Robin Terrell
Mewbourne Oil Company
PO Box 5270
Hobbs, New Mexico 88241

OCD Copy

October 26, 2007

Larry Johnson
NMOCD District 1 Office
1625 N. French Dr
Hobbs, New Mexico 88240

RE: Pearl 26 State 002 – Final Drill Pit Closure

Pearl 26 State 002	Depth to Ground Water: -25'
API: 30-025-38492	Planned Analytical Testing: Chlorides
Unit F Sec 26-T19S-R35E	Site Ranking Score:
1980' FNL & 1980' FWL	Primary Land Use: Ranching and Oil & Gas Production

Pursuant to Pit Rule 50 of the New Mexico Oil Conservation District of the State of New Mexico regulatory requirement for pit closure, please accept the following documentation for final closure of the drilling pit for the aforementioned location.

Due to water depth, all drill cuttings were stiffened and transferred to an approved disposal. Upon removing all pit contents, field tests were performed on the soil within in the confines of the original drill pit. The field results of chloride delineation of the impacted material are as follows (a diagram has also been attached):

Q1	14' 300mg/kg	Q2	14' 1000mg/kg 15' 350mg/kg	Q3	14' 200mg/kg
Q4	14' 1650mg/kg 15' 1450mg/kg 16' 210mg/kg				

After field tests were performed, Larry Johnson of the New Mexico Oil Conservation Division (NMOCD) was contacted. Approval for closure was granted with the following stipulation:

> Additional material will need to be excavated from the impacted area. The impacted material in Section "Q2" and "Q4" needs to be excavated to 16' and transferred to an approved disposal facility.

Pursuant to NMOCD Pit Rule 50, the impacted soils in Sections "Q2" and "Q4" were removed per the aforementioned stipulation. The pit area was backfilled with clean native material and contoured to the surrounding terrain.

Soil samples were collected, prepared and packaged per EPA guidelines and forwarded to Trace Analysis in Lubbock, Texas for official analytical testing. Please find the official analytical results attached hereto.

Please review the attached documentation and contact me at 505-393-5905 with any questions or concerns.

