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 For drilling and production agricles, submit to appropriate MC Publistrict Office.

For downstream facilities submit to Sagra Fe office

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—X Closure of a pit or below-grade tank

Operator: Parallel Petroleum Corporation Telephone: 432-684-3727 e-mail address: ddurham@plll.com Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79701 Facility or well name: Forego 1525-16 B#1 API#: 3000563830 U/L or Qtr/Qtr B Sec 16 T 15S R 25E County: Chaves Latitude 33° 01' 17.73" N Longitude 104° 26' 42.18" W NAD: 1927 X 1983		
Surface Owner: Federal State X Private Indian		
<u>Pit</u>	Below-grade tank	
Type: Drilling 🔀 Production 🗌 Disposal 🗍	Volume:bbl Type of fluid:	
Workover X Emergency	Construction material:	
Lined X Unlined	Double-walled, with leak detection? Yes If not, explain why not.	
Liner type: Synthetic X Thickness 12 mil Clay		
Pit Volume 25,000 bbl		
	Less than 50 feet	(20 points)
Depth to ground water (vertical distance from bottom of pit to seasonal	50 feet or more, but less than 100 feet	(10 points) 10
high water elevation of ground water.) 65'	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points)
water source, or less than 1000 feet from all other water sources.)	No	(0 points) 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) 0
	Darling Commercial Delega	10
	Ranking Score (Total 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) onsiteX 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 X Yes If yes, show depth below ground surface		
(5) Attach soil sample results and a diagram of sample locations and excavations.		
Additional Comments::		
See the attached closure plan.		
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 X, a general permit 🔲, or an (attached) alternative OCD-approved plan 🗍.		
Date: 10-30-06		
Date: 10-30-06 Printed Name/Title Deane Durham/Engineer Signature Alan Manuelland		
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 Mike Bratcher Alson Signature Mike Bennoon Date: 1/3/66		

Pit Closure Plan – Drilling Pit

Operator: Parallel Petroleum Corporation

Well Name: Forego 1525-16 B #1, API # 3000563830

Location: Unit B, Section 16, Township 15 S, Range 25 E, Chaves County, NM

1. Any remaining liquids will be removed from the pit.

2. Remaining solid wastes (i.e. buckets, cans, miscellaneous trash, debris, contaminated solids, etc.) will be removed from the pit, except for dried mud and cuttings, cement, and frac materials in drilling and reserve pits which have been approved by the OCD for encapsulation.

3. This well did not penetrate a salt section and was drilled with less than 9.5 lb/gal brine. Therefore, the drilling pit will be closed by encapsulation:

Trench burial and capping will be performed for the drilling mud and cuttings. Up to two trenches (approximately 5 feet wide x 10 feet deep x 125 feet length) will be dug next to the pit and the cuttings buried and capped. The trenching and capping will be accomplished by lining the trench with an impervious, reinforced, synthetic or fabricated liner at least 12 mils in thickness; mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide stability and support for the trench cap; emplacing the stiffened mud and cuttings into the lined trench; capping the trench with a 20 mil minimum thickness impervious, fiber reinforced, synthetic or fabricated liner (the synthetic liner will overlap the trench area by at least 3 feet in all directions); and covering the trench with a minimum of 3 feet of clean soil that is capable of supporting native plant growth.