

**LCX Energy Corporation  
Pit Closure Report for 1625 Fed. Com. Well #261  
API#30-015-33435  
Eddy County, New Mexico**

**Prepared for:**

**LCX ENERGY CORPORATION  
110 N. MARIENFIELD SUITE 200  
MIDLAND, TX. 79701**

**By:**

**South Environmental Services, LLC  
P.O. Box 11064.  
Midland, TX 79702  
(432) 682-3547**

**August 27, 2008**

**Accepted for record  
NMOCD**

**SEP 04 2008**

*Final Closure Report*

## **I. Purpose**

The purpose of this report is to provide a closure report on the Federal 25 #1 pit closure in Eddy County, New Mexico (see Figure 1 for the site map). This report details all the events pursuant to closure of the site in such a manner that protects the population, environment, and groundwater in the area.

## **II. Work Performed**

South Environmental Services, LLC (LCX) was contacted by LCX Energy Corporation. to excavate and close a pit at a site located in Section 26, Township 16 South, Range 25 East, in Eddy County, New Mexico. SES closed the pit according to the pit closure requirements outlined by the state of New Mexico Oil Conservation Division.

Groundwater is not expected to be affected by the pit closure. A core sample was obtained and submitted for analyses to Environmental Labs of Texas (ELOT).

## **III. Disposal of Pit Material**

No material was sent for disposal and no waste manifests were generated.

## **IV. Limitations**

South Environmental Services, LLC has prepared this Pit Closure Report to the best of its ability. No other warranty, expressed or implied, is made or intended.

South has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. South has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate.

South has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. South also notes that the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

This report has been prepared for the benefit of LCX Energy Corporation. The information contained in this report including all

exhibits and attachments, may not be used by any other party without the express written consent of South, and LCX Energy Corporation.

**V. Conclusions**

Based on the data and the work performed the site is considered closed. No further action is needed at the site.

**VI. Figures and Appendices**

**Figure 1 -- Site Map**

**Appendix A- Analytical Results**

**Appendix B- Form Map**

**Appendix C- Form C-144**



# ARDINAL LABORATORIES

PHONE (575) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

## ANALYTICAL RESULTS FOR

LCX

ATTN: JOHN LOWERY

110 N. MARIENFELD, SUITE #200

MIDLAND, TX 79701

FAX TO: (432) 687-2521, (575) 622-0233

& (575) 578-0180

Receiving Date: 03/24/08

Reporting Date: 03/24/08

Project Number: API 30-015-33435

Project Name: FED COM 1625 WELL 261

Project Location: W. ARTESIA, NM

Analysis Date: 03/24/08

Sampling Date: 03/24/08

Sample Type: SOIL

Sample Condition: INTACT

Sample Received By: ML

Analyzed By: KS

LAB NUMBER	SAMPLE ID	CF (mg/kg)
H14498-1	NORTHSIDE	400
H14498-2	SOUTHSIDE	64
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl-B

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

Keith Anderson  
Chemist

03/24/08  
Date

H14498 LCX

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**ANALYTICAL RESULTS FOR  
1CX  
ATTN. JOHN LOWERY  
110 N. MARIENFELD, SUITE #200  
MIDLAND, TX 79701  
FAX TO: (432) 687-2521, (575) 622-0233  
& (575) 578-0180**

Analysis Date: 03/24/08  
Sampling Date: 03/24/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	CF (mg/kg)
H14499-1	N.E. CORNER	224
H14499-2	N.W. CORNER	112
H14499-3	CENTER	496
H14499-4	S.W. CORNER	3,360
H14499-5	S.E. CORNER	4,400
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-Cl-B
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Note: Analyses performed on 1:4 w:v aqueous extracts.