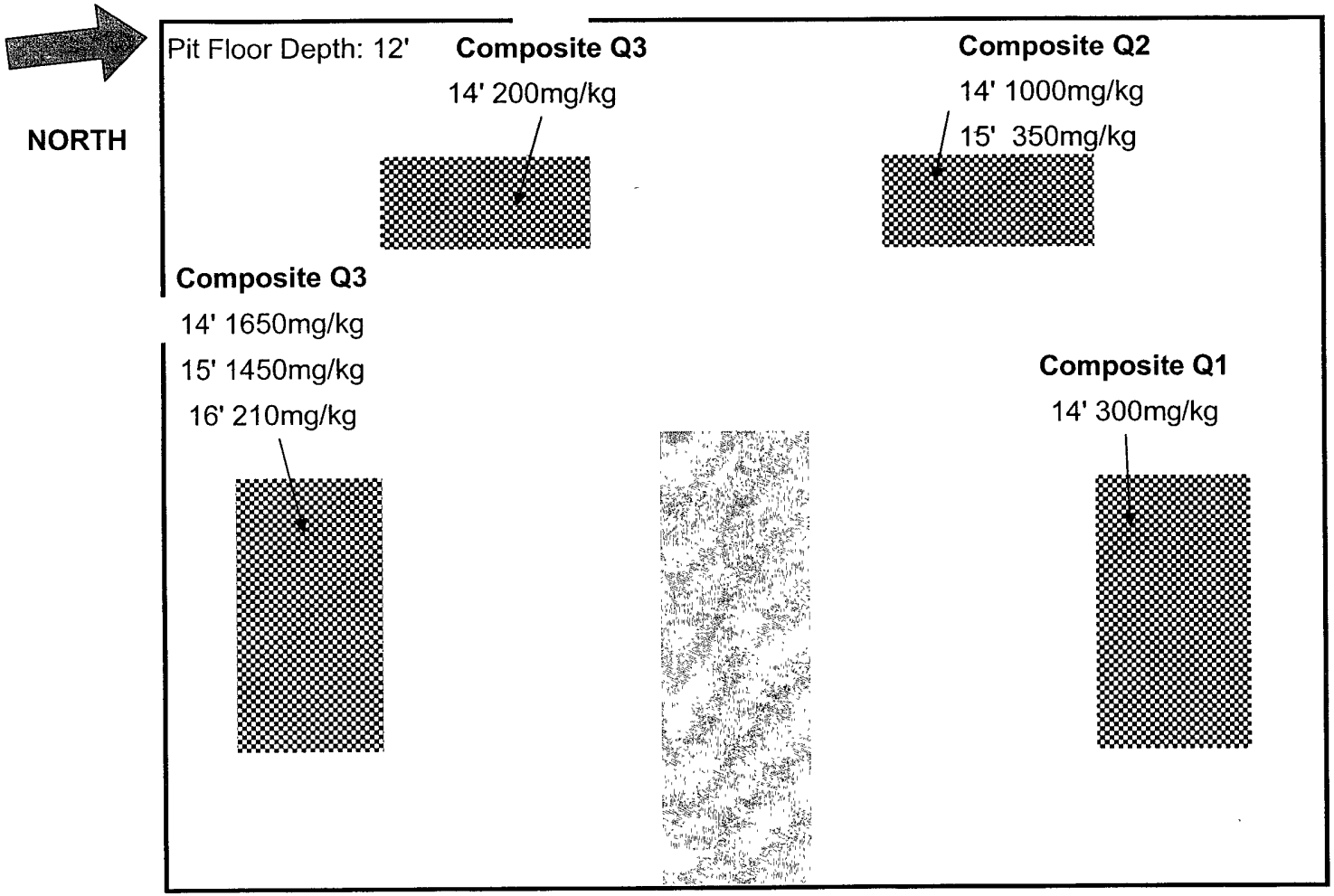
Sincerely,

Robin Terrell
Production Engineer

/sjt

OK to Close
Chris Williams
12/21/07

Pearl 26 State 002
Field Results
Floor 10/26/07



** NOTE: Single Horse Shoe

Valley Energy Services, Inc.

PO Box 207
Loving, NM 88256

Invoice

Date	Invoice #
10/26/2007	647

Bill To

Mewbourne Oil Company
Robin Terrell
PO Box 5270
Hobbs, NM 88241

Terms	Rep
Due on receipt	SJT

Location
Pearl 26 State 002

Quantity	Item Code	Description	Price Each	Amount
4	Enviro Sampling	pulled infield analysis for delineation	65.00	260.00T
0.5	Enviro Reports		65.00	32.50T
0.5	Enviro misc	prepared, packaged and sent samples to Trace Analysis for official analyticals	65.00	32.50T
80	Mileage Charge		0.50	40.00T
		New Mexico Sales Tax	6.3125%	23.04

Total $388.04

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

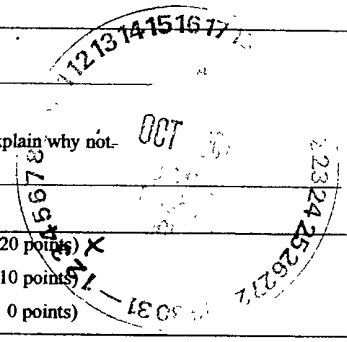
For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

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: NEWBOURNE OIL CO. Telephone (505) 393-5905 e-mail address:
Address: 701 CECIL HOBBS NEW MEXICO 88240
Facility or well name: PEARL 26 #2 API #: 30-025-38241 U/L or Qtr/Qtr Sec 26 T 19S R 35E
County: LEA COUNTY N.M. Latitude Longitude 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 ____mil Clay ☐ Pit Volume ____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) X (10 points) (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) X
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) X
	Ranking Score (Total Points)	20



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: CONTENTS OF PIT WILL BE HAULED TO LEA LAND. PIT WILL BE TESTED FOR CHLORIDES AFTER HAULING ACTIVITIES ARE COMPLETED. CLEAN AT 250 PPM CHLORIDES.

