



NOTIFICATION OF DRILLING PIT CLOSURE LINCOLN FEDERAL COM. NO. 2

API NO. 30 015 33956 U/L H S24 R18 T24E

Murchison Oil & Gas, Inc. herewith notifies the State of New Mexico, Oil Conservation Division (OCD) and the Bureau of Land Management (BLM) that it completed closure of the Lincoln Federal Com. No. 2 drilling pit on 12 May 2006 pursuant to the requirements of OCD, Rule 50 and the Bureau of Land Management reseeding guidelines.

Onyx Contractors, Inc. notified One Call prior to initiating and completing the insitu closure of the above-cited drilling pit. Permission to close was given by the State of New Mexico, OCD and all notifications were done according to schedule.

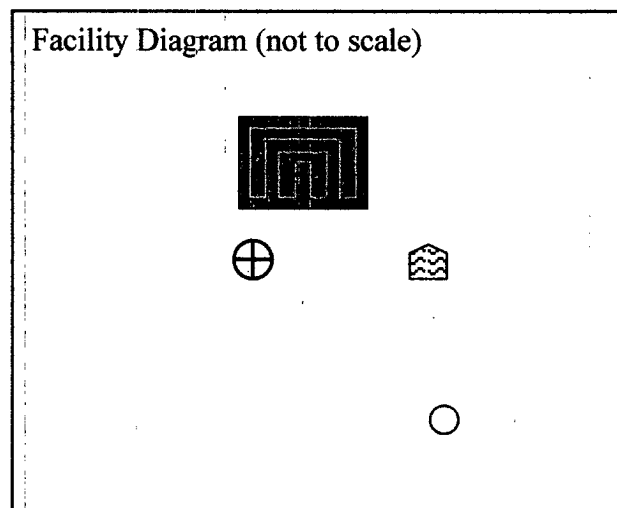
Attached are the facility diagram, appropriate photos and lab data for documentation purposes. All other pertinent information can be obtained either from the C-144 or the Closure Plan currently on file with OCD.

Tommy Folsom, Production Manager

8/1/06

Date

Enclosures: Photos, Lab Data

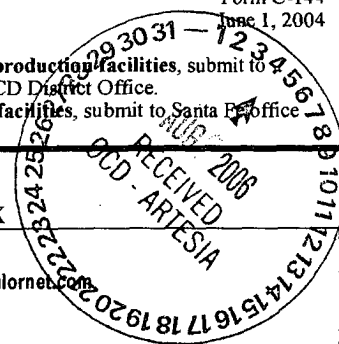


French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
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: MURCHISON OIL AND GAS, INC.

Telephone: 505-628-3932

e-mail address: tommyfolsom@valornet.com

Address: PO Box 627, 406 N. Guadalupe, Suite B, Carlsbad, NM 88221-0627

Facility or well name: Lincoln Federal Com. No. 2

API #: 3001533956

U/L or Qtr/Qtr Lot H Sec 24 T18S R24E

County: Eddy

Latitude N

Longitude W

NAD: 1927 ☐ 1983 ☐

Surface Owner: Federal X

Pit Type: Drilling X Lined X Liner type: Synthetic X Thickness: 12ml HDPE Liner Pit Volume: 2,000 bbl. (Approximately)	Below-grade tank N/A Volume: N/A bbl Type of fluid: N/A Construction material: N/A Double-walled, with leak detection? <input type="checkbox"/> If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of groundwater.) Yates applied to drill a well in S36 in 2/93 but no water information exists. All other data shows approximately 300' to groundwater.	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) 0 pts.
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 X	(20 points) (0 points) 0 pts.
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) 10 pts. (0 points)
Ranking Score (Total Points)		10 pts.

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. Digital photos shall be submitted before and after remediation activity. (2) Indicate disposal location: Insitu as described above. If offsite, name of facility: N/A (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: Please refer to the attached letter for detailed "Closure Plan" information, digital photos, and sample location diagram. For purposes of continuity, all materials shall be submitted as part of the final closure report.

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: 25 January 2006

Printed Name/Title: Tommy W. Folsom, Production Manager

Signature

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 groundwater 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:

Accepted for record - NMOCD

AUG 08 2006

Scan into 30-015-33956



6701 Aberdeen Avenue, Suite 9
155 McCutcheon, Suite H

Lubbock, Texas 79424 800•378•1296
El Paso, Texas 79932 888•588•3443
E-Mail lab@traceanalysis.com

806•794•1296 FAX 806•794•1298
915•585•3443 FAX 915•585•4944

Analytical and Quality Control Report

Tommy Folsom
Murchison Oil & Gas Inc.
P.O. Box 627
Carlsbad, NM. 88220

Report Date: May 11, 2006

Work Order: 6051103



Project Name: Reserve Pit Closure
Project Number: Lincoln Federal Com No. 2

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
90050	Pit NE Corner	soil	2006-05-09	16:00	2006-05-10
90051	Pit SE Corner	soil	2006-05-09	16:00	2006-05-10
90052	Pit NW Corner	soil	2006-05-09	16:00	2006-05-10
90053	Pit SW Corner	soil	2006-05-09	16:00	2006-05-10
90054	Insitu Pit	soil	2006-05-09	16:00	2006-05-10
90055	Background	soil	2006-05-09	16:00	2006-05-10

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 5 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

Michael A. Leftwich

Dr. Blair Leftwich, Director

Analytical Report

Sample: 90050 - Pit NE Corner

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	26443	Date Analyzed:	2006-05-11	Analyzed By:	WB
Prep Batch:	23216	Sample Preparation:	2006-05-10	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		769	mg/Kg	50	1.00

