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

OCD

December 31, 2007

Mike Bratcher
NMOCD District 2 Office
1301 W. Grand
Artesia, New Mexico 88210

RE: Sharps 3 Fed. Com 001 - Final Pit Closure

Sharps 3 Fed Com 001
API: 30-015-35274
Sec 3-T20S-R29E
1980' FSL & 720' FWL

Depth to Ground Water: 75'
Planned Analytical Testing: Chlorides
Site Ranking Score:
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 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 (a diagram has also been attached):

Q1	250 mg/Kg @ 9'	Q2	250 mg/kg @ 9'	Q3	150 mg/kg @ 9'
Q4	200 mg/kg @ 9'				

After field tests were performed, Mike Bratcher of the New Mexico Oil Conservation Division (NMOCD) was contacted. Approval for closure was granted with no stipulations:

Pursuant to NMOCD Pit Rule 50, a 20mil liner was placed on 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 and 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.

Sincerely,

Robin Terrell
Production Engineer

Accepted for record
NMOCD

FEB 04 2008

/sjt

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
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

S

Pit or Below-Grade Tank Registration or Closure

DEC 12 2007
OCD-ARTESIA

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. MEWBOURNE OIL CO Telephone 505 393-5905 e-mail address _____
Address 701 CECIL HOBBS NM 88240
Facility or well name SHARP 3" FED COM # 30-015-35274 U/L or Qtr/Qtr _____ Sec 3 T 20 R 29
County EDDY COUNTY NM Latitude _____ Longitude _____ NAD 1927 ☐ 1983 ☐
Surface Owner. Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank	
Type. Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type Synthetic ☐ Thickness ____mil Clay ☐ Pit Volume _____bbl	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 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) 86'
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	(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)	0 10

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 your 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 CONTENTS OF DRILLING PIT WILL BE DEEP BURIED USING 12 mil LINER FOR BURY TRENCH & 30 mil CAP. RESERVE PIT WILL BE SAMPLED FOR CHLORIDES & CLEAN AT 250 PPM CHLORIDES

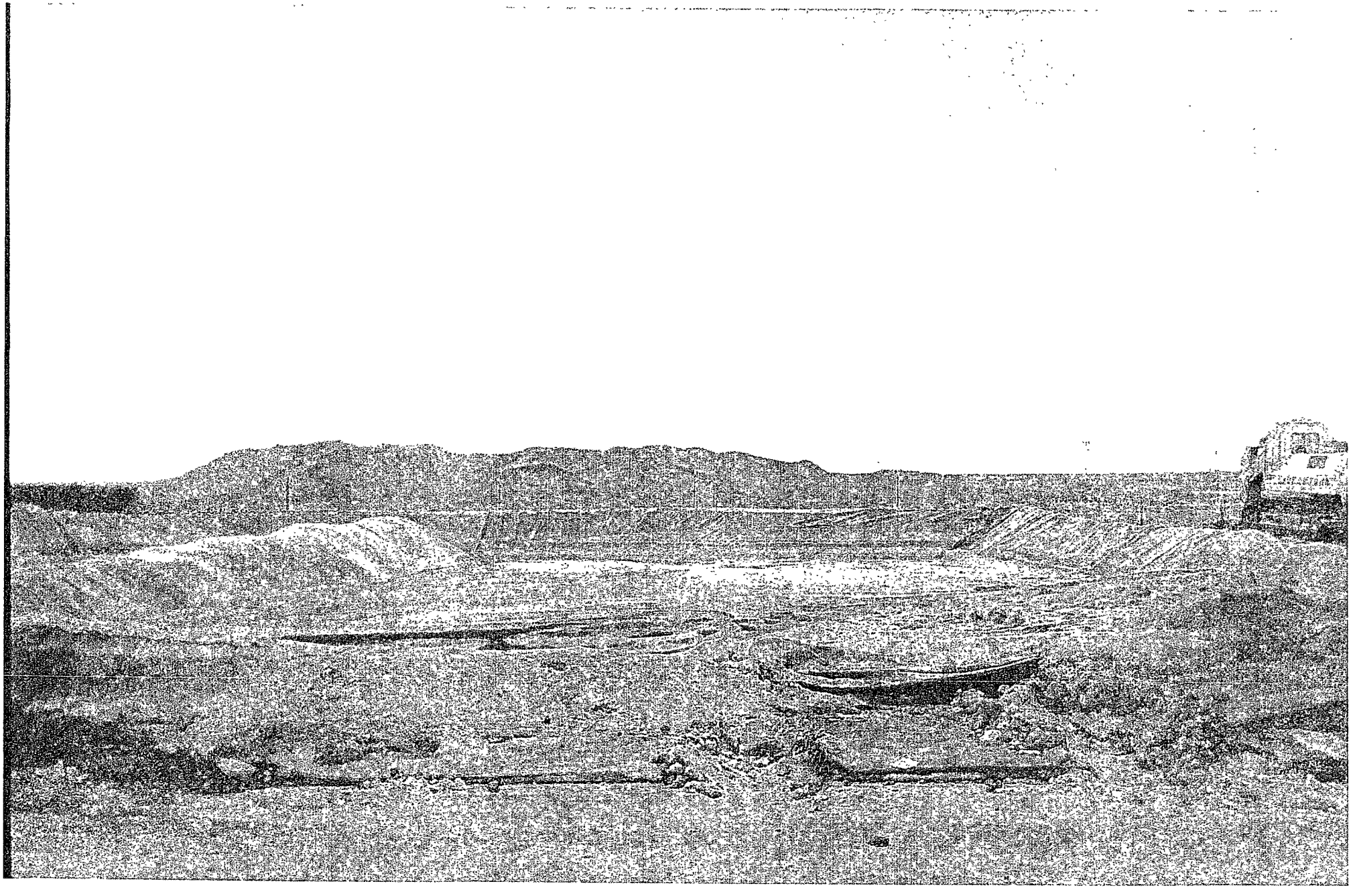
I hereby certify that the information above is true and complete to the best of my knowledge and belief **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

