

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-14  
 June 1, 200

### 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: COMPASS OPERATING, LLC Telephone: (432) 686-6001 e-mail address: BLEVEA@COMPASSOPERATING.COM  
 Address: P.O. BOX 1389, MIDLAND, TEXAS 79702  
 Facility or well name: LEE "25" STATE API #: 30-025-36920 U/L or Qtr/Qtr 0 Sec 25 T 17-S R 35-E  
 County: LEA Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐  
 Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

<b>Pit</b> 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>30 mil</u> Clay <input type="checkbox"/> Pit Volume <u>1200 bbl</u>		<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>51'</u>	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points) X	
	100 feet or more	( 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	(20 points)	
	No	( 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	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	( 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 CRI. (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 N/A ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

SEE ATTACHMENT

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: JANUARY 3, 2007

Printed Name/Title CADELL LIEDTKE - PRESIDENT Signature [Signature]

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:

Printed Name/Title L. JOHNSON - ENVIRO ENGR

Signature [Signature]

Date: 1-5-07

**OCD District I**  
**Remediation Work Plan**  
**Compass Operating, LLC.**  
January 4, 2007

Diamondback Disposal Services, Inc (Diamondback) was contacted in December of 2006 by Compass Operating, LLC. (Compass) in regards to the Lee "25" State #1 well and reserve pits. The well is owned and operated by Compass and is located in Section 25, Township 17-S, Range 35-E, Lea County. The following is a work plan to address the remediation and closure of the previously mentioned set of reserve pits. It is Diamondbacks' intention to excavate the drilling mud and associated cuttings, and transport to Controlled Recovery Inc. (CRI), a NMOCD approved disposal facility, for disposal.

**1. Copies of completed C-141 Spill Report:**

See attached C-141. A revised final report will be submitted upon completion of work.

**2. Ranking Criteria Score including Groundwater Depth:**

Depth to groundwater*	> 50' but <100'	Ranking Score: 10
Wellhead Protection Area	No	Ranking Score: 0
Distance to Surface Water	> 1000'	Ranking Score: 0

\* Depth to ground water was obtained from State Engineers Office.

**3. Contacts:**

Company: Compass Operating LLC.  
PO Box 1389  
Midland TX 79702

Company Contact: Brian Levea  
Ph: 432-686-6001  
Fx: 432-688-4089  
E-mail: [Blevea@compassoperating.com](mailto:Blevea@compassoperating.com)

Consultant: Diamondback Disposal Services, Inc.  
PO Box 2491  
Hobbs, NM 88241  
**Justin Roberts**  
Ph: 505-392-9996  
Fx: 505-392-9376  
E-mail: [jroberts@valornet.com](mailto:jroberts@valornet.com)

Project Manager: Justin Roberts  
505-631-9586

**4. Landowner Notification:**

State Land

**5. 48 Hour Notifications:**

48 Hour notifications will be given before any sampling or backfilling will take place.

**6. Driving Directions:**

See attached maps. All gates are open.

**7. Delineation & Remediation Strategy:**

The remediation process will pertain to the reserve pits. All water will be pumped off and disposed of at an approved facility. The remaining drilling mud and cuttings will be excavated and loaded into trucks and hauled to CRI, in accordance with all Department of Transportation rules and regulations. Upon completion of excavation, the NMOCD will be given 48 hours notice, and sampling will take place according to construction standards. All samples will be sent to an independent third party lab to confirm all NMOCD guidelines have been satisfied. Once lab confirmation has been obtained and NMOCD has given approval, the excavated area will be backfilled with clean fill (lab confirmed). Once backfilled, the disturbed area will be seeded with a BLM seed mixture. This process should prevent any future environmental threat.

**8. Analytical Tables:**

Analytical tables will be provided in final report.

**9. Anticipated Start Date:**

Upon NMOCD approval of work plan.

