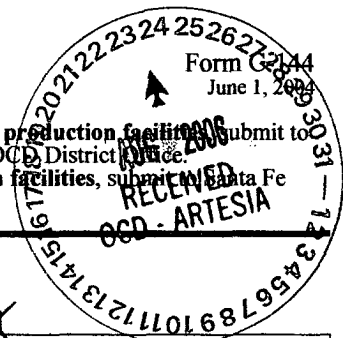


District I
N. French Dr., Hobbs, NM 88240
District II
1 W. Grand Avenue, Artesia, NM 88210
District III
000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

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 ☒

Operator: BOLD Energy LP Telephone: 432-686-1100 e-mail address: danny.money@boldenergy.com
Address: 415 W. WALL ST. 500, MIDLAND, TEXAS 79701
Facility or well name: SARAH ST. #1 API #: 30-015-34693 U/L or Qtr/Qtr 0 Sec 10 T 19S R 29E
County: Eddy, NM Latitude 32°-40'-11.6 N Longitude 104°-03'-38.0 W NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐ ELU. 3393

Pit	Below-grade tank
Type: Drilling <input checked="" 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</u> mil Clay <input type="checkbox"/> Pit Volume <u>2500</u> bbl	Volume: <u> </u> bbl Type of fluid: <u>N/A</u> Construction material: <u> </u> 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.) <u>146' Bgs</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <u>100 feet or more</u> (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) <u>No</u> (0 points)
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) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) <u>0</u>	

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: PLEASE SEE ATTACHED WORK PLAN FOR PIT CLOSURE

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: 8/14/04
Printed Name/Title: Donny Money Prod. Supt. Signature: [Signature]
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: [Signature]
Printed Name/Title: District II Supervisor Signature: Date: 8/24/06



PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

August 16, 2006

Bold Energy, LP
415 W. Wall Ste. 500
Midland, Texas 79701

Attn: Mr. Donny Money

**RE: Work Plan to Clean Up the Sarah St # 1 Drilling Pit Located in UL O,
Sec 10, T19S and R29E of Eddy County, New Mexico**

Dear Mr. Money:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Bold Energy, LP for the opportunity to provide our professional services on the site remediation of the above listed site that is located in Eddy Co. New Mexico.

If you have any questions and/or need more data in regards to this project please call at any time.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC



Summary/Overview

The Sarah St. # 1 Drilling Pit site should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the drilling and production of oil and gas.

The potential contaminants of concern are mid to high-level concentrations of salt water, drilling mud, fluids and cuttings that were left after drilling operations were completed.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 146' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <5,000ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up.

Scope of Work for Entombment of Impacted Soils

NOTE: Phoenix for the purpose of this work plan will estimate that there is approximately 2,500cyds of impacted soils and mud at the site that needs to be addressed for site closure.

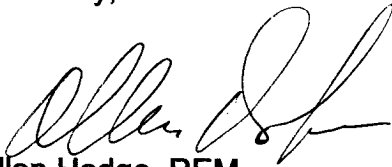
1. First Phoenix will call One-Call for line spot clearance before any excavation at the site is started.
2. Phoenix will mobilize to the site located northwest of Carlsbad, NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.
3. First the site will be cleared of brush and debris and a staging area set up for site control and safety.



4. Phoenix will move the stockpile of soils on the backside of the pits back to allow room to excavate the tomb to hold the contents of the pit. While leaving the top of the impacted soils at a minimum of three feet below grade, the size of the tomb will need to be 150x30x20 and will yield an estimated 3,333cyds of total material and will hold an estimated 2,700cyds of impacted soils.
5. Once the tomb area has been excavated it will be lined with 12mil HDPE bottom and a 20mil top with enough to fold back over the top of the impacted soils before backfilling.
6. Impacted soils at the site will then be excavated, transported and placed in the lined tomb area until the top of the impacted soils are at a minimum of three feet below grade.
7. Phoenix will field screen the site during the excavation and once the TPH and CL has dropped below clean up requirements final samples will be taken and sent to a third party lab for analysis.
8. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the site. The site will be contoured with a slit crown to prevent the ponding of any water and reseeded.
9. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos.

