

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

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



Form C-144  
March 12, 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 ☐

OCT 30 2007  
OCD-ARTESIA

Operator: RKI EXPLORATION & PRODUCTION, LLC. Telephone: 405-996-5748 e-mail address: \_\_\_\_\_  
Address: 3817 NW EXPRESSWAY SUITE 950 OKLAHOMA CITY, OKLAHOMA 73112  
Facility or well name: SUN "10" FEDERAL # 1 API #: 30-015-25298 U/L or Qtr/Qtr M Sec 10 T 26S R 30E  
County: EDDY CO. Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank	
Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/> Volume _____ bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>150'+</u>	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more <u>0</u>	(20 points) (10 points) ( 0 points) <u>0</u>
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 <u>0</u>	(20 points) ( 0 points) <u>0</u>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) <u>None known</u>	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more <u>0</u>	(20 points) (10 points) ( 0 points) <u>0</u>
	Ranking Score (Total Points) <u>0</u>	<u>0</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:

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.

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: 10/29/07

Printed Name/Title: Joe T. Janica Engineer

Signature: Joe T. Janica

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.

Approved: NOV 19 2007

Date: \_\_\_\_\_

Signed By: M. L. Bannister

Printed Name/Title: \_\_\_\_\_

Signature: \_\_\_\_\_

AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN  
MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE.

## Punishing the Oil Industry and the American Consumers

When we speak of the oil industry I believe most average Americans think of “Big Oil” which the media and politicians love to insinuate that this is a sorry, dirty group of self serving people.

Here are some real definitions. “Major oil companies” are companies that participate in several parts of the industry, such as: producing, refining, and in some cases, retail sales of the liquid products of crude and/or natural gas. One of the government officials and media’s favorite targets is Exxon Mobile, but even they cannot “fix” the price of gasoline, etc. Today “Big Oil” are those countries that control the production of crude oil and natural gas. This is determined by the need of the U.S. to import such a large portion of our petroleum products. All they have to do is limit their exports and with our present mind set we are helpless to change the situation.

### “Independent Companies”

These are companies that do not usually participate in refining and distribution of petroleum products.

There are thousands of independent producers in the U.S. They find, drill, and produce the majority of the crude oil and natural gas in the U.S., hence crude oil and natural gas, not gasoline.

Neither the independents nor the “majors” control the price of these commodities. They are traded on the futures market and traders control the price the same as cotton, corn, and most farm commodities. The farmer has virtually no say in the price he gets and the independent oil man has no say either. The traders have to guess at supply and demand.

Even the price of gasoline, diesel, heating oil, and others such as propane are determined by the traders, of course some oil companies invest in trades but most of their profits go right back into drilling and producing. All oil and gas producers, large and small, take huge risks both financially and physically to find, drill, and produce petroleum products, but they are under constant attack from the government, along with the so called environmentalists. These entities have put us in the position we are in. It seems to be so popular for people running for office to attack the industry, which is willing and capable of changing the situation our country is in. I

was an independent producer for almost 40 years. I am 75 years old so I know about the progression of our dependence on foreign oil.

I voted for Jimmy Carter so blame me for the inception of our problems. President Carter surrounded himself with a group of people who did not even begin to understand the magnitude of what they started, but they hated the petroleum industry. So when OPEC and their cohorts realized they could cause a great burden on the U.S. by limiting their exports they started doing just that.

The administration decided to punish the American Petroleum Industry for something we had no control over. They even advocated nationalizing the entire industry. Do you want to know how smart that would have been? Just look south. The Mexican Government owns the industry through PEMEX. They could furnish much more of our imports but they are so inefficient they just can't do it. Even though they have tremendous reserves.

Then the Carter Administration decided they could punish the oil companies by enacting a very wrong headed tax. They called it a "Windfall Profits Tax". Of course to get this done they had to demonize the American Oil Industry, which they were glad to do. What they overlooked was the fact many other corporations were making higher profits than the oil companies. This was a very regressive tax that accomplished exactly the wrong thing.

