

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-14
March 12, 2007

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 ☒

Month - Year
APR - 5 2007
OCD - ARTESIA, NM

Operator: **Marbob Energy Corporation**

Telephone: **505-748-3303**

e-mail address: **land2@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227**

800' FNL & 1725' FEL

Facility or well name: **Burch Keely Unit #401**

API #: **30-015-35432**

U/L or Qtr/Qtr **NWNE** Sec **24** T **17S** R **29E**

County: **Eddy**

Latitude _____ Longitude _____

NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type. Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type Synthetic ☒ Thickness **12** mil Clay ☐ Volume _____ bbl

Below-grade tank

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)

0 points

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)

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)

0 points

Ranking Score (Total Points)

0 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:

onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and 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: **April 3, 2007**

Printed Name/Title: **Gerald Herrera**

Signature *A. Herrera*

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: *4/10/07*
Date: *4/10/07*

Printed Name/Title _____

Signature _____

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

Notify OCD 24 hours prior to beginning pit closure.

Accepted for record
NMOCD

*Samples ARE ATTACHED & pit has been closed.
closed ON 8/9/07*

[Signature]

Marbob Energy Corporation
Attachment to OCD Form C-144

Pit or Below-Grade Tank Registration or Closure

Pit Closure

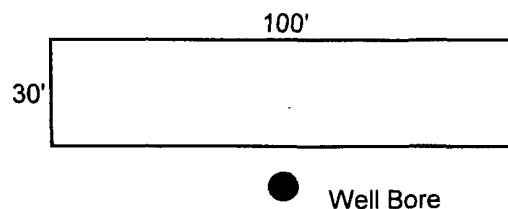
Burch Keely Unit #401

800' FNL & 1725' FEL

Section 24 T-17S R-29E

Eddy County, New Mexico

(1) Facility diagram



(2) Disposal location:

Fluids will be disposed at an approved disposal facility.

(3) General description of remedial action:

Transfer cuttings to ends, dig deep bury pit in center of pit, line with 12 mil plastic. Use material to stiffen cuttings. Transfer stiffened cuttings into lined pits, leaving mounded for drainage. Cap with 20 mil liner. Cover with three feet of cover material.

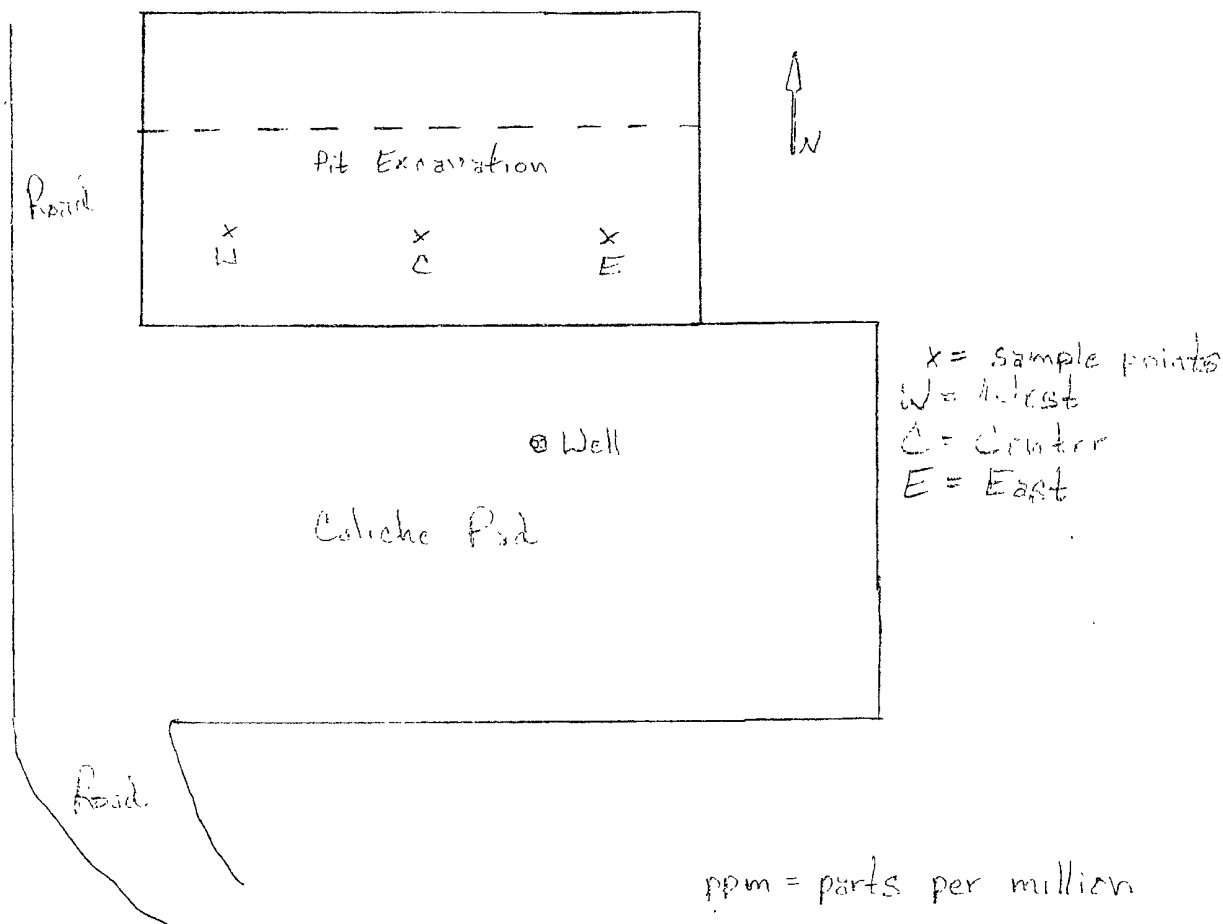
(4) Groundwater encountered:

