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 For drilling and production facilities, submit to appropriate NMOCD District Office.
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 Type of action: Registration of a pit o	k covered by a "general plan"? Yes No r below-grade tank Closure of a pit or below-grade	le tank
		OCD-ARTESIA
Operator: Myco Industries, Inc. Telephone	: 575-748-1471 e-mail address: anmu	incy@myco.com
Address: P.O. Box 840 Artesia, NM 88211-0840		
Facility or well name: Alfalfa 32 Fee #1H API #: 30-	005-63850 U/L or Qtr/Qtr P	Sec 32 T 15S R 25E
County:Latitude	32.965999 N Longitude 104.47083	2 W NAD: 1927 ☐ 1983 🛭
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐		
<u>Pit</u>	Below-grade tank	
Type: Drilling Production Disposal	Volume:bbl Type of fluid:	
Workover	Construction material:	
Lined 🛛 Unlined 🗋	Double-walled, with leak detection? Yes [] If not,	explain why not.
Liner type: Synthetic A Thickness 20 mil Clay		
Pit Volume 12000 bbi		
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
high water elevation of ground water.)	100 feet or more	(0 points) 0
	Yes	(20 points) 20
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.)		(- F)
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)
irrigation canals, ditches, and perennial and ephemeral watercourses.)	200 feet or more, but less than 1000 feet	(10 points)
and opening the second of the	1000 feet or more	(0 points) 0
	Ranking Score (Total Points)	20
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	te disposal location: (check the onsite box if
your are burying in place) onsite offsite If offsite, name of facility	. (3) Attach a general de	escription of remedial action taken including
remediation start date and end date. (4) Groundwater encountered: No 🛛 Y		
(5) Attach soil sample results and a diagram of sample locations and excavati		
Additional Comments:		
Pit contents hauled to authorized disposal site (CRI) and excavated until so	il cample anayleis indicates proper levels of chlorides	and TPH in soil are below OCD quidelines
	ir sample analysis indicates proper levels of ontorities	and 1111 in 301 are below OCD guidelines.
See Attached pit diagram and Cardinal Laboratories soil analysis reports.		
I hereby certify that the information above is true and complete to the best of has been/will be constructed or closed according to NMOCD guidelines		
and some of the second		TO GOD approved plan [2]
Date:	How I	
Printed Name/Title Gene Lee, Agent, 575-626-4292	Signature / ////	
Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the regulations.		
Approval:	Accepted for record	
Approval: Printed Name/Title	Signature NMOCD	DJAN 17 2008
	- Inches	

LCI P.O. Box 8280 Roswell, NM 88202-8280 575-622-7355 575-624-2911 Fax

January 8, 2008

Mr. Mike Bratcher NMOCD Artesia, NM 1301 W. Grand Ave. Artesia, NM 88210

RE:

Alfalfa 32 Fee #1H

API # 30-005-63850

Milo 33 Fee #1H

API # 30-005-03849

Final C144 Pit Closure With Documentation

Dear Mr. Bratcher,

Pursuant to our conversation in your office on December 18, 2007 giving me permission to close the above drilling pits, I am submitting the Final C-144 form to your office with the Cardinal Laboratories soil analysis run on samples shown in the attached diagram.

The pit contents were hauled to an authorized disposal site (CRI) and then excavation was performed and soil analysis was done on samples taken from the drilling pit area. This is shown on the attached diagram indicating the location and depth of the samples. I am enclosing copies of the soil sample analysis which were performed to check for Chlorides and TPH.

I am sure you are aware, but both the above described wells utilized the same drilling pit while the wells were drilled because the surface locations and wellheads are only 20' apart on the same drilling pad. This C-144 should be used as the final drilling pit closure for BOTH wells.

Final pit closure and pit area reclamation has been finalized and is satisfactory with the private land owner. If you have any questions, please contact me at the above telephone numbers. Thank you for your assistance in this matter.