**10. C-138:**

See attached C-138

Signature:



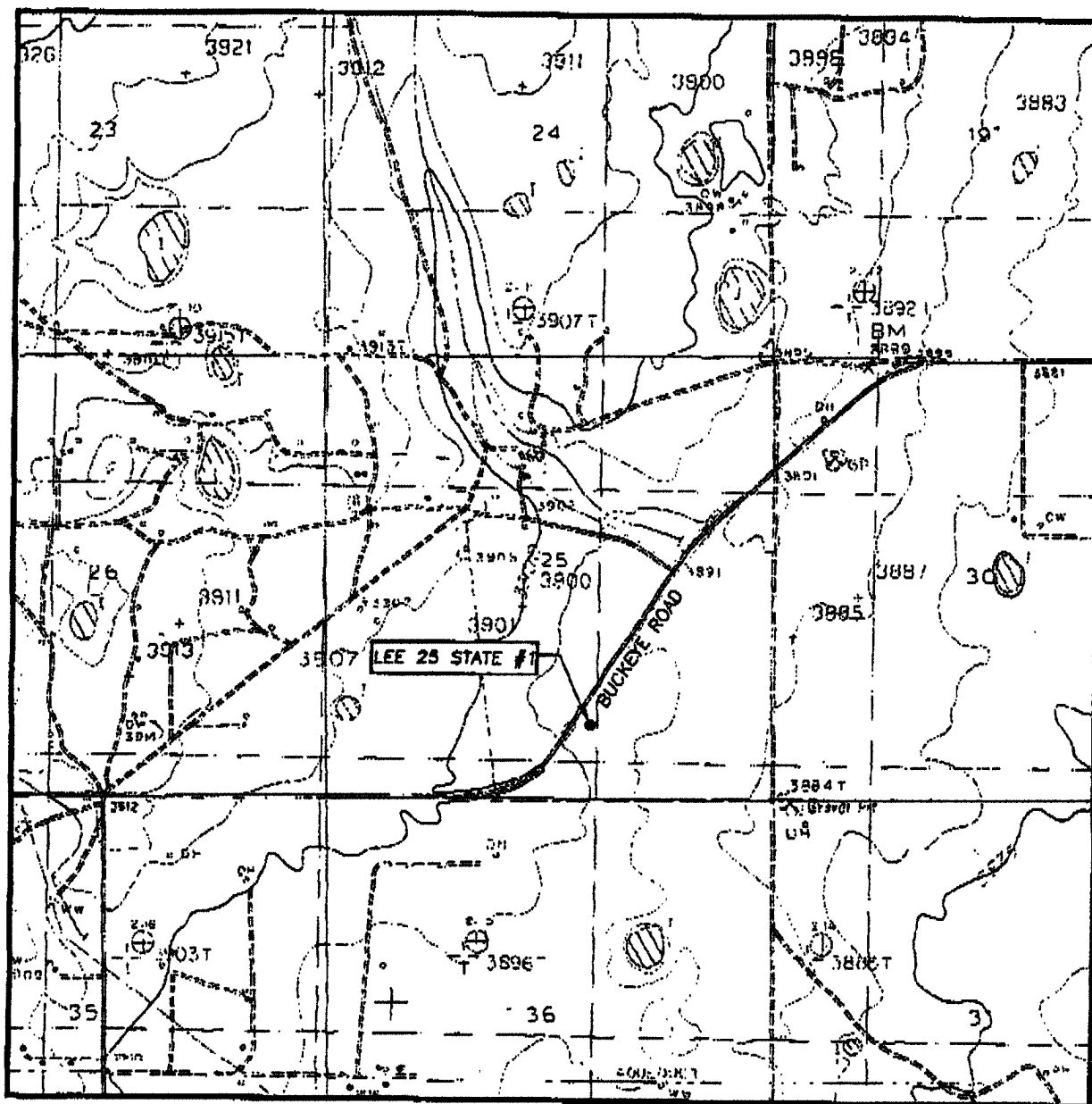
Justin Roberts

Diamondback Disposal Services, Inc.

Date:

1-4-07

# LOCAT. ON VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
LOVINGTON SW, N.M. - 5'

SEC. 25 TWP. 17-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LCA

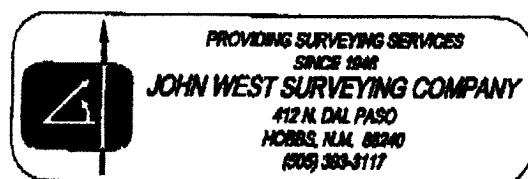
DESCRIPTION 865' FSL & 2172' FEL

ELEVATION 3893'

OPERATOR COMPASS OPERATING, LLC

LEASE LEE 25 STATE

U.S.G.S. TOPOGRAPHIC MAP  
LOVINGTON SW, N.M.



