

Robin Terrell
Mewbourne Oil Company
PO Box 5270
Hobbs, New Mexico 88241

November 1, 2007

Tim Gum
NMOCD District 2 Office
1301 W. Grand
Artesia, New Mexico 88210

RE: South Loving "2" State # 1 - Final Pit Closure

South Loving "2" State # 1

API: 30-015-34231

2-24S-27E

1980' FNL & 1980' FWL

Depth to Ground Water: +/-75'

Planned Analytical Testing: Chlorides

Site Ranking Score: 0 (zero)

Primary Land Use: Ranching and Oil & Gas Production

Pursuant to Pit Rule 50 of the New Mexico Oil Conservation District of the State of New Mexico regulatory requirement for pit closure, please accept the following documentation for final closure of the drilling pit for the aforementioned location.

An Insitu burial trench was excavated and lined with 12mil HDPE liner. All drill cuttings were stiffened and transferred to the lined Insitu trench. Upon transferring all pit contents to the lined burial trench, field tests were performed on the soil within in the confines of the original drill pit. The field results of chloride delineation of the impacted material are as follows:

NW	8' 2500mg/kg	NE	9' 1500 mg/kg
	15' 1500mg/kg		13' 200 mg/kg
SW	8' 700mg/kg	SE	8' 3000mg/kg
	10' 125mg/kg		13' 200mg/kg

After field tests were performed, Tim Gum of the New Mexico Oil Conservation Division (NMOCD) was contacted. Approval for closure was granted with the following stipulation:

Due to the limited amount of contamination no additional impacted material would have to be removed; but the floor would be leveled so a 20mil cap could be placed across the entire length and width of the floor.

Pursuant to NMOCD Pit Rule 50 and the aforementioned stipulation, a 20mil HDPE liner was placed across the floor of the drill pit and on the top of the Insitu trench to seal in the impacted soils and the stiffened drill cuttings. The pit area was backfilled with clean native material, contoured to the surrounding terrain.

Soil samples were collected, prepared and packaged per EPA guidelines and forwarded to Trace Analysis in Lubbock, Texas for official analytical testing. Please find the official analytical results attached hereto.

Please review the attached documentation and contact me at 505-393-5905 with any questions or concerns. Pit closure was completed 9/27/07.

Sincerely,

Accepted for record
NMOCD

Robin Terrell
Production Engineer

/sjt

OLD COPY



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1594 W. Grand Avenue, Artesia, NM 88210
District III
1600 N. Kansas Road, Aztec, NM 87401
District IV
1220 S. R. French 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

Month - Year and production facilities, subject to
MAY 2005 (for NMOCSD jurisdiction)
for the production facilities, subject to Santa Fe
OCD - ARTESIA

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: Menbourn Oil Co. Telephone: (505) 393-5205 e-mail address: _____
Address: P.O. Box 5270 Hobbs, NM 88241
Facility or well name: South Loring 2 St. #1 API #: 30-015-34231 UEL or QUL #: F Sec: 2 T: 245 R: 27E
County: Eddy Latitude: N32°14'55.0" Longitude: W104°09'47.5" NAD: 1983 ☐ 1988 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Wellhead <input type="checkbox"/> Emergency <input type="checkbox"/> Liner <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: <u>12</u> mil Clay <input type="checkbox"/> Fit Volume: <u>144</u>		Below-grade tank Volume: <u>144</u> Type of tank: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to nearest high water elevation of ground water.)	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 zone: (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)	?
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) (0 points)	?
Ranking Score (Total Points)			<u>10</u>

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 circle box if you are burying in place) circle ☐ 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 numbers.

Additional Comments: Refer to Attached Pit Closure Plan

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 NMOCSD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 5/24/07

Printed Name/Title: Dusty L. Wilson/Field Agent Signature: [Signature]

Your certification and NMOCSD approval of this application does not release the operator of liability should the contents of the pit or tank contain/leak ground water or otherwise endanger public health or the environment. Nor does it release the operator of its responsibility for compliance with any other federal, state, or local laws or other regulations.

Approved:

Printed Name/Title: _____

Signature: [Signature]

Date: 6/6/07

Notify OCD 24 hours prior to beginning pit closure.

Samples are to be obtained from pit area and analysis submitted to NMOCSD prior to back-filling

②

New Mexico Environmental Services

Hobbs, New Mexico

Reserve Pit Remediation

SURFACE PIT CLOSURE PLAN

PIT PARAMETERS

COMPANY: Mewbourne Oil Co.

WELL SITE: South Loving 2 State #2

LEGAL DESCRIPTION: Unit F Sec 2 T24s R27e, 1980

FNL 1980 FWL, Eddy co.

The reserve pit inset on this leasehold is being permitted to close as per New Mexico OCD "Pit and Below Grade Tank Guidelines" dated November 1, 2004.

This pit was excavated and formed to the dimensions roughly 150' X 150' X 6' deep. A 12 mil membrane liner and pad was used to prevent leakage to the surface soils. A visual examination of the membrane liner indicates that the liner had maintained its integrity.

