

February 16, 2006

New Mexico Oil Conservation Division District I 1625 N. French Drive Hobbs, New Mexico 88240

Attn: Environmental Engineering

RE: Drilling Pit Closure Plan

North Hobbs Unit 31-722 Drilling Pit UL 'B', Sec. 31, T-18-S, R-38-E

This letter is being sent as a notification of pit closure for the drilling pit at the above mentioned location. This pit will be closed as follows:

Note: Drilling pit was unable to be excavated due to extremely rocky soil. Pits were bermed on surface instead of excavated.

- 1. All drill cuttings and liner will be removed from pit area.
- 2. All cuttings will be disposed of at Sundance Services, Parabo Facility near Eunice, New Mexico.
- 3. Native soils, stored on site, will be used for backfill of the area, or moved to another location.
- 4. NMOCD Pit and Below-Grade Tank Guidelines, dated 11-01-2004, will be used for pit closure compliance.
- 5. Start date on drill cutting removal 02/20/2006.
- 6. Work should be completed by March 15, 2006.

TEXON MILSISHO

6. A final form C-144 is attached.

If you have any questions, or if I can be of further assistance, please contact me at (505) 397-8251.

Steven M. Bishop

HES Technician/Hobbs RMT Steven_Bishop@oxy.com

(505) 397-8251

Attachments: Form C-144

Diagram of pit and well location

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

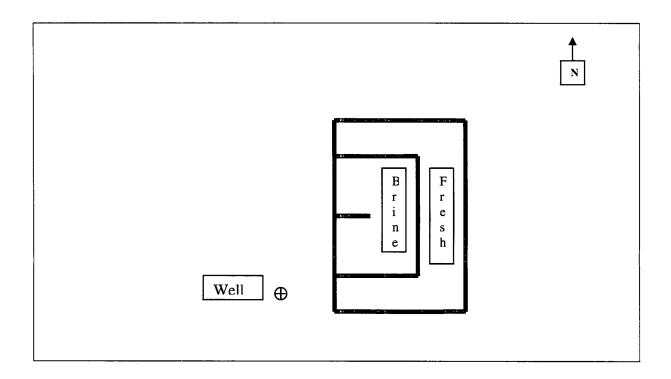
Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-144 March 12, 2004

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

| | k covered by a "general plan"? Yes Nor below-grade tank Closure of a pit or below-gr | |
|---|---|--|
| Operator: _Occidental Permian, LTDTelephone: 505.397.8251_ Address: 1017 W. Stanolind Road, Hobbs, New Mexico, 88240 Facility or well name:NHU 31-722API #: _30-025-37 County: _LeaLatitude_32°42'26.67"NLongitude_10 | 7428U/L B Sec _31 T_1 | 8-S R_38-E |
| Pit Type: Drilling ☑ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☑ Unlined ☐ Liner type: Synthetic ☑ Thickness _12_mil Clay ☐ Volume _5,000_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 50 feet or more, but less than 100 feet 100 feet or more | (20 points) (10 points) 10 (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) 20 (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) 0 |
| | Ranking Score (Total Points) | 30 |
| 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_Sundance Services, Parabo 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 | | |
| otherwise endanger public health or the environment. Nor does it relieve the regulations Approval: Date: ZZ3 Olo Printed Name/Title ARLW.WINK STAFF M& | operator of its responsibility for compliance with an | y other federal, state, or local laws and/or |

North Hobbs Unit 31-722



Occidental Permian Ltd.

North Hobbs Unit 31-722

API # 30-025-37428

Unit Letter 'E', Section 29, T-18-S, R-38-E

N 32°42`27.67", W103°11`13.98"

100' X 100' Pit 50' East of Wellhead

Pits on surface, unable to dig in rocky soil