Sample: 90051 - Pit SE Corner

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	26443	Date Analyzed:	2006-05-11	Analyzed By:	WB
Prep Batch:	23216	Sample Preparation:	2006-05-10	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		144	mg/Kg	5	1.00

Sample: 90052 - Pit NW Corner

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	26443	Date Analyzed:	2006-05-11	Analyzed By:	WB
Prep Batch:	23216	Sample Preparation:	2006-05-10	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		70.5	mg/Kg	5	1.00

Sample: 90053 - Pit SW Corner

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	26443	Date Analyzed:	2006-05-11	Analyzed By:	WB
Prep Batch:	23216	Sample Preparation:	2006-05-10	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		192	mg/Kg	10	1.00

Sample: 90054 - Insitu Pit

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	26443	Date Analyzed:	2006-05-11	Analyzed By:	WB
Prep Batch:	23216	Sample Preparation:	2006-05-10	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		78.2	mg/Kg	5	1.00

Sample: 90055 - Background

Analysis:	Chloride (IC)	Analytical Method:	E 300.0	Prep Method:	N/A
QC Batch:	26443	Date Analyzed:	2006-05-11	Analyzed By:	WB
Prep Batch:	23216	Sample Preparation:	2006-05-10	Prepared By:	WB

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		15.6	mg/Kg	5	1.00

Matrix Blank (1) QC Batch: 26443

Parameter	Flag	MDL Result	Units	RL
Chloride		1.32	mg/Kg	1

Laboratory Control Spike (LCS-1) QC Batch: 26443

Param	LCS Result	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	RPD	Rec. Limit	RPD Limit
Chloride	13.9	13.5	mg/Kg	1	12.5	1.32	101	3	90 - 110	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) QC Batch: 26443 Spiked Sample: 90055

Param	MS Result	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	RPD	Rec. Limit	RPD Limit
Chloride	1450	1500	mg/Kg	50	12.5	769	109	3	15.3 - 175	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1) QC Batch: 26443

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	12.5	13.3	106	90 - 110	2006-05-11

Standard (CCV-1) QC Batch: 26443

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	12.5	13.2	106	90 - 110	2006-05-11

MURCHISON OIL & GAS
attn: TOMMY FOLSOM
PO BOX 627
CARLSBAD

NM 88220

Explanation of codes	
B	Analyte Detected in Method Blank
E	Result is Estimated
H	Analyzed Out of Hold Time
N	Tentatively Identified Compound
S	Subcontracted
1-9	See Footnote

STANDARD

Assaigai Analytical Laboratories, Inc.

Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).

Client: MURCHISON OIL & GAS
Project: LINCOLN FEDERAL COM. #1
Order: 0605120 COD Receipt: 05-04-06

William P. Biava: President of Assaigai Analytical Laboratories, Inc.

Sample: PIT NE CORNER
Matrix: SOIL

Collected: 05-03-06 11:00:00 By: CW

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0001A		SW846 9056 Anions by Ion Chromatography							By: JTK	
W06343	WC.2006.1129.14	16887-00-6	Chloride	2280	mg / Kg	50	0.5		05-04-06	05-05-06

Sample: PIT NW CORNER
Matrix: SOIL

Collected: 05-03-06 11:20:00 By: CW

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0002A		SW846 9056 Anions by Ion Chromatography							By: JTK	
W06343	WC.2006.1129.22	16887-00-6	Chloride	22.8	mg / Kg	5	0.5		05-04-06	05-05-06

Sample: PIT SE CORNER
Matrix: SOIL

Collected: 05-03-06 11:35:00 By: CW

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0003A		SW846 9056 Anions by Ion Chromatography							By: JTK	
W06343	WC.2006.1129.16	16887-00-6	Chloride	1850	mg / Kg	50	0.5		05-04-06	05-05-06

Assagai Analytical Laboratories, Inc.

Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).

Client: **MURCHISON OIL & GAS**
 Project: **LINCOLN FEDERAL COM. #1**
 Order: **0605120 COD** Receipt: **05-04-06**

Sample: **PIT SW CORNER** Collected: 05-03-06 11:45:00 By: CW
 Matrix: **SOIL**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0004A SW846 9056 Anions by Ion Chromatography By: JTK										
W06343	WC.2006.1129.23	16887-00-6	Chloride	39.2	mg / Kg	5	0.5		05-04-06	05-05-06

Sample: **PIT MIDDLE** Collected: 05-03-06 12:00:00 By: CW
 Matrix: **SOIL**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0005A SW846 9056 Anions by Ion Chromatography By: JTK										
W06343	WC.2006.1129.24	16887-00-6	Chloride	14.2	mg / Kg	5	0.5		05-04-06	05-05-06

Sample: **INSITU PIT BOTTOM COMP** Collected: 05-03-06 12:10:00 By: CW
 Matrix: **SOIL**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0006A SW846 9056 Anions by Ion Chromatography By: JTK										
W06343	WC.2006.1129.25	16887-00-6	Chloride	21.0	mg / Kg	5	0.5		05-04-06	05-05-06

Sample: **BACKGROUND COMP.** Collected: 05-03-06 12:30:00 By: CW
 Matrix: **SOIL**

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0605120-0007A SW846 9056 Anions by Ion Chromatography By: JTK										
W06343	WC.2006.1129.26	16887-00-6	Chloride	9.76	mg / Kg	5	0.5		05-04-06	05-05-06

Unless otherwise noted, all samples were received in acceptable condition and all sampling was performed by client or client representative. Sample result of ND indicates Not Detected, ie result is less than the sample specific Detection Limit. Sample specific Detection Limit is determined by multiplying the sample Dilution Factor by the listed Reporting Detection Limit. All results relate only to the items tested. Any miscellaneous workorder information or footnotes will appear below.

Analytical results are not corrected for method blank or field blank contamination.

MEMO: Samples were received with no ice.