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Form C-144 June 1, 2004

District 1 1625 N. Prench Dr., Hobbs, NM 85240 District II 1301 W. Grand Avenue, Aztosia, NM 88210 anos Road, Astoo, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Senta Pe, NM 87505

State of New Mexico **Energy Minerals and Natural Resources**

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

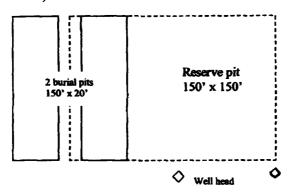
Pit or Below-Grade Tank Registration or Closure		
Is pit or below-grade tank covered by a "general plan"? Yes No X. Type of action: Registration of a pit or below-grade tank D Closure of a pit or below-grade tank XD		
Operator: Myco Industrios, Inc. Telephone: 505-748-4289 e-mail address: annusacy@mycoine.com NOV 1 5 2005 Address P.O. Box 840 423 West Main Street Artesia, New Mexico 88211 Facility or well name: Lonetres 14 State Com API #: 30-015-32851 U/L or Qa/Qer O Sec 14 T 21S R PROPARTISEMA County: Eddy Latitude Longitude NAD: 1927 1983 Surface Owner: Pederal State X Private Indian		
Pit Drilling X Production Disposal Worksover Entergracy Lined X Unlimed Liner type: Synthetic X Thickness 12/20 mil Chay	Beston-strack fank Volume:	
Pit Volumebbl Depth to ground water (vertical distance from bottom of pit to sessonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(10 points) JAN 2 7 1006 (10 points) QQU-(A) 111591
Welthead 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) X
Distance to surface water: (horizontal distance to all wetlands, playes, irrigation casats, ditches, and perennial and ophomeral wetercourses.)	Less than 200 feet 260 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)X
	Ranking Score (Total Points)	/ 0 Poluts
If this is a sit element: (1) Attach a diagram of the theility showing the pit's relationship to other equipment and tentes. (2) Indicate disposal location: (check the ensite box if you are burying in place) easite X[] officite [] if officite, name of facility		
have set in place for a minimum of 24 hours, the encapsulation trench will then be exceed using a 20 mil synthetic liner and backfilled to grade using a minimum of 3° of like manerial and class soil. A one call and 48 hour notification to OCD will be made before pit closure begins.		
Thereby 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/viii be constructed or closed according to NOSOCD guidelines X , a general permit , or an (attached) alternative OCD-approved plan . Date: 11/05/05 Printed Name/Tate Your certification and NMOCD approved of this application/closure does not relieve the operator of liability should the contents of the pit or tank contentiate ground water or otherwise outlanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other fideral, state, or local laws and/or regulations.		
Approved: Printed Name/Title M/N Lon Kley Most IF Signature Miles Klengeres Deter Ufrifac		

PIT CLOSURE COMPLETED ON JANUARY 10, 2006

Allstate Environmental Services

9-12-05 Reserve Pit Solidification Procedure

1. Diagram of deep burial trench(s) is provided with application for closure (form C-144)



2. Solidification of Cuttings:

- (A) The cuttings will be mixed with a track hoe. Contents will be lifted and dropped so as to create a stirring process. This process will continue until CKD and pit contents are thoroughly bonded.
- (B) The solidification material will be Cement Kiln Dust (CKD).
- (C) CKD to pit contents ratio will be 1 yard of pit contents to 240 lbs. of CKD or 1,000 cubic yards of pit contents to 120 tons of CKD. Pit contents will be measure to determine actual volume (length' x width' x depth') /27. CKD is weighed and delivered to the site in 40,000 lb increments.
 - A 1,000 cubic yard work pit is constructed inside the original reserve pit beside the encapsulation/solidification trench. One thousand cubic yards of pit contents will be placed in the work trench along with six 20 ton loads of CKD to begin the mixing process.
- (D) Water may be introduced to initiate the bonding process of CKD and pit
- (E) In order to assure proper mixing, all CKD is precisely weighed before delivery and pit construction is measure to a predetermined need depending on exact volume of pit contents.
- 3. A minimum of three representative samples will be taken from pit contents Prior to any work. These samples will be stored in a closed container.

- 4. Each stage being mixed will be sampled prior to transferring the slurry to the deep trench as follows:
 - (A) One sample of the slurry will be taken at the beginning of the transference and stored in a <u>closed</u> container.
 - (B) One sample of the slurry will be taken a the beginning of the transference and stored in an <u>open</u> container.
 - (C) One sample of the slurry will be taken at the end of the transference and stored in a <u>closed</u> container.
 - (D) One sample of the slurry will be taken at the end of the transference and stored in an open container.
- 5. All samples will be stored in environmentally approved containers.
- 6. All samples and associated paperwork will be delivered to the OCD office within 3 working days of closure.