

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 office

Form C-144
June 1, 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 ☐ Closure of a pit or below-grade tank ☒

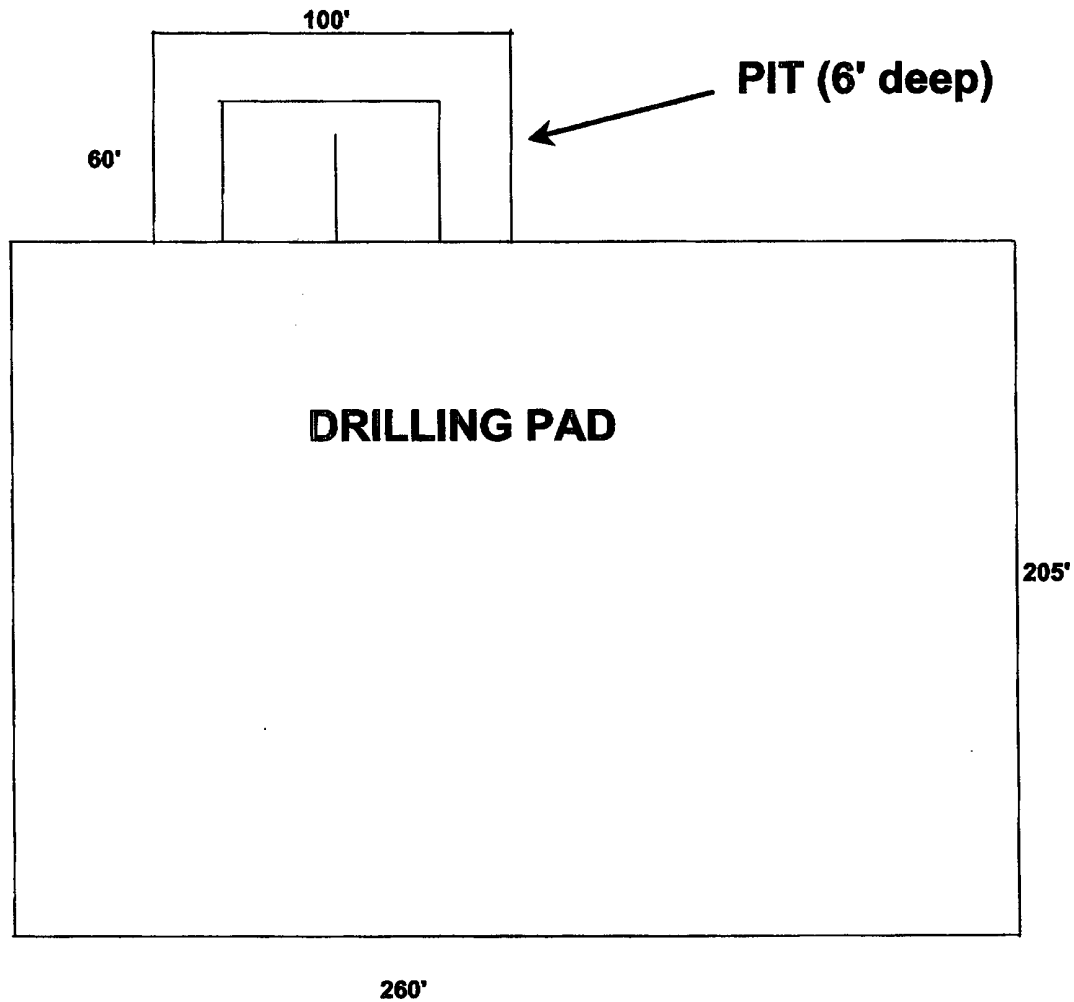
Operator: <u>Zia Energy, Inc.</u> Telephone: <u>281-296-7222</u> e-mail address: <u>ddotson@plantationpetro.com</u>				
Address: <u>2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380</u>				
Facility or well name: <u>Greenwood #19</u>	API #: <u>30-025-36759</u>	U/L or Qtr/Qtr <u>L</u> Sec <u>9</u> T <u>22S</u> R <u>37E</u>		
County: <u>Lea</u>	Latitude <u>32° 24' 19.28" N</u>	Longitude <u>103° 10' 29.01" W</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>				
<table border="1"> <tr> <td> Pit 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 checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Pit Volume <u>6200</u> bbl </td> <td> Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u> </td> </tr> </table>			Pit 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 checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Pit Volume <u>6200</u> bbl	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>
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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) X (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) X		
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) X		
Ranking Score (Total Points)		10 Points ✓		