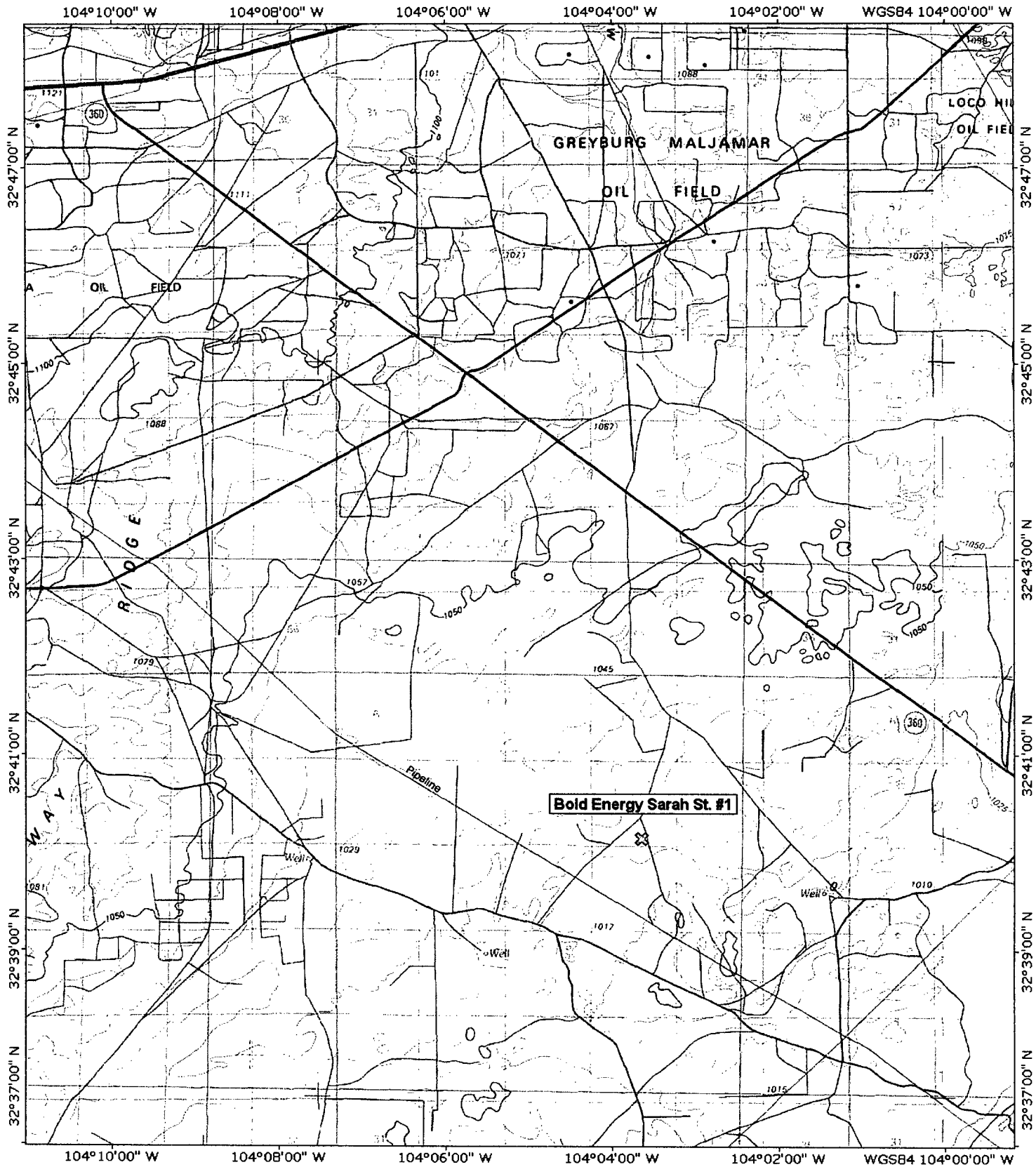
If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely,


