

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

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 ☒

DEC 13 2007

OCD-ARTESIA

Operator: Parallel Petroleum Corporation Telephone: 432-685-6563 e-mail address: kmccormick@plll.com

Address: 1004 N. Big Spring, Suite 400, Midland, TX 79701

Facility or well name: Music Box Federal #1 API #: 30-015-34726 U/L or Qtr/Qtr N Sec 12 T 19S R 21E

County: Eddy Latitude 32 40 6.23 N Longitude 104 46 59.43 W NAD: 1927 X 1983 ☐

Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 25,000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 750'	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(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	(0 points)	0
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)	0
	1000 feet or more	(0 points)	
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:

THIS IS A FINAL REPORT FOR PIT CLOSURE REPORTING

PIT CLOSED 03-22-2007. SEE ATTACHED DOCUMENTATION: CHAIN OF CUSTODY, ANALYTICAL RESULTS OF SAMPLE 3' BELOW LINER, PREVIOUS

C-144 FILED W/PLAN, SCHEMATIC OF FACILITY

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: 12-10-2007

Printed Name/Title KAYE MC CORMICK//SR PROD & REG TECH 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

ACCEPTED FOR RECORD

Approval:

Printed Name/Title _____ Signature _____ DEC 13 2007 Date: _____

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

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June 1, 2004

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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 ☒

Operator: Paralle Petroleum Corporation Telephone: 432-684-3905 e-mail address: gmiller@hee-enviro.com	
Address: 1004 N. Big Spring Street, Suite 400, Midland, Texas 79701	
Facility or well name: Music Box Federal #1 API #: 30-015-34726	U/L or Qtr/Qtr Unit N Sec 12 T 19S R 21E
County: Eddy Latitude 32° 40' 6.23" N Longitude 104° 46' 59.43" W NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>	
Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>	
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 25,000 bbl	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.) 750'	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 0 100 feet or more (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) No (0 points) 0
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) 0 1000 feet or more (0 points)
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:
See attached closure plan
<i>715 closed 3-22-07</i>
<i>[Signature]</i>
RECEIVED OCD - ARTESIA

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: 9-28-06

Printed Name/Title **Gary Miller, Agent** Phone **432/682/4559**

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:

Printed Name/Title *Jim W. Green*

Signature *[Signature]*

Date: *10/4/06*



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>ALSTATE ENVIRONMENTAL</u>				BILL TO				ANALYSIS REQUEST											
Project Manager: <u>DAN DOLAN</u>				P.O. #:															
Address: <u>PO BOX 11322</u>				Company: <u>ALSTATE ENV.</u>															
City: <u>MIDLAND</u>		State: <u>TX</u> Zip: <u>79702</u>		Attn:															
Phone #: <u>505-748-5167</u>		Fax #: <u>505-365-2851</u>		Address: <u>PO BOX 11322</u>															
Project #:		Project Owner:		City: <u>MIDLAND</u>															
Project Name: <u>PARALLEL MUSIC BOX</u>				State: <u>TX</u> Zip:															
Project Location: <u>ODDY COUNTRY</u>				Phone #:															
Sampler Name: <u>DAN DOLAN</u>				Fax #:															
FOR LAB USE ONLY																			
Lab I.D.	Sample I.D.	(GRAB OR C/COMP.)	# CONTAINERS	MATRIX					PRESERV		SAMPLING		CHLORIDE						
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:					DATE	TIME	
H12590-1	MB-1	G	1			X											4-19	10:10	
-2	MB-2	G	1			X											"	"	
-3	MB-3	G	1			X											"	"	
-4	MB-4	G	1			X											"	"	
-5	MB-5	G	1			X											"	"	

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. No event shall constitute a basis for liability for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits, incurred by client, its subsidiaries, affiliates or successors and/or due to or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated remedies or otherwise.

Relinquished By: <u>[Signature]</u>	Date: <u>5-15-07</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:
	Time: <u>0915</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:
	Time:		
Delivered By: (Circle One)		Sample Condition	CHECKED BY: (Initials)
Sampler - UPS - Bus - Other:		Cool Intact	
		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes	<u>[Signature]</u>
		<input type="checkbox"/> No <input type="checkbox"/> No	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ALLSTATE ENVIRONMENTAL
ATTN: DAN DOLAN
P.O. BOX 11322
MIDLAND, TX 79702
FAX TO: (505) 365-2851

Receiving Date: 05/15/07
Reporting Date: 05/15/07
Project Owner: NOT GIVEN
Project Name: PARALLEL MUSIC BOX
Project Location: EDDY COUNTY, NM

Analysis Date: 05/15/07
Sampling Date: 04/19/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: LB
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H12590-1	MB-1	176
H12590-2	MB-2	64
H12590-3	MB-3	48
H12590-4	MB-4	48
H12590-5	MB-5	144
Quality Control		490
True Value QC		500
% Recovery		98
Relative Percent Difference		2.1

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist

05-15-07
Date

H12590

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

Pit Closure Plan – Drilling Pit

Operator: Parallel Petroleum Corporation

Well Name: Music Box Federal #1, API # 30-015-34726

Location: Unit O, Section 1, Township 19 S, Range 23 E, Eddy 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.

4. Since this is a federal well, the Bureau of Land Management (BLM) will be contacted for site reclamation requirements.

Parallel Petroleum Corporation
Music Box Federal #1
Eddy County, New Mexico
Begin Date 03/13/07 End Date 03/27/07