## State of New Mexico

## DISTRICT I

1825 N. FRENCH DR., MOORE, NM 88640

Energy, Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT II

1301 Y. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-36920</b>	Pool Code <b>✓</b>	Pool Name <b>WILDCAT-BONE SPRING</b>
Property Code <b>34367</b>	Property Name <b>LEE 25 STATE</b>	Well Number <b>1</b>
OGRIID No. <b>230821</b>	Operator Name <b>COMPASS OPERATING, LLC</b>	Elevation <b>3893'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>25</b>	<b>17-S</b>	<b>35-E</b>		<b>865</b>	<b>SOUTH</b>	<b>2172</b>	<b>EAST</b>	<b>LEA</b>

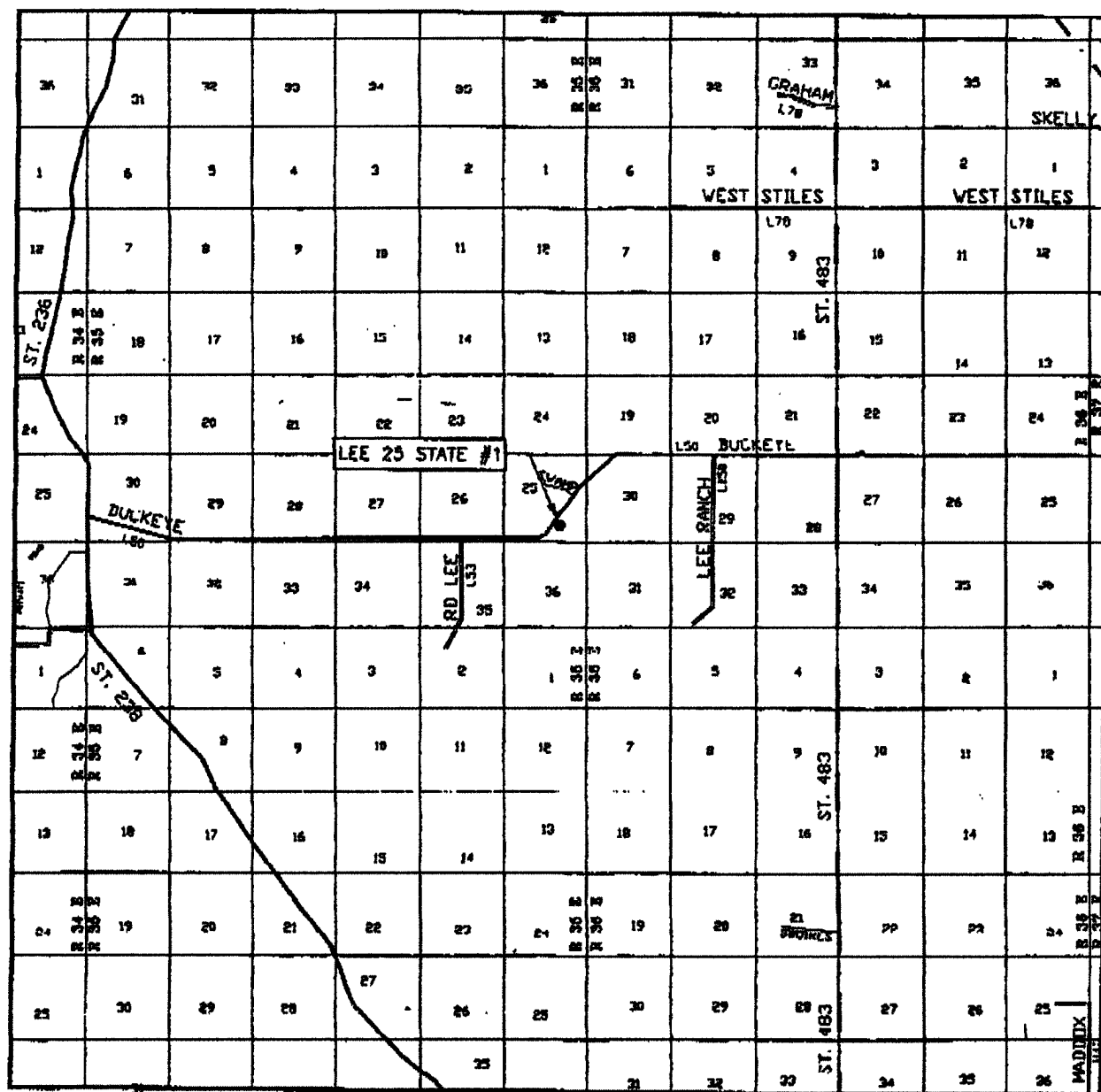
## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=656238.8 N X=784026.1 E</p> <p>LAT.=32°48'02.44" N LONG.=103°24'32.40" W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p><b>Joe T. Janica</b> Printed Name</p> <p><b>Agent</b> Title</p> <p><b>09/29/04</b> Date</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><b>SEPTEMBER 22, 2004</b></p> <p>Date Surveyed</p> <p><i>GARY KIDSON</i> Signature &amp; Seal of Professional Surveyor</p> <p><b>04.17.1236</b></p> <p>Certificate No. <b>GARY KIDSON</b> 12641</p>

### VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 25 TWP. 17-S RGE. 35-E

SURVEY\_\_\_\_\_ N.M.P.M.