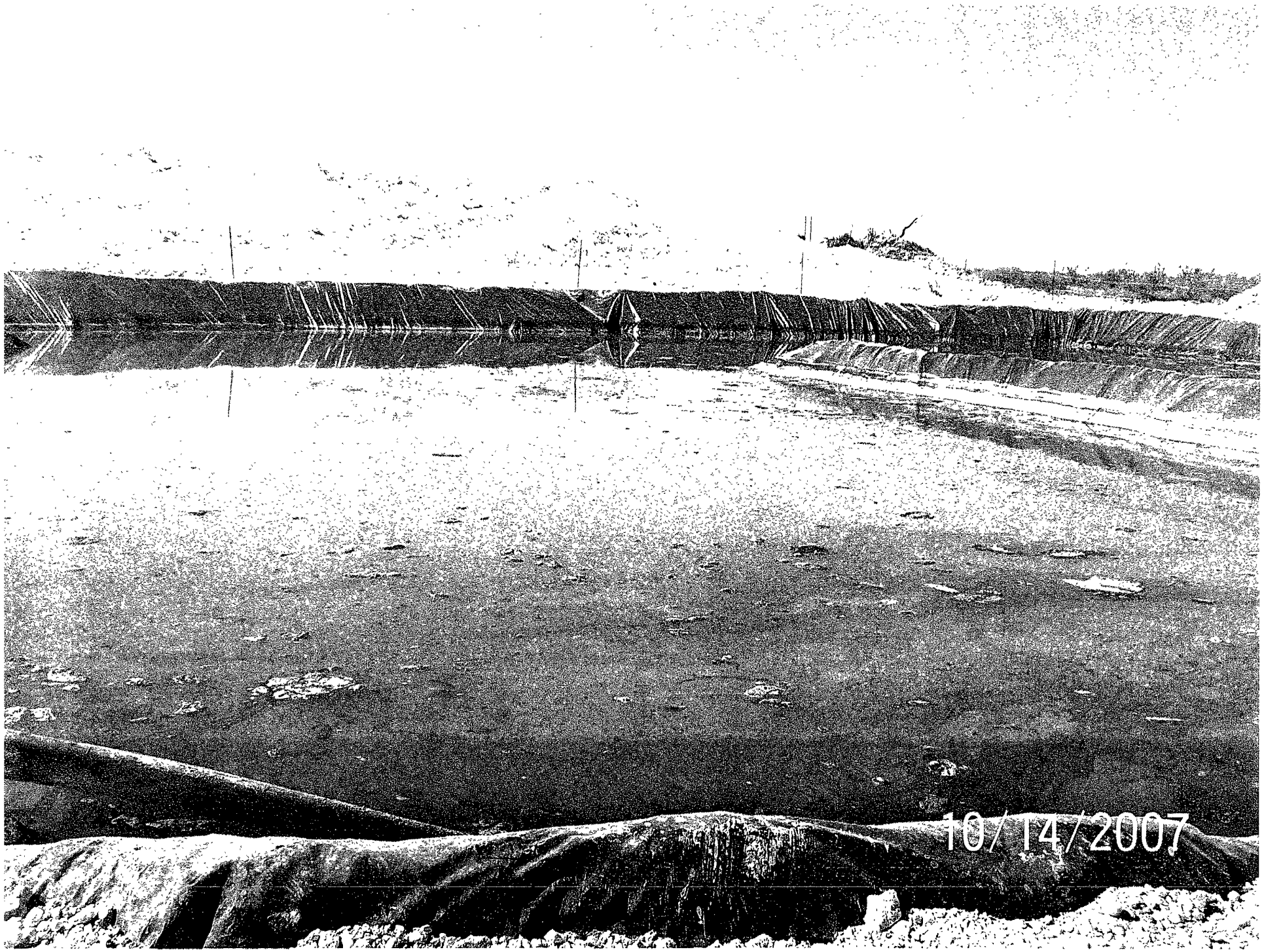
I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Date: 10/17/07
Printed Name/Title E.B. Taylor Signature E. B. Taylor

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 ENVIRONMENTAL ENGINEER Date: 10.17.07


MEWBOURNE OIL COMPANY
PEARL "26" #2
1980' FNL & 1980' FWL
SEC. 26, T19S, R35E
LEA COUNTY, NEW MEXICO
API #30-025-38492
10/14/2007


10/14/2007

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
8808 Camp Bowie Blvd West, Suite 180 Ft Worth, Texas 76116 817•201•5260 FAX 817•560•4336
E-Mail lab@traceanalysis.com

