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 For drilling and production facilities, submit to appropriate NMOCD District Office.

For downstream facilities, submit to Santa Fe office.

Form C-144 June 1, 2004

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \(\subseteq \) No \(\subseteq \) Type of action: Registration of a pit or below-grade tank \(\subseteq \) Closure of a pit or below-grade tank \(\subseteq \)		
Operator: £, O, 6. Resources Telephone: (432) 686-3600 e-mail address:		
Pit Type: Drilling Production Disposal Workover Emergency Lined Unlined Liner type: Synthetic Thickness Amil Clay Pit Volumebbl	Below-grade tank Volume:bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes	
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 /00'	(20 points) (10 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)
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 Ranking Score (Total Points)	(20 points) (10 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 your are burying in place) onsite offsite. If offsite, name of facility from the facility offsite of facility from the facility offsite of facility from the facility offsite. (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 from the facility from the facility of fixed in the facility of fixed in the facility from the facility f		
Additional Comments: ** Refer to A Harched P: + Closure Properties ** Deep Bury **		
APR 0 4 2008		
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 of below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .		
Printed Name/Title Dustry wilson Field Supe-vite Signature for 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 E	NGINEER 4.4.08

P.O. Box 310 Hobbs, NM 88241-0310

505.392.8584 New Mexic Environmental Services Hobbs. New Mexico Cell 505.631.2442 Fax 505.392.3085

Hobbs, New Mexico

Reserve Pit Remediation

SURFACE PIT CLOSURE PLAN

PIT PARAMETERS

COMPANY: FOG Resources Inc.

WELL SITE: Bolero State #1

LEGAL DESCRIPTION: Unit L Sec 2 T8s R37e, 1650

FSL 660 FWL, Roosevelt co.

The reserve pit inset on this leasehold is being permitted to close as per New Mexico OCD "Pit and Below Grade Tank Guidelines" dated November 1, 2004.

This pit was excavated and formed to the dimensions roughly 120' X 40' X 8' deep. A 12 mil membrane liner and pad was used to prevent leakage to the surface soils. A visual examination of the membrane liner indicates that the liner had maintained its integrity.

After the drilling and completion phase of this project, the water phase of the pit contents were pumped and hauled to an approved water injection facility. It is estimated that the volume of solids remaining are to +/- 800 yards. The burial cell is to be excavated and lined with a minimum 12 mil membrane that complies with ASTM Standards: D-5747, D-5199, D-5994, and D-4833. The cuttings will be loaded as to allow for > 36" freeboard to ground level. After the cuttings are loaded the 12 mil liner will be folded over the top, and a 20 mil minimum thickness liner meeting the minimum requirements as outlined in ASTM Standard Methods: D-5747, D-5199, D-5994, D-4833; will be used to cap and cover to an extended area that exceeds three feet in all directions from the

edge of the burial cell. This cap will be constructed as to slope and allow for water runoff from burial cell.

A minimum of 36" of top soil will be used to cover the burial cell. This soil must be capable of supporting plant growth. A seed mixture will be used as to conform to local BLM and OCD requirements.

After the drilling solids are buried, the natural contour of the surrounding soils will be mechanically shaped as to prevent erosion of the well site until vegetation is established.

