

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
March 12, 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 ☒

19 2007
OCD-ARTESIA

Operator **Marbob Energy Corporation**

Telephone **505-748-3303**

e-mail address **land2@marbob.com**

Address **PO Box 227, Artesia, NM 88211-0227**

990' FNL & 2287' FEL

Facility or well name **Michalada Federal #3-D**

API # **30-015-35157**

U/L or Qtr/Qtr **NWNE** Sec **3** T **22S** R **25E**

County **Eddy**

Latitude _____ 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 12 mil Clay <input type="checkbox"/> Volume _____ 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.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points) 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 points
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) 1000 feet or more (0 points) 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 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

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 **July 18, 2007**

Printed Name/Title: **Gerald Herrera**

Signature *G. Herrera*

Your certification and NMOCD approval of this application/closure does not constitute a warranty that the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment or of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Notify OCD 24 hours prior to beginning pit closure.

Approval

Date **7/20/07**

Printed Name/Title

Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling

Signature

Jim W. Green
District II Supervisor
DEC 14 2007
OCD-ARTESIA

NOTE: SAMPLE BOTTOM OF PIT BEFORE DIGGING DEEP TRENCH.



Pit closure
7/20/07

Marbob Energy Corporation
Attachment to OCD Form C-144

Pit or Below-Grade Tank Registration or Closure

Pit Closure

Michalada Federal #3-D

990' FNL & 2287' FEL

Section 3 T-22S R-25E

Eddy County, New Mexico

(1) Facility diagram



(2) Disposal location:

Fluids will be disposed at an approved disposal facility.

(3) General description of remedial action:

Transfer cuttings to ends, dig deep bury pit in center of pit, line with 12 mil plastic. Use material to stiffen cuttings. Transfer stiffened cuttings into lined pits, leaving mounded for drainage. Cap with 20 mil liner. Cover with three feet of cover material.

(4) Groundwater encountered:

No

(5) Soil sample:

N/A

* *Sampling has been completed w/ analysis Attached*

Karl Fuchs

12/14/07



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397

Receiving Date: 11/19/07
Reporting Date: 11/20/07
Project Owner: MARBOB
Project Name: MICHALADA 3D
Project Location: CARLSBAD, NM

Analysis Date: 11/19/07
Sampling Date: 11/16/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: SB
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H13748-1	PIT BOTTOM	160
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

Note: Analysis performed on a 1:4 w/v aqueous extract.

Chemist

Date

H13748 BBC

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 profit 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.



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(815) 673-7001 Fax (815) 673-7020 (505) 393-2328 Fax (505) 393-2478

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <u>BBC International, Inc.</u>		BILL TO		ANALYSIS REQUEST														
Project Manager: <u>Cliff Brunson</u>		P.O. #:																
Address: <u>1324 W. Marland</u>		Company:																
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn: <u>SAME</u>																
Phone #: <u>505-397-6388</u> Fax #: <u>505-397-0397</u>		Address:																
Project #: _____ Project Owner: <u>Marbob</u>		City:																
Project Name: <u>Michaelada 3D</u>		State: _____ Zip: _____																
Project Location: <u>Carlsbad</u>		Phone #: _____																
Sampler Name: <u>Amy Ruth</u>		Fax #: _____																
FOR LAB USE ONLY		MATRIX		PRESERV.		SAMPLING		Chloride										
Lab I.D.	Sample I.D.	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:							ACID/BASE	ICE/COOL	OTHER:	DATE	TIME
<u>41348-1 Pit Bottom</u>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>										<input checked="" type="checkbox"/>			<u>11/6/07</u>	<u>1540</u>

PLEASE NOTE: Liability and Damages. Cardinal's liability and ability to defend against liability for any claim, whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, regardless of the negligence and any other cause, shall be waived by the client. Cardinal shall not be liable for any damages, including attorney's fees, lost profits, or any other consequential damages, arising from the use of the analysis. In no event shall Cardinal be liable for any damages, including attorney's fees, lost profits, or any other consequential damages, arising from the use of the analysis. In no event shall Cardinal be liable for any damages, including attorney's fees, lost profits, or any other consequential damages, arising from the use of the analysis.

Printed and Documented. All data will be stored on a secure server for 30 days after the date of the analysis. All data will be stored on a secure server for 30 days after the date of the analysis. All data will be stored on a secure server for 30 days after the date of the analysis.

Sample Relinquished:	Date: <u>11/19/07</u>	Received By: <u>Cliff Brunson</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
<u>Amy Ruth</u>	Time: <u>1:45 pm</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date: <u>11/19/07</u>	Received By: (Lab Staff)	REMARKS:	
<u>Cliff Brunson</u>	Time: <u>2:06 pm</u>	<u>Su Brunson 11/19/07 2:06 pm</u>		
Delivered By: (Circle One)	Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - Other: <u>Other</u>	Cool Intact	(Initials)		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>SB</u>		

at soil

NOT AT

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2478.