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 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

appropriate NMOCD District Office. For downstream facilities, submit to Santa Fe

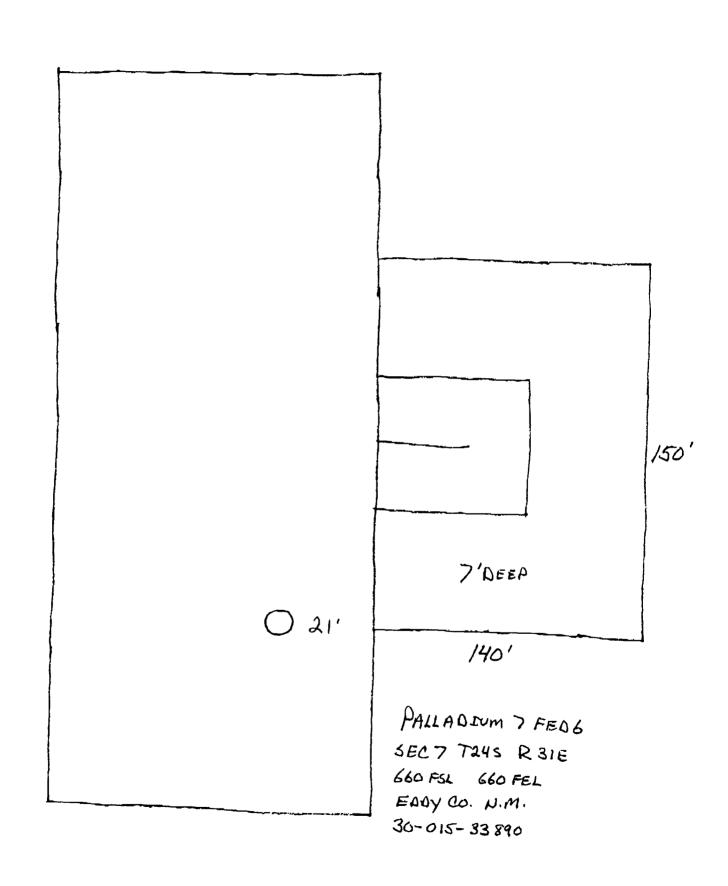
For drilling and production facilities, submit to

Form C-144

June 1, 2004

Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes No x

Type of action: Registration of a pit or below-grade tank \(\subseteq\) Closure of a pit or below-grade tank \(\subseteq\) Operator: Pogo Producing Company Telephone: 432-685-8100 e-mail address: wrightc@pogoproducing.com Address: P.O. Box 10340, Midland, TX 79702-7340 Facility or well name: Palladium 7 Fed #6 API#: 30-015-33890 U/L or Qtr/Qtr P Sec 7 T 24S R 31E County: Eddy Latitude 3 2 : 1 3 · 3 4 · 6 5 N Longitude 103 : 48 : 36 · 1 3 NAD: 1927 🕟 1983 🗌 Surface Owner: Federal K State Private Indian Below-grade tank Pit RECEIVED Type: Drilling Production Disposal Volume: ____bbl Type of fluid: _____ Construction material: DEC 2.0 2005 Double-walled, with leak detection? Yes If not, explain why net If not, explain why not If no Lined I Unlined Liner type: Synthetic Thickness 12 mil Clay Pit Volume 2600 Obbl (20 points) Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal (10 points) 50 feet or more, but less than 100 feet high water elevation of ground water.) 100 feet or more Х (0 points) 0 Yes (20 points) 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.) \mathbf{X} 0 Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) X-t 0 Ranking Score (Total Points) 0 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 X offsite I 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: 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: 12/19/05 Printed Name/Title Cathy Wright, Sr Eng Tech Signature Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contemts 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: Field Supervisor Printed Name/Title Signature



Pit Closing Procedure:

Pits are dewatered. Dirt contractor digs a deep bury pit adjacent to the drilling pit. Deep bury pit is lined with 12 mil plastic. Dirt contractor pushes contents of drilling pit into the deep bury pit. Deep bury pit is capped with 20 mil plastic then covered with 3 feet of fill dirt.