District II 1301 W. Grand Active, Artesia, NM 88210 District III 1000 Rio Brazos Road, Actes NM 87410 District IV 1220 S. St. Francis Dr. Sanatie, 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

SEP 0 4 2007

Form C-144 June 1, 2004

| Type of action. Registration of a pit of | or below-grade tank [Closure of a pit or below-grade | de tank OCU-ARIESIA |
|---|--|--|
| Operator: COG Operating LLC Telephone. 432-685-4340 e-mail address: pedwards@conchoresources.com | | |
| Address: 550 W. Texas, Suite 1300 Midland, TX 79701 | | |
| Facility or well name: HOLDER CB FEDERAL #11 API | #: <u>30-015-35471</u> U/L or Qtr/Qtr <u>M</u> | Sec <u>9</u> T <u>17S</u> R <u>30E</u> |
| County. EDDY Latitude 32. | 843645° N Longitude 103.981831 | ° W NAD: 1927 ⊠ 1983 □ |
| Surface Owner: Federal 🖾 State 🗌 Private 🔲 Indian 🗍 | | |
| Pit Below-grade tank | | |
| Type: Drilling M Production Disposal D | Volume:bbl Type of fluid: | |
| Workover | Construction material: | |
| Lined \(\sum \) Unlined \(\sum \) Double-walled, with leak detection? Yes \(\sum \) If not, explain why not. | | |
| Liner type: Synthetic ☑ Thickness 12 mil Clay ☐ | | |
| Pit Volume 3000 bbl | | T-22- |
| Depth to ground water (vertical distance from bottom of pit to seasonal | Less than 50 feet | (20 points) |
| high water elevation of ground water.) 110' | 50 feet or more, but less than 100 feet 100 feet or more | (10 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) |
| Distance to surface water: (horizontal distance to all wetlands, playas, | Less than 200 feet | (20 points) |
| irrigation canals, ditches, and perennial and ephemeral watercourses.) | 200 feet or more, but less than 1000 feet | (10 points) |
| | 1000 feet or more | (0 points) |
| | Ranking Score (Total Points) | 0 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 1f | | |
| your 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 surfaceft. and attach sample results. | | |
| (5) Attach soil sample results and a diagram of sample locations and excavations. | | |
| Additional Comments: COG Operating LLC proposes to close the drilling pit as follows: | | |
| 1. Remove fluids from pit. | | |
| 2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. | | |
| The contents will be encapsulated in this pit and the liner will be folded over the mud & cuttings. | | |
| 3. Cover liner w/20 mil liner w/ excess of 3' on all sides as per option IV.B.3.(b) of Pit and Below-Grade Tank Guidelines. | | |
| 4. Cover w/ a minimum of 3' of native soil. | | |
| 5. Contour pit to prevent erosion & ponding of rainwater. | | |
| 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 \(\sigma \), a general permit \(\sigma \), or an (attached) alternative OCD-approved plan \(\sigma \). | | |
| Date: 8-31-07 | | |
| Printed Name/Title Phyllis Edwards, Regulatory Analyst Signature / hulles Solw and | | |
| 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. | | |
| Gerry Guye | h. h. | |
| Approval: Compliance Officer | Decey Juny | SEP 5 2007 |
| Printed Name/Title Signature Date: Date: | | |

Stipulations

Stipulations for Closure Of Pit

Contents of drilling pit must be mixed and stiffened so as to support the liner cap in the burial trench.

Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back filling. Notify NMOCD 24 hours prior to obtaining samples.

Notify NMOCD 24 hours prior to beginning closure.

If pit is situated in an agricultural area pit contents must be hauled to an NMOCD approved disposal area.