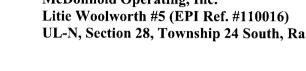
9 July 2007

Mr. Larry Johnson, Environmental Engineer New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division Environmental Bureau 1625 North French Drive Hobbs, New Mexico 88240

Re: Initial C-144

McDonnold Operating, Inc.

UL-N, Section 28, Township 24 South, Range 37 East



Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), on behalf of Mr. Craig McDonnold, McDonnold Operating, Inc., submits the enclosed New Mexico Oil Conservation Division (NMOCD) form C-144 and supporting information. McDonnold Operating, Inc. is proposing to close the blow-down pit at the above-referenced well site in accordance with the NMOCD Pit and Below-Grade Tank Guidelines. Please direct official correspondence and communications to:

McDonnold Operating, Inc. Craig McDonnold, President 505 North Big Spring, Suite 204 Midland, Texas 79701 Telephone: (432) 682-3499 Email: craig@mcdonnold.net

Should you have any technical questions, concerns or need additional information, please contact me at (505) 394-3481 or via e-mail at dduncan@envplus.net.

Sincerely,

ENVIRONMENTAL PLUS, INC.

David P. Duncan Civil Engineer



cc: Craig M. McDonnold, McDonnold Operating, Inc., Midland, TX

Woolworth Foundation/Jal Library Trust, Landowner, Jal, New Mexico

File

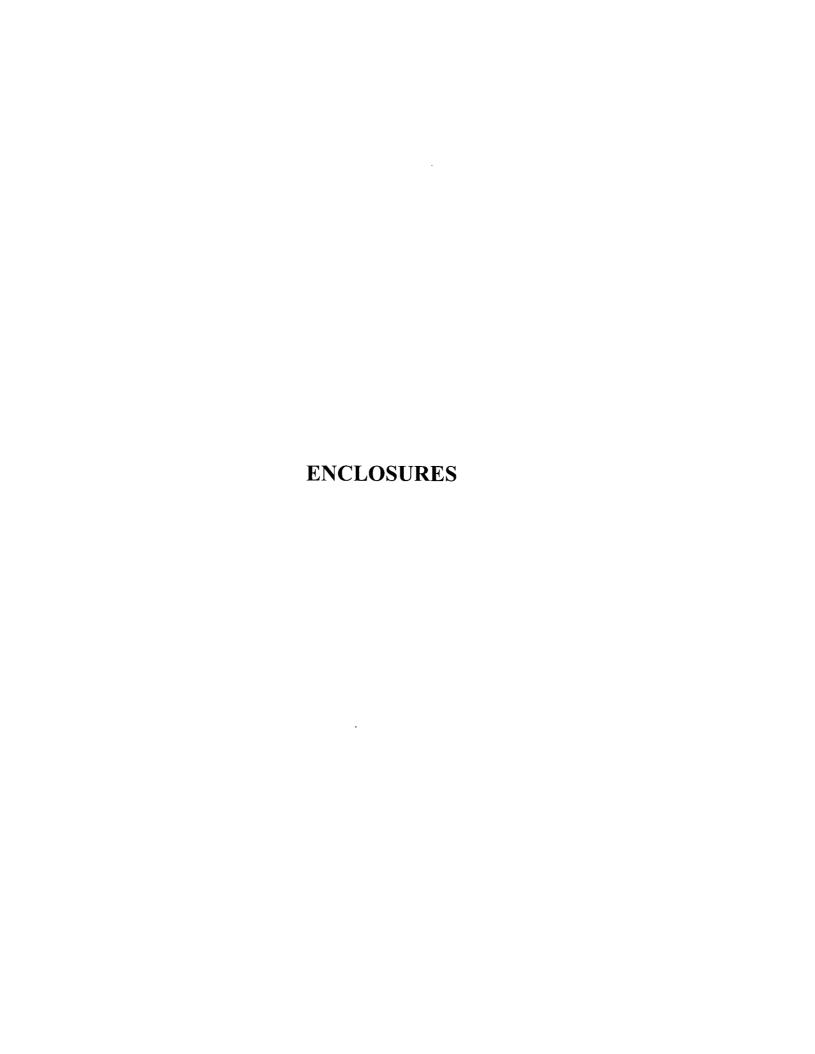
Enclosures: Area Map

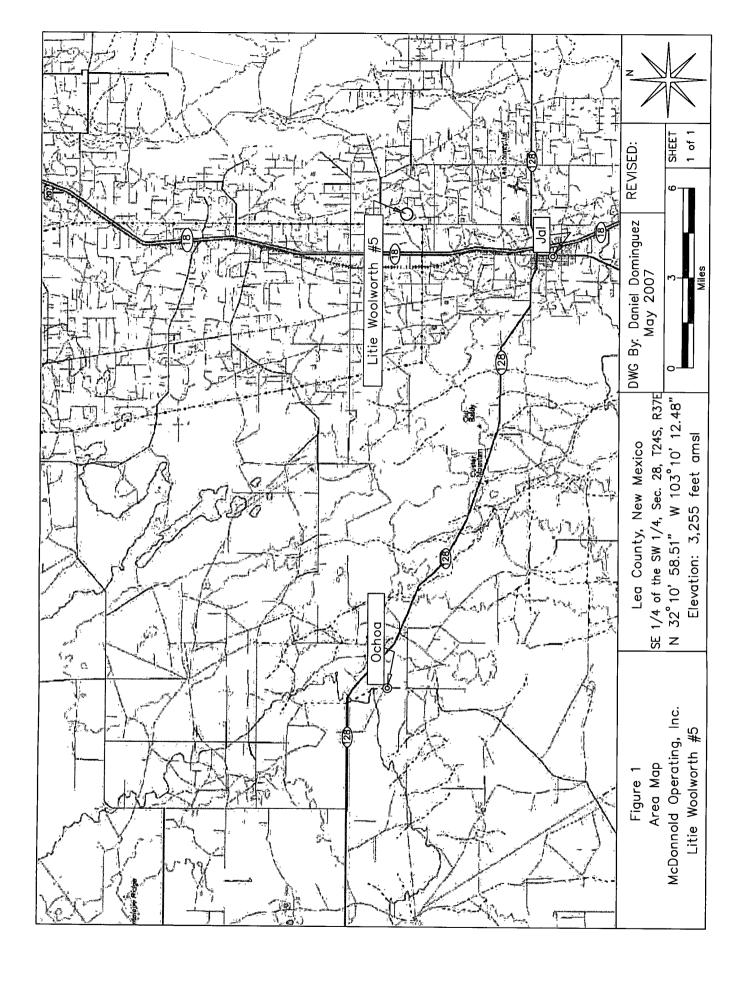
Site Location Map

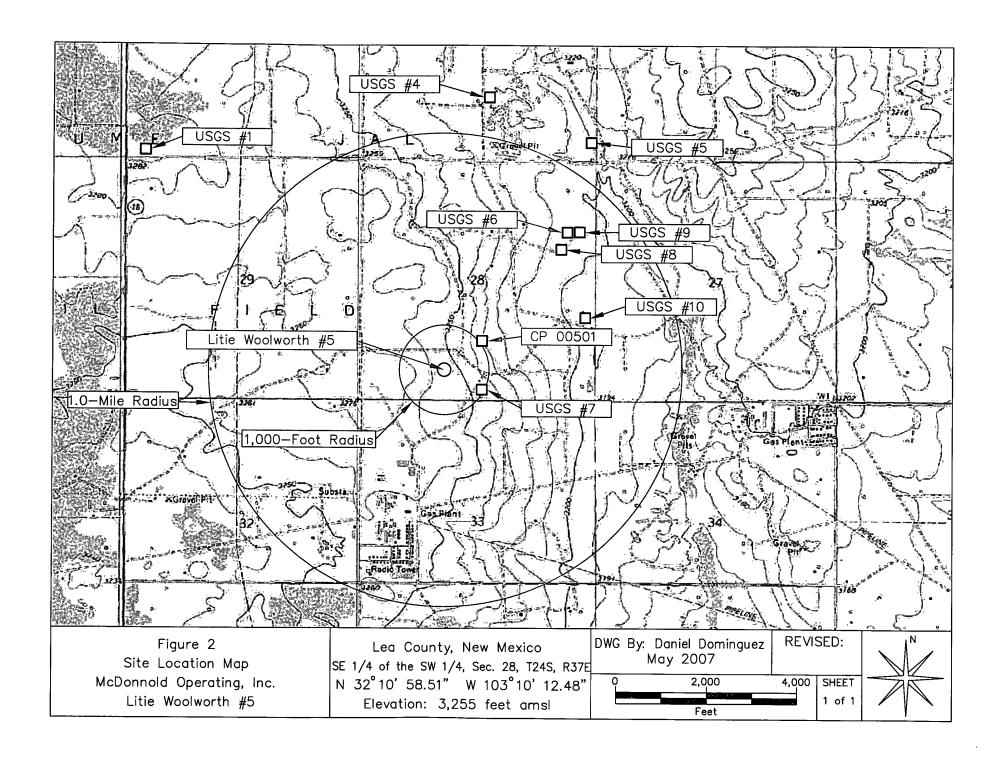
Site Map

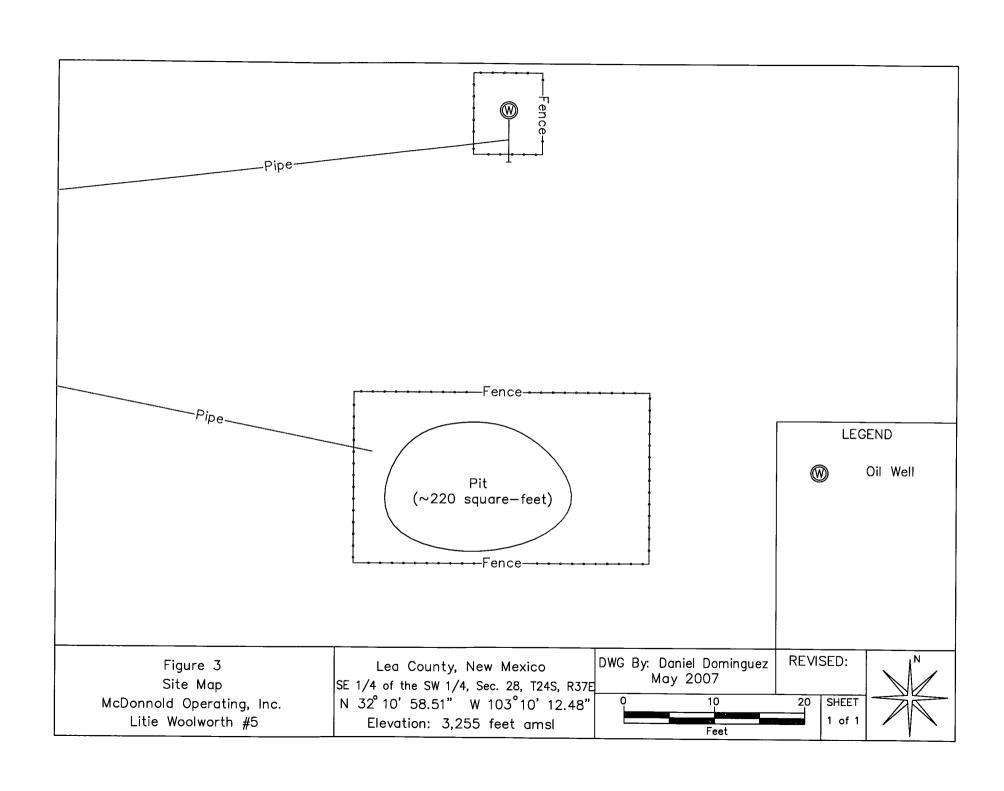
Well Data Table Photographs

NMOCD Form C-144









Well Data

McDonnold Operating, Inc - Litie Woolworth #5 (Ref. # 110016)

