

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

RECEIVED

Form C-141
Revised October 10, 2003

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

MAR 09 2011
HOBSOCD

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Pride Energy Company	Contact: Matthew L. Pride	
Address: P.O. BOX 701950, TULSA, OK 74170-1950	Telephone No. 918-524-9200	
Facility Name: Inbe 24 No. 001	Facility Type: Oil Well	
Surface Owner: Pearce Trust	Mineral Owner: Fee	Lease No

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	24	11S	33E	660	North	2310	East	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Water and very little oil	Volume of Release Approx. 5 bbls.	Volume Recovered Approx. 5 bbls.
Source of Release Drilling rig tank	Date and Hour of Occurrence Approx. 8/20/08	Date and Hour of Discovery 8/25/08
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD (Maxey Brown) (see comments below)	
By Whom? See comments below	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.* (not applicable)

Describe Cause of Problem and Remedial Action Taken.*
Drilling rig tank leak

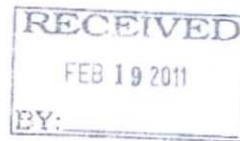
Describe Area Affected and Cleanup Action Taken.*

Maxey Brown, field inspector for the NMOCD, inspected the site on 8/25/08. Area East of drilling pit was affected; contaminated soil was removed & properly disposed of and remediation was completed in Sept., 2008.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Matthew L. Pride</i>	OIL CONSERVATION DIVISION	
Printed Name: By: Pride Production Co., Inc. Title: General Partner	Approved by District Supervisor:	
Title: By: Matthew L. Pride Title: President	Approval Date:	Expiration Date:
E-mail Address: mattp@pride-energy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/7/11	Phone: 918-524-9200	

* Attach Additional Sheets If Necessary



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor
Brett F. Woods, Ph.D
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
Preserving the Integrity of the Environment

17-Feb-11

PRIDE ENERGY COMPANY
P.O. BOX 701602
TULSA OK 74170-1602

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

Table with 7 columns: INBE 24 No.001, Inspection Date, Type Inspection, Inspector, Violation?, *Significant Non-Compliance?, Corrective Action Due By, Inspection No. Row 1: 02/16/2011, Routine/Periodic, Maxey Brown, Yes, No, 3/22/2011, iMGB1104758251

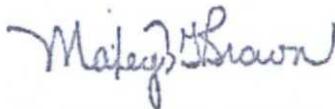
Comments on Inspection: Drilling Pit Open. NEED TO REMOVE CONTENTS AND CLOSE DRILLING PIT. RULE 19.15.17.13. ANY QUESTIONS SHOULD BE DIRECTED TO E.L. GONZALES, STAFF MANGER, OCD-DISTRICT 1 575-393-6161, EXT 114. MGB.

Oil Conservation Division
1625 N. French Drive • Hobbs, New Mexico 88240
Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/OCD



In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Hobbs OCD District Office

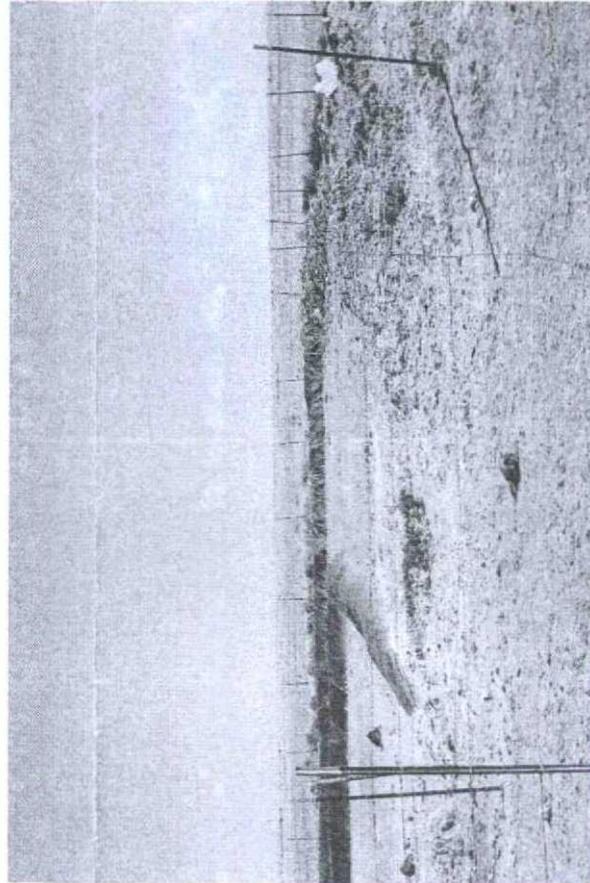
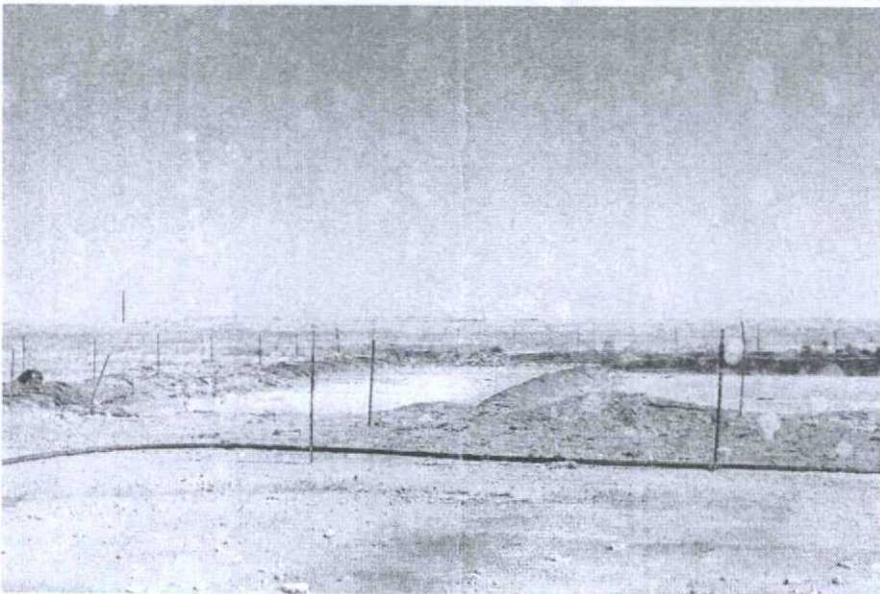
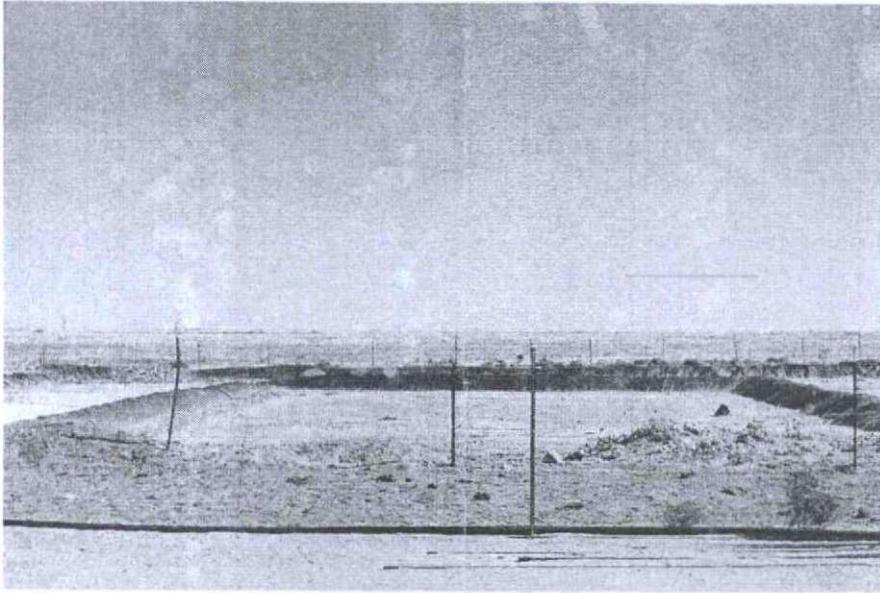
COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Oil Conservation Division
1625 N. French Drive • Hobbs, New Mexico 88240
Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/OCD



