

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 ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: EverQuest Energy Corporation Telephone: 432-686-9790 e-mail address: EverQuest@nts-online.net

Address: 10 Desta Drive, Suite 300-E, Midland, Texas 79705

Facility or well name: Schooner B #2 API #: 30-025-37921 U/L or Qtr/Qtr H Sec 17 T 16S R 32E

County: Lea Latitude 32.922489 N Longitude 103.780999 W NAD: 1927 ☒ 1983 ☐

Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 300 bbl

Below-grade tank

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.) 100+

Less than 50 feet - NO

50 feet or more, but less than 100 feet - NO

100 feet or more - YES

(20 points)

(10 points)

(0 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) 0 points

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet - NO

200 feet or more, but less than 1000 feet - NO

1000 feet or more - YES

(20 points)

(10 points)

(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: (check the onsite box if you 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:

We wish to close this 110' x 75' x 12-mil lined drilling reserve pit as soon as possible. We propose to cap and encapsulate in-situ since our inspection indicates the pit liner has maintained its integrity. The reserve pit contents will be stiffened sufficiently to provide physical stability and support for the pit cover; folding the edges of the liner over the stiffened contents and capping with a 20-mil plastic liner; and covering the cap with a minimum of 3 feet of clean soil that is capable of supporting native plant growth. The plastic cap will overlap the underlying pit by at least 3 feet in all directions. Once capping is complete the surface will be contoured to prevent erosion and ponding of rainwater from occurring over the pit site.

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: December 17, 2007

Printed Name/Title Terry M. Duffey - President Signature Terry M. Duffey

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 ENVIRONMENTAL ENGINEER Date: 1.8.08

LIST AS RISK BASE CLOSURE

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 16S Range: 32E Sections: 9

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 12/07/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	16S	32E	09				1	248	248	248

Record Count: 1

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 16S Range: 32E Sections: 19

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

POD / Surface Data Report

Avg Depth to Water Report

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WATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 12/07/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	16S	32E					1	220	220	220

Record Count:

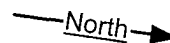
New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections: NAD27 X: Y: Zone: Search Radius: County: Basin: Number: Suffix: Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All☐ POD / Surface Data Report ☐ Avg Depth to Water Report ☐ Water Column Report **AVERAGE DEPTH OF WATER REPORT 12/07/2007**

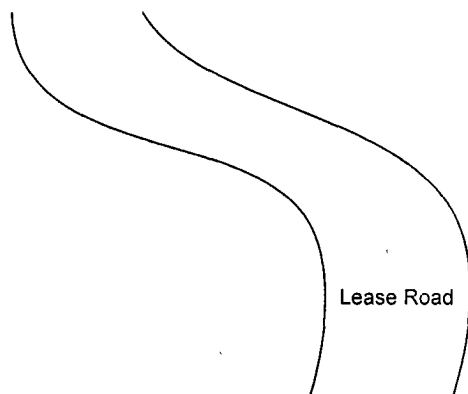
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	16S	32E	21				1	210	210	210

Record Count: 1

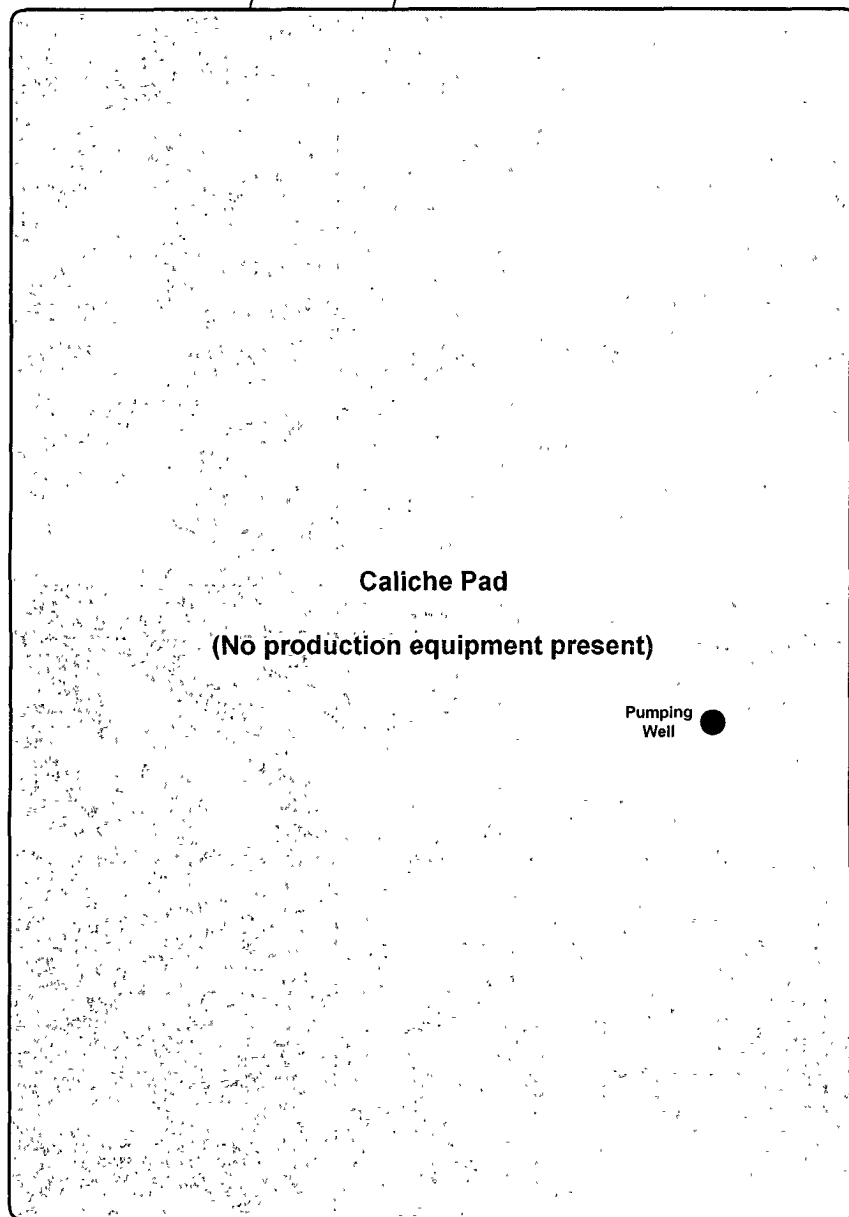
**EverQuest Energy Corporation
Schooner B State #2**



Current Location Configuration - Not to Scale



Lease Road

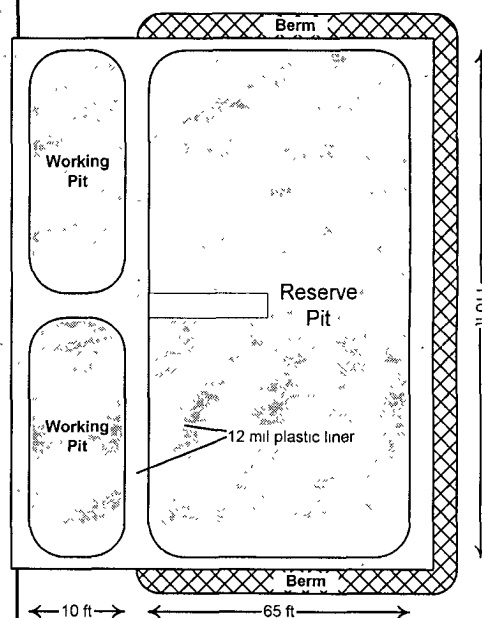


Caliche Pad

(No production equipment present)

Pumping Well ●

Plan View



Side View