03/24/08  
Date

H14499 LCX

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# ANALYTICAL RESULTS FOR

LCX

ATTN: JOHN LOWERY

110 N. MARIENFELD, SUITE #200

MIDLAND, TX 79701

FAX TO: (432) 687-2521, (575) 622-0233

& (575) 578-0180

Receiving Date: 03/25/08

Reporting Date: 03/26/08

Project Number: API 30-015-33435

Project Name: FED COM 1625 WELL 261

Project Location: W. ARTESIA, NM

Analysis Date: 03/26/08

Sampling Date: 03/25/08

Sample Type: SOIL

Sample Condition: INTACT

Sample Received By: ML

Analyzed By: HM

LAB NUMBER	SAMPLE ID	CF (mg/kg)
H14506-1	S.E. CORNER	1,250
H14506-2	S.W. CORNER	11,300
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-CI-B

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

Chemist

03-26-08  
Date

H14506 LCX

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**ANALYTICAL RESULTS FOR**

**LCX**

**ATTN: JOHN LOWERY**

**110 N. MARIENFELD, SUITE #200**

**MIDLAND, TX 79701**

**FAX TO: (432) 687-2521, (575) 622-0233**

**& (575) 578-0180**

**Receiving Date: 03/18/08**

**Reporting Date: 03/18/08**

**Project Number: API 30-015-33435**

**Project Name: FED COM 1625 WELL 261**

**Project Location: ARTESIA, NM**

**Analysis Date: 03/18/08**

**Sampling Date: 03/18/08**

**Sample Type: SOIL**

**Sample Condition: INTACT**

**Sample Received By: ML**

**Analyzed By: HM**

LAB NUMBER	SAMPLE ID	CF (mg/kg)
H14461-1	NORTHSIDE	98
H14461-2	SOUTHSIDE	80
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		< 0.1

**METHOD: Standard Methods**

**4500-Cl-B**

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

*Krista Anderson*  
Chemist

*03/18/08*  
Date

**H14461 LCX**

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ANALYTICAL RESULTS FOR  
LCX ENERGY  
ATTN: JOHN LOWERY  
110 N. MARIENFELD, SUITE 200  
MIDLAND, TX 79701  
FAX TO: (432) 687-2521 & (575) 622-0233  
& (575) 578-0180

Receiving Date: 04/18/08  
Reporting Date: 04/18/08  
Project Number: API 30-015-33435  
Project Name: FED COM 1625 WELL 261  
Project Location: ARTESIA, NM

Analysis Date: 04/18/08  
Sampling Date: 04/18/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cr (mg/kg)
H14679-1	SW CORNER	2,320
H14679-2	CENTER	6,240
H14679-3	SE CORNER	160
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-Cl-B

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

Christ Supina  
Chemist

04/18/08  
Date

H14679 LCX

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District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1101 W. Grand Avenue, Alamogordo, NM 88210  
District III  
1000 Rio Grande 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

MAR 10 2008  
Form O-144  
June 1, 2004  
For drilling and production facilities, submit to  
appropriate NMOC 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 ☒

Operator <u>LCX Energy LLC</u>		Telephone <u>432-687-1575</u>	e-mail address: <u>jlowery@ecronline.com</u>
Address: <u>110 N. Marienfeld Suite 200 Midland, Texas 79701</u>			
Facility or well name: <u>Fed Camp 1625 well 26 API #</u>		<u>30-015-33435</u> U/L or Q/L/Qn	Sec <u>26</u> T <u>16S</u> R <u>25E</u>
County: <u>El Paso</u>	Latitude	Longitude	NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>			
<b>Pit</b> Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12 mil</u> Clay <input type="checkbox"/> Pit Volume: <u>11000 bbl</u>		<b>Below-grade tank</b> 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.)		Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) XXX 100 feet or more (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 (20 points) No (0 points) XXX	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)		Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) XXX	
Ranking Score (Total Points)		10 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 you 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: Work Plan for the closure of drilling pit. The drilling pit contents will be mixed to stiffen the pit contents. An encapsulation trench will be excavated and lined with a 12 mil synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil synthetic liner will then be placed over the pit contents with a min of a 3" over lap of the underlying trench area. Then encapsulation trench will then be backfilled back to grade using a min of 3' of clean soil and like material. A one call and 48 hr notice will be provided to the Oil Conservation Division before pit closure actions begin. Pit closure actions will begin 1 week after permit approval.

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 NMOC guidelines ☐, a general permit ☐, or as (attached) alternative OCD-approved plan ☐.

Date: 3-2-08

Printed Name/Title: Billy Walker, Field Supervisor Signature: Billy Walker

Your certification and NMOC 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.

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

— If burial trench is to be constructed  
— in pit area, samples are to be obtained and analyses submitted to OCD

Signed By Mike Nickell MAR 10 2008 Date: \_\_\_\_\_

Final Closure Report 8/27/08