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

For drilling and production facilities, submit to appropriate NMOCD District Office. For downstream facilities, submit to Santa Fe

Form C-144

March 12, 2004

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 \(\subseteq\) Closure of a pit or below-grade tank \(\subseteq\) Operator: Marbob Energy Corporation Telephone: 505-748-3303 e-mail address: land2@marbob.com Address: PO Box 227, Artesia, NM 88211-0227 Facility or well name: CAP Federal #1 API#: 30-025-36469 U/L or Otr/Otr NENW Sec 6 T 20S R 32E County: Lea Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐ Pit Below-grade tank Type: Drilling ☑ Production ☐ Disposal ☐ bbl Type of fluid: Volume: Workover ☐ Emergency ☐ Construction material: Lined D Unlined Double-walled, with leak detection? Yes If not, explain why not. 3/ Liner type: Synthetic

☐ Thickness 12 mil Clay ☐ Volume Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet water elevation of ground water.) 100 feet or more 0 points Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No 0 points (0 points) water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, (10 points) 200 feet or more, but less than 1000 feet irrigation canals, ditches, and perennial and ephemeral watercourses.) 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 from 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: September 15, 2005 Printed Name/Title: **Gerald Herrera** AYerrer 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: Date: 9/19/05
Printed Name/Title BARY W. WINK/STAFFMBR Signature Lay W. Wink

Marbob Energy Corporation Attachment to OCD Form C-144

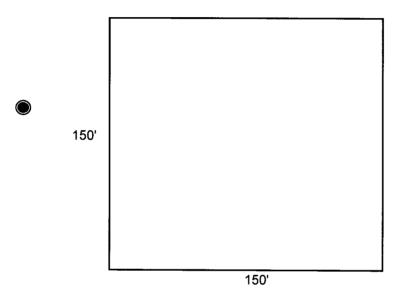
Pit or Below-Grade Tank Registration or Closure

Pit Closure

Cap Federal #1

660' FNL & 2100' FWL Section 6 - T20S- R32E Lea 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 capsulation pit.
 - c. Line with 12 mil plastic.
 - d. Transfer contents into lined pit.
 - e. Cap with 20 mil plastic.
 - f. Cover with 3' of cover dirt.
 - g. Re-seed to BLM requirements.
- (4) Groundwater encountered:

No

(5) Soil sample:

N/A