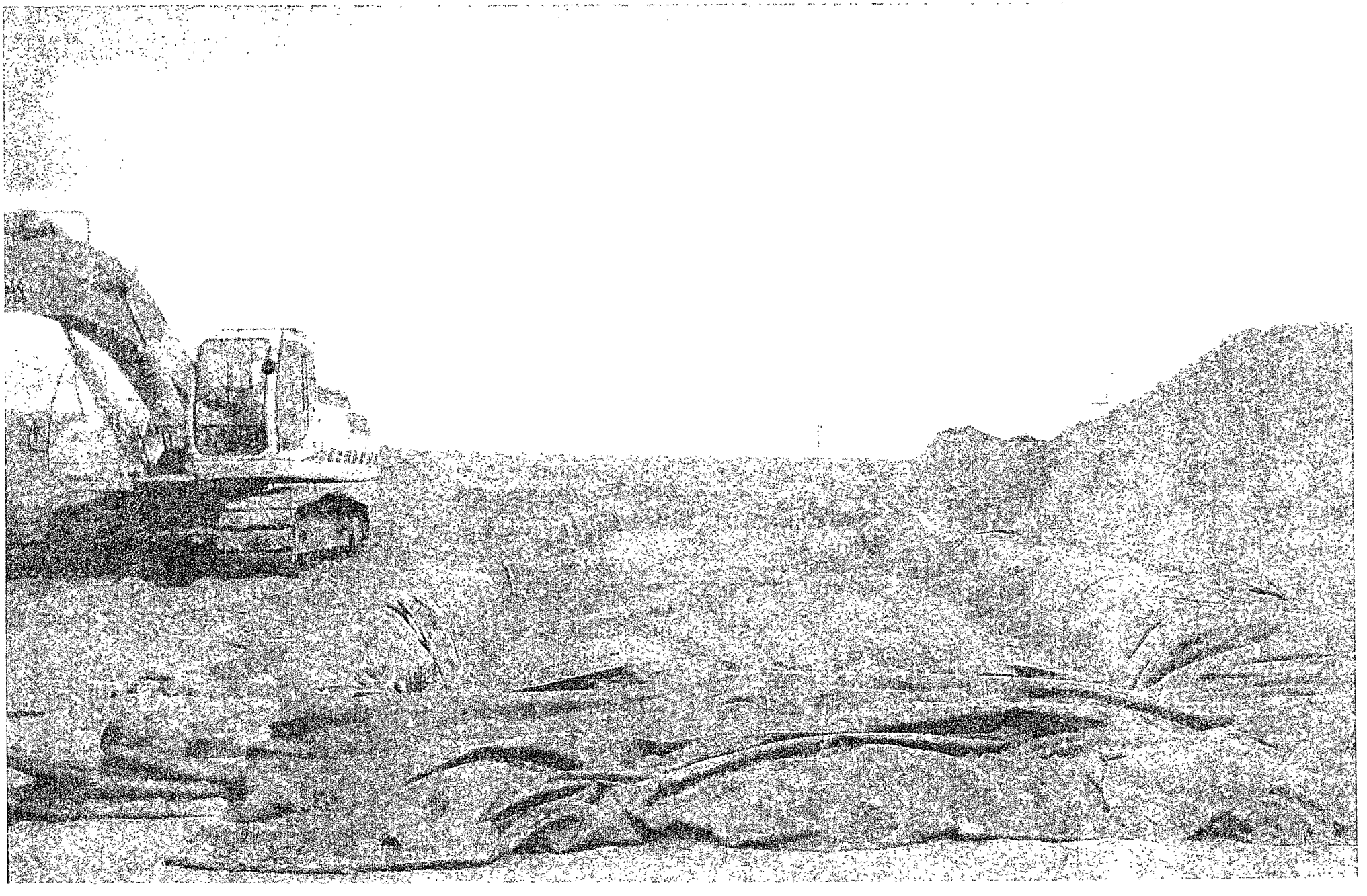
Date 12/12/07
Printed Name/Title EB TAYLOR Signature EB

