

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

JUL 24 2006

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes X No

OCD-ARTESIA

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank X

Operator: Oxy USA WTP Limited Partnership Telephone: 505-397-0510 e-mail address: ballen@sesi-nm.com
Address: 4008 North Grimes PMB 269, Hobbs, New Mexico 88240
Facility or well name: US 13 Federal #2 API #: 30-015-34272 U/L or Qtr/Qtr O Sec 13 T 22S R 24E
County: Eddy Latitude 32°23'27.19" N Longitude 104°26'47.46" W NAD: 1927 1983
Surface Owner: Federal State Private Indian

<p>Pit Type: Drilling X Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic X Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 8,000 bbl</p>	<p>Below-grade tank Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not.</p>						
<p>Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)</p>	<table border="1"> <tr> <td>Less than 50 feet</td> <td>(20 points)</td> </tr> <tr> <td>50 feet or more, but less than 100 feet</td> <td>(10 points)</td> </tr> <tr> <td>100 feet or more</td> <td>(0 points) XXXX</td> </tr> </table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points) XXXX
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
100 feet or more	(0 points) XXXX						
<p>Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)</p>	<table border="1"> <tr> <td>Yes</td> <td>(20 points)</td> </tr> <tr> <td>No</td> <td>(0 points) XXXX</td> </tr> </table>	Yes	(20 points)	No	(0 points) XXXX		
Yes	(20 points)						
No	(0 points) XXXX						
<p>Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)</p>	<table border="1"> <tr> <td>Less than 200 feet</td> <td>(20 points)</td> </tr> <tr> <td>200 feet or more, but less than 1000 feet</td> <td>(10 points)</td> </tr> <tr> <td>1000 feet or more</td> <td>(0 points) XXXX</td> </tr> </table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points) XXXX
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200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points) XXXX						
	<p>Ranking Score (Total Points) 0 points</p>						

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 X 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 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: Category #2 Location
Closure work plan for drilling pit. The drilling pit will be capped and encapsulated insitu. This will be accomplished by mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide physical stability and support for the pit cover. The edges of the liner will be folded over the stiffened mud and cuttings; capping the pit with a 20 mil thickness impervious; reinforced synthetic liner meeting ASTM standards that is designed to be resistant to the material encapsulated; and covering the cap with a minimum of 3' feet of clean soil or like material that is capable of supporting native plant growth.
A one call and a 48-hour notice will be provided to the Oil Conservation Division.

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 X or an (attached) alternative OCD-approved plan .

Date: 1-11-06
Printed Name/Title Bob Allen/ Consultant Signature *Bob Allen*

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 *Mike Latcher* *Artesia* Signature *Mike Latcher* Date: 7/26/06

Condition of Approval: Liner must be intact