TABLE 1

| Well Number | Diversion ^A | Owner | Use | Twsp | Rng | Sec q q q | Latitude | Longitude | Date Measured | Surface Elevation ^B | Depth to Water |
|-------------------------|---------------------------------------------------|------------------------------------------------|-----|--------|------|--------------------|----------------|-----------------|------------------|-----------------------------------|-------------------|
| CP 00501 | 3 | AMERADA HESS CORPORATION | SAN | 24S | 37E | 28 414 | N32° 11' 4.39" | W103° 10' 2.56" | 14-Mar-72 | 3,237 | 70 |
| USGS #1 | | | | 24S | 37E | 20 3 3 3 | | | 28-Feb-96 | 3,287 | 120.54 |
| USGS #4 | | | L . | 24S | 37E | 21 413 | | | 17-Mar-81 | 3,225 | 256.8 |
| USGS #5 | | | | 24S | 37E | 21 444 | | | 02-Mar-53 | 3,215 | 69.64 |
| USGS #6 | | | | 24S | 37E | 28 242 | | | 17-Mar-81 | 3,212 | 64.39 |
| USGS #7 | | | | 24S | 37E | 28 433 | | | 26-Feb-68 | 3,212 | 274.3 |
| USGS #8 | | | | 24S | 37E | 28 241 | | | 14-Jan-76 | 3,210 | 57.71 |
| USGS #9 | | | _ | 24S | | 28 242 | | | 28-Feb-96 | 3,210 | 291.8 |
| USGS #10 | | | | 24S | | 28 424 | | | 27-Oct-77 | | |
| USGS#2#8 | 发生 1996 1000 1000 1000 1000 1000 1000 1000 100 | | 3. | ∳ 24S≟ | 37E | 214222 | | | 27-Feb-68 | | 57.24 84.51 |
| DDDD #3 - 小家里是 到外 《美·默》 | TO THE WAY THE WAY TO SEE | までは、一部では、大型では、大型では、大型では、大型では、大型では、大型では、大型では、大型 | | -24S- | -37E | 21\frac{1}{2}2'4 2 | 柳江。鑫皇位于刘 | | 17-Mar-81 | 3,227 | 83.22 |

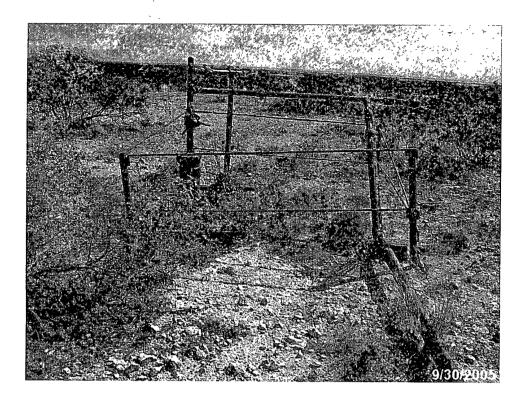
Data obtained from the New Mexico Office of the State Engineer Website (http://iwaters.osc.state.nm.us:7001/iWATERS/wr_RegisServlet1) and USGS Database. ^= In acre feet per anum

SAN = 72-12-1 Sanitary in conjunction with a commercial use

quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are biggest to smallest

Shaded area indicates wells not shown in Figure 2

^B = Elevation interpolated from USGS topographical map based on referenced location.



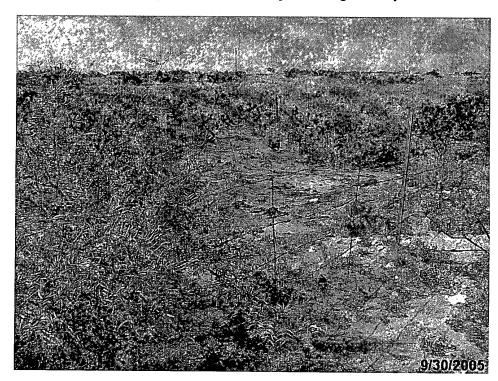
Photograph #1- Oil well, looking easterly.



Photograph #2 – Blow-down pit, looking northerly.



Photograph #3 – Blow-down pit, looking westerly.



Photograph #4 – Blow-down pit, looking westerly.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 District III
1000 Rio Brazos Road, Aztec, NM 87410 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