INBE 24 #1
30-025-38084



2/16/2011

PRIDE ENERGY COMPANY

(918) 524-9200 • Fax (918) 524-9292 • www.pride-energy.com

Physical Address: 4641 E 91st. Street
Tulsa, OK 74137

Mailing Address: P.O. Box 701950
Tulsa, OK 74170-1950
Email Address: mattp@pride-energy.com

February 21, 2011

Via Certified Mail
Return Receipt #

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

91 7108 2133 3938 8584 0711

Attn: Maxey Brown

RE: Inbe 24 No. 001
API No. 30-025-38084
Section 24- 11S-33E: NW ¼ NW ¼ (Unit Letter B)
Lea County, New Mexico

Dear Mr. Brown,

In reference to the above described well and NMOCD's letter dated February 17, 2011 (copy attached), please find enclosed a copy of Pride Energy Company's letters to the New Mexico Oil Conservation Division (NMOCD) dated September 10, 2008, August 5, 2008, and May 23, 2008, requesting approval from the NMOCD to close the drilling pit. Pride Energy Company is ready to close the above referenced drilling pit, however we await NMOCD approval of the closure plans submitted with the C-144 Form.

Thank you, and if there are any questions, please feel free to contact me at (918) 524-9200.

Sincerely,

Pride Energy Company



Matthew L. Pride

mp12051.kh

PRIDE ENERGY COMPANY

(918) 524-9200 • Fax (918) 524-9292 • www.pride-energy.com

Physical Address: Kensington Tower
2250 East 73rd Street, Suite 550
Tulsa, OK 74136

Mailing Address: P.O. Box 701950
Tulsa, OK 74170-1950
Email Address: mattp@pride-energy.com

September 10, 2008

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1625 N.French Drive
Hobbs, NM 88240

Via Certified Mail
Return Receipt #
91 3408 2133 3931 4291 4048

ATTN: Larry Johnson

RE: Inbe 24 #1
API #: 30-025-38084
Section 24-11S-33E: 660' FNL and 2,310' FEL
Lea County, New Mexico

Dear Larry,

In reference to the above described well, please find attached a Form C-144 (with original signature) requesting approval to close the pit. This form was sent to the NMOCD on May 23, 2008, but must have gotten lost.

Thank you Larry, and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,

Matthew L. Pride

Matthew L. Pride
Pride Energy Company

Matthew Pride

From: Matthew Pride
Sent: Tuesday, August 05, 2008 5:18 PM
To: MaxeyG.Brown@state.nm.us
Subject: FW: Inbe 24 #1, Section 24-11S-33E, Lea County, NM
Attachments: Inbe 24 #1 52308.pdf

Maxey,

In reference to the above described well and your letter dated July 30, 2008, we are having a roustabout crew to fix the fence. We had the fluids removed from the drilling pit after drilling was completed, but we will be re-checking the pit and will remove any rain water that may have accumulated since.

Attached is Pit Closure Plan, Form C-144 that was e-mailed to the NMOCD on May 23, 2008. We have been waiting for approval by the NMOCD of this Form before continuing with the pit closure.

Thanks Maxey, and if there are any questions, please feel free to contact me at (918)524-9200.

Matthew L. Pride
Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170
(918) 524-9200
(918) 524-9292 Fax

From: Matthew Pride
Sent: Friday, May 23, 2008 11:18 AM
To: Larry Johnson (larry.johnson@state.nm.us)
Cc: Cindy Herrera (Cindy.Herrera@state.nm.us)
Subject: Inbe 24 #1, Section 24-11S-33E, Lea County, NM

Larry,

In reference to the above described well, attached is Form C-144.

Thanks Larry, and if there are any questions, please feel free to contact me at (918)524-9200.

Matt Pride
Pride Energy Company

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

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

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: Pride Energy Company Telephone: (918)524-9200 e-mail address: mattp@pride-energy.com
 Address: PO Box 701950 Tulsa, OK 74170-1950
 Facility or well name: INBE 24 #1 API #: 20-025-38084 U/L or Qtr/Qtr B Sec 24 T 11S R 33E 660 FNL 2510 FEL
 County: Lea Latitude 33 21 24.1 Longitude 103 33 58.8 NAD: 1927 1983
 Surface Owner: Federal State Private Indian

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>14366</u> bbl	Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water - See attached maps)	Less than 50 feet (20 points) xxx see attached map 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) xx see attached map
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)
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 Gandy Marley. (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.

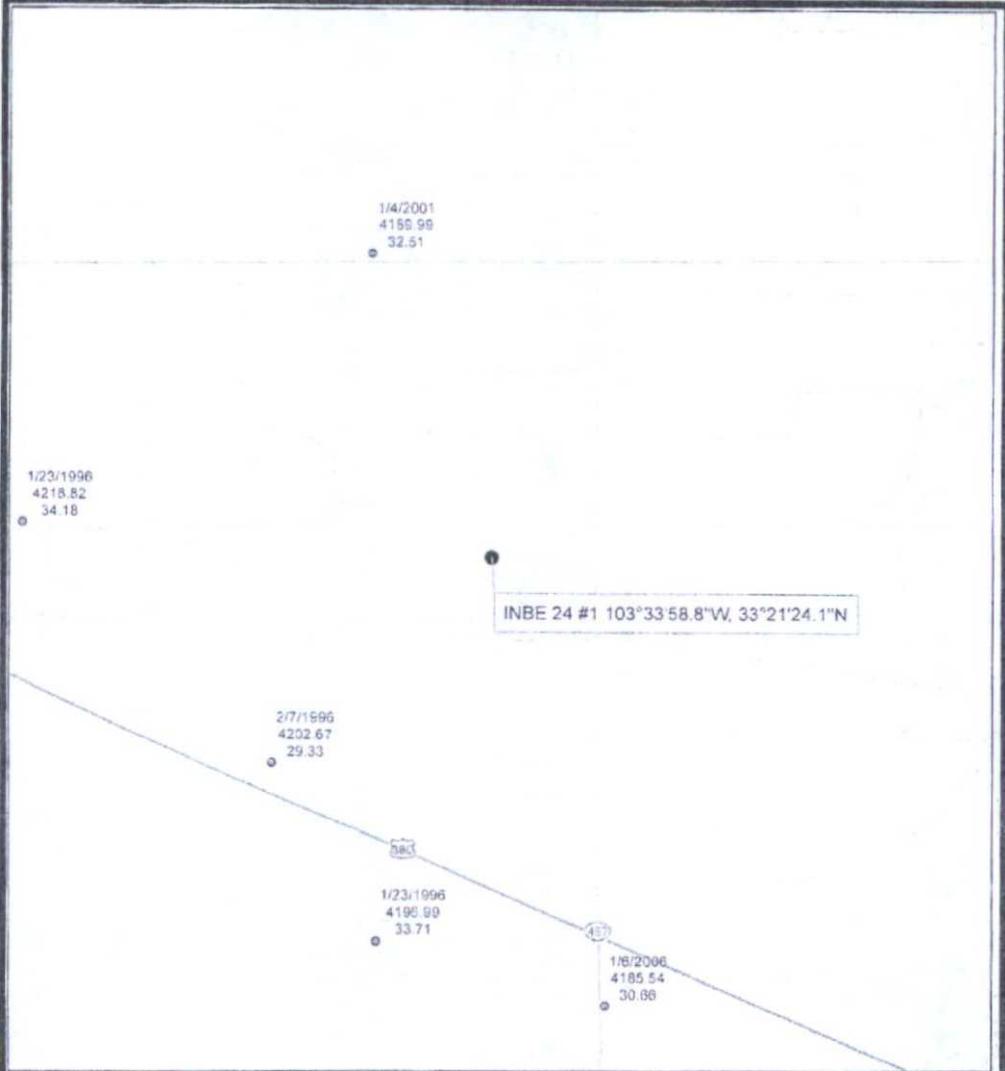
Additional Comments:
 All pit material will be excavated and exported the material to the Gandy Marley Landfill. After excavation and exportation of pit material, we will test the soils beneath the pit in accordance with the mandates set forth in the new Pit Rule (19.15.17.13.B.(1).b.1). If additional work is necessary after excavation, we will identify the work in a closure plan. A closure report or closure plan will include a site diagram.