No

(5) Soil sample:

N/A

Field Chloride Surveys on pit bottom



Note: Collected samples from existing pit floor at 12' to 10' below ground surface (bgs).

W 12' bgs Red sand
 Cl⁻ 3,000 ppm
 C 12' bgs Red sand
 Cl⁻ 6,000 ppm
 E 10' bgs Red sand with < 5% caliche
 Cl⁻ 12,100 ppm

Field Chloride Screens (Continued)

Note: Excavated trenches at sample points to 17' bgs

W 17' bgs Red sand
Cl⁻ 3,600 ppm

C 17' bgs Red sand
Cl⁻ 800 ppm

E 17' bgs Red sand
Cl⁻ 11,600 ppm

Note: For safety and logistical reasons, it was decided that excavation would continue for sampling on the east and west ends only.

Note: E and W sample points were excavated to 22' bgs

W 22' bgs Red sand
Cl⁻ 3,400 ppm

E 22' bgs Red sand
Cl⁻ 11,000 ppm

Note: W and E were further excavated

W 27' bgs Red sand
Cl⁻ 3,000 ppm

E 25' bgs Red sand
Cl⁻ 5,800 ppm

Note: W and E were further excavated

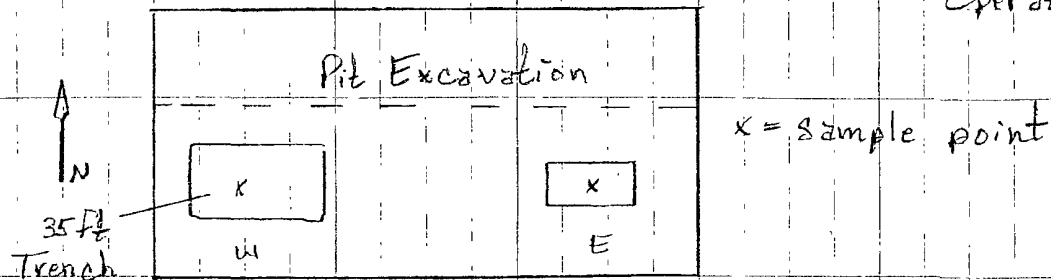
W 30' bgs Red sand with approximately 30% clay
Cl⁻ 4,000 ppm

E 30' bgs Red sand with ~ 20% - 25% clay
Cl⁻ 10,600 ppm

Note: Due to equipment accessibility and safety, only one more sample could be collected on the west end.

W 32' bgs Red sand
Cl⁻ 5,000 ppm

Note: Will return at a later date for one more sample after pit is prepped for safety. Retained C 17' bgs sample.

Field Chloride Screens of Pit Bottom
(Continued)JC Trucking
Operating trackho

Note: Continue sampling west end of excavation and east end as well.

W 35' bgs Red-brown fine sand containing ~ 25% clay, ~ 10% of ped surfaces coated with black substance (suspect mineral, i.e. manganese)

E 35' bgs Red fine sand with ~ 25% clay.
Cl- 1,440 ppm
Mn- 1,620 ppm

Note: For safety reasons, excavation could not continue. Marbob discussed the situation with NMOCD. No further excavation is required and Marbob directed BBC to submit the C 17' bgs sample to the lab for analysis.



ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 09/04/07
Reporting Date: 09/06/07
Project Owner: MARBOB
Project Name: BKU 401
Project Location: LOCO HILLS, NM

Analysis Date: 09/06/07
Sampling Date: 08/27/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: NF
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cr (mg/Kg)
H13230-1	CENTER AT 17' BGS	544
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-CrB

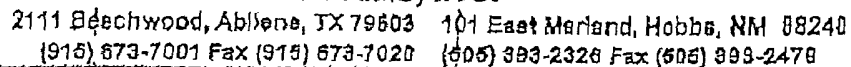
Note: Analysis performed on a 1:4 w:v aqueous extract.

Kristen Aguero
Chemist

09/06/07
Date

H13230 BBC

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+ Cardinal cannot accept verbal changes. Please fax written changes to 505-383-2476.