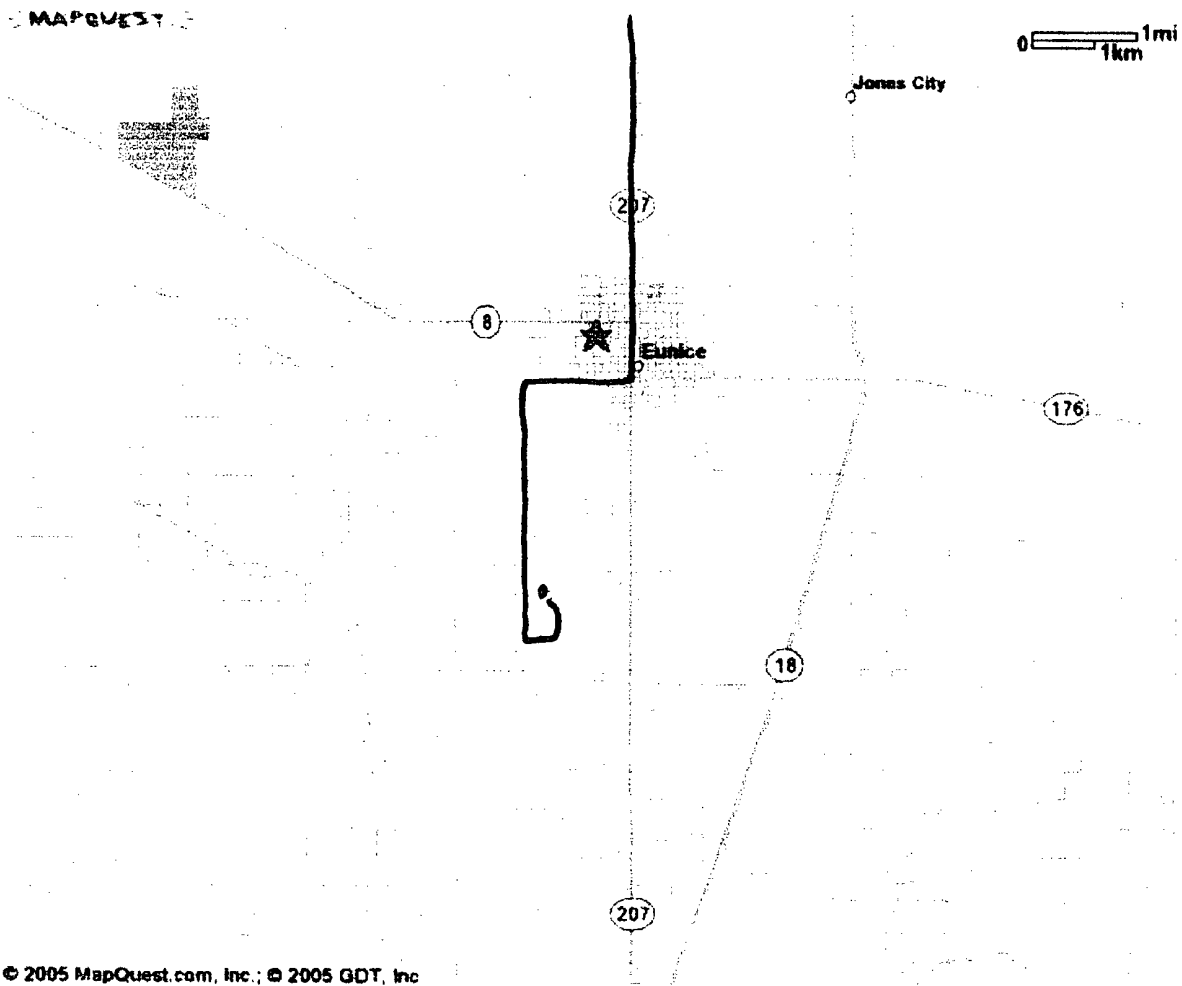
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial 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: See attached site diagram. Pits were dewatered and fluid hauled to an authorized NMOCD disposal by truck. Pits were allowed to dry and will be encapsulated with existing liner and 20 ml plastic attached covering pit area. Topsoil will then be covering the encapsulated pits.
The pit liner has not been breached and fluid contaminants were not allowed to escape from the pits.
Work Plan for Pit & liner & contents to be hauled to disposal. Submit by 4-30-05 approved plan. OK to begin work. <i>Donald P. Dotson</i> 3-30-05

