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

Pit or Below-Grade Tank Registration or Closure

ACO #236

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: **Primero Operating Inc.** Telephone: **(575) 397-0510** e-mail address: **office@sesi-nm.com**
Address: **P.O. Box 1433 Roswell, NM 88202-1433**
Facility or well name: **Luke State #3** API #: **30-005-63387** U/L or Qtr/Qtr **M** Sec **3** T **8S** R **27E**
County. **Chaves** Latitude: **N33.6438301** Longitude: **W104.1865179** 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 **12** mil Clay ☐ Pit Volume 200 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) XXXX**
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) XXXX**
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) XXXX**
	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: (check the onsite box if your are burying in place) onsite ☐ offsite X 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.

The pit area has been excavated to a depth of 16'. Approximately 180 cubic yards of material, which included the liner, were transported to Gandy Marley, Inc. for disposal.
A ramp was installed in order to allow vertical delineation of the area. A borehole was installed to a depth of 54' below ground surface. Samples were retrieved every 5'.
The samples were properly preserved and transported under Chain of Custody to Argon Laboratories for analysis. The results of the analysis are attached.
It is proposed that the existing excavation be backfilled to a depth of 3' below ground surface, lined with a 20-mil liner and capped with 3' for clean soil.

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 X.**

Date: **05/1/08**
Printed Name/Title: **Jerri Lee, Environmental Consultant** Signature Jerri Lee

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 _____ Signature **Signed By** Mike Bratcher Date: MAY 12 2008

Approved with stipulations. See attachment.

Primero Operating Luke St. 003 30-005-63387 5/12/2008

Stipulations for closing Workover Pit:

- Notify NMOCD District 2 Office 24 hours prior to liner installation.
- Liner is to extend a minimum of 3 feet beyond the horizontally delineated end of contamination on all sides.
- Excavation is to be domed prior to installation of liner and liner installed in a manner in which to conduct any downward migrating waters to the edges of the excavation.
- A minimum of 3-4 feet of clean, native material capable of supporting vegetative growth is to be applied over the liner.
- Submit a final closure report with photographs to NMOCD District 2 Office upon satisfactory completion of project.

Approval of this closure plan does not relieve Primero Operating of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, approval of this closure plan does not relieve Primero Operating of responsibility for compliance with any other federal, state, local laws and/or regulations.

ARGON LABORATORIES

Analysis Report Sheet

Instrument: DX-100

Analyst: S.B.

Client: SESI

Project Name: Primero Luke St. #3

Project No.: PRI-08-001

C804006

Matrix: Soil

Units: mg/Kg

Analysis Date:		05/01				05/01			05/01
Sample ID	Lab #	Chloride				418.1			BTEX
Backfill	-01	100	mg/Kg						
BH #1 15'	-02	3700	mg/Kg			<20	mg/kg		ND
BH #1 25'	-03	11000	mg/Kg						
BH #1 35'	-04	2900	mg/Kg						
BH #1 45'	-05	1600	mg/Kg						
BH #1 50'	-06	74	mg/Kg			<20	mg/kg		ND
BH #1 54"	-07	53	mg/Kg			<20	mg/kg		ND

♥ ♣ ♦ ♠

209 581 9282

Argon Labs

CHAIN OF CUSTODY

C804006

1093

Project No: Pri-08-001
Project Title: Primero Lake St. #3
Location: E Chaves Co, NM
Sampler's Name: Isaac Kincaid
Sampler's Signature:

Client: SESI
Address: 703 E Clinton Hobbs, NM 88240
Contact:
Phone: (575) 397-0510
Fax:

Bill To
Client:
Address: Same

TURN AROUND TIME

RUSH	24 Hour	48 Hour	other	Standard (5 days)
X				

ANALYSIS

Sample ID.	Date	Time	# Containers	Matrix	Chlorides	COMMENTS
Backfill Surface	4/29/18	1430	1	Soil	✓	-01
BH #1 15'	4/29/18	1015	1	Soil	✓	-02
BH #1 25'	4/29/18	1040	1	Soil	✓	-03
BH #1 35'	4/29/18	1140	1	Soil	✓	-04
BH #1 45'	4/29/18	1315	1	Soil	✓	-05
BH #1 50'	4/29/18	1420	1	Soil	✓	-06
BH #1 54'	4/29/18	1545	1	Soil	✓	-07

Relinquished By	Date	Time	Received By	Date	Time
	4/30/08	0700	K Ellison	4-30-08	0700
Relinquished By	Date	Time	Received By	Date	Time
Relinquished By	Date	Time	Received By	Date	Time

SPECIAL INSTRUCTIONS

AVMC04-2525

Safety & Environmental Solutions, Inc.

