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

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

Form C-144
March 12, 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: **Marbob Energy Corporation** Telephone: **505-748-3303** e-mail address: **land2@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227** **1800' FSL & 1980' FEL**

Facility or well name: **Sagebrush Federal Com #1** API #: **30-015-33910** U/L or Qtr/Qtr **NWSE** Sec **34** T **18S** R **27E**

County: **Eddy** Latitude_____ Longitude_____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit
Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness **12** mil Clay ☐ Volume _____bbl

Below-grade tank
Volume: _____bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes ☐ If not, explain why not.
_____

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OCD-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 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)	**0 points**
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)	**0 points**
	Ranking Score (Total Points)		**0 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: onsite ☒ 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.

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: **April 19, 2006**

Printed Name/Title: **Gerald Herrera** Signature G. Herrera

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 Date: APR 25 2006

Printed Name/Title Gerry Guye Deputy Field Inspector District II - Artesia Signature Gerry Guye

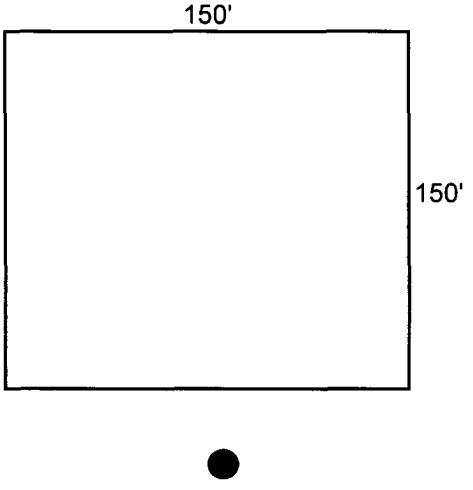
Marbob Energy Corporation
Attachment to OCD Form C-144

Pit or Below-Grade Tank Registration or Closure

Pit Closure

Sagebrush Federal Com #1
1800' FSL & 1980' FEL
Section 34 T-18S R-27E
Eddy County, New Mexico

(1) Facility diagram



(2) Disposal location:
Fluids will be disposed at an approved disposal facility.

(3) General description of remedial action:
a. *Mix contents of pit (with material from location for pad reduction) to stiffen.*
b. *Push to one end of pit, use other end for possibly two capsulation pits.*
c. *Line pits with 12 mil plastic.*
d. *Transfer contents into lined pits.*
e. *Cap with 20 mil liner*
e. *Cover with 3' of cover dirt.*
f. *Re-seed to BLM requirements.*

(4) Groundwater encountered:
No

(5) Soil sample:
N/A