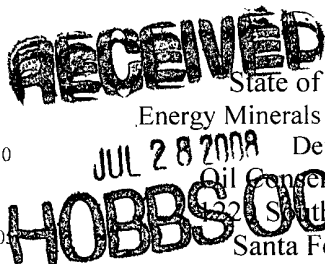


District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 S St Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

**Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application**

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Fasken Oil and Ranch, Ltd. OGRID #: 151416
Address: 303 West Wall, Suite 1800, Midland, TX 79701
Facility or well name: Ling Federal No. 4
API Number: 30-025-38748 OCD Permit Number: _____
U/L or Qtr/Qtr J Section 31 Township 19S Range 34E County: Lea
Center of Proposed Design: Latitude N 32° 36' 50.25" Longitude W 103° 35' 54.26" NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC Depth to groundwater 120' per
Paul Kautz - OCD, Hobbs
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☐ LLDPE ☒ HDPE ☐ PVC ☐ Other _____
☒ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: 34,000 bbl Dimensions: L 165' x W 165' x D 7'

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.	<p>Fencing: Subsection D of 19.15.17.11 NMAC (<i>Applies to permanent pits, temporary pits, and below-grade tanks</i>)</p> <p><input type="checkbox"/> Chain link, six feet in height, two strands of barbed wire at top (<i>Required if located within 1000 feet of a permanent residence, school, hospital, institution or church</i>)</p> <p><input checked="" type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet</p> <p><input type="checkbox"/> Alternate. Please specify _____</p>																				
7.	<p>Netting: Subsection E of 19.15.17.11 NMAC (<i>Applies to permanent pits and permanent open top tanks</i>)</p> <p><input type="checkbox"/> Screen <input type="checkbox"/> Netting <input type="checkbox"/> Other _____</p> <p><input type="checkbox"/> Monthly inspections (If netting or screening is not physically feasible)</p>																				
8.	<p>Signs: Subsection C of 19.15.17.11 NMAC</p> <p><input checked="" type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers</p> <p><input type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC</p>																				
9.	<p>Administrative Approvals and Exceptions:</p> <p>Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.</p> <p>Please check a box if one or more of the following is requested, if not leave blank:</p> <p><input type="checkbox"/> Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.</p> <p><input type="checkbox"/> Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.</p>																				
10.	<p>Siting Criteria (regarding permitting): 19.15.17.10 NMAC</p> <p>Instructions: <i>The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.</i></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 85%;"> <p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <p>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</p> </td> <td style="width: 15%; text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).</p> <p>- Topographic map; Visual inspection (certification) of the proposed site</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA </td> </tr> <tr> <td> <p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA </td> </tr> <tr> <td> <p>Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.</p> <p>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.</p> <p>- Written confirmation or verification from the municipality; Written approval obtained from the municipality</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within 500 feet of a wetland.</p> <p>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within the area overlying a subsurface mine.</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within an unstable area.</p> <p>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within a 100-year floodplain.</p> <p>- FEMA map</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> </table>	<p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <p>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).</p> <p>- Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA	<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA	<p>Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.</p> <p>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.</p> <p>- Written confirmation or verification from the municipality; Written approval obtained from the municipality</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within 500 feet of a wetland.</p> <p>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within the area overlying a subsurface mine.</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within an unstable area.</p> <p>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within a 100-year floodplain.</p> <p>- FEMA map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <p>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
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<p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA																				
<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA																				
<p>Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.</p> <p>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
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<p>Within the area overlying a subsurface mine.</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>Within an unstable area.</p> <p>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>Within a 100-year floodplain.</p> <p>- FEMA map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System
☐ Alternative
 Proposed Closure Method: ☐ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☒ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☒ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

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☒ Yes ☐ No
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☒ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☒ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☒ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Jimmy D. Carlile Title: Regulatory Affairs Coordinator

Signature:  Date: 7/23/08

e-mail address: jimmyc@for1.com Telephone: 432-687-1777

20.

OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature:  Approval Date: 7/29/08

Title: Geologist OCD Permit Number: _____

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

22.

Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations.

- ☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

July 23, 2008

Fasken Oil and Ranch, Ltd.
Ling Federal No. 4
1660' FSL and 2310' FEL
Sec. 31, T19S, R34E
Lea County, NM

RE: Form C-144 Attachment

Hydrogeologic Data: Per Paul Kautz, Dist. Geologist, OCD Hobbs groundwater is found at 120' beneath this section. A visual inspection of the immediate area has been made and there are no known water wells within a 1 mile radius of this drilling location.

Design Plan: Pit size will be approximately 165' X 165' X 7' double horseshoe design. A geotextile liner will be installed along with a 20 mil HDPE cross laminated liner.

Operating and Maintenance Plan: Pit will be monitored daily for proper fluid levels during drilling operations. A daily log will be kept indicating the fluid level in the pit. Any abnormal drop in fluid levels will be reported to the NMOCD district office. The pit will be de-watered immediately after drilling operations have been completed. The pit will be inspected weekly after de-watering and a log will be kept indicating the condition of the pit and any fluid level.