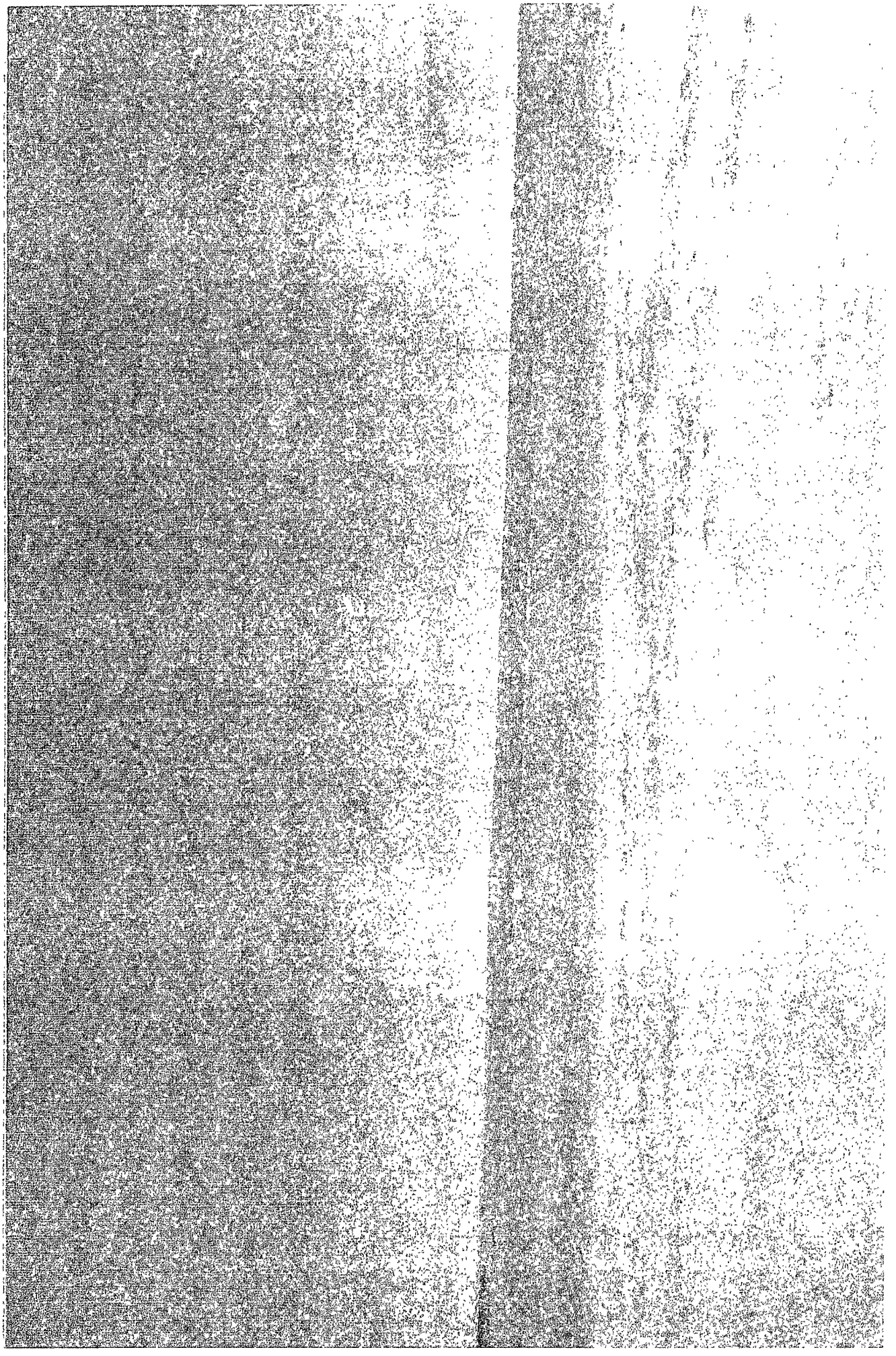
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with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

