

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

Form C-144
June 1, 2004

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

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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 ☒

NOV 19 2007

OCD-ARTESIA

Operator Jalapeno Corporation Telephone: 505-242-2050 e-mail address: personnel3@msn.com
Address: P.O. Box 1608, Albuquerque, NM 87103
Facility or well name: Paisano Federal #1 API #: 30-005-63840 U/L or Qtr/Qtr P Sec 12 T 9-S R 27-E
County: Chaves Latitude 33°32'27.75" N Longitude 104°08' 18.75' W NAD 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit 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>5600 bbl</u>	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ 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) approx. 345 ft.	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more XX (0 points) 0
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) No XX (0 points) 0
Distance to surface water. (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) Pecos River - 10 miles	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more XX (0 points) 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 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: **The 12 mil plastic will be folded over the top and on top of that 20 mil will be placed. Then 3 feet of stockpiled dirt will be placed on top of the 20 mil and the dirt will be reseeded. Because of the depth of the water at this drill site, it is our understanding that no soil samples are required.**

"Burrito" style closure is denied

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: 11/16/07

Printed Name/Title Harvey E. Yates, Jr. - President

Signature: Jalapeno Corporation by: *Harvey Yates*

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.

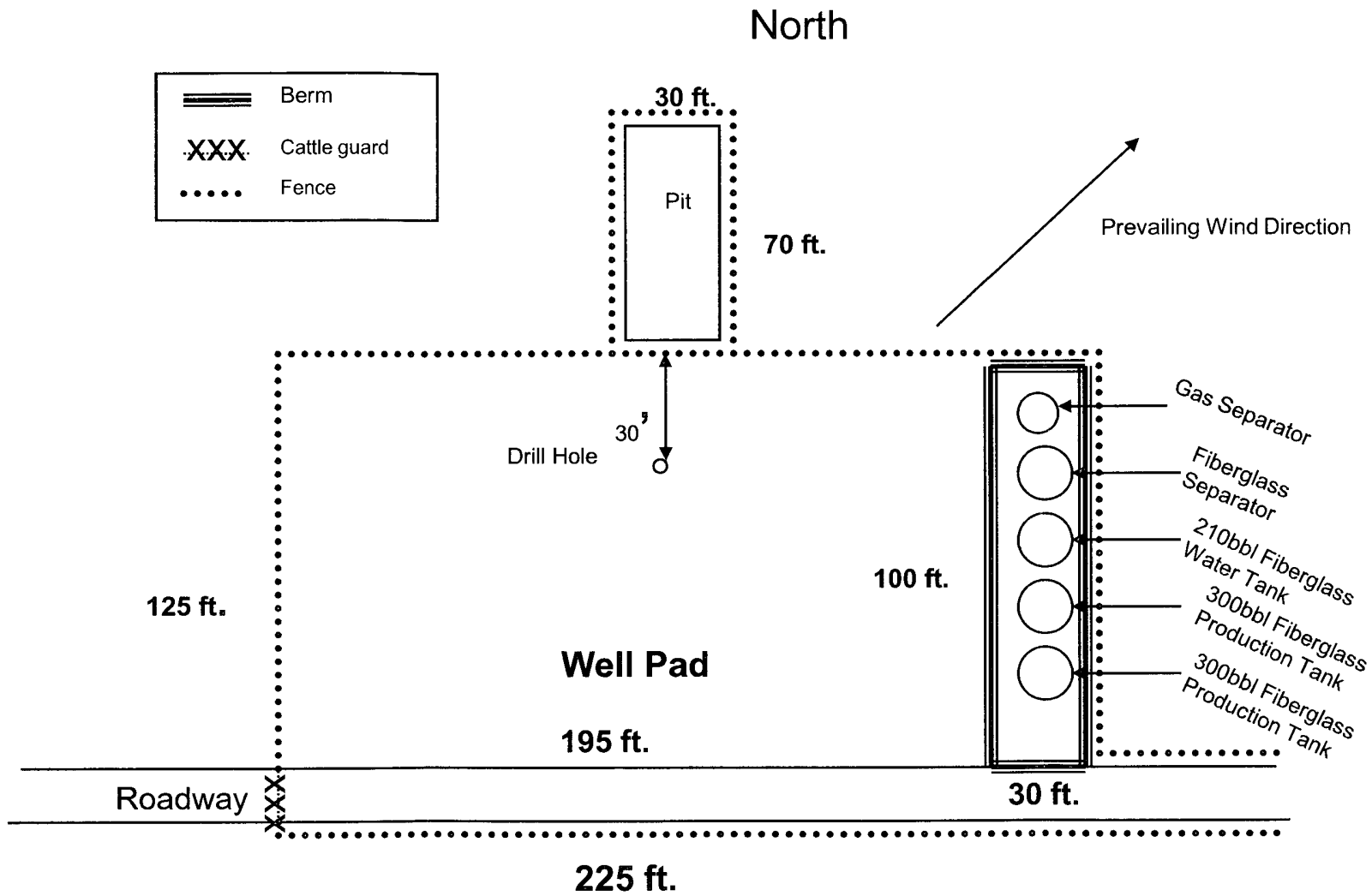
Printed Name/Title

DENIED

Signature

Date:

NOV 26 2007



Paisano Federal #1

NOV 19 2007

OCD-ARTESIA

Jalapeño Corporation

P.O. Box 1608

Albuquerque, NM 87103-1608

Phone: (505) 242-2050 Fax: (505) 242-8501

November 16, 2007

Oil Conservation Division
1301 W. Grande Avenue
Artesia, NM 88210

RE: Paisano Federal #1
Well API NO. 30-005-63840
S.12, T. 9-S, R. 27-E
Chaves County, NM

Ladies and Gentlemen:

We wish to close the pit at the subject well. Enclosed please find an original and two copies of Form C-144 (Pit or Below-Grade Tank Registration or Closure) for the Paisano Federal #1 well. A copy of this form will also be sent to the BLM office in Roswell.

If you have any question or need further information, please contact our office at the numbers listed above.

Yours truly,


Jun Barrack