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**

For drilling and production facilities, submit to appropriate NMOCD District

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

For downstream facilities, submit to Santa Fe office

Form 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 X

JUL - 3 2007 Type of action: Registration of a pit or below-grade tank X Closure of a pit or below-grade tank OCD-ARTESIA e-mail address: tiffin@plll.com Operator: Parallel Petroleum Corporation Telephone. 432-684-3905 Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79701 34374 U/L or Qtr/Qtr SW/4 of the SW/4 Sec 1 T 19S R 21E API#: 30-015-034374~ Facility or well name: Box Top Federal 19 21-1#1 Latitude 32° 41' 03.15" N Longitude 104° 45' 1086" W NAD: 1927 X 1983 🔲 County. Eddy Surface Owner: Federal State Private X Indian Pit Below-grade tank **RECEIVED** Type Drilling Production Disposal Volume: ____bbl Type of fluid: __ Workover X Emergency Construction material: FEB 07 2006 Lined X Unlined [Double-walled, with leak detection? Yes If not, explain why not. ンシレーハイフトロント Liner type. Synthetic X Thickness 12 mil Clay Pit Volume 25,000 bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 750' 100 feet or more (0 points) (20 points) Yes Wellhead protection area (Less than 200 feet from a private domestic No (0 points) water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water. (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) 0 Ranking Score (Total 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 ___ (3) Attach a general description of remedial action taken including your are burying in place) onsiteX offsite I If offsite, name of facility 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:** This is a fresh water frac pit, but may be used for the flow back and therefore a pit permit is requested for use as a Workover Pit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further pertify 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 (atached) alternative OCD-approved plan [].

Date: 2-3-06

Printed Name/Title Gary Miller, Agent

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

Gerry Guye

Approval Compliance Officer Printed Name/Title

Signature

Date: 0-9-06



Highlander Environmental Corp.

Midland, Texas

JUL - 3 200/ OCD-ARTESIA

June 28, 2007

Mr. Mike Bratcher State Of New Mexico. Oil Conservation Division 1301 W. Grand Ave. Artesia, New Mexico 88210

Re: Parallel Petroleum Corporation, Pit Closures Eddy and Chaves Counties, New Mexico

The attached are copies of the approved C-144 pit closures for several wells drilled by Parallel Petroleum Corporation. These pits were closed over the course of the past 6 The contractor, Sweat Construction performed all of the closures and in conversation with you last month I found that while they had contracted your office that they were closing the sites, no paper work had been forwarded to you. On the attached C-144's I have noted the date of the closure and if the pit contents were taken to disposal or trench buried. This should catch us up on paperwork for the pits that have been closed to date.

Should you need additional information regarding this issue, please contact me at 432-682-4559 or my email address at gmiller@hec-enviro.com.

Sincerely,

Gary Miller, Agent

Highlander Environmental Corp.