Sincere

H. E. Gene Lee 575-626-4292 Cell leeconinc@aol.com LCI
P.O. Box 8280
Roswell, NM 88202-8280
505-622-7355
505-624-2911 Fax
505-626-4292 Cellular

December 16, 2007

Mr. Mike Bratcher NMOCD- Artesia, NM 1301 W. Grand Ave Artesia, NM 88210

RE: Alfalfa / Milo Reserve Pit

API Number: 30-015-63850

Sec 32-T15S-R25

Chaves County, New Mexico

Dear Mr. Bratcher,

Please find attached the latest soil analysis from Cardinal Laboratories on the above described project. The Alfalfa #1 well was drilled and completed by MYCO Industries and utilized a plastic lined reserve pit. This pit was constructed according to the NMOCD guidelines at the time and a C-144 was attached to the APD.

I am also attaching a copy of the daily report that showing the 16" conductor pipe was set at 120'. It was observed after drilling the 20" hole, that no water was encountered to the depth of 120' utilizing the auger of Butch's Rathole Service. This conductor pipe was then cemented to surface.

Sweatt Construction has previously been in contact with your office and has removed a substantial amount of soil below the original liner and contents. These samples are attached and were analyzed by Highlander Environmental Corp. Samples were taken from depths down to 15' and showed chloride content of 240 ppm in the NE corner, SW Corner and 200 ppm in the center area of the pit.

An additional excavation occurred and additional soil was excavated and taken to CRI for disposal. At this time I had a track backhoe excavate deeper in the corners and center area of the pit. Samples were taken at deeper depths

,

than was previously submitted by Highlander Environmental at the previous sites that had chlorides of >200 ppm.

Please note that these samples were taken on December 12, 2007 from depths down to 23' in the SW corner of the old reserve pit. Other samples were also taken as shown on the attached diagram. The samples were secured, placed in sample bottles, sealed, labeled and then taken to Cardinal Laboratories in Hobbs, NM. Two sets of samples were submitted to test chlorides as well as TPH. The samples were taken at early morning on 12/12/2007, then placed on ice while transported to Cardinal Laboratories.

It appears all samples analyzed by Cardinal Laboratories have acceptable levels of Chlorides and TPH. Based on this report from Cardinal, MYCO Industries would like to close this pit while the equipment is currently available and scheduled. This will also necessary to comply with the closure and restoration of the pit area for the surface owner to be able to resume farming of this property.

Please contact me at the 575-626-4292 if you have any questions and can contact me by email also at leeconinc@aol.com. Your response and approval will be anticipated in the near future. Please let me know if you have any other questions.

Thank you for your assistance in this matter.

sincerely,

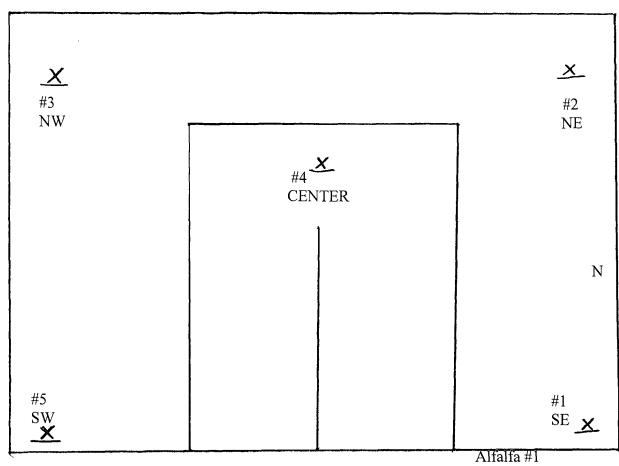
H. E. Gene LEE

LCI

cc: Myco

PIT DIAGRAM AND SOIL SAMPLE LOCATOR

MYCO INDUSTRIES, INC Sec. 32-T155-R25E Chaves Co, N.M.



Wellbore •

Alfalfa #1: API 30-015-63850

Sample #1: 0700 hrs, 12/12/2007, Depth: 18' Temp 38 Deg F.

SE Corner N32-57.984

W104-27.412

Sample #2: 0700 hrs, 12/12/2007, Depth: 22', Temp 38 Deg F.

NE Corner N

N32-58.004

W104-27.415

Sample #3: 0702 hrs, 12/12/2007, Depth: 19', Temp 38 Deg F.