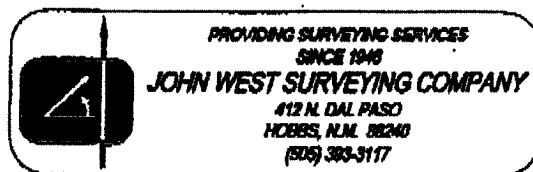
COUNTY \_\_\_\_\_ LEA \_\_\_\_\_

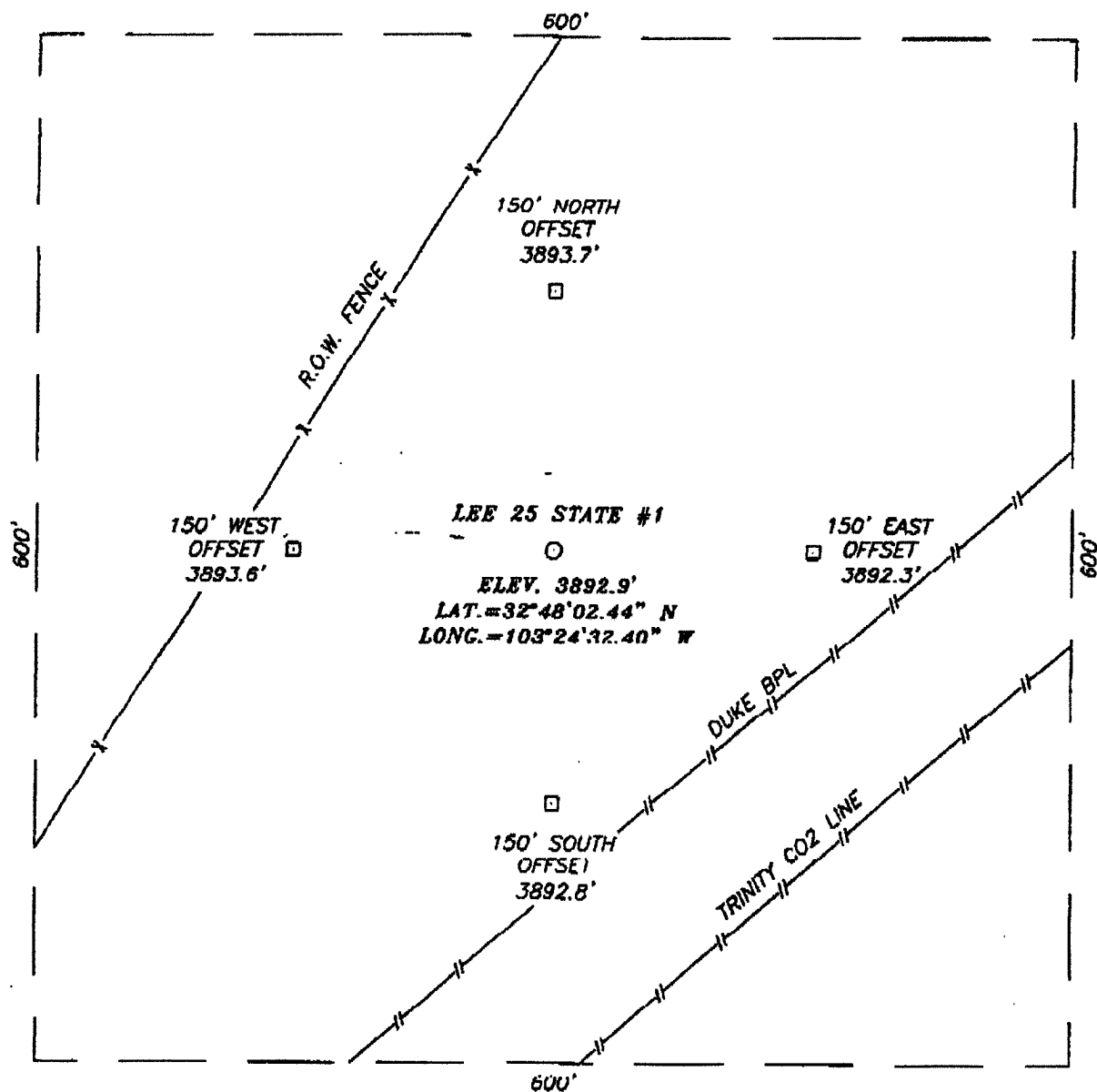
DESCRIPTION 865' FWL & 2172' FEL

ELEVATION 380.3'

