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

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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

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 ☒

FINAL CLOSURE w/ SAMPLES

Operator: COG Operating LLC Telephone 432-685-4332 e-mail address: kcarrillo@conchoresources com
Address: Fasken Center Tower II, 550 W. Texas Ave., Suite 1300, Midland, TX 79701
Facility or well name J C Federal #14 API #: 30-025-38698 U/L or Qtr/Qtr H Sec. 22 T 17S R 32E
County: Lea Latitude: 32.822685 N Longitude: 103.746247 W NAD. 1927 ☒ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type Synthetic ☒ Thickness: 12 mil Clay ☐ Pit Volume. 25,000 bbl	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.) 68'	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more - X	(20 points) (10 points) 10 (0 points) 0
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 - X	(20 points) (0 points) 0
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 - X	(20 points) (10 points) (0 points) 0
	Ranking Score (Total Points)	10 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_____. (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.

Closed by trench burial, procedure attached and e-mailed to Larry Johnson for approval on 6-13-08.
All material with chloride levels above 250 mg/Kg were removed and placed in 20 mil lined burial trench located on the west side of reserve pit
Trench was capped with 20 mil. liner with excess of 3' on all sides and covered with 3' of native soil.
Lab and field samples results are attached.

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: 6-27-2008
Printed Name/Title Gary Miller- Agent 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 L Johnson ENVIRONMENTAL ENGINEER Date 7.9.08

Highlander Environmental Corp.

Pit Closure Sampling Report

Job Number: 3223 **Date:** 6-12-09

Client: COG

Well Name JC Fed #14

API# 30-025-38698

Depth of Pit 8'

Depth to Groundwater

Orientation of pit (N) S E W

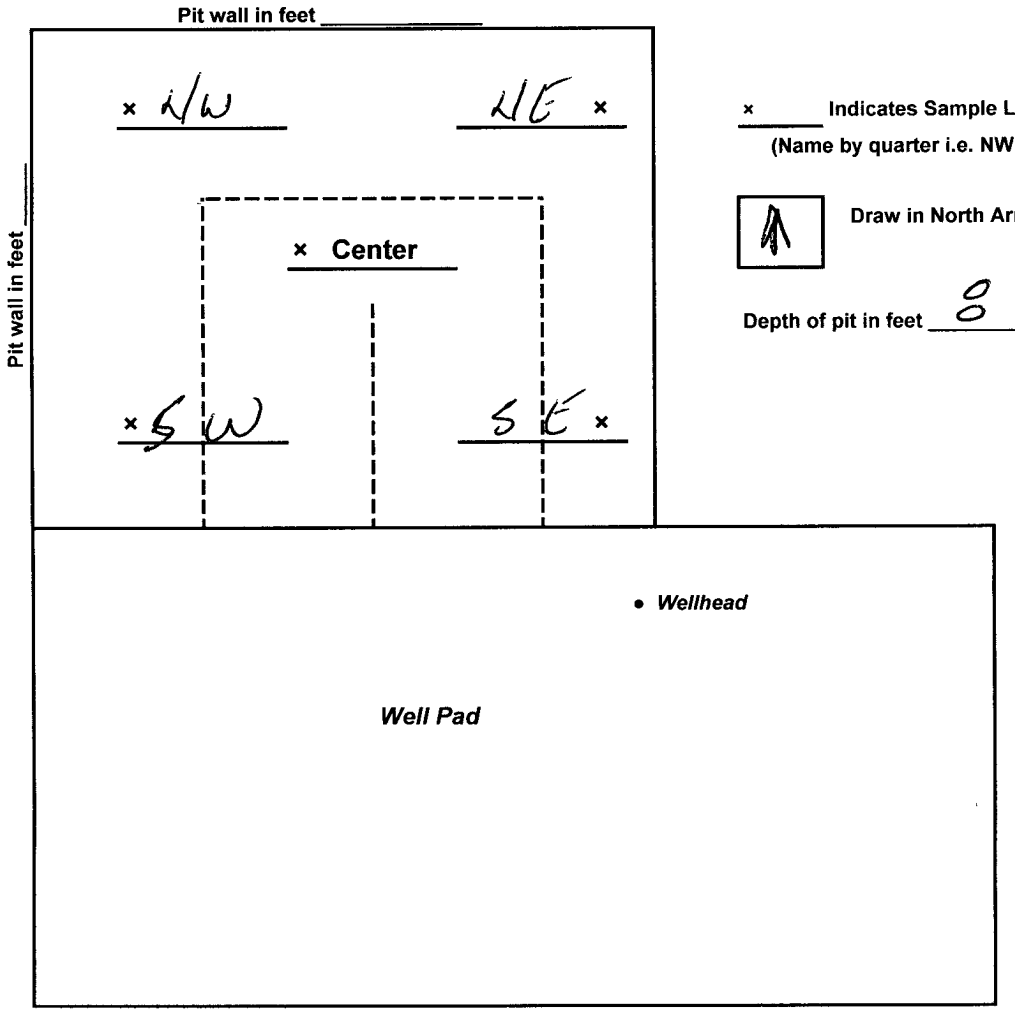
Burial trench location from reserve pit N S ~~E~~ (W)

All pit sample depths are *below pit bottom* (BPB)

Sample Location	Depth (BPB)	Field Chloride Results (mg/Kg)	Lab Chloride Results (mg/Kg)	Soil to be excavated	Soil to be left in-situ
NE	2	200	<100		
NW	2	<100	<100		
	2				
SE	2	<100	<100		
SW	2	200	143		
Center	2	<100	<100		

BGS- Below Ground Surface BPB- Below Pit Bottom

Highlander Environmental Corp.
Pit Sample Location Plat



× _____ Indicates Sample Location
(Name by quarter i.e. NW, NE etc)

Draw in North Arrow

Depth of pit in feet 0

Client: COG Oper.

Well Name: J.C. Ford #14

API# 30-025-39698

Summary Report

Gary Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: June 17, 2008

Work Order: 8061334

Project Location: Lea County, NM
Project Name: COG-JC Fed #14
Project Number: 3223

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
163293	NE 2'	soil	2008-06-12	00:00	2008-06-13
163294	NW 2'	soil	2008-06-12	00:00	2008-06-13
163295	SE 2'	soil	2008-06-12	00:00	2008-06-13
163296	SW 2'	soil	2008-06-12	00:00	2008-06-13
163297	Center 2'	soil	2008-06-12	00:00	2008-06-13

Sample: 163293 - NE 2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 163294 - NW 2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 163295 - SE 2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 163296 - SW 2'

Param	Flag	Result	Units	RL
Chloride		**143**	mg/Kg	2.00

Sample: 163297 - Center 2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

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June 1, 2004

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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 COG Operating LLC Telephone 432-685-4332 e-mail address kcarrillo@conchoresources.com

Address 550 W. Texas, Suite 1300 Midland, TX 79701

Facility or well name: JC Federal #14 API # 30-025-38698 U/L or Qtr/Qtr H Sec 22 T 17S R 32E

County Lea Latitude 32.822685° N Longitude 103.746247° W NAD. 1927 ☒ 1983 ☐

Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume 25,000 bbl	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) 68'	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 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)
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	(20 points) (10 points) (0 points)
	Ranking Score (Total Points)	**10 points**

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MAY 07 2008
HOBBS OCD

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 ____ (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.

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 05/05/08

Printed Name/Title Kanicia Carrillo, Regulatory Analyst Signature Kanicia Carrillo

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 ENVIRONMENTAL ENGINEER Signature Johnson Date 5.7.08