



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

26 May 2004

David H. Arrington O&G Co.  
214 W Texas  
Midland TX 79701

30-015-33441

RE:

Permit Stipulations- Colorado Brown Hackle ST 16 #1

Unit N SEC-16 T-20S R-23E

The Oil Conservation Division of Artesia is in receipt of your application to construct a pit for the purpose of drilling. The request is hereby accepted and approved with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Upon cessation of drilling the freestanding fluid will be removed and disposed of in an OCD approved facility.
5. Pit encapsulations must meet all specific criteria including, but not limited to:
  - A. Site evaluation
  - B. Liner thickness and type must meet requirements as per guidelines.
  - C. Amount of and type of cover
  - D. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
  - E. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
6. The integrity of the bottom liner may not be breached at any time for any reason.
7. The pit will not be used for any additional storage of fluids.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
9. Re-seeding mixture will must be approved or authorized by surface owner.

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 108.

Sincerely,

Mike Bratcher