Closure Plan: After de-watering the pit will be left to dry through natural evaporation. Pit will be buried on-site using the on-site trench burial method. If the water depth requirement or lab criteria data do not meet the minimum standards for deep trench burial, the drill cuttings will be dug out and hauled to an NMOCD approved disposal. At the current time the CRI disposal facility at Halfway Bar will be utilized for drill cuttings disposal. The permit number for the CRI facility is Permit Number 6. See the attachment.

Maps: A topographic map is attached showing the surrounding area. FEMA reports that a 100 year flood plain map has not been constructed for this area. A visual inspection of the area does not indicate that flooding or standing water would occur.

The surface owner is Larry Hughes. Attached is a copy of the surface owner agreement showing Mr. Hughes is fully aware of this permit and reserve pit.

An attachment is provided showing the pit design as drawn by Talon LPE.

Form C-102 is attached showing the pit location and potential on-site deep trench location. The latitude and longitude for each is shown on the plat. These data reference the center of the pit and trench.

An attachment is provided showing the trench design, including the soil cover design of a minimum of 4' with a minimum of 1' topsoil.

The re-vegetation design required by the Bureau of Land Management is also provided. This data comes from the stipulations in the BLM's approval of our drilling permit.

Waste Material Sampling Plan: Talon LPE will take a minimum of a 5 spot soil sample after the reserve pit is dug prior to lining. After drilling the well, Talon LPE will sample the pit contents and determine if the requirements for contaminants in the waste meet NMOCD standards. If standards are met, we will deep bury the pit contents in an on-site trench as shown above. If not, we will dig and haul the pit contents to CRI. In either case, we will have Talon LPE take another 5 spot sample after the waste has been removed from the pit to verify that soil standards have been met.

A sign will be placed on the 4', 4 strand barb-wire fence identifying Fasken Oil and Ranch, Ltd. as the operator, the location of the pit, and providing an emergency phone number.

SURFACE USE AND COMPENSATION AGREEMENT

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

This Agreement is made on the date stated below between Larry Hughes (hereinafter referred to as "Surface Owners"), and Fasken Oil and Ranch, Ltd. (hereinafter referred to as "Operator").

Recitals

WHEREAS, Surface Owners are the owners of the surface estate of the W/2 Section 31, T19S, R34E, Lea County, New Mexico (the "Subject Lands").

WHEREAS, Operator is the owner of all operating rights in United States of America Oil and Gas Lease NMNM 14496 dated effective January 1, 1973 from the United States of America, as lessor, to T. David Ling, as lessee, covering the Subject Lands (the "Subject Lease").

WHEREAS, the parties desire to enter into this Surface Use and Compensation Agreement to specify the rights and obligations of the Surface Owners and the Operator relating to oil and gas operations on the Subject Lands pursuant to the Subject Lease.

NOW THEREFORE, for adequate consideration, the receipt and sufficiency of which is hereby acknowledge, Surface Owners and Operator do hereby agree as follows:

1. Surface Damage Payments. Operator agrees to pay Surface Owners the amounts set forth on Exhibit "A" for payment for damages, if any, that may occur in connection with Operator's operations on the Subject Lands. Operator also agrees to pay the damages set forth on Exhibit "A" and do the other duties set forth on Exhibit "A".
2. Waiver. Surface Owners do hereby acknowledge that Operator has provided Surface Owners with a copy of the Surface Owners Protection Act (the "Act"), a copy of which is attached hereto as Exhibit "B", and that Surface Owners do hereby waive all rights Surface Owners may have under the Act (as currently written and as may be amended from time to time in the future), including but not limited to, the right to receive certain notices from Operator as more specifically set forth in the Act.
3. Binding Agreement. This Agreement is binding upon the parties hereto, their heirs, representatives, successors and assigns. The undersigned parties further state that each has carefully read this Agreement, knows and understands the contents, and executes same of their own free act. The undersigned parties acknowledge and agree that they have been advised to seek legal counsel regarding the execution of this Agreement.

This Agreement is dated effective as of October 15, 2007.

SURFACE OWNERS:

Larry B Hughes
Larry Hughes

OPERATOR:

Fasken Oil and Ranch, Ltd. a Texas Limited Partnership, by Fasken Management, LLC, its general partner

By: Mark B Merritt
Name: Mark B. Merritt, Vice President

STATE OF NEW MEXICO §
§
COUNTY OF LEA §

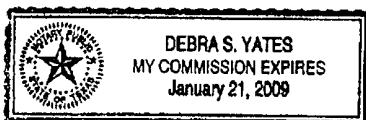
This instrument was acknowledged before me on the 6th day of December, 2007, by Larry Hughes.



