

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Blanco Road, Artesia, 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 NMOC 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 permit"? Yes ☐ No ☒

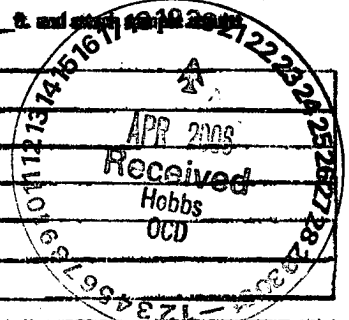
Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: XERIC OIL & Gas Corp Telephone: 432-683-3171 e-mail address: \_\_\_\_\_  
Address: P.O. Box 352  
Facility or well name: Unit 201 API #: 30-025-34091 U/L or Q/L or: H Sec 31 T 19S R 35E  
County: Lin. County NM Latitude N 32°-37'-04.0" Longitude W 103°-29'-37.6" NAD: 1927 ☐ 1983 ☐  
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

<p>Use</p> <p>Use: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/></p> <p>Workover <input type="checkbox"/> Emergency <input type="checkbox"/></p> <p>Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/></p> <p>Liner type: Synthetic <input type="checkbox"/> Thickened <input checked="" type="checkbox"/> Soil Clay <input type="checkbox"/></p> <p>Pit Volume _____ bbl</p>	<p><b>Below-grade tank</b></p> <p>Volume: _____ bbl Type of fluid: _____</p> <p>Construction material: _____</p> <p>Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u>N/A</u></p>	
<p>Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)</p> <p><u>100 BGS</u></p>	<p>Less than 50 feet (20 points)</p> <p>50 feet or more, but less than 100 feet (10 points)</p> <p><u>100 feet or more</u> (0 points) <u>0</u></p>	
<p>Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)</p>	<p>Yes (20 points)</p> <p><u>No</u> (0 points) <u>0</u></p>	
<p>Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)</p>	<p>Less than 200 feet (20 points)</p> <p>200 feet or more, but less than 1000 feet (10 points)</p> <p><u>1000 feet or more</u> (0 points) <u>0</u></p>	
<p>Ranking Score (Total Points)</p>		

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 circle 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 \_\_\_\_\_ (5) Attach soil sample results and a diagram of sample locations and concentrations.

Additional Comments: Please see attached work plan for pit closure.

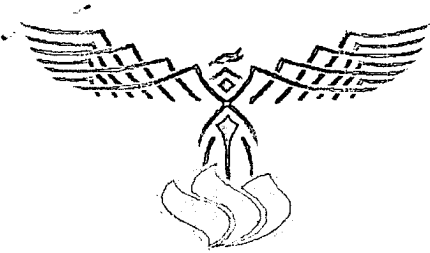


I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines [S], a general permit ☐, or as (attached) alternative OCD-approved plan ☐.

Date: 4-21-06  
Printed Name/Title: Nick Hood Signature: Nick Hood

Your certification and NMOC 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: GARY W. WINK / STAFF MGR. Signature: Gary W. Wink Date: 4/25/06



## PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

April 21, 2006

Xeric Oil & Gas Corporation  
P.O. Box 352  
Midland Tx. 79702

Attn: Mr. Nick Hood

**RE: Work Plan to Clean Up the West Pearl Queen Unit # 301 Drilling Pit  
Located in Unit H Sec 31, T19S and R35E of Lea County, New Mexico**

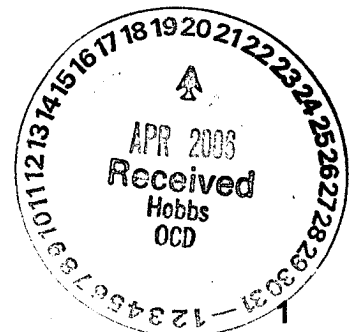
Dear Mr. Ledbetter:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Xeric Oil & Gas Corp for the opportunity to provide our professional services on the site remediation of the above listed site that is located in Lea Co. New Mexico.

If you have any questions and/or need more data in regards to this project please call at any time.

Sincerely,

Ray J. Garza  
Sr. Project Manager  
Phoenix Environmental LLC



## **Summary/Overview**

The Drilling Pit site should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the drilling and production of oil and gas.

The potential contaminants of concern are mid to high-level concentrations of salt water, drilling mud, cuttings and fluids that were left after drilling operations were completed.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed there is no ground water or if there is any it is deeper than 100' BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <5,000ppm of TPH, < 50 for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up.

## **Scope of Work for Entombment of Impacted Soils**

**NOTE:** Phoenix for the purpose of this work plan will estimate that there is approximately 2,000cyds of impacted soils and mud at the site that needs to be addressed for site closure.

1. First Phoenix will call One-Call for line spot clearance before any excavation at the site is started and notify land owner of intent.
2. Phoenix will mobilize to the site located East of Marathon Road 22 miles west of Hobbs NM, equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.
3. First the site will be cleared of brush and debris and a staging area set up for site control and safety.