NW Corner

N32-57.982

W104-27.142

Sample #4: 0704 hrs, 12/12/2007, Depth: 21', Temp 38 Deg F.

Center

N32-58.025

W104-27.432

Sample #5: 0706 hrs, 12/12/2007, Depth: 23', Temp 39 Deg F.

SW Corner N32-58.012

W104-27.148

ARDINAL LABORATORIES 101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603

Delivered By: (Circle One) Sampler - UPS - Bus - Other:

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

	(505) 393-2326 FAX (505) 393-24			25)	673	-7001	FA.	X (325)673	3-7(J20	١,													
Company Name:	: Lee Consulting. T	αC	,				λ	د د د), j	BI	IL:	L 7	ro:	(; ;					ANA	LYSI	s RE	QUE	ST			
Project Manager	Lee Consulting. I Gene Lee			_			F	2.0	. #:											I						
Address: P.	0. Box 8280						c	on	npa	ny:															-	
city: Rosi	well State: NM	Zip	ı: (88.	202	}		lttn	1;																Ì	
	-622-7355 Fáx#: 575						A	١dd	res	s:														1 1		
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CHECKED BY:

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



ANALYTICAL RESULTS FOR LEE CONSULTING, INC. ATTN: GENE LEE P.O. BOX 8280 ROSWELL, NM 88202 FAX TO: (575) 624-2911

Receiving Date: 12/12/07 Reporting Date: 12/13/07

Project Owner: MYCO INDUSTRIES

Project Name: ALFALFA/MILO #1 RESERVE PIT

Project Location: NOT GIVEN

Analysis Date: 12/13/07 Sampling Date: 12/12/07 Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: CK

Analyzed By: KS

LAB NUMBER SAMPLE ID CIT (mg/kg)

H13901-1	#1 - A	< 16
H13901-2	#2 - A	< 16
H13901-3	#3 - A	< 16
H13901-4	#4 - A	16
H13901-5	.#5 - A	< 16
		THE PARTY OF THE P
Quality Contro		500
Quality Contro		
		500

METHOD: Standard Methods 4500-CIB

Note: Analyses performed on 1:4 w:v aqueous extracts.

Chamiet

Date



ANALYTICAL RESULTS FOR LEE CONSULTING, INC. ATTN: GENE LEE P.O. BOX 8280 ROSWELL, NM 88202 FAX TO: (575) 624-2911

Receiving Date: 12/12/07 Reporting Date: 12/14/07

Project Owner: MYCO INDUSTRIES

Project Name: ALFALFA/MILO #1 RESERVE PIT

Project Location: NOT GIVEN

Sampling Date: 12/12/07 Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: CK

Analyzed By: CK

GRO	DRO
(C ₆ -C ₁₂)	(>C ₁₂ -C ₂₈)
(ma/ka)	(ma/ka)

LAB NUMBER SAMPLE ID

ANALYSIS DATE	12/13/07	12/13/07
H13901-6 #1	<10.0	<10.0
H13901-7 #2	<10.0	<10.0
H13901-8 #3	<10.0	<10.0
H13901-9 #4	<10.0	<10.0
H13901-10 #5	<10.0	<10.0
Quality Control	506	448
True Value QC	500	500
% Recovery	101	89.6
Relative Percent Difference	3.8	1.5

METHODS: TPH GRO & DRO: EPA SW-846 8015 M

Chemist

Date

MYCO INDUSTRIES, INC. Daily Report

ALFALFA 32 FEE #1H API Number: 30-015-63850

Surface Location: Sec 32-T15S-R25E, (Unit P) 710' FSL & 206' FEL Bottom Hole Loc: Sec 32-T15S-R25E, (Unit M) 710' FSL & 660' FWL

Proposed TD: 9050' Wolfcamp

Landman: Shari Hodges Geol: Jim Schlueter Eng: Nelson Muncy Chaves County, New Mexico Rig: Patriot Rig #1

Elevation: 3459' GL, 3475' KB

Note: This well is on the same drill pad as the Myco Milo 33 Fee 1H which is 20' to the East of the Alfalfa 32 Fee 1H surface location. After drilling the Alfalfa 32 Fee 1H, the rig will skid and drill the Myco Milo 33 Fee #1H. The reserve pits were constructed to be utilized for the drilling of both wells.