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 NMOC'D guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Date 5/23/08 By Pride Production Co., Inc.
 Printed Name/Title Matthew L. Pride Title: President Signature Matthew L. Pride

Your certification and NMOC'D 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
 Printed Name/Title _____ Signature _____ Date: _____

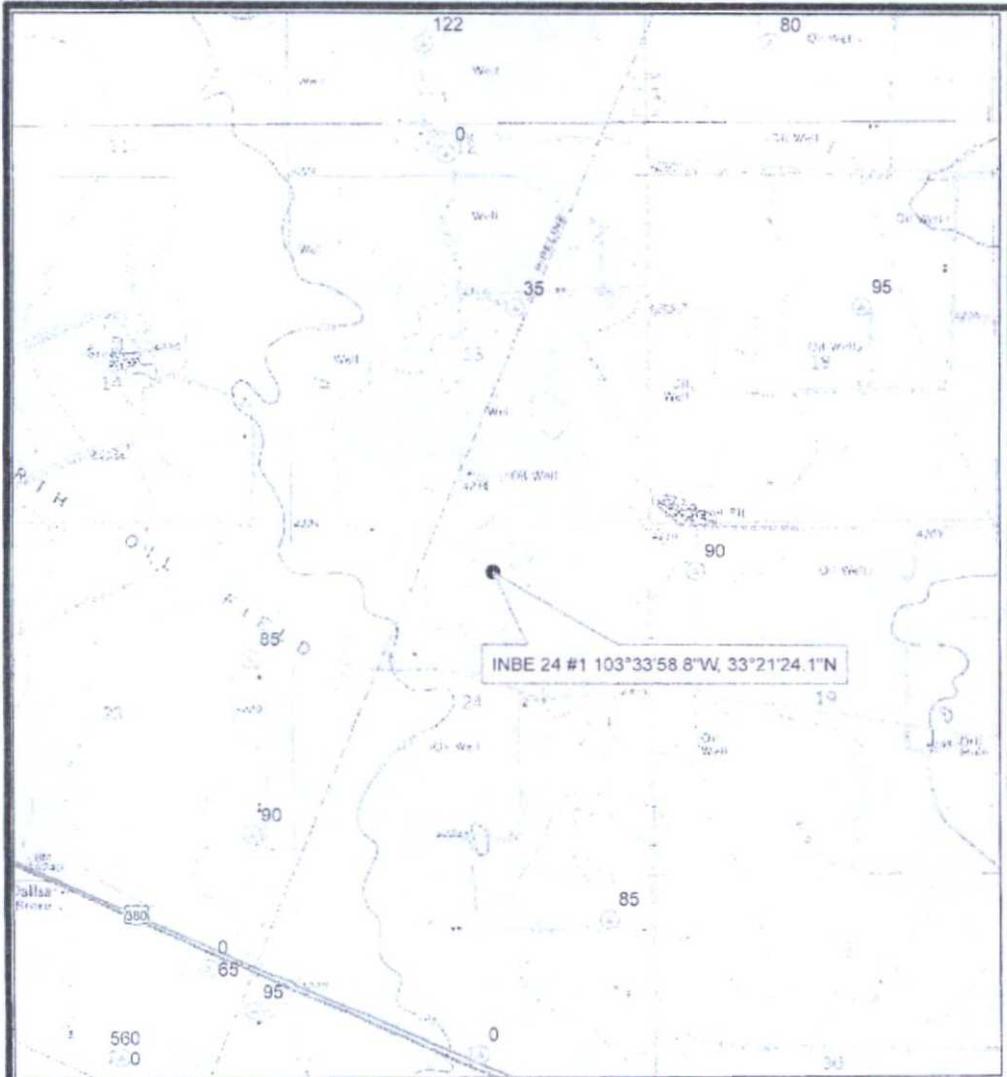


Explanation

Date of Measurement
 Water Elevation
 Depth to Water



R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Water Elevation Data from USGS	Plate 1
	Pride Energy	May 2008



Explanation

Depth of Well in Feet



R.T. Hicks Consultants, Ltd
901 Rio Grande Blvd NW Suite F-142
Albuquerque, NM 87104
Ph: 505.266.5004

Water Wells from OSE Database

Plate 2

Pride Energy

May 2008

Matthew Pride

From: Matthew Pride
Sent: Friday, May 23, 2008 11:18 AM
To: Larry Johnson (larry.johnson@state.nm.us)
Cc: Cindy Herrera (Cindy.Herrera@state.nm.us)
Subject: Inbe 24 #1, Section 24-11S-33E, Lea County, NM
Attachments: Inbe 24 #1 52308.pdf

Larry,

In reference to the above described well, attached is Form C-144.

Thanks Larry, and if there are any questions, please feel free to contact me at (918)524-9200.

