<u>District I</u> 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 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

I	Pit	or	Belo	w-Grade	Tank	Regi	stratio	n or	Closure

Type of action: Registration of a pit of	k covered by a "general plan"? Yes ∐ N or below-grade tank ☐ Closure of a pit or below-g	rade tank						
Operator: Parallel Petroleum Corporation Telephone: Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79 Facility or well name: Mail Box 1921-23 Federal #1 API #: 30-	432-684-3905 e-mail address: 1	gmiller@hec-enviro.com RECEIVED NO OCD · ARTESIA						
Surface Owner: Federal State Private Indian								
Pit Type: Drilling Image: Production Image: Disposal Image: Disposal Image: Image: Unlined Image: Lined X Unlined Image: Unlined Image: Unlined Image: Image: Clay Image: Pit Volume 25,000 bbl Disposal Image: Image: Clay Image: Disposal Image: Image: Clay Image: Disposal Image: Image: Disposal Image: Disp	Below-grade tank 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.) 750'	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 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						
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 Ranking Score (Total Points)	(20 points) (10 points) (0 points) 0						
If this is a pit closure: (1) Attach a diagram of the facility showing the pit' your are burying in place) onsite offsite If offsite, name of facility remediation start date and end date. (4) Groundwater encountered: No \(\) \(\) \(\) \(\) \(\) Attach soil sample results and a diagram of sample locations and excava Additional Comments:	. (3) Attach a general Yes If yes, show depth below ground surface	al description of remedial action taken including						
The drilling pit for this site will be closed as per the attached Pit Closure Plan.								
I hereby certify that the information above is true and complete to the best has been/will be constructed or closed according to NMOCD guideline. Date: 1-15-07 Printed Name/Title Gary Miller, Agent Phone 432/682/4559 Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve to regulations. Approval: Printed Name/Title Cary Miller, Agent Phone 432/682/4559	Signature not relieve the operator of liability should the content of the operator of the operator of the operator of the operator of its responsibility for compliance with	native OCD-approved plan						

Pit Closure Plan – Drilling Pit

Operator: Parallel Petroleum Corporation

Well Name: Mail Box 1921-23 Federal #1, API # 30-015-35165

Location: Unit D, Section 23, Township 19 S, Range 21 E, Eddy County, NM

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 encapsulation:

It is proposed to bury the drill cutting in place and not remove or trench the cutting if it can be done so that a minimum of 3' of fill can be placed over the material. A 20 mil liner will be placed over the drill cutting before the area is backfilled.

If this method can not be used, trench burial will be utilized for burial and capping of the drilling mud and cuttings. Up to two trenches (approximately 5 feet wide x 10 feet deep x 125 feet length) will be dug next to the pit and the cuttings buried and capped. The trenching and capping will be accomplished by lining the trench with an impervious, reinforced, synthetic or fabricated liner at least 12 mils in thickness; mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide stability and support for the trench cap; emplacing the stiffened mud and cuttings into the lined trench; capping the trench with a 20 mil minimum thickness impervious, fiber reinforced, synthetic or fabricated liner (the synthetic liner will overlap the trench area by at least 3 feet in all directions); and covering the trench with a minimum of 3 feet of clean soil that is capable of supporting native plant growth.

4. Since this is a federal well, the Bureau of Land Management (BLM) will be contacted for site reclamation requirements.