4. Phoenix will move the stockpile of soils on the backside of the pits back to allow room to excavate the tomb to hold the contents of the pit. While leaving the top of the impacted soils at a minimum of three feet below grade, the size of the tomb will need to be 150x27x20 and will yield an estimated 3,000cyds of total material and will hold an estimated 2,000cyds of impacted soils.
5. Once the tomb area has been excavated it will be lined with 12mil HDPE bottom and a 20mil top with enough to fold back over the top of the impacted soils before backfilling.
6. Impacted soils at the site will then be excavated, and placed in the lined tomb area until the top of the impacted soils are at a minimum of three feet below grade.
7. Phoenix will field screen the site during the excavation and once the TPH and CL has dropped below clean up requirements final samples will be taken and sent to a third party lab for analysis.
8. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the site. The site will be contoured with a slit crown to prevent the ponding of any water and reseeded.
9. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos.

If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

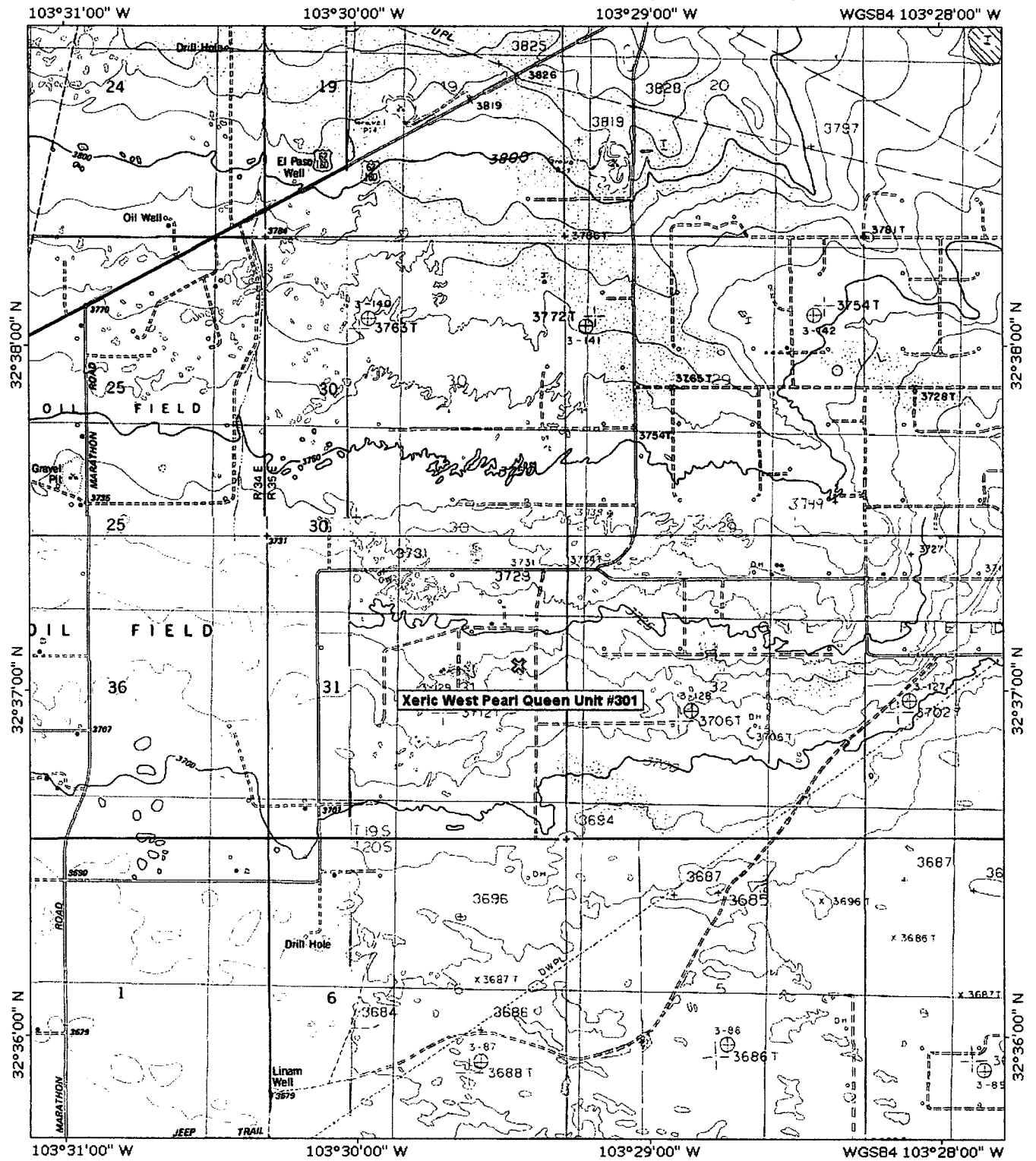
Sincerely,



Ray J. Garza  
Sr. Project Manager  
Phoenix Environmental LLC



TOPO! map printed on 04/20/06 from "XERIC WEST PEARL QUEEN UNIT # 301.tpo"



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