Bill To: Mewbourne Oil Company
P. O Box 5270
Hobbs, NM 88220

Attn: Robin Terrell

Invoice No. 26323

Lab Location: Lubbock
Invoice Date: 2007-11-15
Payment Due: 2007-12-15

Work Order: 7110839
Project Location: Eddy County, NM
Project Name: Pearl 26 State #2
Project Number: API 30-025

Item	Quantity	Matrix	Description	Price	Sub Total
Chloride/50% RUSH	4	soil	142305 - 142308	$25.50	$102.00

Payment Terms: Net-30

Total $102.00

Dr. Blair Leftwich, Director

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
8808 Camp Bowie Blvd West, Suite 180 Ft Worth, Texas 76116 817•201•5260 FAX 817•560•4336
E-Mail lab@traceanalysis.com

Analytical and Quality Control Report

Robin Terrell
Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM, 88220

Report Date: November 14, 2007

Work Order: 7110839

Project Location: Eddy County, NM
Project Name: Pearl 26 State #2
Project Number: API 30-025

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
142305	Q1 14'	soil	2007-10-26	09:45	2007-11-08
142306	Q2 15'	soil	2007-10-26	10:15	2007-11-08
142307	Q3 14'	soil	2007-10-26	10:45	2007-11-08
142308	Q4 16'	soil	2007-10-26	11:15	2007-11-08

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank

Case Narrative

Samples for project Pearl 26 State #2 were received by TraceAnalysis. Inc. on 2007-11-08 and assigned to work order 7110839. Samples for work order 7110839 were received intact at a temperature of 22.0 deg.C.

Samples were analyzed for the following tests using their respective methods

Test	Method
Chloride (Titration)	SM 4500-Cl B

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring. however, it may not pertain to the samples for work order 7110839 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB) These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project

Analytical Report

Sample: 142305 - Q1 14'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43044	Date Analyzed	2007-11-10	Analyzed By:	MM
Prep Batch:	37143	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**376**		mg/Kg	10	5.00

Sample: 142306 - Q2 15'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43044	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37143	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**362**		mg/Kg	10	5.00

Sample: 142307 - Q3 14'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43044	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37143	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**81.4**		mg/Kg	10	5.00

Sample: 142308 - Q4 16'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	43044	Date Analyzed:	2007-11-10	Analyzed By:	MM
Prep Batch:	37143	Sample Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**212**		mg/Kg	10	5.00

Method Blank (1) QC Batch: 43044

QC Batch:	43044	Date Analyzed	2007-11-10	Analyzed By:	MM
Prep Batch:	37143	QC Preparation:	2007-11-09	Prepared By:	MM

Parameter	Flag	MDL Result	Units	RL
Chloride		<3.25	mg/Kg	5

Laboratory Control Spike (LCS-1)

QC Batch 43044 | Date Analyzed 2007-11-10 | Analyzed By. MM
Prep Batch: 37143 | QC Preparation: 2007-11-09 | Prepared By: MM

Param	LCS Result	Units	Dil	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	99.7	mg/Kg	1	100	<3.25	100	96.1 - 103

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec Limit	RPD	RPD Limit
Chloride	98.4	mg/Kg	1	100	<3.25	98	96.1 - 103	1	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 142310

QC Batch: 43044 | Date Analyzed: 2007-11-10 | Analyzed By: MM
Prep Batch: 37143 | QC Preparation 2007-11-09 | Prepared By: MM

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec	Rec Limit
Chloride	538	mg/Kg	10	500	52.682	97	80 - 120

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil	Spike Amount	Matrix Result	Rec	Rec. Limit	RPD	RPD Limit
Chloride	490	mg/Kg	10	500	52.682	87	80 - 120	9	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch 43044 | Date Analyzed: 2007-11-10 | Analyzed By. MM

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-11-10

Standard (CCV-1)

QC Batch: 43044 | Date Analyzed: 2007-11-10 | Analyzed By: MM

Param	Flag	Units	CCVs True Conc	CCVs Found Conc	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	99.9	100	85 - 115	2007-11-10

