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
June 1, 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: OGX Resources, LLC Telephone: 432-685-1287 e-mail address: brian@ogxresources.com
Address: PO Box 2064, Midland, Texas 79702
Facility or well name: EKG Fee #1 API #: 30-015-33907 U/L or Qtr/Qtr F Sec 29 T 24S R 28E
County: Eddy Latitude Longitude NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private X Indian ☐

Pit	**Below-grade tank**	
Type: Drilling X Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined X Unlined ☐ Liner type: Synthetic X Thickness 12 mil Clay ☐ Pit Volume 1400 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)XXX (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)XXX
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)XXX
	Ranking Score (Total Points)	10

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 your are burying in place) onsite X 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 X 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:
OGX Resources, LLC plans to trench bury the contents of the pit per OCD Rule 50 Guidelines
Log of boring attached indicating no water encountered at a depth of 70'

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 X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Date: 10/4/06 Printed Name/Title Bob Allen/Consultant Signature Bob Allen by Brian Lee

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: See attached soil boring log.
Printed Name/Title Signature Mike Bratcher Date: 10/5/06

30-015-33907

Safety & Environmental Solutions, Inc.

LOG OF EXPLORATORY BORING TB-1

(Page 1 of 1)

OGX Resources, LLC
EKG Fee #1
1980 FNL, 1980 FWL
Unit Letter "F", Section 29, T24S, R28E
Eddy County, New Mexico

Date, Time Started	: 08/16/08, 0945	Drilled By	: Eco/Enviro Drilling
Date, Time Completed	: 08/16/08, 1630	Sampling Method	: Cuttings
Hole Diameter	: 8 1/4 in.	Logged By	: David Boyer, P.G.
Drilling Method	: Hollow Stem Auger	Company Rep.	:
Drilling Equipment	: Foremost-Mobile B-57	Survey By	:

Water Levels
▼ Hydrocarbon Product
▽ Measured Water Level

Sample Type:
SS Split Spoon (18" or 24")
CB Core Barrel (2.5' or 5')
CT Auger Cuttings
NR No recovery

Well: TB-1
Elev.:

Depth in Feet	Sample Method	USCS	GRAPHIC	DESCRIPTION
0	CT	ML/SM		Log from cuttings. 0-5 ft. SANDY SILT/ SILTY SAND, light brown, slightly damp, no H/C stain or odor
5	CT	SP		5-10 ft. SAND, poorly graded (uniform), light brown, very fine to fine grained, dry
10	CT			10-15 ft. SAND, poorly graded (uniform), light brown, very fine to fine grained, dry, occasional small gravel 1/4-3/8 in.
15	CT			15-20 ft. SAND, poorly graded (uniform), light brown, very fine to fine grained, dry
20	CT			20-25 ft. SAND, poorly graded (uniform), light brown, very fine to fine grained, frequent small gravels to 3/4 in. "Gravels" are clayey, hard to soft
25	CT	CL		25-28 ft. SANDY CLAY, dry
30	CT	SP		28-30 ft. SAND, poorly graded (uniform), light brown, fine grained, slightly damp 30-35 ft. SAND, poorly graded (uniform), light reddish-brown, slightly damp, occasional clay "gravel".
35	CT			35-38 ft. SAND, poorly graded (uniform),
40	CT	SC/SM		38-41 ft. CLAYEY, SILTY SAND, brown, slightly moist
45	CT	CL		41-44 ft. CLAY, reddish-brown, hard, dry 44-45 ft. Very hard drilling, loud chatter, pulled rods, dry, hard clay on tip of pilot bit 45-50 ft. CLAY, fat clay, dry, brown, slightly soft to hard
50	CT			50-55 ft. CLAY, as above, hard drilling
55	CT			55-60 ft. CLAY, brown, dry
60	CT			60-65 ft. CLAY, brown, dry
65	CT			65-70 ft. CLAY, brown, very dry Pulled rods and pilot bit. Dry at 70 ft. Pulled 10 ft. augers and inserted depth to water probe. Hole caved back 4 ft. Dry at 66 ft.
70				

Open Hole - dry

Native fill (auger slough)

Notes:
On site with drillers at 0945 to advance soil boring to determine depth to water and to sample water quality if encountered. Located borehole at the southwest corner of the location at the edge of the pad, approximately 27 ft. southwest from fence at small vertical separator and 65 ft. west of tank battery fence.

No water was encountered during drilling of this borehole.
No hydrocarbon staining or odor was encountered during borehole drilling.
At completion of the borehole, pulled augers, backfilled with 24 bags of Holeplug bentonite, 3/8 in. chips, well hydrated.

\\Secentral\e\SESCentral\Company Files\OGX Resources, LLC\OGX-06-001 EKG Fee #1\BH-1.bor