OPERATOR COMPASS OPERATING, LLC

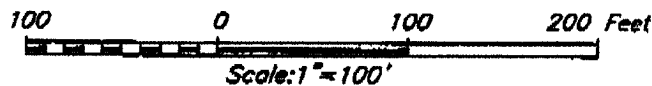
LEASE LEE 25 STATE





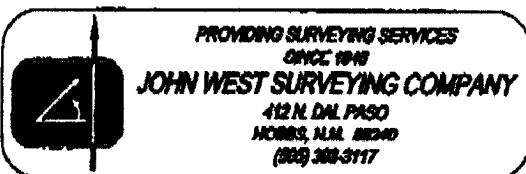
#### DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HIGHWAY  
 62-180 AND STATE HIGHWAY #483 GO NORTH  
 ALONG STATE HIGHWAY #483 8.0 MILES AND TURN  
 LEFT ON BUCKEYE. GO 2.75 MILES WEST ON  
 BUCKEYE, AT THIS POINT THE ROAD BENDS  
 SOUTHWEST. CONTINUE ON SAME BUCKEYE ROAD  
 0.25 MILES & TURN SOUTH ON LEASE ROAD. GO  
 SOUTH 0.15 MILES AND TURN SOUTH-SOUTHWEST  
 ALONG DUKE BPL. GO SOUTH-SOUTHWEST 0.4  
 MILES AND STOP. THIS LOCATION IS 150' SOUTH.



### COMPASS OPERATING, LLC

LEE 25 STATE #1 WELL  
 LOCATED 805 FEET FROM THE SOUTH LINE  
 AND 2172 FEET FROM THE EAST LINE OF SECTION 25,  
 TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.



Survey Date: 9/22/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1236	Dr By: LA
Date: 9/24/04	Disk: CD#3
04111236	Scale: 1"=100'

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State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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: Compass Operating, LLC.
	5. Originating Site: Lee "25" State #1
2. Management Facility Destination: Controlled Recovery Inc.	6. Transporter: Diamondback Disposal
3. Address of Facility Operator: US Hwy 180 Lea County	8. State: New Mexico
7. Location of Material (Street Address or ULSTR): Sec 25, T 17-S, R 35-E	
9. Circle One: <input checked="" type="radio"/> 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. <input type="radio"/> 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: Drill cuttings and drilling mud from reserve pits, resulting from drilling operations.

Estimated Volume 1500 cy Known Volume (to be entered by the operator at the end of the haul) \_\_\_\_\_ cy

SIGNATURE \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
Waste Management Facility Authorized Agent

TYPE OR PRINT NAME: \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

*(This space for State Use)*

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_



## CERTIFICATE OF WASTE STATUS

<b>1. Generator (Name):</b>  Address: Compass Operating, LLC. PO Box 1389 Midland, TX 79702	<b>3. Location (Street Address &amp;/or ULSTR):</b>  Sec 25, T 17-S, R 35-E
<b>2. Originating Site (Name):</b>  Lee "25" State #1	<b>4. Destination Name:</b>  Controlled Recovery, Inc. Us Hwy 180 Lea County, NM

5. Source and Description of Waste: Drill cuttings and drilling mud resulting from drilling operations.

I, Cadell S. Liedtke representative for:

Compass Operating, LLC. do hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and Environmental Protection Agency's July, 1998 regulatory determination, the above described waste is : (Check appropriate classification)

XX EXEMPT oilfield waste

NON-EXEMPT oilfield waste which is non-hazardous by characteristic analysis or by production identification

For Non-Exempt waste only, the following documentation is attached (check appropriate items):

- ☐ MSDS Information
- ☐ RCRA TCLP Analysis
- ☐ Chain of Custody
- ☐ Other (Description)

Name (Signature):



Printed Name: Cadell S. Liedtke

Title: President

Date: January 4, 2007

Attach list of originating sites as appropriate.