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: COG Operating LLC Telephone: 432-685-4340 e-mail address: pedwards@conchoresources.com
Address Fasken Center Tower II, 550 W. Texas Ave., Suite 1300, Midland, TX 79701
Facility or well name: Jelly Belly "12" State #1 API #: 30-025-38515 U/L or Qtr/Qtr: L Sec: 12 T 18S R: 35E
County Lea Latitude N 32° 45' 37" Longitude: W 103°25' 07" 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 ☐ Pit Volume: 30,000 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.) greater than 100 feet	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) 10 (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- X	(20 points) (0 points) 0
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- X	(20 points) (10 points) (0 points) 0
	Ranking Score (Total Points)	10 points

Received
AUG 2007
Hobbs OCD

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 ☒ 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 sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: **As per Mr. Larry Johnson with OCD – Hobbs, NM office - Highlander Environmental Corp. drilled a test water well at the well location to a total depth of 72 feet on July 31, 2007. The test water well was allowed to stabilize for 6 days and the static water level was measured at 64 feet on August 6, 2007. The OCD was notified to witness the measurement of the water level, but was not present at the time of the measurement.**
DEEP BURY

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. 8-8-2007 Agent for
Printed Name/Title Robert McNeill - COG Signature Robert McNeill

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 L. Johnson Date: 8.15.07

Pit Closure Plan – Drilling Pit

Operator: **COG Operating LLC**
Well Name: **Jelly Belly "12" State #1**
Location: **Unit L, Section 12, Township 18 S, Range 35 E, Lea County, NM**

The drilling pit associated with this well will be closed as per New Mexico OCD "Pit and Below-Grade Tank Guidelines" dated November 1, 2004. The visual inspection of the pit indicated that the pit liner has maintained its integrity.

1. Any remaining liquids will be removed from the pit.

2. Remaining solid wastes (i.e. buckets, cans, miscellaneous trash, debris, contaminated solids, etc.) will be removed from the pit, except for dried mud and cuttings, cement, and frac materials in drilling and reserve pits which have been approved by the OCD for encapsulation.

3. **This pit will be closed by <u>encapsulation</u>:**

   Trench burial and capping will be performed for the drilling mud and cuttings. Up to two trenches (approximately 5 feet wide x 10 feet deep x 125 feet length) will be dug next to the pit and the cuttings buried and capped. The trenching and capping will be accomplished by lining the trench with an impervious, reinforced, synthetic or fabricated liner at least 12 mils in thickness; mixing earthen materials with the pit contents, as necessary to stiffen the pit contents sufficiently to provide stability and support for the trench cap; emplacing the stiffened mud and cuttings into the lined trench; capping the trench with a 20 mil minimum thickness impervious, fiber reinforced, synthetic or fabricated liner (the synthetic liner will overlap the trench area by at least 3 feet in all directions); and covering the trench with a minimum of 3 feet of clean soil that is capable of supporting native plant growth.

4. Soil sampling will be performed at the excavated pit area for delineation of chlorides in soils to 250 ppm. Soil samples will be taken from each of the (4) corners and (1) from the center of the pit until the chlorides are vertically delineated to 250 ppm. These samples will be screened using field chloride test kits. The final confirmation samples (5 total samples) will be submitted for laboratory analysis. The laboratory results will be submitted to the OCD District office. Upon approval from the OCD District office, the excavated pit area will be backfilled with clean material and top 3 feet of soil that is capable of supporting native plant growth.

5. Upon closure of the pit, the surface where the pit was located will be contoured to prevent erosion and ponding of rainwater over the site.