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

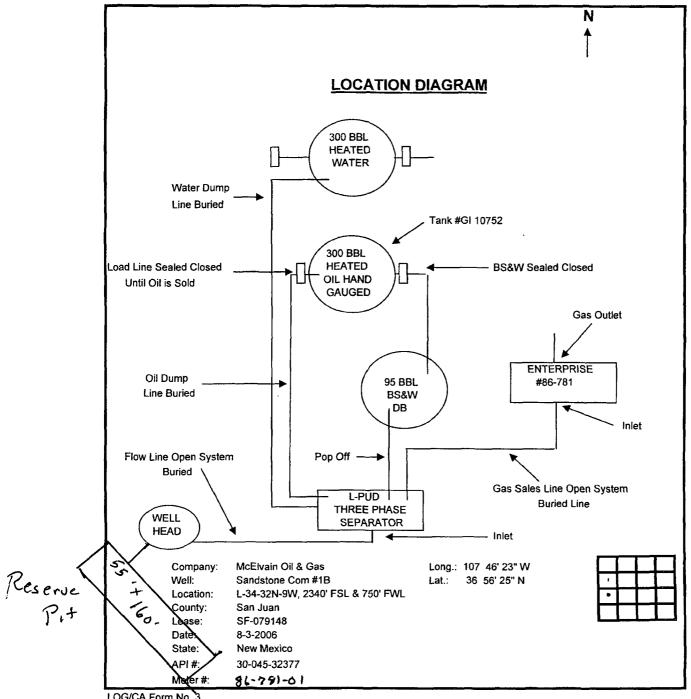
Form C-144

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 \(\subseteq\) No \(\simeg\) Type of action: Registration of a pit or below-grade tank \(\bigcap\) Closure of a pit or below-grade tank \(\bigcap\) Operator: _McElvain Oil & Gas Properties, Inc. _______e-mail address: DebbyP@McElvain.com ______e Address. 1050 17th Street, Suite 1800, Denver, CO 80265 Facility or well name: _Sandstone Com #1B _____API #: ___30-045-32377 __U/L or Qtr/Qtr __L _Sec __34 ___ T ___32N __ R _9W __ _____ Latitude 36 56'25" N Longitude 107 46'23" W NAD: 1927 🛛 1983 🗌 County. San Juan Surface Owner: Federal X State Private Indian RCVD SEP 27'07 Pit Below-grade tank OTL CONS. DTV. Type Drilling Production Disposal Volume: _____bbl Type of fluid: _____ Workover ☐ Emergency ☐ Construction material: DIST. A Lined Unlined Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic

☐ Thickness 12 mil Clay ☐ Pit Volume 4600 bbl (20 points) Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 100 feet or more (0 points) 0Yes (20 points) Wellhead protection area (Less than 200 feet from a private domestic (0 points) 0 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 (0 points) 0Ranking 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 🔲 offsite 🔀 If offsite, name of facility Adobe (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: Hauled Liner to disposal No remediation was required. The pit was closed on 12/22/2006 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 \(\Sigma\), a general permit \(\Sigma\), or an (attached) alternative OCD-approved plan \(\Sigma\). Date: 9/25/2007 Printed Name/Title Deborah Powell/Eng Tech Supervisor 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. Deputy Oil & Gas Inspector, District #3 OCT 1 6 2007 Approval Printed Name/Title



LOG/CA Form No. 3