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

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: Gruy Petroleum Management Co. Telephone: 972-443-6489 e-mail address: zfarris@cimarex.com
Address: P.O. Box 140907, Irving, Tx 75014-0907
Facility or well name: Rhodes Federal Unit No. 227 API #: 30-025-37373 U/L or Qtr/Qtr E Sec 22 T26S R37E
County: Lea Latitude 320149.55N Longitude 1030920.31W NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank	
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume _____ bbl	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-

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 _____. (3) Attach a general description of remedial action taken including remediation start date and en 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: 06-12-06
Printed Name/Title Zeno Farris Manager Operations Administration Signature Zeno Farris

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: 6/14/06
Printed Name/Title GARY W. WINK / STAFF MGR Signature Gary W. Wink

Surface Pit Closure Plan

Pit Parameters

Well site: Rhodes Federal Unit # 227
Legal Description: 1980 FNL, 990 FWL
Section 22 26S 37E
Lea County, New Mexico

The reserve pit insitu on this leasehold is being permitted to close as per New Mexico OCD "Pit and Below Grade Tank Guidelines" dated November 1, 2004.

This pit was excavated and formed to the dimensions roughly 120 feet x 115 feet x 6 feet deep. A 12 mil membrane liner and pad was used to prevent leakage to the surface soils. A visual examination of the membrane liner indicates that the liner has maintained its integrity.

The well bore penetrated a salt/anhydrite section causing the drilling fluid to saturate to a concentration weight of > 9.5 ppg.

After the drilling and completion phase of this project, the water phase of the pit contents were pumped and hauled to an approved water injection facility. The remaining solids were mechanically pulled to the corners of the containment area to allow them to dry and leach out as much liquid phase as possible. Again these liquids we hauled to an approved water injection facility. It is estimated that the volume of solids remaining are to +/- 1400 yards. The burial cell is to

be excavated and lined with a minimum 12 mil membrane that complies with ASTM Standard(s): D 5747, D 5199, D-5994, and D-4833. The cuttings will be loaded as to allow for > 36" freeboard to ground level. After the cuttings are loaded, the 12 mil liner will be folded over the top. A 20 mil minimum thickness liner meeting the minimum requirements as outlined in ASTM Standard Methods: D-5747, D- 5199, D-5994, D-4833; will be used to cap and cover to an extended area that exceeds three feet in all directions from the edge of the burial cell. This cap will be constructed as to slope and allow for water runoff from burial cell.

A minimum of 36" of top soil will be used to cover the burial cell. This soil must be capable of supporting native plant growth. A seed mixture will be used as to conform to local BLM as well as New Mexico OCD requirements. The seeding and propagation of required native plants will be monitored as to insure that growth is re-established.

After the drilled solids are buried, the natural contour of the surrounding soils will be mechanically shaped as prevent erosion of the well site until vegetation is established.

The caliches and soils will be pulled from the well site pad to allow for a 200 X 300 pad dimension for production use. The remaining materials will be used to maintain lease roads and other drill sites