

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**

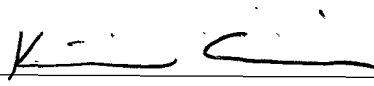
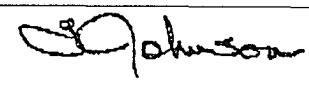
Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

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

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Operator: <b>COG Operating LLC</b> Telephone: <b>432-685-4332</b> e-mail address: <b>kcarrillo@conchoresources.com</b>                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                |                                                           |
| Address: <b>550 W. Texas, Suite 1300</b> <b>Midland, TX 79701</b>                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                |                                                           |
| Facility or well name: <b>JC Federal #14</b> API # <b>30-025-38698</b> U/L or Qtr/Qtr <b>H</b> Sec <b>22</b> T <b>17S</b> R <b>32E</b>                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                |                                                           |
| County: <b>Lea</b> Latitude <b>32.822685° N</b> Longitude <b>103.746247° W</b> NAD. 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |                                                           |
| Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                |                                                           |
| <b>Pit</b><br>Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/><br>Workover <input type="checkbox"/> Emergency <input type="checkbox"/><br>Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/><br>Liner type Synthetic <input checked="" type="checkbox"/> Thickness <b>12</b> mil Clay <input type="checkbox"/><br>Pit Volume <b>25,000</b> bbl | <b>Below-grade tank</b><br>Volume _____ bbl Type of fluid. _____<br>Construction material _____<br>Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____<br><b>RECEIVED</b><br><b>MAY 27 2008</b><br><b>HOBBS OCD</b> |                                                           |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) <b>68'</b>                                                                                                                                                                                                                                                                                                                       | Less than 50 feet<br>50 feet or more, but less than 100 feet<br>100 feet or more                                                                                                                                                                               | (20 points)<br>(10 points)<br>(0 points) <b>RECEIVED</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<br>No                                                                                                                                                                                                                                                      | (20 points)<br>(0 points) <b>MAY 27 2008</b>              |
| Distance to surface water. (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)                                                                                                                                                                                                                                                                                                 | Less than 200 feet<br>200 feet or more, but less than 1000 feet<br>1000 feet or more                                                                                                                                                                           | (20 points)<br>(10 points)<br>(0 points) <b>HOBBS OCD</b> |
| Ranking Score (Total Points)                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                | <b>10 points</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 ☒ 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 | COG Operating LLC proposes to close the drilling pit as follows:                                                                                                                                          |
| 1.                  | Remove fluids from pit.                                                                                                                                                                                   |
| 2.                  | A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud & cuttings. |
| 3.                  | Cover liner w/20 mil liner w/ excess of 3' on all sides as per option IV.B.3.(b) of Pit and Below-Grade Tank Guidelines.                                                                                  |
| 4.                  | Cover w/ a minimum of 3' of native soil.                                                                                                                                                                  |
| 5.                  | Contour pit to prevent erosion & ponding of rainwater.                                                                                                                                                    |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . |                                                                                                                                 |                                                                                                |
| Date                                                                                                                                                                                                                                                                                                                                                                                                         | <b>05/05/08</b>                                                                                                                 |                                                                                                |
| Printed Name/Title                                                                                                                                                                                                                                                                                                                                                                                           | <b>Kanicia Carrillo, Regulatory Analyst</b>                                                                                     | Signature  |
| 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 <br><b>ENVIRONMENTAL ENGINEER</b> | Date <b>5.7.08</b>                                                                             |