APD & C-144 are approved through the NMOCD

12-28-2006

Location for both wells is complete.---Allstate Construction.

1-20-2007

MIRU Butch's Rathole Service. Drill 20" hole to 120'. Run 120', 16" conductor pipe. NOTE: No water encountered while drilling and setting conductor pipe. Cement Conductor w/ 250 sx Class "C" + 2% CaCl2. Plug down @1415 hrs, 1-19-2007. Circ 10 sx.

1-21-2007 thru 1-29-2007

Waiting on rig.

1-30-2007

Move in and rig up Patriot Drilling Company Rig #1. All rig and equipment on location. Rig Up and raise derrick at 5:30 PM, 1-29-2007. Shut down for night. Prepare to repair bearing on rotary drive (per agreement with rig contractor). Delivered 29 jts, 8 5/8", 24#, J55, ST&C surface casing from Myco Inventory via Toolpusher Supply trucks. Total pipe delivered was 1167.75' threads off.

1-31-2007

Remove guards and chains on drawworks off side and rig up Bridges Equipment. Remove and replace old bearings on rotary drive of main shaft. Replace with new bearings. Reassemble bearings, shafts, hubs and guards. Replace and repair oiler lines. Finish rigging up floor. Fill pits with water. Weld on conductor and flow line. Pick up Kelly and make up BHA and bit. Mix spud mud. Install shaker line to pit. Pressure test all pump lines and lower Kelly cock valve. Pressure test all pressure lines on pits. Prep to spud.

MYCO INDUSTRIES, INC. Daily Report

MILO 33 FEE #1H

Surface Location: Sec 32-T15S-R25E, (Unit P)

Bottom Hole Loc: Sec 33-T15S-R25E, (Unit P)

API #: 30-005-03849
710' FSL & 186' FEL
710' FSL & 660' FEL

Proposed TD: 9450' Wolfcamp Elevation: 3459' GL, 3475' KB

Landman: Shari Hodges Geol: Jim Schlueter Eng: Nelson Muncy Chaves County, New Mexico Rig: Patriot Rig #1

Note: This well is on the same drill pad as the Myco Alfalfa 32 Fee 1H which is 20' to the West of the Milo 33 Fee 1H surface location. The rig was skidded 20' from the Alfalfa 32 Fee 1H surface location. The reserve pits were constructed to be utilized for the drilling of both wells.

APD & C-144 are approved through the NMOCD

12-28-2006

Location for both wells is complete.---Allstate Construction.

1-2<u>0</u>-2007

MIRU Butch's Rathole Service. Drill 20" hole to 120'. Run 120', 16" conductor pipe. Cement Conductor w/ 250 sx Class "C" + 2% CaCl2. Plug down @1300 hrs, 1-19-2007. Circ 22 sx. NOTE: No water encountered while drilling 20" hole for conductor down to 120' or observed.

2-1-2007 thru 2-22-2007

Rig up, spud and drill Alfalfa 32 Fee #1H. Rig down Patriot Rig #1 to move to Milo 33 Fee #1H 2-23-2007

Move in Wilbanks Trucking and set off derrick from floor. Skid substructure over conductor of Milo 33 Fee #1H. Pin derrick and A frame. Raise derrick @ 1130 hrs, 2-23-07. Make new lower mouse hole shuck and install. Skid pits and pumps down 20' to the East. Rig up rotary tools. Install head on 16" Conductor pipe for contingency plan of water flow from Artesian water zone that was encountered on the Alfalfa 32 Fee #1H. Start filling steel pits and premix with fresh water. Move all tanks, generators, and rig equipment 20' East to the Milo 33 Fee #1H. Finish rigging up Patriot Rig #1. Unload Kelly and drive bushings that had been sent in for repairs. Pick up and install Kelly / Kelly shuck.