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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		
Date: <u>1/11/05</u>	Signature: <i>Donald P. Dotson</i>	
Printed Name/Title <u>Donald P. Dotson / COO</u>		
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: <i>Donald P. Dotson</i>	Signature: <u> </u> Date: <u>3-30-05</u>	
Printed Name/Title <u>ENVIRONMENTAL ENGINEER</u>		

ZIA ENERGY - PIT CLOSURE DIAGRAM





Driving Directions:

From North Loop into Eunice South to Texas Street.

West on Texas Street to American Legion Rd.

South on American Legion Rd. 2 miles to Lease Rd.

East on Lease Rd. to location- Greenwood #19

**OCD District 1
Pit Closure Work Plan
Zia Energy, Inc.
April 7, 2005**

The following is a work plan for the pit remediation located on the Greenwood #19, Section 9, Township 22 South, Range 37 East, Lea County New Mexico. Diamondback Disposal Services, Inc., (Diamondback) was contacted by Don Dotson with Zia Energy, Inc. (Zia) in regards to excavating and hauling the Greenwood #19 pit material offsite to an approved NMOCD facility. The pit is a standard single horseshoe reserve pit used in the drilling and workover process for the Greenwood #19 oil and gas well. Pits were dewatered and fluids were hauled to an authorized NMOCD disposal facility by truck. Pits are dry and will be excavated and disposed of at Sundance Services an approved NMOCD facility.

1. Copy of completed C-144 Pit or Below-Grade Tank Registration or Closure.

See Attached C-144 Pit Closure.

2. Ranking Criteria Score including groundwater depth:

Depth to ground water: 50 feet or more but less than 100 feet= 10

Wellhead protection area: Less than 200 feet from private
domestic water source, or less than 1000 feet from all other
water source. NO = 0

Distance to surface water: 1000 feet or more = 0

Ranking Score: 10

Remediation Action Levels for this Ranking Score are:

Benzene (ppm)= 10 ppm
BTEX (ppm)= 50 ppm
TPH (ppm)= 1000 ppm

3. Contacts: ONE- CALL, Company, landowner, consultants

Company: Zia Energy, Inc. 2203 Timberloch Place, Suite 229, The
Woodlands, Texas 77380.

Don Dotson : (281) 296-7222
Cell: (281) 796-1645
Email: ddotson@plantationpetro.com



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Form C-138
Revised June 10, 2003

Submit Original
Plus 1 Copy
to Appropriate
District Office

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. RCRA Exempt: <input checked="" type="checkbox"/> Non-Exempt: <input type="checkbox"/> <input type="checkbox"/> Verbal Approval Received: Yes <input type="checkbox"/> No <input type="checkbox"/>	4. Generator Zia Energy
2. Management Facility Destination Sundance Services Inc.	5. Originating Site Greenwood #19
3. Address of Facility Operator P.O. Box 1737 Eunice NM 88231	6. Transporter Unknown
7. Location of Material (Street Address or ULSTR) Sec 9 T22S R37E Lea County	8. State New Mexico
9. Circle One: A. All requests for approval to accept oilfield exempt wastes will be accompanied by a certification of waste from the Generator; one certificate per job. B. All requests for approval to accept non-exempt wastes must be accompanied by necessary chemical analysis to PROVE the material is not-hazardous and the Generator's certification of origin. No waste classified hazardous by listing or testing will be approved. All transporters must certify the wastes delivered are only those consigned for transport.	