Approval
Printed Name/Title Gerry Guye Compliance Officer Signature _____ Date. DEC 13 2007


MEWBOURNE OIL COMPANY
SHARPS "3" FEDERAL COM #1
1980' FSL & 720' FWL
SEC. 3, T20S, R29E
EDDY COUNTY, NEW MEXICO
LEASE #NM-27801
5-200







Summary Report

Robin Terrell
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM, 88220

Report Date: January 11, 2008

Work Order: 8010910

Project Location: Sec 3, T20S, R29E/Eddy County ,NM
Project Name: Sharps 3 Fed Com 01
Project Number: API 30-015

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
147247	NW 8' comp	soil	2007-12-26	09:00	2008-01-08
147248	NE 8' comp	soil	2007-12-26	09:15	2008-01-08
147249	SW 8' comp	soil	2007-12-26	09:30	2008-01-08
147250	SE 8' comp	soil	2007-12-26	09:45	2008-01-08

Sample: 147247 - NW 8' comp

Param	Flag	Result	Units	RL
Chloride		**180**	mg/Kg	2.00

Sample: 147248 - NE 8' comp

Param	Flag	Result	Units	RL
Chloride		**156**	mg/Kg	2.00

Sample: 147249 - SW 8' comp

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 147250 - SE 8' comp

Param	Flag	Result	Units	RL
Chloride		**166**	mg/Kg	2.00

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
8808 Camp Bowie Blvd West, Suite 180 Ft Worth, Texas 76116 817•201•5260 FAX 817•560•4336
E-Mail lab@traceanalysis.com

Analytical and Quality Control Report

Robin Terrell
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM, 88220

Report Date: January 11, 2008

Work Order: 8010910

Project Location: Sec 3, T20S, R29E/Eddy County ,NM
Project Name: Sharps 3 Fed Com 01
Project Number: API 30-015

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
147247	NW 8' comp	soil	2007-12-26	09:00	2008-01-08
147248	NE 8' comp	soil	2007-12-26	09:15	2008-01-08
147249	SW 8' comp	soil	2007-12-26	09:30	2008-01-08
147250	SE 8' comp	soil	2007-12-26	09:45	2008-01-08

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 5 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank

Case Narrative

Samples for project Sharps 3 Fed Com 01 were received by TraceAnalysis, Inc. on 2008-01-08 and assigned to work order 8010910. Samples for work order 8010910 were received intact at a temperature of 4.0 deg C

Samples were analyzed for the following tests using their respective methods.

Test	Method
Chloride (Titration)	SM 4500-Cl B

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 8010910 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Analytical Report

Sample: 147247 - NW 8' comp

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	44559	Date Analyzed:	2008-01-10	Analyzed By:	AR
Prep Batch:	38375	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**180**	mg/Kg	50	2.00

Sample: 147248 - NE 8' comp

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	44559	Date Analyzed:	2008-01-10	Analyzed By:	AR
Prep Batch:	38375	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**156**	mg/Kg	50	2.00

Sample: 147249 - SW 8' comp

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	44559	Date Analyzed:	2008-01-10	Analyzed By:	AR
Prep Batch:	38375	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<100	mg/Kg	50	2.00

Sample: 147250 - SE 8' comp

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	44559	Date Analyzed:	2008-01-10	Analyzed By:	AR
Prep Batch:	38375	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**166**	mg/Kg	50	2.00

Method Blank (1) QC Batch: 44559

QC Batch:	44559	Date Analyzed:	2008-01-10	Analyzed By:	AR
Prep Batch:	38375	QC Preparation:	2008-01-10	Prepared By:	AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Laboratory Control Spike (LCS-1)

QC Batch 44559 | Date Analyzed: 2008-01-10 | Analyzed By: AR
Prep Batch 38375 | QC Preparation: 2008-01-10 | Prepared By: AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	101	mg/Kg	1	100	<0.500	101	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil	Spike Amount	Matrix Result	Rec.	Rec Limit	RPD	RPD Limit
Chloride	102	mg/Kg	1	100	<0.500	102	85 - 115	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 147252

