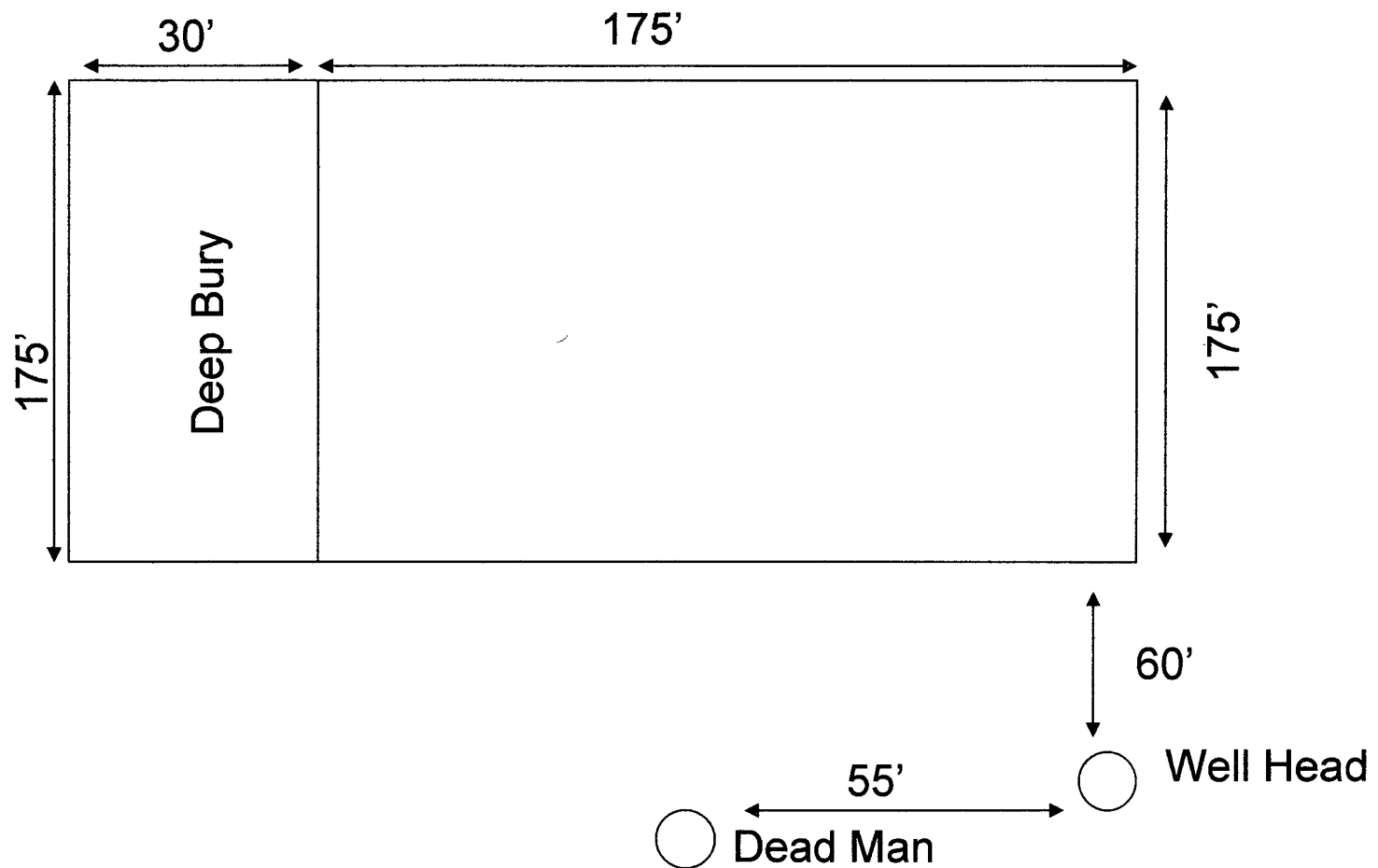
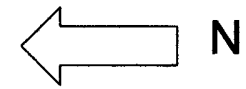
NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

OGX Resources

Long Nose Com #1

Eddy County, New Mexico

Begin Date: 01/31/08 End Date: 02/13/08





ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ALLSTATE (OGX)
ATTN: CHARLES CHANLEY
P.O. BOX 11322
MIDLAND, TX 79702
FAX TO: (432) 682-4182

Receiving Date: 02/07/08
Reporting Date: 02/07/08
Project Owner: OGX
Project Name: LONG NOSE #1
Project Location: NOT GIVEN

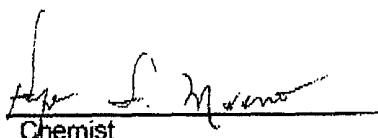
Analysis Date: 02/07/08
Sampling Date: 02/07/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H14217-1	NE	160
H14217-2	NW	144
H14217-3	SE	144
H14217-4	SW	144
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w/v aqueous extracts.


Chemist

02-07-08
Date

H14217 OGX

PLEASE 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 client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (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 reasons or otherwise.

02/08/08 09:41 AM

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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: <u>OGX</u>				BILL TO				ANALYSIS REQUEST																			
Project Manager:				P.O. #:																							
Address:				Company: <u>Allstate ENV</u>																							
City:		State:		Zip:		Attn: <u>Charles</u>																					
Phone #:		Fax #:		Address: <u>Box 11322</u>		City: <u>MID</u>																					
Project #:		Project Owner:		State: <u>TEX</u>		Zip: <u>79702</u>																					
Project Name: <u>LONG NOSE #1</u>				Phone #: <u>432 441 5222</u>																							
Project Location:				Fax #: <u>432 682</u>																							
Sampler Name: <u>Charles Chanley</u>																											
FOR LAB USE ONLY																											
Lab I.D.		Sample I.D.		(GRAB OR COMPOSITE)	# CONTAINERS	MATRIX					PRESERV.		SAMPLING														
						GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:													DATE
H14217-1		N.E		/		/								2-7-08	738a												
-2		N.W		/		/								2-7-08	11												
-3		S.E		/		/								11	11												
-4		S.W		/		/								11	11												

PLEASE NOTE: Liability and Damages. Cardinal's liability and owner'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. This includes, but is not limited to, any and all costs whatsoever that be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. No event shall constitute an admission of liability for consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates, or any other third party. Cardinal's liability shall be limited to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <u>Charles Chanley</u>		Date: <u>2-7-08</u>		Received By: <u>Met LeBut</u>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:	
Time: <u>10:40a</u>		Date:		Received By:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:	
Relinquished By:		Date:		Received By:		REMARKS:	
Time:							
Delivered By: (Circle One)				Sample Condition		CHECKED BY:	
Sampler - UPS - Bus - Other:				Cool Intact		(Initials)	
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<u>MCB</u>	
				<input type="checkbox"/> Yes <input type="checkbox"/> No			

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