LOG OF BORING BH-1

Primero Operating, Inc.
Luke State #3
Pit Delineation
Unit M, Sec. 3, Township 8-S, Range 27-E
Chaves County, New Mexico

Date/Time Started: : 04/29/08, 0955
Date/Time Completed: : 04/29/08, 1430
Hole Diameter: : 8 1/4 in.
Drilling Method: : Hollow Stem Auger
Drilling Equipment: : Foremost-Mobile B-57

Drilled By: : Eco/Enviro Drilling
Sampling Method: : 5 ft. core barrel
Logged By: : Isaac Kincaid, SESI

Sample Type
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Depth in Feet	Sample Method	Recovery (inches)	USCS	GRAPHIC	DESCRIPTION	Field Chloride (PPM)	Lab Chloride (mg/Kg)	TPH-418.1 (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethyl Benzene (mg/Kg)	Total Xylenes (mg/Kg)
0	CT		AR		0-14.5 ft. Pit backfill							
5	CT											
10	CB	20										
15	CB	33	SP/CA		14.5-15 ft. SAND, brown, fine grained, with some CALICHE.	4,232	3,700	<20	<0.005	<0.005	<0.005	<0.010
			CA/SS		15-16 ft. SAND, with CALICHE							
20	CB	15	SS/CA		16-20 ft. Hard CALICHE layer with SANDSTONE 20-23 ft. SANDSTONE, reddish-brown, with CALICHE	3,864	--	--	--	--	--	--
			SP		23-24 ft. SAND							
25	CB	12	SC		24-25 ft. SAND with CLAY 25-29 ft. SAND with CLAY, driller added water to lubricate bit and bring cuttings out of hole.	10,680	11,000	--	--	--	--	--
30	CB	26	SS		29-30 ft. SANDSTONE, gray-brown 30-35 ft. SANDSTONE, gray-brown	4,624	--	--	--	--	--	--
35	CB	22			35-40 ft. SANDSTONE, gray-brown	3,773	2,900	--	--	--	--	--
40	CB	23			40-45 ft. SANDSTONE, gray-brown	2,441	--	--	--	--	--	--
45	CB	32			45-50 ft.SANDSTONE, gray-brown	1,405	1,600	--	--	--	--	--
50	CB	--			50-54 ft. SANDSTONE, hard rock	<132	74	<20	<0.005	<0.005	<0.005	<0.010
55						<132	53	<20	<0.005	<0.005	<0.005	<0.010

Notes:
Backfilled with 24 bags Holeplug 3/8" bentonite chips, hydrated
Lab sample numbers: Argon C804006-01 through C804006-07

Z:\SESCentral\Company Files\Primero Operating, Inc\PRI-08-001 Luke State #3\BH-1.bor

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 08S Range: 27E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ○ Non-Domestic ○ Domestic
◉ All

POD / Surface Data Report | Avg Depth to Water Report
Water Column Report

Clear Form | iWATERS Menu | Help

AVERAGE DEPTH OF WATER REPORT 05/13/2008

							(Depth Water in Feet)		
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
RA	08S	27E	05				1	196	196	196
RA	08S	27E	08				1	87	87	87
RA	08S	27E	09				1	564	564	564

Record Count: 3

* Note: see attachment from water well driller for the 87' well — GW encountered @ 180'

Bratcher, Mike, EMNRD

From: pwiv@zianet.com
Sent: Saturday, May 10, 2008 3:00 PM
To: Bratcher, Mike, EMNRD
Subject: (fwd)

Attachments: L&CWWreport.pdf

L&CWWrepor
t.pdf (1 MB)

Mike:

Please find the attached from the driller who drilled the well in question near the Luke State pit NE of Roswell.

I have signed the agreement to deal with this pit by June 4th and am still waiting on approval of our c-144 so we can begin.

thanks
Phelps

----------Forwarded message ----------
Return-Path: <pwiv@zianet.com>
Delivered-To: pwiv@zianet.com
Received: (qmail 80230 invoked by alias); 10 May 2008 20:14:51 -0000
Message-ID: <20080510201451.80229.qmail@halo.zianet.com>
From: pwiv@zianet.com
To: pwiv@zianet.com
Date: Sat, 10 May 2008 14:14:17 -0600
Mime-Version: 1.0
Content-Type: multipart/mixed; boundary="=_0_79805_1210450486"; charset="utf-8"

Fax

L & C Drilling Company
Box 30 602 E. Frontage Rd.
San Acacia, NM 87831

Bus. (505) 835-3349
Home (505) 835-3673

Date: 5/10/08

Time: 1:20 p.m.

Pages: 2 including this cover sheet.

To:
Name: Phelps White
Fax Number: 505-212-0227
Attention:
Reference: Well # RA 10050

From: Lloyd Parnell

Remarks: Here is a copy of my daily log that shows where water was encountered. On section 2. of the State engineers well log, it also shows water encountered under Description of water bearing Formation.

____ Hard Copy of Faxed Information will be mailed.

✓ Hard Copy of Faxed Information will not be mailed.

Box 30 602 E. Frontage Rd. San Acacia, NM 87831
Bus. (505) 835-3349 Home (505) 835-3673

Daily Log

Customer: Eric Gibson Well No: 1 Date: 5/25/08

Start Time: 9:00 End Time: 8:00 Rig Hours: _____ Ending Fuel: _____

Start Depth: 160' End Depth: 225'

Depth in Feet From	Depth in Feet To	Thickness in Feet	Color and Type of Material Encountered
160	180		Sand Clay Brown
180	225		Sandstone - Clay - Shale

Remarks: Had Flat on Pickup

Haul 1 load water

Hit First water @ 180'

Second water @ 220'

Cooler filled tank @ 11:00 AM