BRIEF DESCRIPTION OF MATERIAL:

The following material is exempt from EPA standards and was generated from Zia Energy's Greenwood #19 location.
This waste was generated by normal oilfield operations and is kept in a pit that is now being closed.

Estimated Volume _____ cy Known Volume (to be entered by the operator at the end of the haul) _____ cy

SIGNATURE Donna L. Roach TITLE: President DATE: 04/08/05
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: Donna L. Roach TELEPHONE NO. 505-394-2511 x 201

E-MAIL ADDRESS ssidonna@aol.com

(This space for State Use)
APPROVED BY: ENVIRONMENTAL ENGINEER TITLE: _____ DATE: _____
APPROVED BY: _____ TITLE: _____ DATE: _____

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Pit Closure Work Plan
Zia Energy, Inc.
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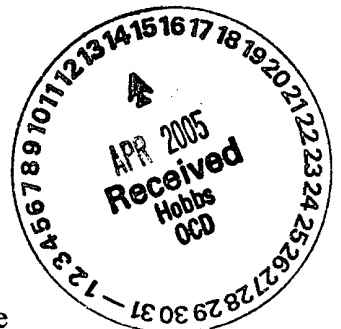
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3. Contacts: ONE- CALL, Company, landowner, consultants

Company: Zia Energy, Inc. 2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380.

Don Dotson : (281) 296-7222
Cell: (281) 796-1645
Email: ddotson@plantationpetro.com



Landowner: Charlie Bettis: Po Box 969 Eunice, New Mexico 88231
Ph: (505) 390-8111

Consultant: Diamondback Disposal Services, Inc., PO Box 2491, Hobbs, New Mexico 88241

Justin Roberts: (505) 392-9996
Cell: (505) 631-9586
Email: jroberts@valornet.com

Linsey Dyer: (505) 392-9996
Cell: (505) 631-9581
Email: ldyer@valornet.com

4. Landowner Notification, agreements required in writing including: (including BLM, SLO and municipals, right of entry permits).

See Attached notification letters.

5. 48 hour notifications, (to OCD Dist. 1), for drilling, coring, sampling, backfilling and impermeable liner installation and/or testing.

48- hour notifications will be given before any actions will take place.

6. UL-S-T-R, Lat & Long, Map with driving directions, (Should be in C-144). Provide OCD personnel with keys and or combinations to locked gates.

See Attached Map.

L, Section 9, Township 22 South, Range 37 East
Lat: 32°24'19.28" N Long: 103°10'29.01" W
Lea County, New Mexico

Driving Directions:

Gate Combination: 3315

7. Delineation & Remediation Strategy: With map, draft or sketch of sample collection points and depth.

The C-144 states that material will be buried on-site, due to NMOCD recommendation material will be hauled offsite and disposed of at an approved NMOCD disposal facility.

The remediation process is to excavate and solidify all contents in reserve pit. The contents will then be transported to Sundance Services, an

NMOCD approved facility for treatment and disposal of material. Once all material has been excavated and hauled offsite Diamondback will collect 4 grab samples from bottom of reserve pit. Once samples are submitted and confirmed below NMOCD remediation action levels through a third party laboratory Diamondback will begin backfilling. Backfill material will be provided from reserve pit strippings.

8. Tables for analytical, Table of contents.

Analytical tables will be submitted in final report. No samples at this time.

9. Anticipated start and complete dates.

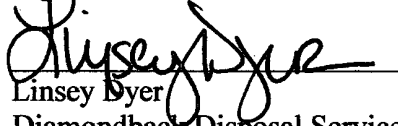
Start Date: 04/25/05

Finish Date: 05/02/05

10. C117A (if cleaning tanks, treators, waste disposal, etc.), and C-138 forms if transporting/accepting oilfield waste.

See attached C-138 forms.

11. Signature, Date and email address.



Linsey Dyer

Diamondback Disposal Services, Inc.

Vice-President

ldyer@valornet.com