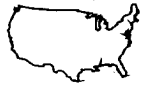




ALLSTATE ENVIRONMENTAL SERVICES, LLC



P.O BOX 11322
MIDLAND, TEXAS 79702
OFFICE: (432) 682-3547
FAX: (432) 682-4182

May 5, 2005

New Mexico Oil Conservation Division
District 2
1301 Grand Avenue
Artesia, New Mexico 88210

RECEIVED
MAY 19 2005
ODD-ARTEDIA

Dear Sir/Ma'am

Included in this mailing is the closure report for the SDX Resources, Inc Kersey Williams A Federal #7 lease. As indicated in the summary the pit closure work was begun on March 15, 2005 and completed on March 17, 2005.

Any concerns or questions regarding this site may be addressed to Randy Offield, Allstate Environmental Services, at 432-682-3547 or his e-mail address at allstateenviro@sbcglobal.net

Sincerely,

C. H. Kerby for Randy Offield - Owner
Allstate Environmental Services

cc: SDX Resources, Inc. - Midland, Tx.
Allstate Environmental Svcs. file

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1501 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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAR 1 2005 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: BDOX Resources, Inc. Telephone: 432465-1761 e-mail address: cmorgan@bdoxresources.com
Address: PO Box 5061, Midland, TX 79704
Well name: Keracy Williams A Yed #7 API #: 30-015-33689 U/L or Q/L or H See 28 T 178 R 268
County: Bddy Lat N32°48'23.1" Long W104°10'28.1" NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☐ Indian ☐

Is Year: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Well type: <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"/> Volume <u>8000</u> bbl	Below-grade tank Volume: <u>8000</u> 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):	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 10 100 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) 0
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
Ranking Score (Total Points) 10	

What 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 circle box if you are burying in place) circle ☒ offsite ☐ If offsite, name of facility: _____ (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: Closure Plan: Pits will be allowed to dry sufficiently and carbon material will be mixed with pit contents as necessary. Pit floor edges will be fitted in and the pit will be capped with a 20 mil synthetic liner and covered with 3' of clean soil.

Please Note - the 6 monthly closure deadline still applies

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: 3/7/05

Printed Name/Title: Clark Morgan, Engineer

Signature: Clark Morgan

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.

Approved:

Printed Name/Title: Paul Lee IV

Signature: Paul Lee IV

MAR 9 2005

Accepted for record - NMOCD

MAY 20 2005

Closure Summary

Pursuant to Pit and Below-Grade Tank Guidelines as published November 1, 2004 by the New Mexico Oil Conservation Division.

Allstate Environmental Services was contracted by SDX Resources, Inc. to commence closure activities of the drilling pits at the Kersey Williams A Federal #1 in Eddy County on February 15, 2005. Photos of the subject pits are included in Attachment I of this report. As described in the Form C-144 (Attachment III) for the Kersey Williams A Federal #1, the fluids in the pit were removed and disposed of. The contents were then stiffened and buried per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines. Closure of the pits was completed March 17, 2005.

A schematic drawing of the pits in relation to any other equipment on the location is included in Attachment II.

SDX Resources Pit Closure Drawing

Kersey Williams A Federal #7 Lease

April 5, 2005

