

**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

Form C-144  
June 1, 2004

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

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan" Yes No **X**

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank **X**

Operator: Morexco, Inc. Telephone: 432 684-6381 e-mail address: ann.ritchie@wtor.net  
Address: c/o Box 953, Midland, TX 79702  
Facility or well name: Kettle Hill Fee #1 API #: 30 041 20927 U/L or Qtr/Qtr B Sec 3 T 7S R 33E  
County: Roosevelt Latitude: N Longitude: W NAD: 1927 1983  
Surface Owner: Federal State Private **X** Indian ☐

Pit	Below-grade tank
Type: Drilling <b>X</b> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <b>X</b> Unlined <input type="checkbox"/> Liner type: Synthetic <b>X</b> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume: <u>1400</u>	Volume: <u>    </u> bbl Type of fluid: <u>    </u> Construction material: <u>    </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <u>    </u>
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 <b>X</b>
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 <b>X</b>
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 <b>X</b>
Ranking Score (Total Points) <b>0</b>	

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 **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:	Soil Sample results attached "Log of Exploratory Boring TB-1", located in Unit Letter F, Section 29, T24S, R28E operated by OGX Resources, LLC. Morexoco, Inc. plans to trench bury the contents of the pit per OCD Rule 50 guidelines. Log of Boring attached indicates no water encountered at a depth of 70'. Well completed in June 2007. Currently shut-in for evaluation.

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: 9-28-07

Printed Name/Title Ann E. Ritchie Signature Ann E. Ritchie

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      Signature Johnson Date: 10.3.07  
ENVIRONMENTAL ENGINEER



Safety & Environmental  
Solutions, Inc.

# LOG OF EXPLORATORY BORING TB-1

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OGX Resources, LLC  
EKG Fee #1  
1880 FNL, 1880 FWL  
Unit Letter "F", Section 29, T24S, R28E  
Eddy County, New Mexico

Date, Time Started : 08/18/08, 0845  
Date, Time Completed : 08/18/08, 1630  
Hole Diameter : 6 1/4 in.  
Drilling Method : Hollow Stem Auger  
Drilling Equipment : Foremost-Mobile B-57

Drilled By : Eco/Enviro Drilling  
Sampling Method : Cuttings  
Logged By : David Boyer, P.G.  
Company Rep. :  
Survey By :

Depth in Feet	Sample Method	USCS	GRAPHIC	Water Levels	Sample Type:	Well: TB-1 Elev.:
				<input checked="" type="checkbox"/> Hydrocarbon Product <input checked="" type="checkbox"/> Measured Water Level	SS Split Spoon (18" or 24") CB Core Barrel (2.5" or 5") CT Auger Cuttings NR No recovery	
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		
35	CT			30-35 ft. SAND, poorly graded (uniform), light reddish-brown, slightly damp, occasional clay "gravel"		
40	CT			35-38 ft. SAND, poorly graded (uniform),		
45	CT	SC/SM		38-41 ft. CLAYEY, SILTY SAND, brown, slightly moist		
50	CT	CL		41-44 ft. CLAY, reddish-brown, hard, dry		
55	CT			44-45 ft. Very hard drilling, loud chatter, pulled rods, dry, hard clay on tip of pilot bit		
60	CT			45-50 ft. CLAY, fat clay, dry, brown, slightly soft to hard		
65	CT			50-55 ft. CLAY, as above, hard drilling		
70	CT			55-60 ft. CLAY, brown, dry		
				60-65 ft. CLAY, brown, dry		
				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.		

## Notes:

On site with drillers at 0845 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 66 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.

Morexco - offsetting drilling