In the first place they spent almost as much in building two very large and wasteful bureaucracies as they took in. One was to determine what would be taxed, then to collect the taxes, and how to spend that money. The other was called F.E.R.C. (Federal Energy Regulatory Commission). They would determine the price structure for petroleum products. Neither was very well ran and eventually had to be done away with.

What they actually accomplished was to limit production in the U.S. Believe it or not oil and gas producers aren't like Donald Duck's Uncle Scrooge. They don't have a stack of gold in the basement to go sit on. They use their profits for finding, drilling, and producing more oil and gas.

What the administration accomplished with these and other similar punitive actions which continue today make us more dependent on imports.

Of course as in any industry and also in the government there are some bad apples but by far most of the oil and gas producers understand the need to take care of the environment. In fact they are out there everyday and probably understand what needs to be done to accomplish this better than the agencies trying to tell them how.

Trying to punish and demonize the oil companies has become a way of life for many and has done just the opposite of what we need to do to stop our total dependence on imported petroleum products.

We have had the most dependable energy sources in the world until officials started punishing the petroleum industry. In the early 1990s when New Mexico's Bill Richardson was Secretary of Energy the foreign cartels over produced on purpose and deliberately hurt our domestic producers. When crude oil dropped to \$10 a barrel, the domestic oil producers could not even pay their production costs much less find and drill for more production. There were massive layoffs in the industry. As a result many of these good trained people left the area to seek more stable employment. Today we are paying for that. More rigs could be running if they had people to man them.

During this time Secretary Richardson was begged by Chambers of Commerce, producer associations, and just common people who understood what the consequences of this would be, to come to the Permian Basin (the largest energy producing area in the U.S.). He refused and the only answer we got was to let the market determine the price which in general is a good idea, but in this case the price was manipulated by OPEC and others and not by the market.

The odd thing about this is that when OPEC ran the price up to \$30 and more per barrel, he called on Saudi Arabia to beg them to increase production. This is not letting the market determine the price.

Two good examples of the regulators and so called environmentalists harming the independent and the U.S. consumer was the withdrawal of an area called the Otero Mesa in Otero County New Mexico where there is a large proven reserves of natural gas.

This is a ranching area that has been grazed since the 1870s. People were moved off this area during WWII so it could be used as a bombing, gunnery, and tank training range. There are still remnants of this use on the ground out there, but after all of this they claim it is a pristine area.

There appears to be a large basin of water there but the oil companies have been drilling through such basins for years without harming the water. Incidentally the oil in the Artesia, NM area was discovered because oil would appear on top of the Artesian water. This was many years before the first oil well was drilled. Drilling the Otero Mesa not only makes good sense but would help our natural gas prices very much.

The latest idea to emanate out of Santa Fe is to require all drill cuttings to be transported to special land farms. What is so incredible about this thinking is the fact that every bit of this material has, at some time in the past, been on the surface of the earth, that means that the contamination if any has occurred many years ago.

Have you participated in any research to see what other uses there might be for this material? Oil field roads for example? Have you actually tested this material to see what contaminants are in it? Have you counted the amount of Carbon Dioxide being emitted by the hauling of this material? Don't forget that every road block you put up, every tax, every fee you add eventually harms the American consumer. Is that what you really want to do? I honestly believe that this is just another attempt to punish the producers.

Again I ask our politicians and government agency heads to step up and quit punishing and demonizing the oil business and look into the future. This situation can, over time, be changed but we will have to have some people stand up and be statesman!!! Do what is right for the American People who deserve to be helped.

I don't like \$100 per barrel oil or \$4-\$5 a gallon gasoline but if someone doesn't take the risk of telling the truth we will see just this come to pass. We can do this without harming the environment if we are allowed to do so. Alternative fuels are a good idea but realistically if we come up with a magic potion today, it probably take 20 or more years to get the present day autos out of service.

Incidentally if you are investing in a mutual fund, retirement account or buy and sell shares of stock you are a part owner of an oil company. Therefore you are a bad person.

Thank you for reading this letter. It is intended for distribution to any one interested in a dependable supply of Petroleum products at a more reasonable price.

Dalton Bell  
811 Bullock  
Artesia, N. M. 88210

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