District I State of New Mexico Form C-144 1625 N French Dr , Hobbs, NM 88240 **Energy Minerals and Natural Resources** March 12, 2004 District II 1301 W Grand Avenue, Artesia, NM 88210 For drilling and production facilities, submit to appropriate NMOCD District Office. District III **Oil Conservation Division** 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. For downstream facilities, submit to Santa Fe District IV 1220 S St Francis Dr , Santa Fe, NM 87505 office Santa Fe, NM 87505 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 🖄 e-mail address Jand2@marbob.com Operator Marbob Energy Corporation Telephone 505-748-3303 1650' FNL & 660' FWL Address PO Box 227, Artesia, NM 88211-0227 API# 30-025-38421 U/L or Qtr/Qtr E Sec 9 T 195/R 32E Facility or well name. Falcon Federal #1 County Lea NAD. 1927 🗌 1983 🗌 Surface Owner Federal 🗍 State 🛛 Private 🗋 Indian 🗌 Latitude Longitude Pit **Below-grade tank** W-TR 350 82930 Type Drilling Production Disposal Volume. bbl Type of fluid Workover 🗌 Emergency 🔲 Construction material choláin Lined 🛛 Unlined 🗌 Double-walled, with leak detection? Yes 🔲 If not Liner type Synthetic 🛛 Thickness 12 mil Clay 🗌 Volume bbl Less than 50 feet (20 points Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water) 100 feet or more (0 points) 0 points Yes (20 points) Wellhead protection area (Less than 200 feet from a private domestic No 0 points (0 points) water source, or less than 1000 feet from all other water sources) Less than 200 feet (20 points) Distance to surface water (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses) 1000 feet or more 0 points (0 points) **Ranking Score (Total Points)** 0 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 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

I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that the destank has been/will be constructed or closed according to NMOCD guidelines 🗔, a general permit 🖾, or an (attached) alternative 🕼 Date November 1, 2007

Printed Name/Title: **Gerald Herrera**

Signature

JAN = 3 2008

Your certification and NMOCD approval of this application/closure does not relieve the operator or manning should are contracted on the environment. Nor does it relieve the operator of its responsibility for compliance with any present of the environment. 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

Approval

14

Date (1.3.07

Printed Name/Title

Signature ENVIRONMENTAL ENGINEER

* completed sampling Requirements u/ 1750/ts AttAched

Marbob Energy Corporation Attachment to OCD Form C-144

Pit or Below-Grade Tank Registration or Closure

Pit Closure

Falcon Federal #1

1650' FNL & 660' FWL Section 9 T-19S R-32 Lea County, New Mexico

(1) Facility diagram



(2) Disposal location:

Fluids will be disposed at an approved disposal facility.

(3) General description of remedial action:

- a. Mix contents of pit (with material from location for pad reduction) to stiffen.
- b. Push to one end of pit, use other end for possibly two capsulation pits.
- C. Line pits with 12 mil plastic.
- d. Transfer contents into lined pits.
- e. Cap with 20 mil liner
- e. Cover with 3' of cover dirt.
- f. Re-seed to BLM requirements.
- (4) Groundwater encountered:

No

(5) Soil sample:

Samples will be obtained from pit area and analysis submitted to NMOCD prior to backfilling. Notify NMOCD 24 hours prior to obtaining samples.



ANALYTICAL RESULTS FOR BBC INTERNATIONAL, INC. ATTN: CLIFF BRUNSON P.O. BOX 805 HOBBS, NM 88241 FAX TO: (575) 397-0397

Receiving Date: 12/17/07 Reporting Date: 12/17/07 Project Owner: MARBOB Project Name: FALCON Project Location: MALJAMAR, NM

Analysis Date: 12/17/07 Sampling Date: 12/14/07 Sample Type: SOIL Sample Condition: INTACT Sample Received By: NF Analyzed By: AB

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LAB NUMBER	SAMPLE ID	(mg/kg)
H13933-1	PIT BOTTOM	48
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

4500-CI'B METHOD: Standard Methods Note: Analysis performed on a 1:4 wiv aqueous extract.

Date

H13933 BBC

PLEASE NOTE. Liability and Damages. Cardinat's liability and client's exclusive remedy for any claim ansing, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal writin thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use or loss of profits incurred by client, its subsidiaries affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardiese of whether such claim to based upon any of the above-stated reasons or otherwise

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