After the drilling and completion phase of this project, the water phase of the pit contents were pumped and hauled to an approved water injection facility. It is estimated that the volume of solids remaining are to +/- 1800 yards. The burial cell is to be excavated and lined with a minimum 12 mil membrane that complies with ASTM Standards: D-5747, D-5199, D-5994, and D-4833. The cuttings will be loaded as to allow for > 36" freeboard to ground level. After the cuttings are loaded the 12 mil liner will be folded over the top, and a 20 mil minimum thickness liner meeting the minimum requirements as outlined in ASTM Standard Methods: D-5747, D-5199, D-5994, D-4833; will be used to cap and cover to an extended area that exceeds three feet in all directions from the

edge of the burial cell. This cap will be constructed as to slope and allow for water runoff from burial cell.

A minimum of 36" of top soil will be used to cover the burial cell. This soil must be capable of supporting plant growth. A seed mixture will be used as to conform to local BLM and OCD requirements.

After the drilling solids are buried, the natural contour of the surrounding soils will be mechanically shaped as to prevent erosion of the well site until vegetation is established.

NEW MEXICO ONE CALL
Locate Request Confirmation

Ticket #:2007332149 Reason Code:STANDARD LOCATE
Work to Begin Date: 08/17/2007 Time: 10:29:00 AM

CALLER INFORMATION

MARLEANA Excavator Type:HOMEOWNER
NEW MEXICO ENVIRONMENTAL SERVICES Tel.: (505) 392-8584

DIG LOCATION

City:RURAL EDDY
Subdivision:
Address : To:
Street : *SOUTH LOVING 2 STATE #1
Nearest Intersecting Street :
Second Intersecting Street :

Additional Dig Information:

W0708151004230 FROM CEDAR RD AND PECOS HWY IN
LOVING, GO S ON PECOS HWY 1 MI TO HIGBY HOLE RD
TURN S-SW AND GO 0.4 MI TO BOUNDS RD 0.4-TURN W
GO 2 MI-TURN S ON LEASE RD AND GO 2.1 MI. RD WILL
TURN SW THRU GATE 0.4 MI GO N 0.7 MI TO LOCATION

Remarks: LAT:N32*14'55.0" LONG:W104*09'47.5"
SPOT 600 FT RADIUS OF WELLHEAD.

Township: 24S Range: 27E Section 1/4: 02 NW

Type of Work: DEEP BURY RESERVE PIT

The following utility owners have been notified of
your proposed excavation site:
DCP MIDSTREAM - CARLSBAD

IMPORTANT CONFIRMATION NOTICE

Your fax request has been received and processed. It is your responsibility to review the information provided on this faxback confirmation ticket and ensure it has been correctly interpreted from your request. Notify us immediately of any corrections or errors. Acceptance of this faxback confirmation ticket means you accept responsibility for the accuracy of the information contained in the ticket and you agree to indemnify New Mexico One Call Systems, Inc. of all liability, claims, fees, or damages, including reasonable attorney fees arising from or resulting from the use of the information provided on this confirmation ticket.

New Mexico Law requires you to wait two working days from the date and time of this confirmation notice before you begin excavation. This request is valid for ten working days. Only the facility owners listed

08/14/2007 TUE 21:50 [TX/RX NO 7437] 001

Summary Report

Dusty Wilson
New Mexico Environmental
P.O. Box 310
Hobbs, NM, 88241

Report Date: September 14, 2007

Work Order: 7091116



Project Location: Unit F Sec 2 T245 R27E Eddy Co. NM
Project Name: Mewbourne, South Loring 2 State #1
Project Number: API# 30-015-34231

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
135990	Sample # 001 SE 1/4 8'	soil	2007-09-10	11:50	2007-09-11
135991	Sample # 002 NE 1/4 9'	soil	2007-09-10	12:03	2007-09-11
135992	Sample # 003 NW 1/4 8'	soil	2007-09-10	12:12	2007-09-11
135993	Sample # 004 SW 1/4 8'	soil	2007-09-10	12:28	2007-09-11
135994	Sample # 005 BG	soil	2007-09-10	12:45	2007-09-11
135995	Sample # 006 SE 1/4 13'	soil	2007-09-10	13:42	2007-09-11
135996	Sample # 007 NE 1/4 13'	soil	2007-09-10	13:53	2007-09-11
135997	Sample # 008 NW 1/4 15'	soil	2007-09-10	14:02	2007-09-11
135998	Sample # 009 SW 1/4 10'	soil	2007-09-10	14:16	2007-09-11

Sample: 135990 - Sample # 001 SE 1/4 8'

Param	Flag	Result	Units	RL
Chloride		5570	mg/Kg	5.00

Sample: 135991 - Sample # 002 NE 1/4 9'

Param	Flag	Result	Units	RL
Chloride		2230	mg/Kg	5.00

Sample: 135992 - Sample # 003 NW 1/4 8'

Param	Flag	Result	Units	RL
Chloride		3860	mg/Kg	5.00

Sample: 135993 - Sample # 004 SW 1/4 8'

Param	Flag	Result	Units	RL
Chloride		1010	mg/Kg	5.00

Sample: 135994 - Sample # 005 BG

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	5.00

Sample: 135995 - Sample # 006 SE 1/4 13'

Param	Flag	Result	Units	RL
Chloride		346	mg/Kg	5.00

Sample: 135996 - Sample # 007 NE 1/4 13'

Param	Flag	Result	Units	RL
Chloride		273	mg/Kg	5.00

Sample: 135997 - Sample # 008 NW 1/4 15'

Param	Flag	Result	Units	RL
Chloride		246	mg/Kg	5.00

Sample: 135998 - Sample # 009 SW 1/4 10'

Param	Flag	Result	Units	RL
Chloride		254	mg/Kg	5.00