Isucina Mendoza
Notary Public – State of New Mexico
My Commission Expires: 9-20-09

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 24th day of October, 2007, by Mark B. Merritt, Vice President of Fasken Management, LLC General Partner of Fasken Oil and Ranch, Ltd. a Texas Limited Partnership.



Debra S. Yates
Notary Public – State of Texas
My Commission Expires: 1/21/09

EXHIBIT "A"
Surface Damage Amounts

- A. A payment of \$12,500/well will be paid as compensation for surface damages caused by the construction of a drilling pad, reserve pits and entrance roads.
- B. You will be paid \$750/well rental (excluding the Ling Federal No. 1) for the road and location on a annual basis. The monthly rental payments referenced above shall be adjusted on the anniversary of each year following the effective date of this Agreement. The adjustment shall be computed by applying the Consumer Price Index for All Urban Users, West urban area. The adjusted rate for August, 2007 is 207.917. The annual rental payment will cease on each well when it is plugged and abandoned and the location and road is removed.
- C. The reserve pits will be plastic lined and will be dewatered immediately after drilling operations are completed. The pit contents will then be allowed to dry, and then buried on the premises at least 48" below the surface. The area will then be leveled to the surrounding contour.
- D. All flowlines/pipelines will be buried 24" below ground. ROW easement and damages for flowlines/pipelines will be paid at \$25/rod.
- E. All caliche will be removed from the access road and location within 90 days after the well has been plugged and abandoned. The location and pit area will be seeded with a seed mixture of your choice.

In addition to all other agreements and damages payable, Operator agrees, once drilling is complete to keep all gates locked and closed. Further Operator agrees to pay Surface Owners for any injury or death to any cattle of Surface Owners.

2/5/08
*
Pay for first well in 2007,
Pay for second well in January 2008,

EXHIBIT "B"
Surface Owner Protection Act

AN ACT

RELATING TO THE PRODUCTION OF OIL AND GAS; ENACTING THE SURFACE OWNERS PROTECTION ACT; STATING CERTAIN DUTIES OWED BY OIL AND GAS OPERATORS TO SURFACE OWNERS; REQUIRING NOTICE TO THE SURFACE OWNER OF OIL AND GAS OPERATIONS; REQUIRING A BOND OR OTHER SURETY IN CERTAIN CIRCUMSTANCES; PROVIDING FOR THE AWARD OF TREBLE DAMAGES IN CERTAIN CIRCUMSTANCES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Surface Owners Protection Act".

Section 2. APPLICABILITY.--The Surface Owners Protection Act applies to:

- A. private fee surface land; and
- B. leasehold interests in any land on which oil and gas operations are conducted when the tenant incurs damages to leasehold improvements as a result of oil and gas operations.

Section 3. DEFINITIONS.--As used in the Surface Owners Protection Act:

A. "oil and gas operations" means all activities affecting the surface owner's land that are associated with exploration, drilling or production of oil or gas, through final reclamation of the affected surface;

B. "operator" means a person with the legal right

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Page 1

to conduct oil and gas operations and includes the agents, employees and contractors of that person;

C. "reclaim" means to substantially restore the surface affected by oil and gas operations to the condition that existed prior to oil and gas operations, or as otherwise agreed to in writing by the operator and surface owner;

D. "surface owner" means a person who holds legal or equitable title, as shown in the records of the county clerk, to the surface of the real property on which the operator has the legal right to conduct oil and gas operations;

E. "surface use and compensation agreement" means an agreement between an operator and a surface owner specifying the rights and obligations of the surface owner and the operator concerning oil and gas operations; and

F. "tenant" means a person who occupies land or premises belonging to another in subordination to the owner's title and with the owner's assent, express or implied.

Section 4. COMPENSATION FOR OIL AND GAS OPERATIONS.--

A. An operator shall compensate the surface owner for damages sustained by the surface owner, as applicable, for loss of agricultural production and income, lost land value, lost use of and lost access to the surface owner's land and lost value of improvements caused by oil and gas operations.

The payments contemplated by this section only cover land

affected by oil and gas operations.

B. An operator shall not be responsible for allocating compensation between the surface owner and any tenant, except that an operator shall compensate a tenant of the surface owner for any leasehold improvements damaged as a result of the operator's oil and gas operations if the improvements are approved and authorized by the surface owner. The compensation shall equal the cost of repairing or replacing the improvements.

C. An operator shall reclaim all the surface affected by the operator's oil and gas operations.

Section 5. NOTICE OF OPERATIONS--PROPOSED SURFACE USE
AND COMPENSATION AGREEMENT.--

A. Prior to initial entry upon the land for activities that do not disturb the surface, including inspections, staking, surveys, measurements and general evaluation of proposed routes and sites for oil and gas operations, the operator shall provide at least five business days' notice by certified mail or hand delivery to the surface owner.

B. No less than thirty days before first entering the surface of the land to conduct oil and gas operations, an operator shall, by certified mail or hand delivery, give the surface owner notice of the planned oil and gas operations.

