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

MAR 18 2008
OCD-ARTESIA

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 X**

Operator. **Reef Exploration, Inc.** Telephone **(972) 437-6792 & (228) 216-7981** e-mail address **javd@reefogc.com & larslarson@bellsouth.net**

Address **1901 N. Central Expressway, Suite #300, Richardson, Texas 75080**

Facility or well name **State 36, #5** API #. **30-015-35673** U/L or Qtr/Qtr **SW/SW** **Section 36** **T 22 South; R 31 East**

County: **Eddy** Latitude **32.342411** Longitude **-103.737427** NAD. 1927 ☐ 1983 ☐

Surface Owner Federal ☐ **State X** Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type Drilling **X** Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined **X** Unlined ☐ Liner type Synthetic **X** Thickness **12** mil Clay ☐ **Pit Volume 2, 000 bbl (estimated)**	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 50 feet or more, but less than 100 feet **100 feet or more**	(20 points) (10 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 **No**	(20 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 200 feet or more, but less than 1000 feet **1000 feet or more**	(20 points) (10 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 (check the onsite box if your are burying in place) **onsite X** 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 **X** 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 **The attached schematic diagram illustrates the general orientation of drill pit relative to each drill pad, and where pit solids will be deep trenched buried. A Post Closure Form C-144 will provide documentation regarding the remedial actions taken and the confirmation soil analytical results.**

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 **March 14, 2008**

Printed Name/Title **Lars Larson, PG** Signature _____

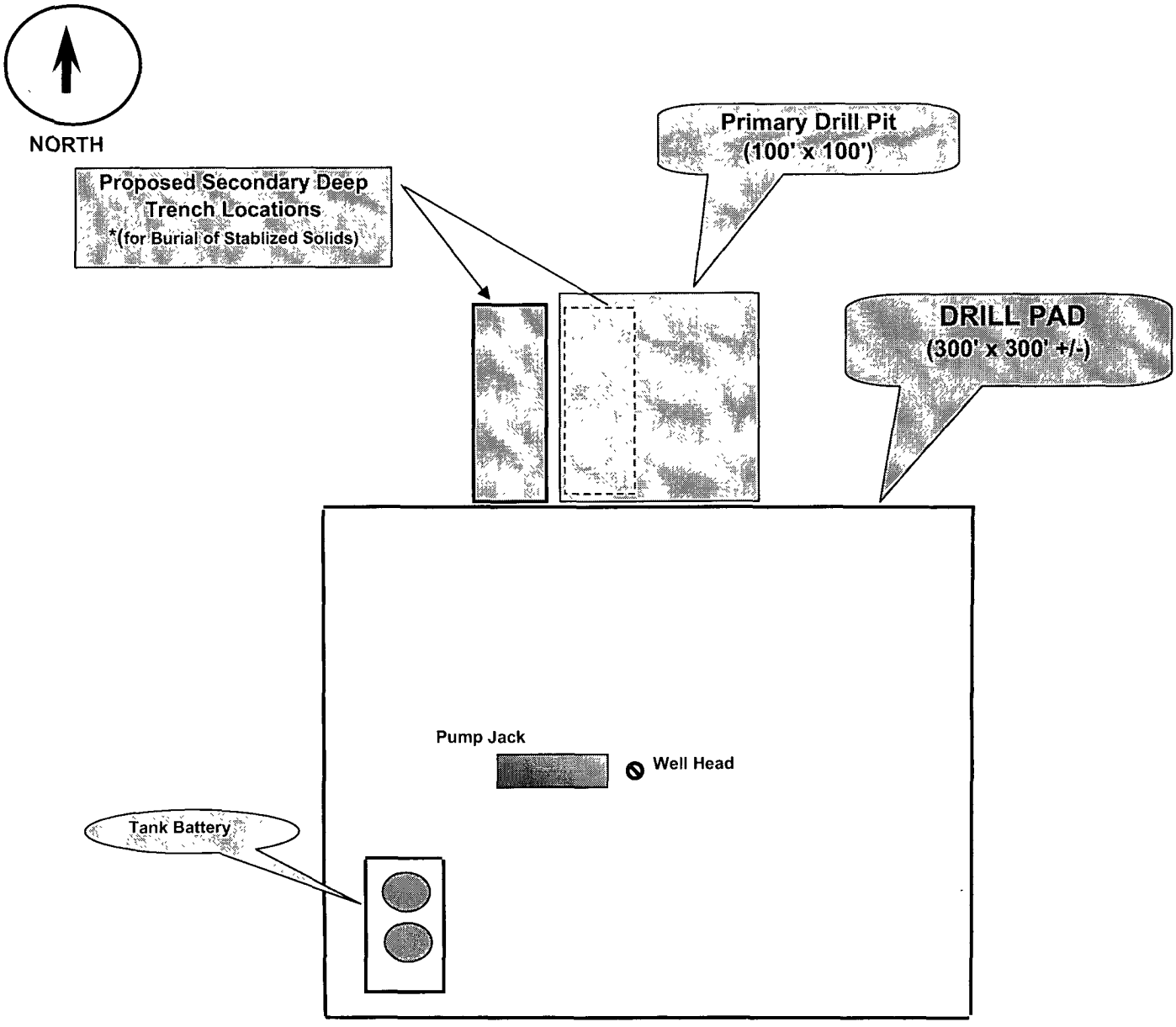
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Approval:

_____ Signature Signed By Mike Bratcher Date MAR 24 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 provided to OCD prior to backfilling pit.

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



Note: Location of solids burial trench will be determined in the field based on site conditions, i.e. (terrain slope, vegetatation, etc.)

REEF EXPLORATION, INC.
Schematic Drawing of Well Pads & Pits
Wells Located in
Section 2 T-23-S, R-31-E and Section 36 T-22-S, R-31-E
Barclay State and Medano State Leases
Eddy County, New Mexico