Matt Pride
Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170
(918)524-9200

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State of New Mexico
Energy Minerals and Natural Resources
Oil 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

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: <u>Pride Energy Company</u> Telephone: <u>(918)524-9200</u> e-mail address: <u>maup@pride-energy.com</u>	
Address: <u>PO Box 701950 Tulsa, OK 74170-1950</u>	
Facility or well name: <u>INBE 24 #1</u> API #: <u>30-025-38084</u> U/L or Qtr/Qtr: <u>B</u> Sec 24 <u>T</u> <u>11S</u> R <u>33E</u> 660 FNL 2310 FEL	
County: <u>Lea</u> Latitude <u>33 21 24.1</u> Longitude <u>103 33 58 R</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>	
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>	
Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/>	Volume: <u> </u> bbl Type of fluid: <u> </u>
Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/>	Construction material: <u> </u>
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/>	Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>
Pit Volume <u>14366</u> bbl	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) See attached maps.	Less than 30 feet (20 points) xxx see attached map 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) xx see attached map
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)
	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 Gandy Marley. (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

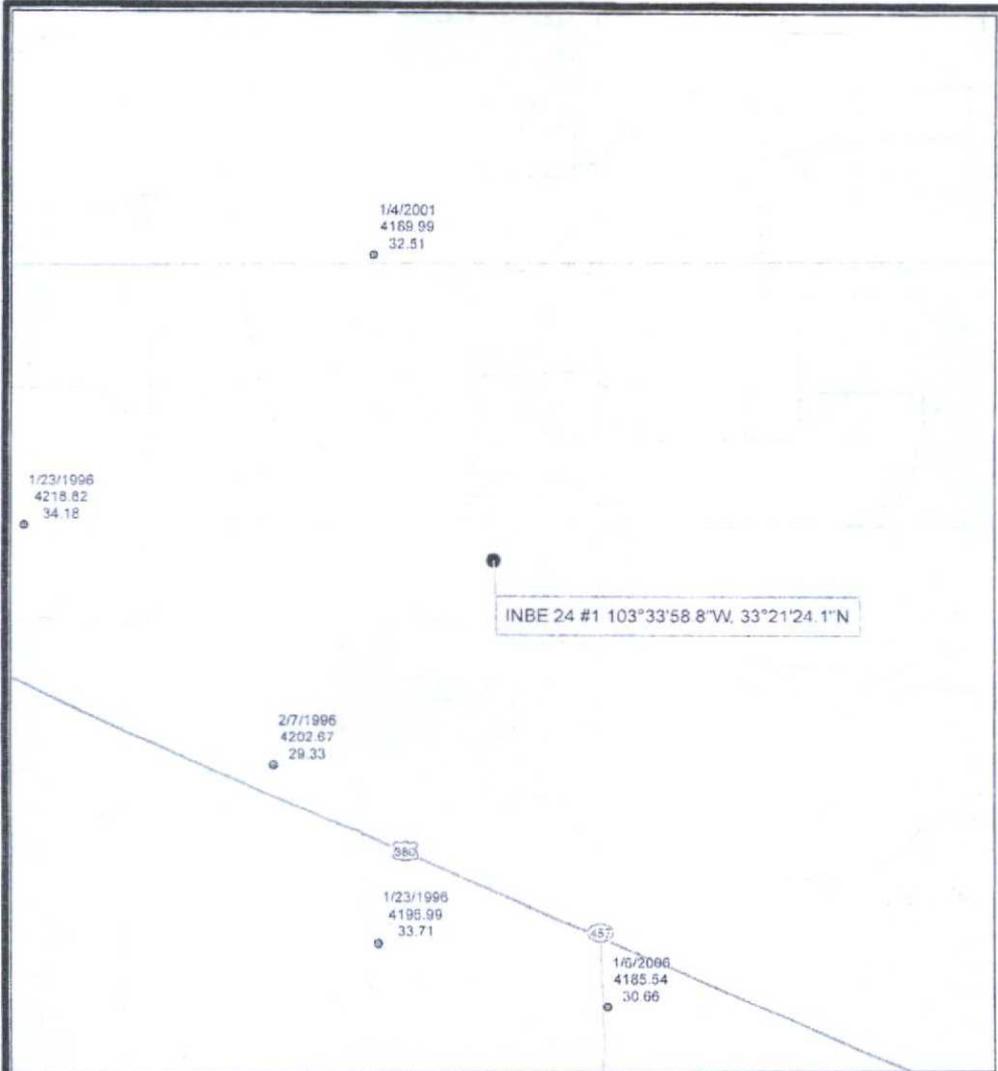
All pit material will be excavated and exported to the Gandy Marley Landfill. After excavation and exportation of pit material, we will test the soils beneath the pit in accordance with the mandates set forth in the new Pit Rule (19.15.17.13.B.(1).b.1) If additional work is necessary after excavation, we will identify the work in a closure plan. A closure report or closure plan will include a site diagram.

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: 5/23/08 By: Pride Production Co., Inc.
Title: General Partner
Printed Name/Title: Matthew L. Pride By: Matthew L. Pride Title: President Signature: Matthew L. Pride

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:
Printed Name/Title: _____ Signature: _____ Date: _____



Explanation

Date of Measurement
 Water Elevation
 Depth to Water



R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Water Elevation Data from USGS	Plate 1
	Pride Energy	May 2008

P.O. Box 701950
Tulsa, OK 74170
(918)524-9200

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

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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: <u>Pride Energy Company</u> Telephone: <u>(918)524-9200</u> e-mail address: <u>mattp@pride-energy.com</u>		
Address: <u>PO Box 701950 Tulsa, OK 74170-1950</u>		
Facility or well name: INBE 24 #1 API #: <u>30-025-38084</u> U/L or Qtr/Qu: <u>B</u> Sec 24 <u>T 11S</u> R <u>33E</u> 660 FNL 2310 FEL		
County: <u>Lea</u> Latitude <u>33 21 24.1</u> Longitude <u>103 33 58.8</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" 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 checked="" type="checkbox"/> Unlined <input type="checkbox"/>		
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/>		
Pit Volume <u>14566</u> 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) See attached maps	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) xxx see attached map (10 points) (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 No	(20 points) (0 points) xxx see attached map
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)
Ranking Score (Total Points)		20 points

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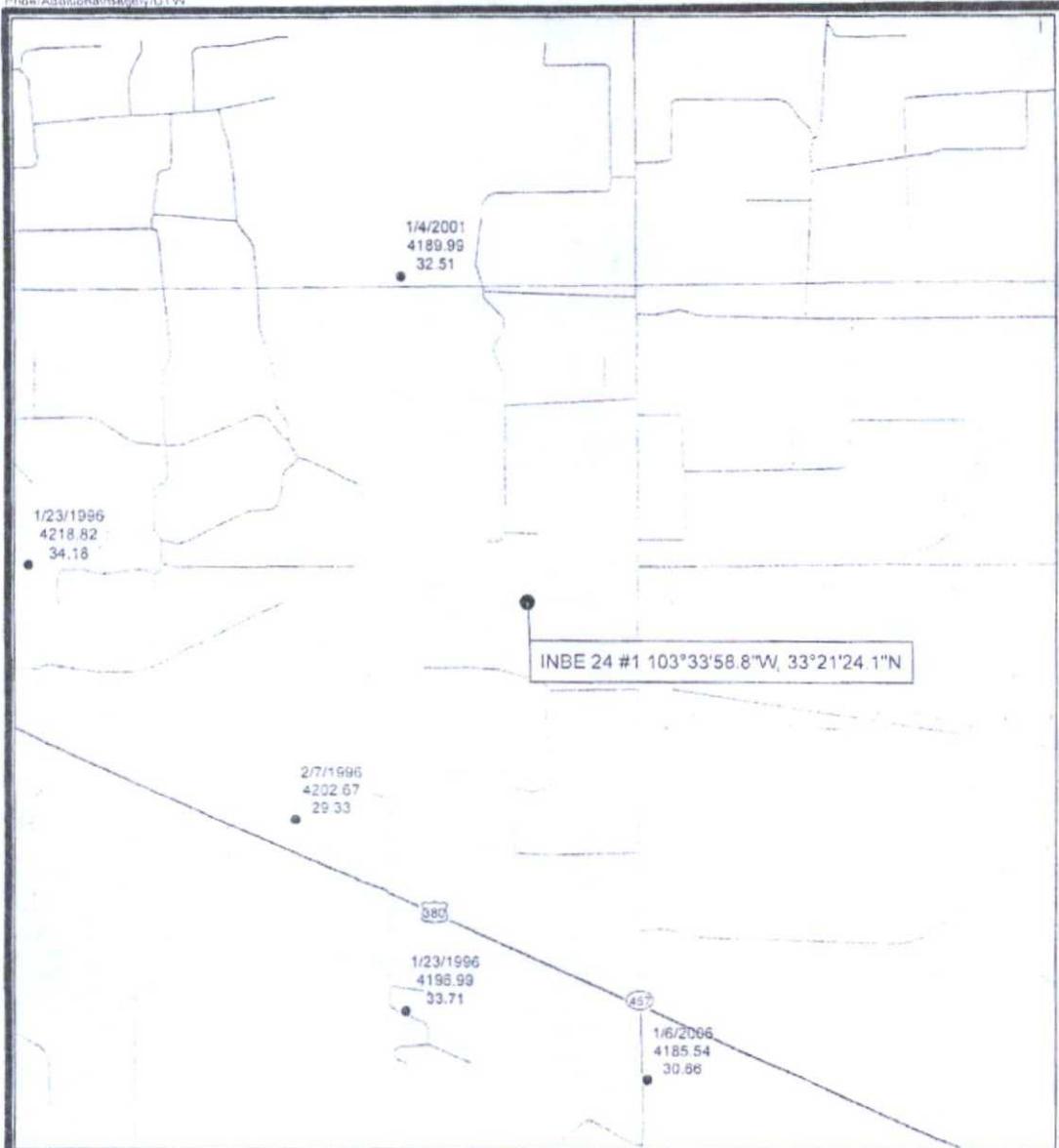
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Date: 5/23/08 By: Pride Production Co., Inc.
Title: General Partner
Printed Name/Title: Matthew L. Pride Title: President Signature: Matthew L. Pride

