

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  
**S**  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

JAN 03 2008  
**OCD-ARTESIA**

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**

NOV 05 2007

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 ☒

**OCD-ARTESIA**

Operator **Marbob Energy Corporation**

Telephone **505-748-3303**

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

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

**720' FSL & 1970' FEL**

Facility or well name **Spanish Cedar State Com No. 1**

API # **30-015-35536**

U/L or Qtr/Qtr **O** Sec **3** T **24S** R **27E**

County **Eddy**

Latitude \_\_\_\_\_

Longitude \_\_\_\_\_

NAD 1927 ☐ 1983 ☐

Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

**Pit**

Type Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type Synthetic ☒ Thickness **12 mil** Clay ☐ Volume \_\_\_\_\_

\_\_\_\_\_ 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)

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 **November 1, 2007**

**See Attached  
Stipulations**

Printed Name/Title: **Gerald Herrera**

Signature *G. Herrera*

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

**NOV 26 2007**

Approval

Date \_\_\_\_\_

**Gerry Guye**

Printed Name/Title

**Compliance Officer**

Signature *Gerry Guye*

\* Completed Sampling According to Attached Stipulations with Results Attached.  
*Raul Fuent 11/2/08*  
Accepted for record  
NMOCD

Marbob Energy Corporation  
Attachment to OCD Form C-144

Pit or Below-Grade Tank Registration or Closure

Pit Closure

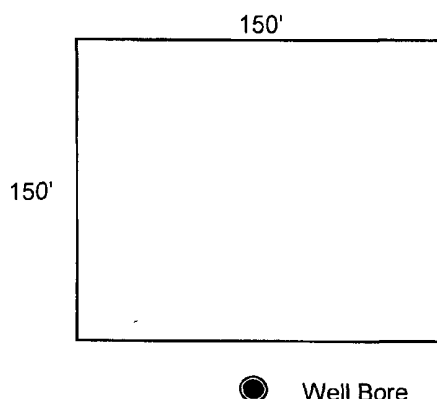
**Spanish Cedar State Com #1**

720' FSL & 1970' FEL

Section 3 T-24S R-27E

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:

- a. Mix contents of pit (with material from location for pad reduction) to stiffen.*
- b. Push to one end of pit, use other end for possibly two capsulation pits.*
- c. Line pits with 12 mil plastic.*
- d. Transfer contents into lined pits.*
- e. Cap with 20 mil liner*
- e. Cover with 3' of cover dirt.*
- f. Re-seed to BLM requirements.*

(4) Groundwater encountered:

*No*

(5) Soil sample:

*Samples will be obtained from pit area and analysis submitted to NMOCD prior to backfilling.  
Notify NMOCD 24 hours prior to obtaining samples.*

**Stipulations for closing**  
**Of Pit**

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.

If burial trench is to be constructed in the pit area, samples are to be obtained from that area and analyses submitted to NMOCD prior to lining the pit, but after contaminated soils have been excavated from trench area.

Notify NMOCD 24 hours prior to beginning closure.

Pits must be closed within 6 months of the date production casing is set.

Encapsulation insitu will be accomplished by mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide physical stability and support for the pit cover. No fluids are to be encapsulated in the bury pit.



# ARDINAL LABORATORIES

PHONE (575) 393-7326 • 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: 12/26/07  
Reporting Date: 12/26/07  
Project Owner: MARBOB  
Project Name: SPANISH CEDAR  
Project Location: LOVINGTON, NM

Analysis Date: 12/26/07  
Sampling Date: 12/21/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: HM  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H13975-1	PIT BOTTOM	128
Quality Control		520
True Value QC		500
% Recovery		104
Relative Percent Difference		3.9

METHOD: Standard Methods 4500-Cl/B

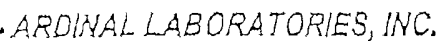
Note: Analysis performed on a 1:4 w:v aqueous extract.

Brian S. Squires  
Chemist

12/26/07  
Date

H13975 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 profits incurred by client, its subsidiaries, affiliate 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.



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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† Cardinal cannot accept verbal changes. Please fax written changes to 506-393-2476.