Finish inspection of 4.5" S135 rental drill pipe from Weatherford. Hobbs Rental Corp pipe inspection found 20 joints of 4.5" 16.60 Grade E pipe in string. Cull out the 20 joints of mixed pipe. 2 joints of 4.5" DP were too cemented up to rattle and would not clean up with Hydro blast tool. Hydro Blast all drill pipe, heavy weight drill pipe and drill collars. Cleaned out 4 drill collars with cement in ID that were not run in last well. Drill pipe was not able to be electronically inspected due to thin cement coating on OD of pipe that prevented accurate inspection of tube. Reface total of 32 box ends on DP and 27 pin ends of DP. There are a total of 5 box ends and 2 pin ends damaged that need to be sent to machine shop for re-cuts.

Inspect all XO's, lift subs, eyes, bit subs, upper & lower Kelly cock valves and mandrel of swivel. Repair threads and reface shoulder of swivel mandrel. Found 4 cracked & damaged subs and Kelly cock valves. Inspect all heavy weight drill pipe and hydro blast ID. No bad joints of heavy weight DP.

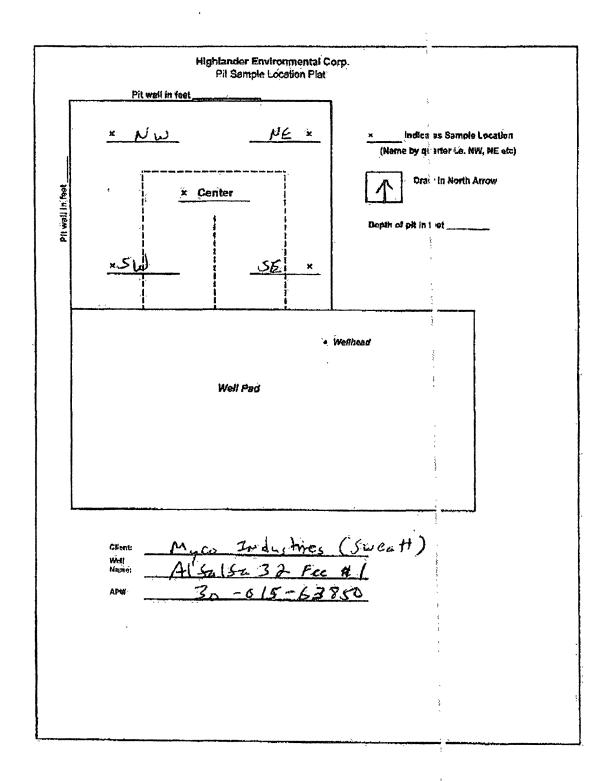
String level substructure in both directions and center it over conductor pipe. Deliver and unload 18.5' piece of 13 3/8" cutoff to replace lower mouse hole shuck. Deliver and unload total of 30 jts 8 5/8" 32# J55 ST&C 8rd thread of Myco Inventory from Toolpusher supply via Crockett Trucks. **Total of 1244.52' Threads On Tally.**

