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
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: *COG Operating LLC* Telephone: *432-685-4372* e-mail address: *dkuykendall@conchoresources.com*
Address: *Fasken Center Tower II, 550 W. Texas Ave., Suite 1300, Midland, TX 79701*
Facility or well name: *Mosley Canyon 32 State #1* API #: *30-015-34250* U/L or Qtr/Qtr: *D* Sec: *32* T: *23S* R: *25E*
County: *Eddy* Latitude: *N 32° 15' 55"* Longitude: *W 104° 25' 23"* NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness: *12 mil* Clay ☐ Pit Volume: *25,000 bbl*	Volume: _____bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) *500'*	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more - *X*	(20 points) (10 points) (0 points) 0
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
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 - *X*	(20 points) (10 points) (0 points) 0
	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: (check the onsite box if your are burying in place) 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.

Additional Comments: *Pit Closure Plan attached*

One monitor well was drilled to a depth of 75 feet below ground level at the site on October 24, 2006. On November 1, 2006, Jeff Kindley of Highlander Environmental and Phil Hawkins of the NMOCD met at the site to check the water level in the monitor well. The well was found to be dry.

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: December 12, 2006
Printed Name/Title Jeff Kindley Agent for COG Signature Jeff Kindley

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 Bratcher Asst II Signature Mike Bratcher Date: 12/15/06

Pit Closure Plan – Drilling Pit

Operator: **COG Operating LLC**
Well Name: **Mosley Canyon 32 State #1** 30-015-34250
Location: **Unit D, Section 32, Township 23 S, Range 25 E, Eddy County, NM**

The drilling pit associated with this well will be closed as per New Mexico OCD "Pit and Below-Grade Tank Guidelines" dated November 1, 2004. The visual inspection of the pit indicated that the pit liner has maintained its integrity.

1. Any remaining liquids will be removed from the pit.

2. Remaining solid wastes (i.e. buckets, cans, miscellaneous trash, debris, contaminated solids, etc.) will be removed from the pit, except for dried mud and cuttings, cement, and frac materials in drilling and reserve pits which have been approved by the OCD for encapsulation.

3. **This well did not penetrate a salt section and was drilled with less than 9.5 lb/gal brine. Therefore, the drilling pit will be closed by <u>encapsulation:</u>**

   Encapsulation will be accomplished by mixing earthen materials with the pit contents to stiffen the pit contents, as necessary, folding the edges of the liner over the stiffened mud and cuttings and covering the encapsulated wastes and liner with a minimum of 3 feet of clean soil that is capable of supporting native plant growth.

4. Upon closure of the pit, the surface where the pit was located will be contoured to prevent erosion and ponding of rainwater over the site.