

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 ☐ Submitted 4/16/04

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

DEC 20 2007

Operator MCKAY OIL CORPORATION Telephone 505-622-4795 e-mail address jennifer@mckayoil.com

OCD-ARTESIA

Address PO Box 2014 Roswell, NM 88202-2014

Facility or well name New Mexico CS B State #1 API # 30-005-63383 U/L or Qtr/Qtr D Sec 2 T 7S R 22E

County CHAVES 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 type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit 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)
	<u>100 feet or more</u>	<u>(0 points)</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>	<u>(0 points)</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>	<u>(0 points)</u>
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 A plan of reserve pit remediation is attached

Registration & Closure Plan

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 12/19/2007

Printed Name/Title James L. Schultz, Agent

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

Signature

Signed By [Signature]

Date

JAN 07 2008

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.

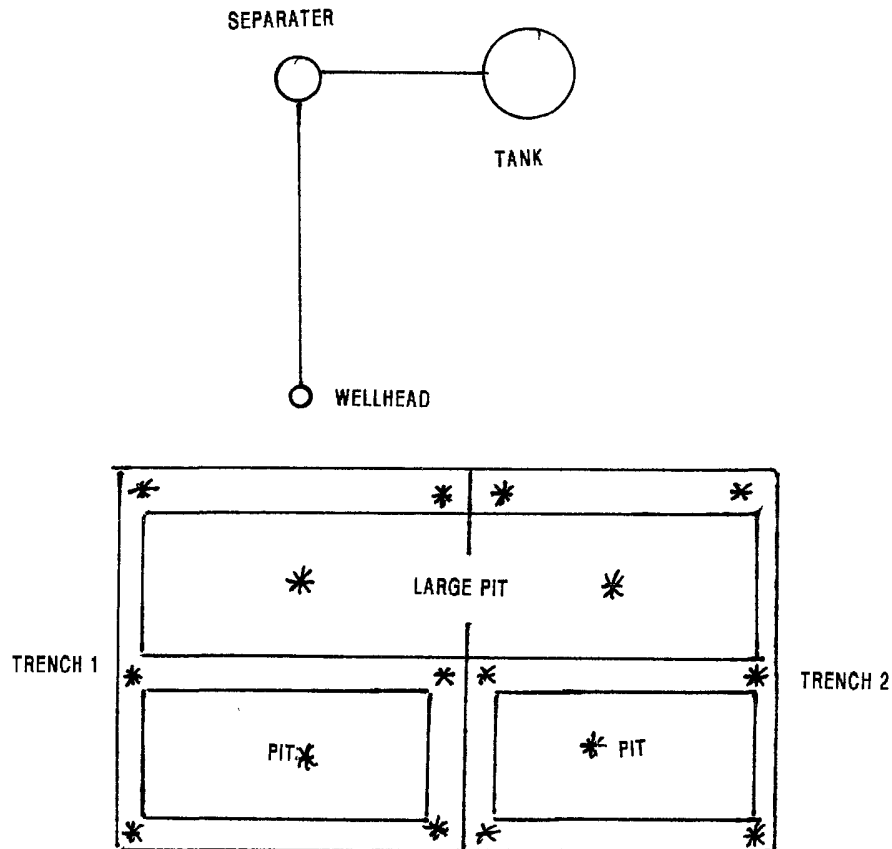
If burial trench is to be constructed in pit area, samples are to be obtained and analyses submitted to OCD PRIOR to lining trench.

Reserve Pit Remediation Plan

NEW MEXICO CS B STATE #1
860'FNL & 860'FwL
Sec. 2, T7S, R22E

1. Operator will remove all liquid contents in pit and allow to the bottom of the pit to dry.
2. Pile cuttings and original pit liner on west side of reserve pit area.
3. Collect soil samples from inside the pit on the cleared side (east side) of reserve pit at surface.
4. Dig trench 1 (eastside of pit area) big enough to put all of the cuttings in and leave enough room for 3' backfill material. (NOTE: Trench size depends on amount of cuttings, rock formations, surrounding terrain and mud solidity.)
5. Collect soil samples from inside trench 1 area to a depth reading 250 ppm chloride as shown on Exhibit A.
6. Line trench 1 with 20 MIL liner.
7. Fill trench 1 with cuttings, original pit liner and any contaminated soil.
8. Cap trench 1 with 20 MIL liner.
9. Back fill trench 1 area with 3' of topsoil.
10. Test west side of pit area for chlorides as shown on Exhibit A. Dig trench 2 (Westside of pit area) down to a depth that test a maximum of 250 ppm chloride, putting the soil on a 20 MIL liner on NW corner of location.
11. Line trench 2 with 20 MIL liner.
12. Fill the trench 2 with any contaminated soil.
13. Cap trench 2 with 20 MIL liner.
14. Back fill trench 2 area with 3' of topsoil.
15. Seed entire pit area per BLM specifications.

NM CS State B #1
Unit D, Sec. 2, T7S, R22E
Chaves County, NM



SAMPLES *

ACCESS ROAD