

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

Form C-144  
June 1, 2004

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 ☒

OCT 29 2007

OCD-ARTESIA

Operator: ATLANTIC OPERATING Telephone: 432-687-5203 e-mail address: \_\_\_\_\_  
Address: \_\_\_\_\_  
Facility or well name Federal 25 #1 API # 30-048-35768 U/L or Qtr/Qtr \_\_\_\_\_ Sec 25 T 25 S R 29 E  
County Eddy Latitude 35.618 Longitude \_\_\_\_\_ NAD 1927 ☐ 1983 ☐  
Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

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>3000</u> bbl	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) <u>172</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) <u>0</u>
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) <u>0</u>
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) <u>0</u>
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 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. ATLANTIC OPERATING Proposes to Close drilling PIT

Additional Comments Remove fluids from pits  
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 cover liner w/ 20 mil liner  
in excess of 3" on all sides as per option 1 & B. 8(b) of PIT and Below Grade Tank  
Fluid line cover w/ a minimum of 2" of native soil contain PIT prevent problems  
a ponding of rain water

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 10-26-07

Printed Name/Title Rich Brinble / Asst

Signature Rich Brinble

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 \_\_\_\_\_

Signature \_\_\_\_\_

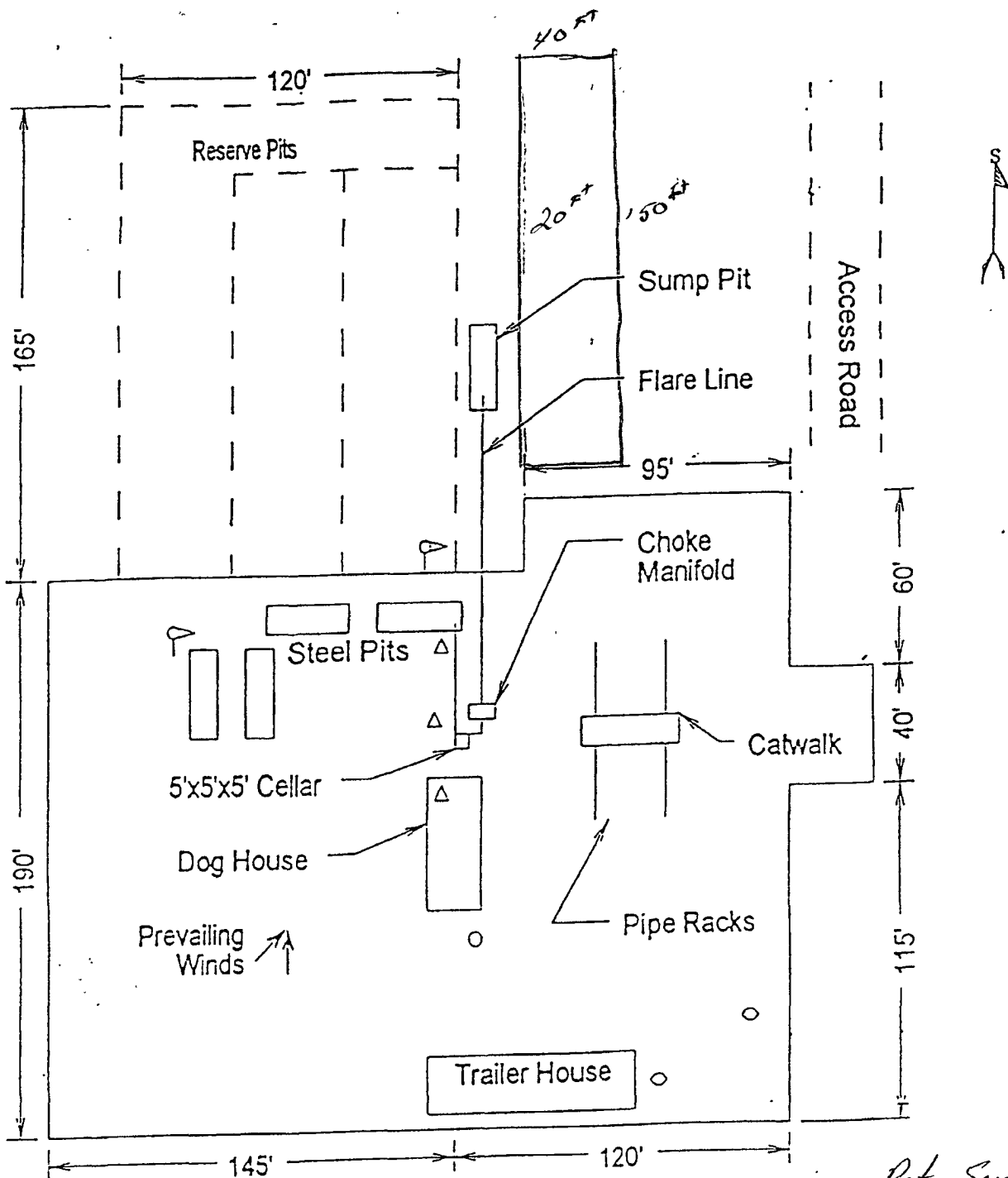
Signed By Mike Brinble

NOV 06 2007

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

If burial trench is to be constructed in pit area, samples are to be obtained and analyses submitted to OCD PRIOR to lining trench.

Pit contents are to be stiffened with dry material PRIOR to emplacement in burial trench.



*Pits South  
V-Door West*

- Wind Direction Indicators  
(wind sock or streamers)
- △ H2S Monitors  
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"  
RIG LAY OUT PLAT

CHENEY ENERGY PARTNERS, LLC.  
CHENEY ENERGY "25" FEDERAL # 1  
UNIT "M" SECTION 25  
T25S-R29E EDDY CO. NM