The notice shall include:

(1) sufficient disclosure of the planned oil and gas operations to enable the surface owner to evaluate the effect of the operations on the property;

(2) a copy of the Surface Owners Protection Act;

(3) the name, address, telephone number and, if available, facsimile number and electronic mail address of the operator and the operator's authorized representative; and

(4) a proposed surface use and compensation agreement addressing, at a minimum and to the extent known, the following issues:

(a) placement, specifications, maintenance and design of well pads, gathering pipelines and roads to be constructed for oil and gas operations;

(b) terms of ingress and egress upon the surface of the land for oil and gas operations;

(c) construction, maintenance and placement of all pits and equipment used or planned for oil and gas operations;

(d) use and impoundment of water on the surface of the land;

(e) removal and restoration of plant life;

(f) surface water drainage changes;

(g) actions to limit and effectively

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control precipitation runoff and erosion;

(h) control and management of noise, weeds, dust, traffic, trespass, litter and interference with the surface owner's use;

(i) interim and final reclamation;

(j) actions to minimize surface damages to the property;

(k) operator indemnification for injury to persons caused by the operator; and

(l) an offer of compensation for damages to the surface affected by oil and gas operations.

C. The notices required by this section shall be given to the surface owner at the address shown by the records of the county clerk at the time the notice is given. If legal title and equitable title are not held by the same person, notice shall be given to both the holder of legal title and to the holder of equitable title at the addresses shown by the records of the county clerk at the time the notice is given.

D. Upon receipt of the notice required by Subsection B of this section, the surface owner may:

(1) accept the proposed surface use and compensation agreement within twenty days; or

(2) reject the proposed surface use and compensation agreement; provided that, failure to accept the

proposed agreement within twenty days shall be deemed to be a

rejection by the surface owner. If the proposed agreement is rejected, the surface owner may enter into negotiations with the operator, including, if the parties agree, binding arbitration or mediation.

E. Notices required by the Surface Owners Protection Act shall be deemed to have been received five days after mailing by certified mail or immediately upon hand delivery.

F. The operator and the surface owner may enter into a mutually acceptable agreement that sets forth the rights and obligations of the parties with respect to the surface activities conducted by the operator.

Section 6. ENTRY WITHOUT AGREEMENT--BOND.--If, after thirty days from a surface owner receiving notice pursuant to Subsection B of Section 4 of the Surface Owners Protection Act, no surface use and compensation agreement has been entered into, the operator may enter the surface owner's property and conduct oil and gas operations:

A. after depositing a surety bond, letter of credit from a banking institution, cash or a certificate of deposit with a New Mexico surety company or financial institution for the benefit of the surface owner in the amount of ten thousand dollars (\$10,000) per well location. The surety bond, letter of credit, cash or certificate of deposit shall only be released by the surety company or financial

institution if:

(1) the surface owner provides notice that compensation for damages has been paid;

(2) the surface owner and the operator have executed a surface use and compensation agreement or otherwise agreed that the security should be released;

(3) there has been a final resolution of the judicial appeal in any action for damages and any awarded damages have been paid; or

(4) all wells have been plugged and abandoned and the operator has not conducted oil and gas operations on the surface owner's property for a period of six years; or

B. after posting a blanket surety bond, letter of credit from a banking institution, cash or a certificate of deposit with a New Mexico surety company or financial institution in the sum of twenty-five thousand dollars (\$25,000) subject to the following criteria:

(1) the surety company or financial institution shall hold the corporate surety bond, letter of credit, cash or certificate of deposit for the benefit of the surface owners of this state and shall ensure that such security is in a form readily payable to a surface owner awarded damages in an action brought pursuant to the Surface Owners Protection Act;

(2) the bond, letter of credit, cash or certificate of deposit shall remain in full force and effect as long as the operator continues oil and gas operations in New Mexico;

(3) the bond, letter of credit, cash or certificate of deposit shall not be released until six years after the operator has deposited with the surety company or financial institution a certified statement from the oil conservation division of the energy, minerals and natural resources department that, according to the records of the division, the operator is not the operator of record of any well in New Mexico and does not hold any outstanding drilling permits in New Mexico; and

(4) in the event that, pursuant to a judgment, all or a portion of the bond, letter of credit, cash or certificate of deposit has been used to pay a surface owner, the operator shall immediately post additional security so that the total amount posted equals twenty-five thousand dollars (\$25,000) and, if the operator does not post the additional security, the surety or financial institution shall publish notice to that effect in a paper of general circulation in each county of the state in which oil or gas is produced.