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.

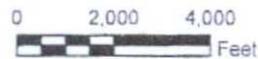
Approval:

Printed Name/Title: _____ Signature: _____ Date: _____

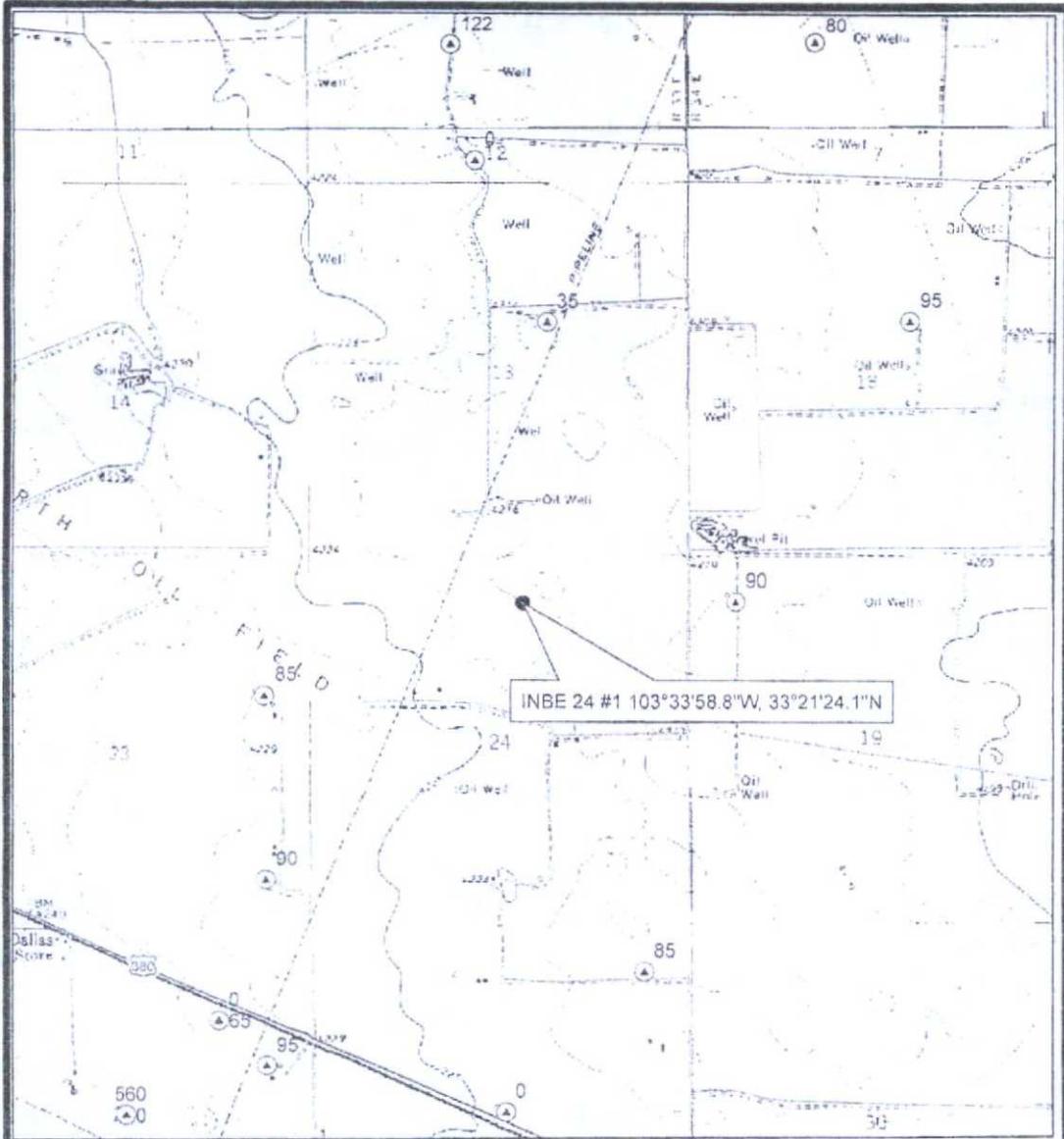


Explanation

Date of Measurement
 Water Elevation
 Depth to Water

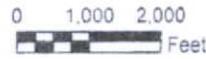


R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Water Elevation Data from USGS	Plate 1
	Pride Energy	May 2008



Explanation

Depth of Well in Feet



R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Water Wells from OSE Database	Plate 2
	Pride Energy	May 2008

Matthew Pride

From: Leking, Geoffrey R, EMNRD [GeoffreyR.Leking@state.nm.us]
Sent: Friday, February 25, 2011 8:34 AM
To: Matthew Pride
Cc: Gonzales, Elidio L, EMNRD; Brown, Maxey G, EMNRD
Subject: INBE 24 #1

Matt

The closure plan dated your signature 05/23/2008 appears adequate. However, there is a report of a release from the pit as documented by Maxey Brown on 08/25/2008. Please submit or resubmit the C-141 pertaining to this release. Thank you.

