

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

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

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Pit or Below-Grade Tank Registration or Closure
Is this pit or below-grade tank covered by a "general plan"? Yes No
Type of facility: Pit or below-grade tank Closure of a pit or below-grade tank X

Operator: MURCHISON OIL AND GAS, INC. Telephone: 575-628-3932 e-mail address tommyfolsom@valornet.com
Address: PO Box 627, Carlsbad, NM 88221-0627
Facility or well name: Hightower State Unit No. 2 API #: 30-025-38605 U/L J Sec 27 T12S R33E 2080' E51 and 1625' E1
County: Lea Latitude N Longitude W NAD: 1927 1983 X
Surface Owner: State X

Pit Type: Drilling X Lined X Liner type: Synthetic X Thickness: 12ml HDPE Liner Pit Volume: 1,500 bbl. (Approximately)	Below-grade tank N/A Volume: N/A bbl Type of fluid: N/A Construction material: N/A Double-walled, with leak detection? <input type="checkbox"/> If not, explain why not.
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of groundwater.) Groundwater well survey performed on 18 May 06 shows no water to a depth of 70 feet. See State Engineer's Web Site	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points) 10 pts
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 X (0 points) 0 pts.
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 pts.
	Ranking Score (Total Points) 10 pts.

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: Insitu. If offsite, name of facility: N/A (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: NOTICE OF FINAL CLOSURE OF DRILLING PIT ON JUNE 21, 2008 PER GANDY.

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: 14 July 2008
Printed Name/Title Tommy W. Folsom, Production Manager Signature *Tommy W. Folsom*

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 groundwater 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: *Johnson*
Printed Name/Title: Signature ENVIRONMENTAL ENGINEER Date: 7.28.08

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Summary Report HOBBS OCD

Tommy Folsom
Murchison Oil & Gas Inc.
P.O. Box 627
Carlsbad, NM, 88220

Report Date: January 28, 2008

Work Order: 8011425



Project Location: Background from pit bottom
Project Name: Hightower #2

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
147867	Inner horseshoe E side	soil	2008-01-09	06:30	2008-01-12
147868	Inner horseshoe W side	soil	2008-01-09	06:45	2008-01-12
147869	Outer horseshoe E side	soil	2008-01-09	07:00	2008-01-12
147870	Outer horseshoe W side	soil	2008-01-09	07:20	2008-01-12

Sample: 147867 - Inner horseshoe E side

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 147868 - Inner horseshoe W side

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 147869 - Outer horseshoe E side

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 147870 - Outer horseshoe W side

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

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Report Date: June 9, 2008

Work Order: 8060634

Page Number: 1 of 2

Hightower State No. 2111 28 2008

HOBBS OCD

Summary Report

Tommy Folsom
Murchison Oil & Gas Inc.
P.O. Box 627
Carlsbad, NM, 88220

Report Date: June 9, 2008

Work Order: 8060634



Project Name: Hightower State No. 2

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
162239	Background N Side	soil	2008-05-29	16:00	2008-06-06
162240	Background S Side	soil	2008-05-29	16:20	2008-06-06
162241	Background E Side	soil	2008-05-29	16:30	2008-06-06
162242	Background W Side	soil	2008-05-29	16:50	2008-06-06
162243	Insitu Pit #1 N Side	soil	2008-05-29	14:20	2008-06-06
162244	Insitu Pit #1 S Side	soil	2008-05-29	15:10	2008-06-06

Sample: 162239 - Background N Side

Param	Flag	Result	Units	RL
Chloride		83.6	mg/Kg	3.25

Sample: 162240 - Background S Side

Param	Flag	Result	Units	RL
Chloride		91.4	mg/Kg	3.25

Sample: 162241 - Background E Side

Param	Flag	Result	Units	RL
Chloride		89.4	mg/Kg	3.25

Sample: 162242 - Background W Side

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Report Date: June 9, 2008

Work Order: 8060634
Hightower State No.

Page Number: 2 of 2

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Param	Flag	Result	Units	RL
Chloride		97.2	mg/Kg	3.25

Sample: 162243 - Insitu Pit #1 N Side

Param	Flag	Result	Units	RL
Chloride		60.2	mg/Kg	3.25

Sample: 162244 - Insitu Pit #1 S Side

Param	Flag	Result	Units	RL
Chloride		67.4	mg/Kg	3.25

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Summary Report HOBBS OGD

Tommy Folsom
Murchison Oil & Gas Inc.
P.O. Box 627
Carlsbad, NM, 88220

Report Date: February 5, 2008

Work Order: 8020418



Project Name: Hightower State No. 2

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
149572	Outer Hrsh. Sect. 1	soil	2008-01-14	15:00	2008-02-04
149573	Outer Hrsh. Sect. 2	soil	2008-01-14	15:20	2008-02-04
149574	Outer Hrsh. Sect. 3	soil	2008-01-14	15:50	2008-02-04
149575	Inner Hrsh. Sect. 1	soil	2008-01-14	16:20	2008-02-04
149576	Inner Hrsh. Sect. 2	soil	2008-01-14	16:35	2008-02-04

Sample: 149572 - Outer Hrsh. Sect. 1

Param	Flag	Result	Units	RL
Chloride		42.1	mg/Kg	5.00

Sample: 149573 - Outer Hrsh. Sect. 2

Param	Flag	Result	Units	RL
Chloride		45.1	mg/Kg	5.00

Sample: 149574 - Outer Hrsh. Sect. 3

Param	Flag	Result	Units	RL
Chloride		82.3	mg/Kg	5.00

Sample: 149575 - Inner Hrsh. Sect. 1

Param	Flag	Result	Units	RL
Chloride		59.8	mg/Kg	5.00

Sample: 149576 - Inner Hrsh. Sect. 2

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

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