Section 7. DAMAGES.--In an action brought pursuant to the Surface Owners Protection Act, if the court finds that

compensation is owed under Section 3 of the Surface Owners Protection Act, the court may also award the prevailing party:

A. attorney fees and costs if:

(1) the operator conducted oil and gas operations without providing notice as required by Subsection B of Section 4 of the Surface Owners Protection Act;

(2) the operator conducted oil and gas operations without a surface use and compensation agreement and before depositing a bond or other surety as required by Section 5 of the Surface Owners Protection Act;

(3) the operator conducted oil and gas operations outside the scope of a surface use and compensation agreement and, when entering into the agreement, knew or should have known that oil and gas operations would be conducted outside the scope of the agreement; or

(4) the surface owner failed to exercise good faith in complying with the provisions of the Surface Owners Protection Act or the terms of a surface use and compensation agreement; or

B. attorney fees, costs and treble damages if the court finds, by clear and convincing evidence, that:

(1) the operator willfully and knowingly entered upon the premises for the purpose of commencing the drilling of a well:

(a) without giving notice of the entry

as required by Subsection B of Section 4 of the Surface Owners Protection Act; or

(b) without a surface use and compensation agreement with the surface owner and before depositing a bond or other surety pursuant to Section 5 of the Surface Owners Protection Act; or

(2) either the surface owner or the operator willfully and knowingly violated the surface use and compensation agreement.

Section 8. REMEDIES NOT EXCLUSIVE.--The remedies provided by the Surface Owners Protection Act are not exclusive and do not preclude a person from seeking other remedies allowed by law.

Section 9. EMERGENCY SITUATIONS.--Notwithstanding any provisions of the Surface Owners Protection Act to the contrary, no notice, surface use and compensation agreement or bond shall be required in emergency situations for activities to protect health, safety or the environment.

Section 10. TEMPORARY PROVISION--APPLICABILITY.--The provisions of the Surface Owners Protection Act apply to all oil and gas operations commenced on or after July 1, 2007 except:

A. maintenance and ongoing production activities related to an oil or gas well producing or capable of producing oil or gas on June 30, 2007 for which the operator

has a valid permit from the oil conservation division of the energy, minerals and natural resources department, provided that:

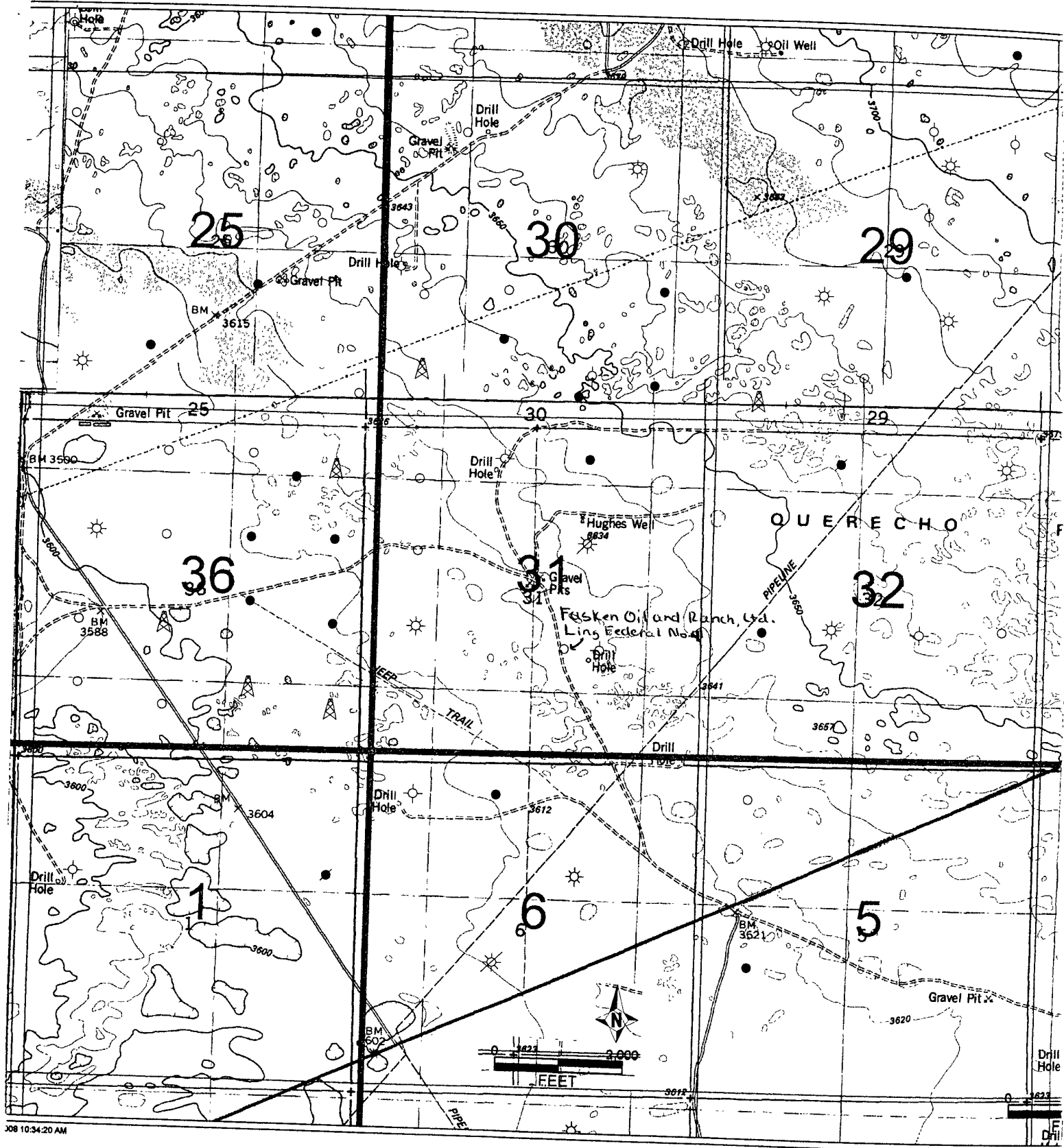
(1) reentries, workovers and other oil or gas operations are subject to that act if the activities disturb additional surface; and

