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

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

Form C-144

June 1, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes X No Type of action: Registration of a pit or below-grade tank \(\subseteq \) Closure of a pit or below-grade tank X Operator: CDX RIO, LLC _Telephone: _(505) 326-3003_____e-mail address: nancy.oltmanns@cdxgas.com__ Address: _2010 Afton Place, Farmington, New Mexico 87401_ Facility or well name: _Jicarilla B #3M_____ ____API #: _30-039-29638__ U/L or Qtr/Qtr J Sec 15 T 26N R 5W County: Rio Arriba Latitude 36 29' 06" Longitude 107 20' 43.1" NAD: 1927 X□ 1983 □ Surface Owner Federal □ State □ Private □ Indian X□ Pit Below-grade tank Type: Drilling X Production Disposal Volume: bbl Type of fluid: Workover ☐ Emergency ☐ Construction material: __ Double-walled, with leak detection? Yes If not, explain why not. Lined X Unlined U Liner type: Synthetic Thickness 12 mil Clay Pit Volume __22,000____bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) 10 points 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 No X 0 points (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) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more X (0 points) 0 points 10 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 your are burying in place) onsite X offsite I foffsite, 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 I fyes, 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: Pit was backfilled with dirt. Pit remediation was started approximately 4-15-07. We were delayed by weather. Pit was closed 5-9-07. RCVD JUN14'07 OIL CONS. DIV. DIST. 3 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: _6-12-07_ Printed Name/Title___Nancy Oltmanns/Agent_ 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. Deputy Oil & Gas Inspector. Approval: Signature Brund Sell Date: JUL 2 4 2007 District #3 Printed Name/Title_

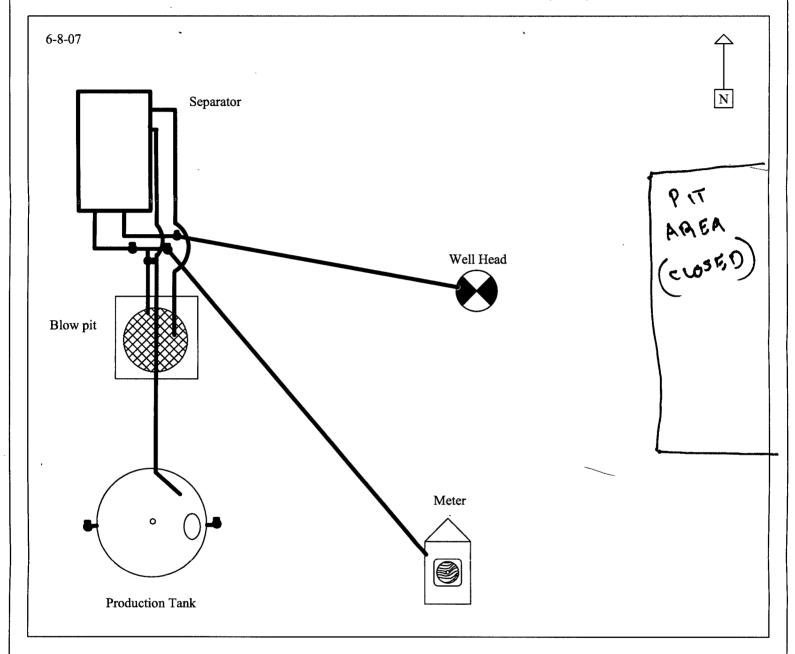
CDX Rio, LLC 2010 Afton Place

Farmington NM 87401 505-326-3003

Lease: Jic. B

Well: Jic. B 3M

Location: NW/4, SE/4, S15 - T26N - R5W



General sealing of valve, sales by tank guaging:

Production phase: All drain valves (D1 and D2) and all sales valves (S1 and S2) are sealed closed.

Sales phase: The tank from which sales are being made will be isolated by sealing closed the drain valve, fill valve, and the equalizer valve during sales.

Draining phase: The tank being drained will be isolated by sealing closed the sales valve, fill valve, and equalizer valve during draining, and sales valve and drain valve on the other tank(s).

This lease is subject to the Site Security Plan for Southern Rockies Operations and is located in our Farmington, NM office.