Geoffrey Leking
Environmental Engineer
NMOCD-Hobbs
1625 N. French Drive
Hobbs, NM 88240
Office: (575) 393-6161 Ext. 113
Cell: (575) 399-2990
email: geoffreyr.leking@state.nm.us



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

26-Aug-08

PRIDE ENERGY COMPANY
P.O. BOX 701602
TULSA OK 74170-1602

LETTER OF VIOLATION - Inspection

Dear Operator:

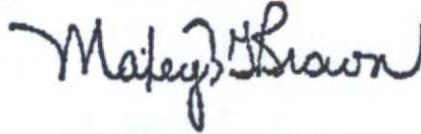
The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

INBE 24 No.001		B-24-11S-33E		30-025-38084-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/25/2008	Routine/Periodic Violations Surface Leaks/Spills	Maxey Brown	Yes	No	11/28/2008	iMGB0823859721
Comments on Inspection:		FOLLOW UP ON COMPLAINT BY RANCHER RICKY PEARCE AND FOUND A SPILL AREA EAST OF DRILLING PIT INTO PLAYA AREA. NEED TO SUBMIT C-141(RULES 116, 17) TO MR. LARRY JOHNSON HOBBS DISTRICT 1 OFFICE, FOR CLEAN UP APPROVAL FOR CLEAN UP, PRIOR TO BEGINNING WORK. THIS IS 1ST LETTER OF NON-COMPLIANCE.				

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.



COMPLIANCE OFFICER

Sincerely,

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

RECEIVED

MAR 09 2011

HOBBSUCD

PRIDE ENERGY COMPANY

(918) 524-9200 ♦ Fax (918) 524-9292

Physical Address: 4641 E. 91st Street
Tulsa, OK 74136

Mailing Address: P.O. Box 701950
Tulsa, OK 74170-1950
Email Address: mattp@pride-energy.com

March 7, 2011

New Mexico Oil Conservation
1625 N. French Drive
Hobbs, NM 88240

ATTN: Geoffrey R. Leking

RE: Inbe 24 No. 001
API# 30-025-38084
Section 24-11S-33E: 660' FNL and 2310' FEL of Section (Unit Letter B)
Lea County, New Mexico

Via Certified Mail
Return Receipt #

91 7108 2133 3938 8617 7700
and E-mail: geoffreyr.leking@state.nm.us
2 Total Pages
(575) 399-2990 (M)
(575) 393-6161, ext. 113

Dear Geoff,

In reference to the above well and your e-mail to me dated February 25, 2011 (copy attached), please find enclosed a completed Form C-141 (Initial and Final Report).

Thank you and if there are questions, please feel free to contact me at 918- 524-9200.

Sincerely,



Matthew L. Pride
Pride Energy Company

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

Form C-144
June 1, 2004

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

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: <u>Pride Energy Company</u> Telephone: <u>(918)524-9200</u> e-mail address: <u>mattp@pride-energy.com</u>		
Address: <u>PO Box 701950 Tulsa, OK 74170-1950</u>		
Facility or well name: INBE 24 #1 API #: <u>30-025-38084</u> U/L or Qtr/Qtr <u>B</u> Sec 24 <u>T</u> <u>11S</u> R <u>33E</u> 660 FNL 2310 FEL		
County: <u>Lea</u> Latitude 33 21 24.1 Longitude 103 33 58.8 NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>		
Pit	Below-grade tank	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/>	Volume: _____ bbl Type of fluid: _____	
Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/>	Construction material: _____	
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/>	Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Pit Volume 14366 _____ bbl		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) See attached maps.	Less than 50 feet	(20 points) xxx see attached map
	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) xx see attached map
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)
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 Gandy Marley. (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:

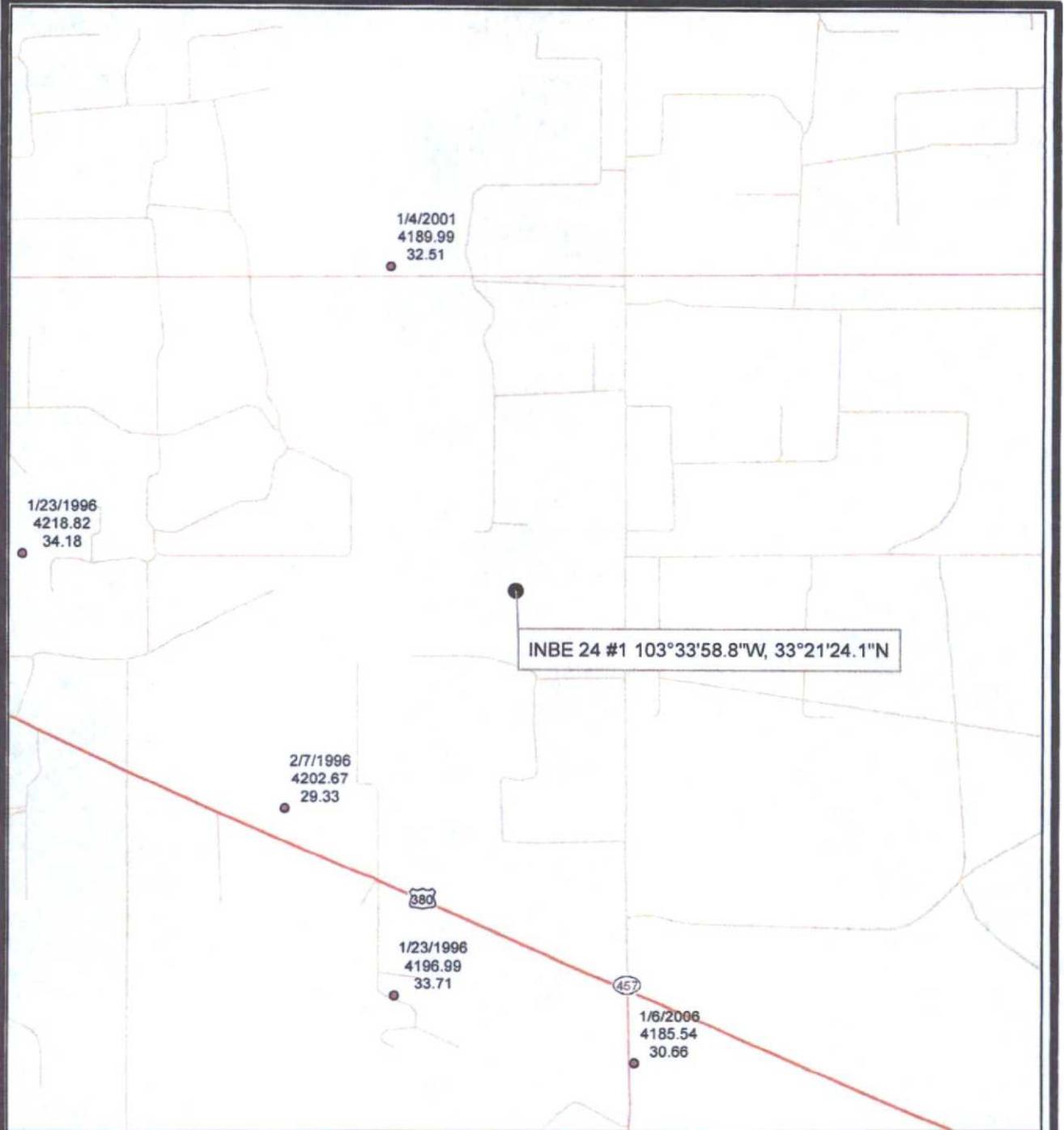
All pit material will be excavated and exported the material to the Gandy Marley Landfill. After excavation and exportation of pit material, we will test the soils beneath the pit in accordance with the mandates set forth in the new Pit Rule (19.15.17.13.B.(1).b.1) If additional work is necessary after excavation, we will identify the work in a closure plan. A closure report or closure plan will include a site diagram.