(2) the duty to reclaim, as stated in Subsection C of Section 3 of that act, is applicable to such a well that is not plugged and abandoned on July 1, 2007; and

B. oil and gas operations conducted within the scope of an agreement, entered into prior to July 1, 2007, between a surface owner and an operator that sets forth the rights and obligations of the parties with respect to surface activities conducted by the operator.

Section 11. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2007. _____

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Permit No.	Company Name	Effective	County	Facility Name	Legals
19	GANDY MARLEY INC	10/06/1994	Chaves	GANDY MARLEY LANDFARM	-4-11 S-31 E
28	OLD LOCO OIL CO	07/02/1985	Eddy	OLD LOCO TREATING PLANT	-19-17 S-31 E
43	Loco Hills Landfarm LLC	11/08/2004	Eddy	Loco Hills Landfarm	m-32-16 S-30 E
4	LOCO HILLS WATER DISPOSAL	10/30/1981	Eddy	LOCO HILLS WATER DISPOSAL	M-16-17 S-30 E
36	OK HOT OIL SERVICE INC	08/16/2000	Eddy	OK HOT OIL SERVICES INC	O-14-17 S-28 E
24	CHAPARRAL SWD	01/31/1995	Lea	CHAPARRAL TREATING PLANT	B-17-23 S-37 E
35	LEA LAND INC	01/05/2000	Lea	LEA LAND LANDFILL	-32-20 S-32 E
12	C&C LANDFARM INC	11/16/1992	Lea	C&C LANDFARM	B-3-20 S-37 E
13	ENVIRONMENTAL PLUS INC	02/15/1993	Lea	ENVIRONMENTAL PLUS LANDFARM	-14-22 S-37 E
15	GOO YEA LANDFARM INC	11/16/1992	Lea	GOO YEA LANDFARM	-14-11 S-38 E
23	J&L LANDFARM INC	05/10/1998	Lea	J&L LANDFARM	-9-20 S-38 E
25	GANDY CORP	06/27/1973	Lea	Gandy Corp. Treating Plant	-11-10 S-35 E
26	JENEX OPERATING CO	09/21/1983	Lea	JENEX TREATING PLANT	D-14-20 S-38 E
30	ARTESIA AERATION LLC	06/29/1999	Lea	ARTESIA AERATION LANDFARM	-7-17 S-32 E
32	SOUTH MONUMENT SURFACE WASTE FACILITY LLC	10/04/1999	Lea	SOUTH MONUMENT LANDFARM	A-25-36 S-20 E
33	DOOM LANDFARM	04/03/2000	Lea	DOOM LANDFARM	g-5-25 S-37 E
34	DD LANDFARM INC	04/12/2000	Lea	DD LANDFARM	-31-21 S-38 E
21	RHINO OILFIELD DISPOSAL INC	11/17/1997	Lea	RHINO OILFIELD LANDFARM	-34-20 S-38 E
44	COMMERCIAL EXCHANGE, INC.	11/01/2004	Lea	Blackwater Oil Reclamation Facility	d-1-25 S-37 E
39	PITCHFORK LANDFARM LLC	10/30/2002	Lea	PITCHFORK LANDFARM	A-5-24 S-34 E
6	CONTROLLED RECOVERY INC	04/27/1990	Lea	CONTROLLED RECOVERY	-27-20 S-32 E
42	COMMERCIAL EXCHANGE, INC.	07/22/2004	Lea	Blackwater Landfarm	f-1-25 S-37 E
38	SAUNDERS LANDFARM LLC	10/28/2002	Lea	SAUNDERS LANDFARM	M-7-14 S-34 E
41	LAZY ACE LANDFARM LLC	03/09/2004	Lea	LAZY ACE LANDFARM	M-22-20 S-34 E
3	SUNDANCE SERVICES, INC.	08/30/1977	Lea	SUNDANCE PARABO	m-29-21 S-38 E
37	COMMERCIAL EXCHANGE, INC.	03/31/2003	Lea	COMMERCIAL SURFACE WM FACILITY	A-1-20 S-36 E
8	T-N-T ENVIRONMENTAL INC	01/19/1987	Rio Arriba	TNT EVAP POND/LANDFARM	-8-25 N-3 W
11	ENVIROTECH INC	07/07/1992	San Juan	ENVIROTECH LANDFARM #2	-6-26 N-10 W
9	KEY FOUR CORNERS INC	04/02/1991	San Juan	KEY EVAP POND and Landfarm	E-2-29 N-12 W
10	JFJ LANDFARM LLC	07/22/2002	San Juan	JFJ Land Farm Crouch Mesa (Formerly Tierra)	j-2-29 N-12 W
5	BASIN DISPOSAL INC	10/16/1987	San Juan	BASIN DISPOSAL EVAP. POND	F-3-29 N-11 W