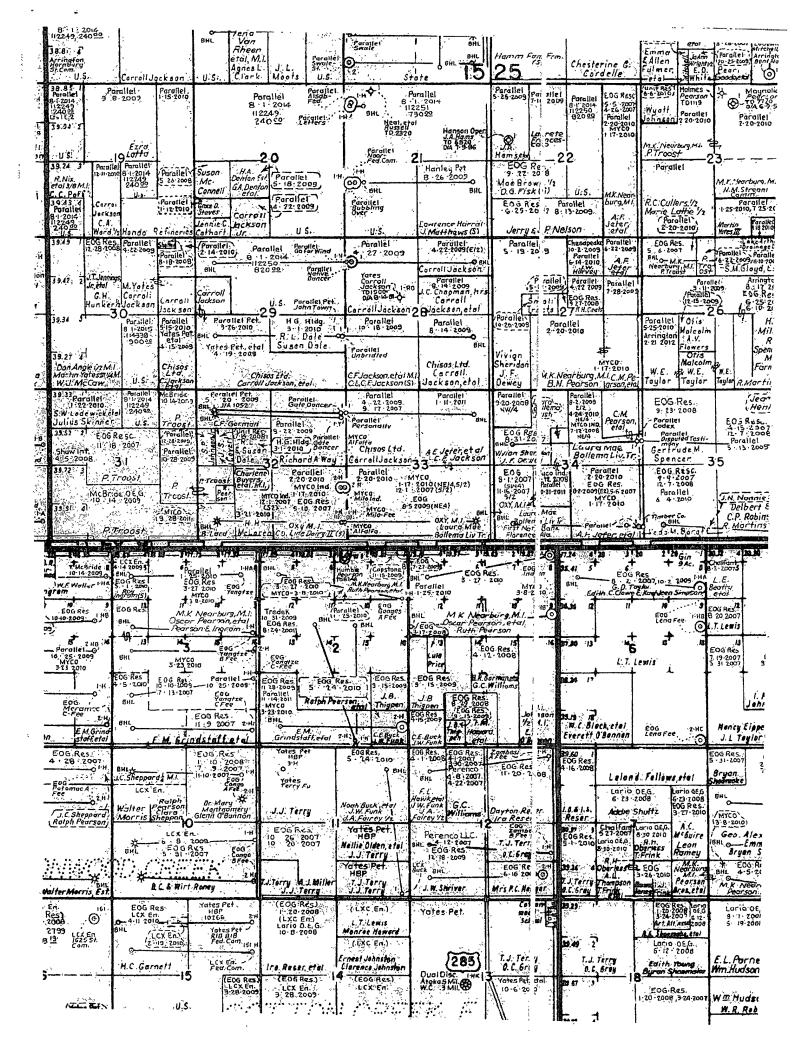
Highlander Environmental Corp. Pit Closure Sampling Report

Job Number:		Swe.	H GNE	Trans	= t) o m
Client:	Muce:	Industri	es INC.	(Sweatt)
Well Name		Suc. Industrial Ifalfa	32 Fee	# 1	1
AP!#	, , ,	30-005	= 638	30	(
Depth of Pit	9			MISA	
Depth to	A		À	-	11-14-0
Groundwater	<u> </u>	Orientation of	pit (N) S E	W	
All pit sa	mple depths are below pit bo	ottom (BPB)			7
	Sample Location	Depth (BPB)	Field Chlorid Results (mg/	(g)	Lab Chloride Results (mg/Kg)
	NE	12	2040	,	
		10	1280	{	
		15	240)	
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	NW	2.	120	1	
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		10	960		
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		· ·			
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DNR- Did not run et lab. **BGS-Below Ground Surface**

RPB-Below Pit Bottom





DIS	T	RICT	Ī		
1820	Ħ,	PERMICH	DEL, BOSES,	KW.	BB246

DISTRICT II

DISTRICT III 1000 His Braxos Bd., Astec, Will 87410 OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS BROENED Santa Fe. New Mexico 87505 ARTES

Form C-102 Revised October 12, 2005 Appropriate District Office State Lease - 4 Coptes Fee Lease - 3 Coptes

DISTRICT IV	WELL	LOCATION	AND	ACREAGE	DEDICATION	PI A

LED S. ST. PRANCES DR., SANCES FR. SM 87	BOS WELL LOCATION AND	ACKEAGE PROJUCTION I	D AMENDED REPORT
API'Number	96086 Pool Code	\$\$ 53 54 56 Jin	Manie 1 f Camb
Property Code	• •	perty Name FA 32 FEE	Vell Number
ggrið ná.		rator Name DUSTRIES, INC.	Eleration 3460

Surface Location

ſ	UL or tot.No.	Section	Township	Rinngo	Lot fdn	Feet from the	North/South line	Feet fi m the	East/West line	County
1	Р	.32	15-\$	25-E	,	660	SOUTH	6 30	EAST -	CHAVES

Bottom Hole Location If Different From Surface

M 32 15-S 25-E 660 SOUTH 650 WEST	CHAVES
Dedicated Acres Joint or Infill Connelidation Code Order No.	
320	į

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS TAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DI ISION