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: 5/23/08 By: Pride Production Co., Inc.
Printed Name/Title _____ Title: General Partner
By: Matthew L. Pride Signature: Matthew L. Pride
Title: President

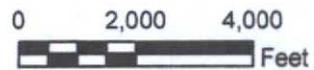
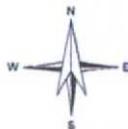
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title _____ Signature _____ Date: _____

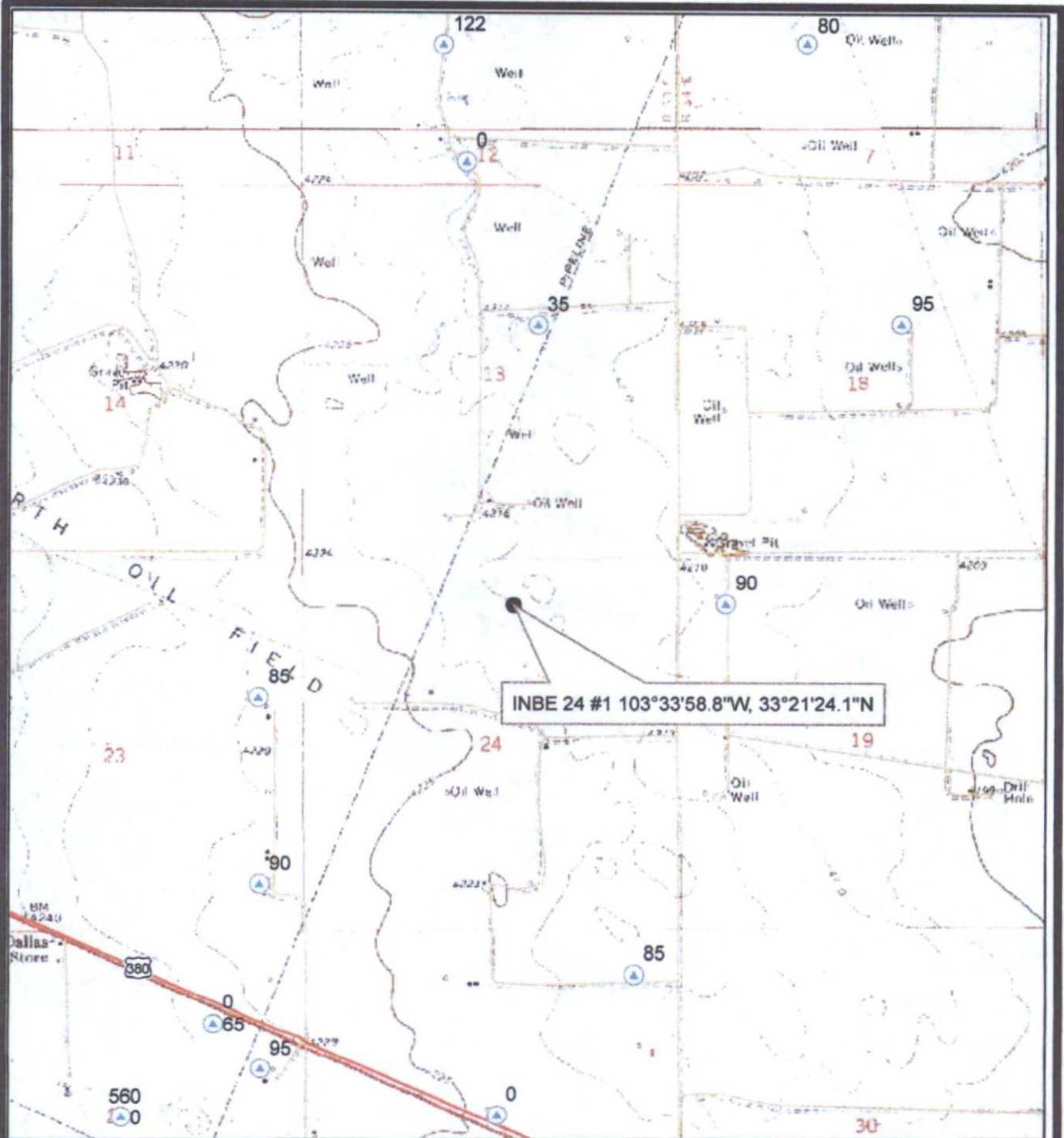


Explanation

Date of Measurement
Water Elevation
Depth to Water



R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Water Elevation Data from USGS	Plate 1
	Pride Energy	May 2008



Explanation

Depth of Well in Feet



R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Water Wells from OSE Database	Plate 2
	Pride Energy	May 2008

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
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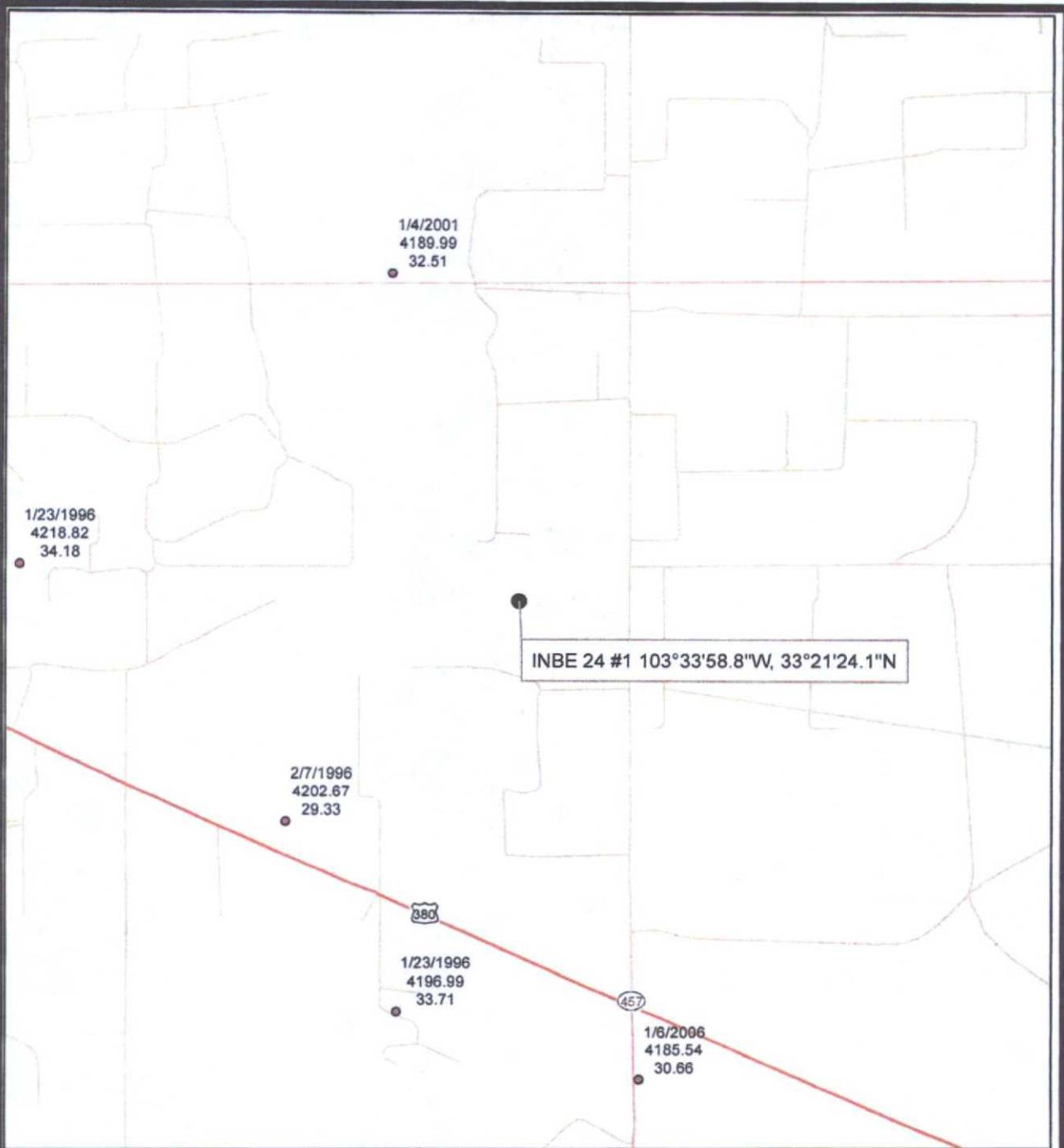
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By: Matthew L. Pride
Title: General Partner
Signature: Matthew L. Pride
Title: President