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 83280	Pool Name Quail Ridge;Morrow
Property Code	Property Name LING FEDERAL	Well Number 4
OGRID No. 151416	Operator Name FASKEN OIL AND RANCH, LTD	Elevation 3623'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	19 S	34 E		1660	SOUTH	2310	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

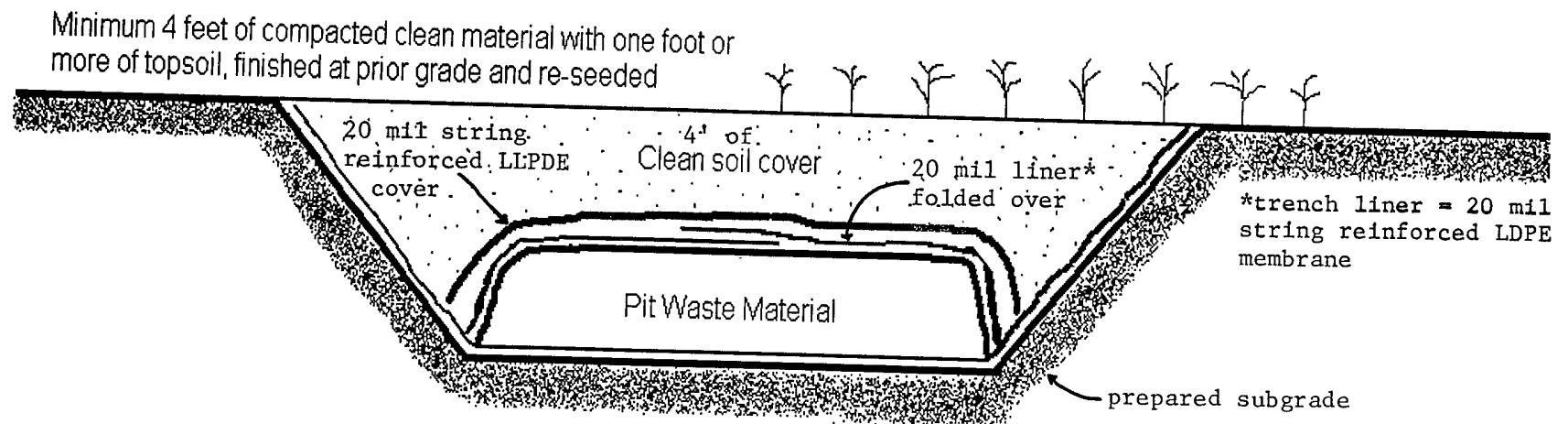
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jimmy D. Carlile</i> 12/12/07 Signature Date</p> <p>Jimmy D. Carlile Printed Name jimnyc@forl.com</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 12 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Professional Surveyor</p> <p>W.C. 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

Pit Plat

Fasken Oil and Ranch, Ltd.

Ling Federal No. 4
On-Site Trench Design



The length and width and depth of the on-site trench will be determined after calculating the volume of waste material compared to the depth to groundwater.

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

B. RESERVE PIT CLOSURE

The reserve pit, when dried and closed, shall be recontoured, all trash removed, and reseeded as follows:

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

**Four-winged Saltbush 5lbs/A

* This can be used around well pads and other areas where caliche cannot be removed.

