

District I
1625 N. French Dr., Hobbs, NM 88240District II
1301 W. Grand Avenue, Artesia, NM 88210District III
1000 Rio Brazos Road, Aztec, NM 87410District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505State of New Mexico
Energy Minerals and Natural ResourcesOil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505For drilling and production facilities, submit to
appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe
officeForm C-144
June 1, 2004

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 ☒FEB 2 2007
OCD - ARTESIA, NMOperator: LCE Energy, LLC Telephone: 432-697-1575 e-mail address: larryg@eeronline.com
Address: 110 N. Marichfeld Suite 200 Midland TX 79701
Facility or well name: 1823 State 301 API #: 30-015-34923 U/L or Qtr/Qtr P Sec 30 T 18S R 23E
County: Eddy Latitude N 32 42 47.115 Longitude W 104 43 27.531 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 ☐Pit Volume 11000 bbl

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.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points) XXX

100 feet or more

(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

(20 points)

No

(0 points) XXXDistance to surface water: (horizontal distance to all wetlands, playas,
irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points) XXX

Ranking Score (Total Points)

10 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
you 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: Work plan for the closure of drilling pit. The drilling pit contents will be mixed to stiffen the pit contents. An encapsulation trench will be excavated
and lined with a 12 mil synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil synthetic liner will be
placed over the pit contents with a min of a 3' over lap of the underlying trench area. Then encapsulation trench will then be backfilled back to grade using a min of 3' of clean
soil and like material. A one call and 48 hr notice will be provided to the Oil Conservation Division before pit closure actions begin. Pit closure actions will begin 1 week after
permit approval.

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: 2/1/07Printed Name/Title Larry Gallette Operations M. Signature Larry Gallette

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: Jim W. GreenPrinted Name/Title District II Supervisor Signature _____Date: 2/2/07