

District I
4625 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 x

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

Operator: Melrose Operating Company Telephone: 432 684-6381 e-mail address: ann.ritchie@wtor.net
Address: c/o Box 953, Midland, TX 79702
Facility or well name: Jalmat Field Yates Sand Unit, Well #240 API #: 30-025-38932 N U/L or Qtr/Qtr Sec 2 T22S R35E
County: Lea Latitude: 3 Longitude: 1 NAD: 1927 X 1983
Surface Owner: Federal State Private x Indian

Pit

Type: Drilling X Production Disposal
Workover Emergency
Lined X Unlined
Liner type: Synthetic X Thickness 12 mil Clay
Pit Volume: 3000

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.)

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet	(10 points)
100 feet or more X	(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	(20 points)
No X	(0 points)

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

Less than 200 feet	(20 points)
200 feet or more, but less than 1000 feet	(10 points)
1000 feet or more X	(0 points)

Ranking Score (Total Points) 0

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: Drilling Pit. Diagram attached.

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MAY 15 2008

HOBBS OCD

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 X, a general permit, or an (attached) alternative OCD-approved plan.

Date: 5-8-08

Printed Name/Title Ann E. Ritchie Signature Ann E. Ritchie

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 DISTRICT SUPERVISOR/GENERAL MANAGER Signature Chris Williams Date: 5/24/08