*Pounds of pure live seed:

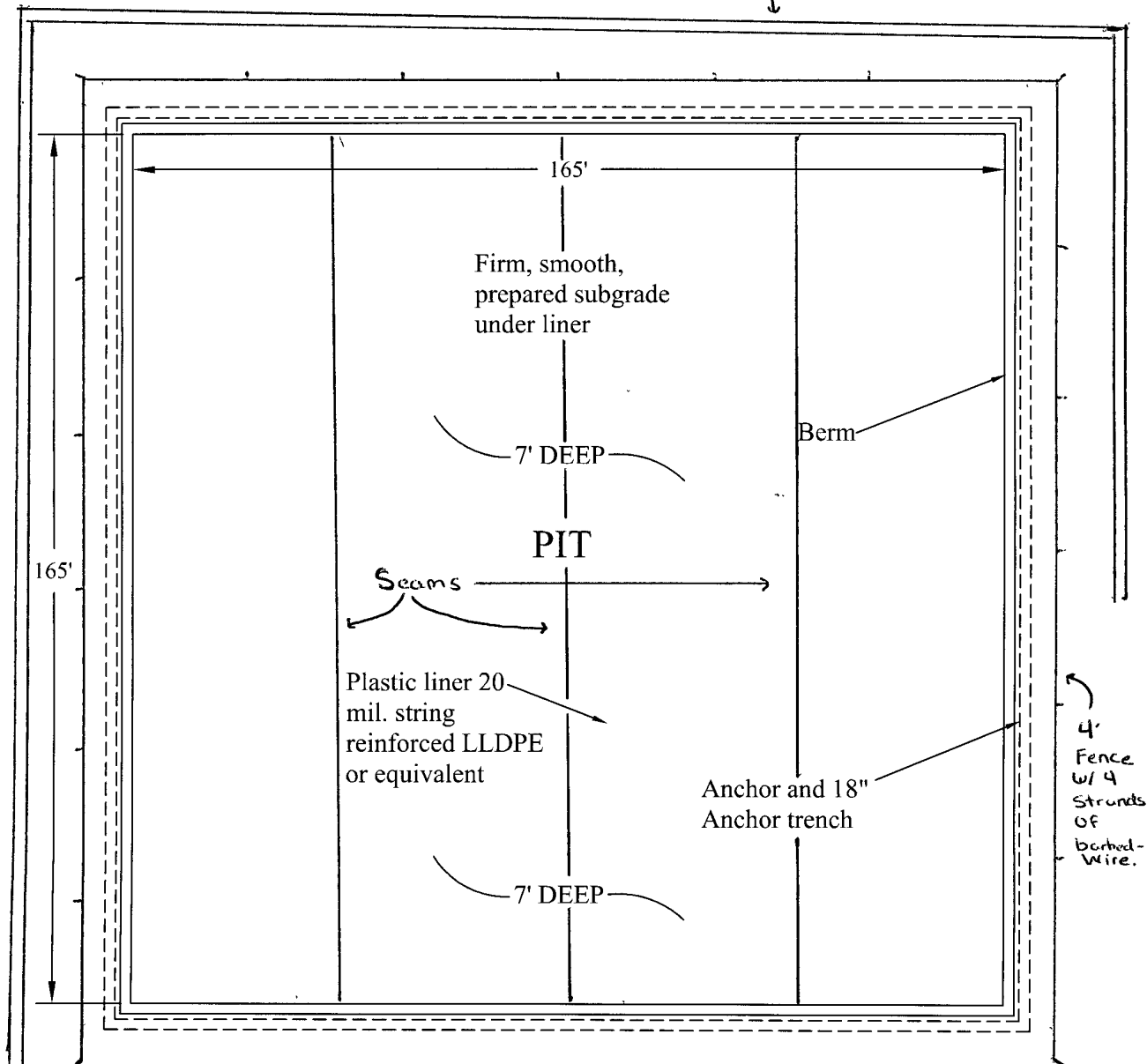
Pounds of seed x percent purity x percent germination = pounds pure live seed

Slope



0 15 30
Scale in Feet

Diversion Berm



Site Overhead View

Wellhead

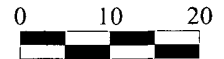


Date: 07/24/2008

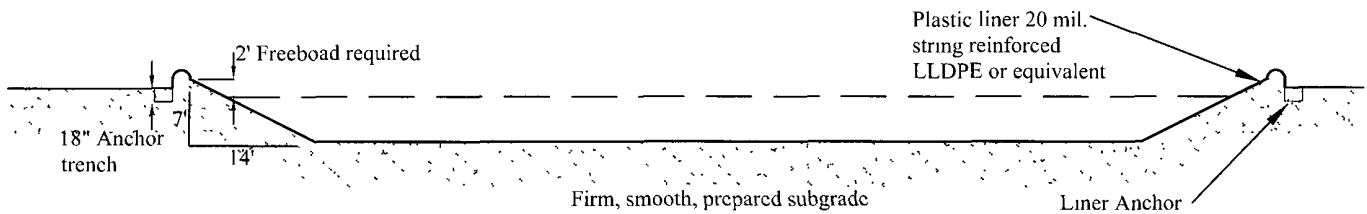
Scale: 1" = 30

Drawn By: WDR

Fasken Oil And Ranch
Ling Federal No. 4
New Mexico
Pit Liner Detail Plat



Scale in Feet



Site Detail



Date: 07/24/2008

Scale: 1" = 20

Drawn By: WDR

Fasken Oil And Ranch
Ling Federal No. 4
New Mexico
Pit Liner Detail