QC Batch: 44559 | Date Analyzed: 2008-01-10 | Analyzed By: AR
Prep Batch: 38375 | QC Preparation: 2008-01-10 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	4900	mg/Kg	50	5000	108.85	96	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	4940	mg/Kg	50	5000	108.85	97	85 - 115	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 44559 | Date Analyzed: 2008-01-10 | Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	97.3	97	85 - 115	2008-01-10

Standard (CCV-1)

QC Batch: 44559 | Date Analyzed: 2008-01-10 | Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	103	103	85 - 115	2008-01-10

LAB Order ID # 8010910 Page 1 of 1

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794-1298, 1 (800) 378-1296
5002 Basin Street, Suite A1, Midland, Texas 79703, Tel (432) 689-6301, Fax (432) 689-6313
200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585-4944, 1 (888) 588-3443
8808 Camp Bowie Blvd. West, Suite 180, Ft. Worth, Texas 76116, Tel (817) 201-5260, Fax (817) 560-4336

Company Name: Mewbourne Oil Company
Phone #:
Address: (Street, City, Zip) PO Box 5270 Hobbs, NM 88240
Fax #:
Contact Person: Robin Terrell
E-mail: rterrell@valornet.com
Invoice to: (If different from above)
Project #: API 30 015-
Project Name: Sharps 3 Fed Com 01
Project Location (including state): Sec 3, T20S, R29E Eddy County, NM
Sampler Signature: Shelly Tucker

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
147247	NW 8' Comp	1			X								X	12.26.07	0900
248	NE 8' Comp	1			X								X	12.26.07	0915
249	SW 8' Comp	1			X								X	12.26.07	0930
250	SE 8' Comp	1			X								X	12.26.07	0945

MTBE 8021B / 602 / 8260B / 624	BTEX 8021B / 602 / 8260B / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270C / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol 8260B / 624	GC/MS Semi. Vol. 8270C / 625	PCB's 8082 / 608	Pesticides 8081A / 608	BOD, TSS, pH	Moisture Content	Chlorides					Turn Around Time if different from standard	Hold
																	X							
																	X							
																	X							
																	X							

Relinquished by: Shelly Tucker Company: Date: 01/08/08 Time: 17:20
Received by: TRACE Company: Date: 1/8/08 Time: 17:20 Temp°C: 4.0

Relinquished by: Company: Date: Time:
Received by: Company: Date: Time: Temp°C:

Relinquished by: Company: Date: Time:
Received by: Company: Date: Time: Temp°C:

LAB USE ONLY
Intact Y / N
Headspace Y / N / NA
4.0 °C
Log-In-Review

REMARKS: all tests - Midland

- [ ] Dry Weight Basis Required
- [ ] TRRP Report Required
- [ ] Check If Special Reporting Limits Are Needed

Carrier # UPS

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.

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LAB Order ID # 8010910 Page 1 of 1 (3)

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794-1298, 1 (800) 378-1296
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8808 Camp Bowie Blvd. West, Suite 180, Ft. Worth, Texas 76116, Tel (817) 201-5260, Fax (817) 560-4336

Company Name: Mewbourne Oil Company
Phone #:
Address: (Street, City, Zip) PO Box 5270 Hobbs, NM 88240
Fax #:
Contact Person: Robin Terrell
E-mail: rterrell@valornet.com
Invoice to: (If different from above)
Project #: API 30 015-
Project Name: Sharps 3 Fed Com 01
Project Location (including state): Sec 3, T20S, R29E Eddy County, NM
Sampler Signature: Shelly Tucker

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
147247	NW 8' Comp	1			X								X	12.26.07	0900
248	NE 8' Comp	1			X								X	12.26.07	0915
249	SW 8' Comp	1			X								X	12.26.07	0930
250	SE 8' Comp	1			X								X	12.26.07	0945

MTBE 8021B / 602 / 8260B / 624	BTEX 8021B / 602 / 8260B / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270C / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol 8260B / 624	GC/MS Semi Vol 8270C / 625	PCB's 8082 / 608	Pesticides 8081A / 608	BOD, TSS, pH	Moisture Content	Chlorides					Turn Around Time if different from standard	Hold
																	X						
																	X						
																	X						
																	X						

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
Shelly Tucker		01/08/08	17:20		TRACE	1/8/08	17:20	4.0
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:

LAB USE ONLY
Intact Y / N
Headspace Y / N / NA
4.0 °
Log-in-Review CC

REMARKS: all tests - midland

- ☐ Dry Weight Basis Required
- ☐ TRRP Report Required
- ☐ Check If Special Reporting Limits Are Needed

1/11 EP

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C

Carrier # cmg in

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