LAB Order ID # 1110839 Page 1 of 1

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794-1298, 1 (800) 378-1296
5002 Basin Street, Suite A1, Midland, Texas 79703, Tel (432) 689-6301, Fax (432) 689-6313
200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585-4944, 1 (888) 588-3443
8808 Camp Bowie Blvd. West, Suite 180, Ft. Worth, Texas 76116, Tel (817) 201-5260, Fax (817) 560-4336

Company Name: Newbourne Oil Company
Phone #:
Address (Street, City, Zip): PO Box 5270 Hobbs NM 88240
Fax #:
Contact Person: Robin Terrell
E-mail: Robin@Shelly
Invoice to: (If different from above)
Project #: HOI 30.025-
Project Name: Pearl 26 State #2
Project Location (including state): Eddy Cnty, NM
Sampler Signature: Shelly Tucker

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
142305	Q1 - 14'	1			X							X		12/26/17	0945
306	Q2 - 15'	1			X							X		"	1015
307	Q3 - 14'	1			X							X		"	1045
308	Q4 - 16'	1			X							X		12/26/17	1115

ANALYSIS REQUEST (Circle or Specify Method No.)

MTBE 8021B / 602 / 8260B / 624	BTEX 8021B / 602 / 8260B / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270C / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol 8260B / 624	GC/MS Semi Vol 8270C / 625	PCB's 8082 / 608	Pesticides 8081A / 608	BOD, TSS, pH	Moisture Content	Chloride						Turn Around Time if different from standard	Holc
																	X						RUSH	
																	X							
																	X							
																	X							

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
Shelly Tucker	YES	12-27	1730		UPS	12-27	1730	
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
							1110	22

LAB USE ONLY
Intact Y / N
Headspace Y / N / NA
Log-In-Review

REMARKS:

- [ ] Dry Weight Basis Required
- [ ] TRRP Report Required
- [ ] Check If Special Reporting Limits Are Needed

Carrier # Bus CLT-304356547-0

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C O C

ORIGINAL COPY

LAB Order ID # 7110839 Page 1 of 1

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9, Lubbock, Texas 79424, Tel (806) 794-1296, Fax (806) 794-1298, 1 (800) 378-1296
5002 Basin Street, Suite A1, Midland, Texas 79703, Tel (432) 689-6301, Fax (432) 689-6313
200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585-4944, 1 (888) 588-3443
8808 Camp Bowie Blvd West, Suite 180, Ft. Worth, Texas 76116, Tel (817) 201-5260, Fax (817) 560-4336

Company Name: Mewbourne Oil Company
Phone #:
Address: (Street, City, Zip) PO Box 5270 Hobbs, NM 88240
Fax #:
Contact Person: Robin Terrell
E-mail: Robin + FShelly
Invoice to: (If different from above)
Project #: 021 30.025-
Project Name: Pearl 26 State #2
Project Location (including state): Eddy City, NM
Sampler Signature: Shelly Tucker

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
142305	Q1 - 14'	1			X							X		12/3/07	0945
306	Q2 - 15'	1			X							X			1015
307	Q3 - 14'	1			X							X			1045
308	Q4 - 16'	1			X							X		12/4/07	1115

MTBE 8021B / 602 / 8260B / 624
BTEX 8021B / 602 / 8260B / 624
TPH 418.1 / TX1005 / TX1005 Ext(C35)
TPH 8015 GRO / DRO / TVHC
PAH 8270C / 625
Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7
TCLP Metals Ag As Ba Cd Cr Pb Se Hg
TCLP Volatiles
TCLP Semi Volatiles
TCLP Pesticides
RCI
GC/MS Vol 8260B / 624
GC/MS Semi Vol 8270C / 625
PCB's 8082 / 608
Pesticides 8081A / 608
BOD, TSS, pH
Moisture Content
Chlorides
Turn Around Time if different from standard
Hold

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°C:
Shelly Tucker	YES	11-7-07	1730	UPS		11-7-07	1730	
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°C:
Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°C:
						110807	1110	22

LAB USE ONLY
Intact Y / N
Headspace Y / N / NA
Log-in-Review

REMARKS: 11/14 EP

- [ ] Dry Weight Basis Required
- [ ] TRRP Report Required
- [ ] Check If Special Reporting Limits Are Needed

Carrier # Bus CL 7304356470

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.