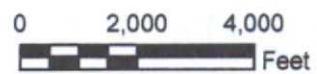
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Approval:
Printed Name/Title _____ Signature _____ Date: _____



Explanation

Date of Measurement
Water Elevation
Depth to Water



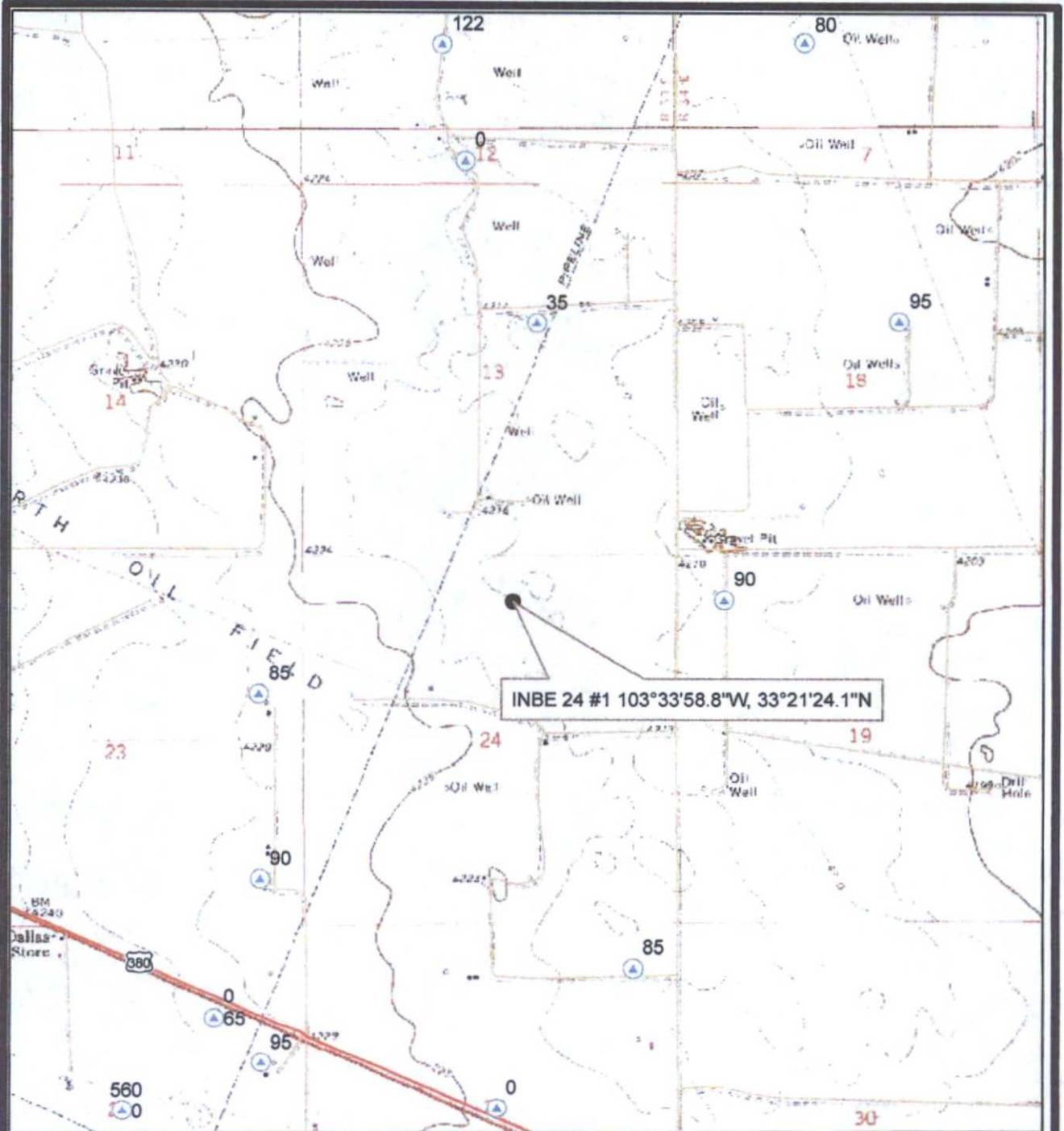
R.T. Hicks Consultants, Ltd
 901 Rio Grande Blvd NW Suite F-142
 Albuquerque, NM 87104
 Ph: 505.266.5004

Water Elevation Data from USGS

Plate 1

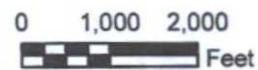
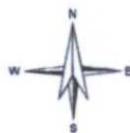
Pride Energy

May 2008



Explanation

Depth of Well in Feet



<p>R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004</p>	<p>Water Wells from OSE Database</p> <p>Pride Energy</p>	<p>Plate 2</p> <p>May 2008</p>
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**NEW MEXICO ENERGY, MINERALS and
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BILL RICHARDSON
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Oil Conservation Division

*Field Inspection Program
"Preserving the Integrity of Our Environment"*

26-Aug-08

PRIDE ENERGY COMPANY
P.O. BOX 701602
TULSA OK 74170-1602

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

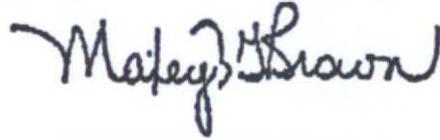
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Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/25/2008	Routine/Periodic	Maxey Brown	Yes	No	11/28/2008	iMGB0823859721
Violations						
Surface Leaks/Spills						
Comments on Inspection:		FOLLOW UP ON COMPLAINT BY RANCHER RICKY PEARCE AND FOUND A SPILL AREA EAST OF DRILLING PIT INTO PLAYA AREA. NEED TO SUBMIT C-141(RULES 116, 17) TO MR. LARRY JOHNSON HOBBS DISTRICT 1 OFFICE, FOR CLEAN UP APPROVAL FOR CLEAN UP, PRIOR TO BEGINNING WORK. THIS IS 1ST LETTER OF NON-COMPLIANCE.				

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Sincerely,



COMPLIANCE OFFICER

Hobbs OCD District Office

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*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

**FIRST
CLASS**



HASLER 017H15554612
\$0.420
08/26/2008
Mailed From 88240
US POSTAGE

PRIDE ENERGY COMPANY
P.O. BOX 701602
TULSA OK 74170-1602