502 30 10 05 00

Form C-144 June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe

| Ē | helow-grade to | rade Tank F | Registration o | - Cl- |
|-----------|-------------------|---------------|-----------------|------------------|
| Is pit or | below-grade tar | ak aanan 11 | CORISCIACION O | <u>I Closure</u> |
| m | Section State (4) | uk covered hv | a "ceneral nion | 220 V 17 V |

| | red by a "general plan"? Yes r-grade tank O Closure of a pit or below-g | No [(NITIAL rade tank] | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--|--|--|
| Telephone: 432.682.3499 Semail address and C | | | | | |
| No William Big Spring, Suite 204 Midland, Texas 79701 AU # 3002 S 28 81200 | | | | | |
| Jane Woolworth #5 API #: Unit Letter (III). N | | | | | |
| County: Lea Latitude: N 32°10'58 51" Leavis | | | | | |
| Surface Owner: Federal State Private (Woolworth Trust Foundation/ | NAD: 1927 ☐ 1983 ☐ WGS 84 🖾 | | | | |
| | Jal Library Trust) Indian Below-grade tank | | | | |
| Type: Drilling Production Disposal Workover Emergency | | | | | |
| Lined Unlined Unlined | | | | | |
| Liner type: Synthetic Thickness mil Clay | Construction material: | | | | |
| Pit Volume: ~0 bbl | 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 | Less than 50 feet | | | | |
| elevation of ground water.) ~130'bgs | 50 feet or more, but less than 100 feet | (20 points) | | | |
| 5- | 100 feet or more | (10 points) | | | |
| Wellhead protection area: (Less than 200 feet from a private domestic water | Yes | (0 points) | | | |
| source, or less than 1000 feet from all other water sources.) | No . | (20 points) | | | |
| | | (0 points) | | | |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and an in- | Less than 200 feet | (20 points) | | | |
| canals, ditches, and perennial and ephemeral watercourses.) | 200 feet or more, but less than 1,000 feet | (10 points) | | | |
| | 1,000 feet or more | (0 points) | | | |
| this is a pit closure. (1) Attack to | Ranking Score (Total Points) | 0 | | | |
| Remaining Score (Total Points) 6 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 amediation start date and end date. (4) Groundwater encountered: No 🛛 Yes 🔲 If yes, show depth below ground surface 7) Attach soil sample results and a diagram of sample locations and excavations. | | | | | |
| Additional Comments: It is proposed to close this pit consistent with the NMOCD Pit (19.15.2.50 NMAC). | and Below-Grade Tank Guidelines, Novemb | per 1 2004 | | | |
| | | 2. 2. 2004 as promulgated under NMOCD | | | |
| | | | | | |
| fethod of Closure: The pit contents (asphaltime, impacted soil, etc.) will be excavated cavation will extend a minimum of two (2) feet beyond pits original configuration. | and transported to Sundance Services, Inc., | for disposal Horizontal and musical series | | | |
| cavation will extend a minimum of two (2) feet beyond pits original configuration. S dependent laboratory for analyses of BTEX constituents, TPH, chloride and sulfate or | oil samples collected from sidewalls and bot | tom of the excavation will be submitted to | | | |
| anomalely of require additional excavation partitions | special on inpuratory analy | tical results, the nit will either he but on | | | |
| ndependent laboratory for analyses of BTEX constituents. TPH, chloride and sulfate concentrations. Dependent on laboratory analytical results, the pit will either be backfilled when the property of the excavation to original ground surface. The disturbed area will be contoured to allow a submitted to an excavation to original ground surface. The disturbed area will be contoured to allow a submitted when the property of the excavation to original ground surface. The disturbed area will be contoured to allow a submitted to allow a submitted or local soil (if approved by property) | | | | | |
| wner) from bottom of excavation to original ground surface. The disturbed area will be contoured to allow natural drainage and seeded with a blend approved by the property wner. | | | | | |
| CTCDV certify that the i.C. | | | | | |
| nereby 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 to the closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan . | | | | | |
| te: 6/14/07 Printed Name/Title Mr. Craig McDonnold, President | chec) alternative OCD-approved plan | ph of below-grade tank | | | |
| ur certification and NMOCD approval of this application/closure description | Signature | 1.Mc1)= 11 | | | |
| ur certification and NMOCD approval of this application/closure does not relieve the erwise endanger public health or the environment. Nor does it relieve the operator of proval: | operator of liability should the contents of the its responsibility for compliance with any of | he pit or tank contaminate ground water or ther federal, state, or local laws and/or | | | |
| ASED COMPLETION BY 9-10.07 - SUBMIT FINAL | | | | | |
| * NED COMPLETION BY 9-10.07 - | SUBMIT FINAL | Date: [. [[.O. | | | |

W/ SUPPORTING DOCUMENTATION