Allen Hodge, REM
VP Operations
Phoenix Environmental LLC



TOPOI map printed on 08/23/06 from "Untitled.tpo"

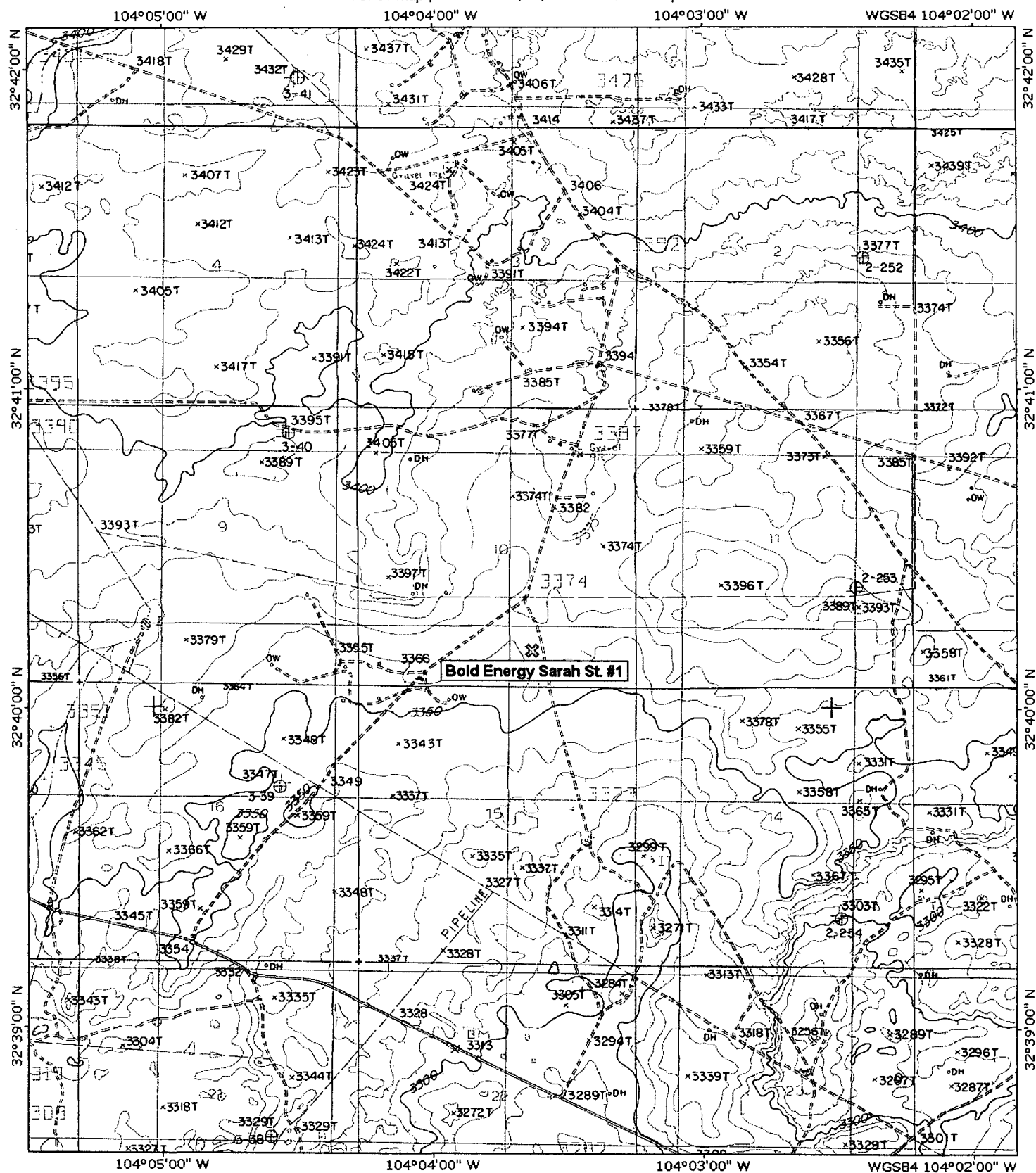


TN * MN
8°

0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km
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TN MN
8°

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