

3/1/2016

Catherine Goetz
DII-NMOSE
1900 W 2nd Street
Roswell, NM 88201



Hand Delivered on the date of this letter to the DII Office of the State Engineer

Re: Monitoring Well Permit Key Energy BKE SWD located in SW/4SE/4NE/4 Section 13 Township 23S, Range 27E, N.M.P.M.

Ms. Goetz:

Atkins Engineering Associates, Inc. (AEA) has been contracted by Souder, Miller and Associates (SMA) and Key Energy to install two (2) additional monitor wells near the BKW SWD located in SW/4SE/4NE/4 Section 13 Township 23S, Range 27E, N.M.P.M.

Enclosed please find an agent authorization from the applicant to AEA, a check for \$10.00 to process the application, and find triplicate copies of the *Application for Non-Consumptive Use*. Included with the application are land owner access agreements executed to SMA and its subcontractor.

If you, have any questions, please contact me at 575.624.2420 or chris@atkinseng.com.

Sincerely,

Christopher Cortez
Operations Manager
chris@atkinseng.com

Enclosures: Agent Authorization, Check \$10.00, three (3) *Applications for Non Consumptive Use*,

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File No.

NEW MEXICO OFFICE OF THE STATE ENGINEER



APPLICATION FOR PERMIT TO DRILL A WELL WITH NO CONSUMPTIVE USE OF WATER



(check applicable box):

For fees, see State Engineer website: <http://www.ose.state.nm.us/>

Purpose:	<input type="checkbox"/> Pollution Control And / Or Recovery	<input type="checkbox"/> Geo-Thermal
<input type="checkbox"/> Exploratory	<input type="checkbox"/> Construction Site De-Watering	<input type="checkbox"/> Other (Describe):
<input checked="" type="checkbox"/> Monitoring	<input type="checkbox"/> Mineral De-Watering	
A separate permit will be required to apply water to beneficial use.		
<input type="checkbox"/> Temporary Request - Requested Start Date:	Requested End Date:	
Plugging Plan of Operations Submitted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

1. APPLICANT(S)

Name: Key Energy Services, LLC	Name:
Contact or Agent: c/o Souder, Miller & Associates; Austin Weyant check here if Agent <input checked="" type="checkbox"/>	Contact or Agent: Atkins Engineering Associates, Inc, Attn: Chris Comenz check here if Agent <input checked="" type="checkbox"/>
Mailing Address: 201 S Halagueno	Mailing Address: 2904 W 2nd St
City: Carlsbad	City: Roswell
State: NM Zip Code: 88221	State: NM Zip Code: 88201
Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell Phone (Work): (575) 689-7040	Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell Phone (Work): (575) 624-2420
E-mail (optional): austin.weyant@soudermiller.com	E-mail (optional): chris@atkinseng.com

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ROSWELL, NEW MEXICO
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FOR OSE INTERNAL USE

Application for Permit, Form wr-07, Rev 8/25/11

File Number:	Trn Number:
Trans Description (optional):	
Sub-Basin:	
PCW/LOG Due Date:	

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84)

NM State Plane (NAD83) (Feet)
 UTM (NAD83) (Meters)
 Lat/Long (WGS84) (to the nearest 1/10th of second)

NM West Zone
 Zone 12N

NM East Zone
 Zone 13N

NM Central Zone

Well Number (if known):	X or Easting or Latitude:	Y or Northing or Longitude:	Optional: Complete boxes labeled "Other" below with PLSS (Public Land Survey System, i.e. Quarters, Section, Township, Range); Hydrographic Survey Map & Tract; Lot, Block & Subdivision; OR Land Grant Name if known.
Well MW-1	32°18'24.1"N	104° 8'18.3"W	
Well MW-2	32°18'23.7"N	104° 8'16.7"W	

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 - POD Descriptions)

Additional well descriptions are attached: Yes No If yes, how many _____

Other description relating well to common landmarks, streets, or other:

Well is on land owned by: Celia Valdez, Melinda Thompson & Greg Martinez

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? Yes No
If yes, how many _____

Approximate depth of well (feet): 40 Outside diameter of well casing (inches): 2"

Driller Name: Jackie D. Atkins (Atkins Engineering Associates) Driller License Number: 1249

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3. ADDITIONAL STATEMENTS OR EXPLANATIONS

Key-AEA agent authorization attached, and land owner access agreements attached.

FOR OSE INTERNAL USE

Application for Permit, Form wr-07

File Number:	Tm Number:
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4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

<p>Exploratory: <input type="checkbox"/> Include a description of any proposed pump test, if applicable.</p>	<p>Pollution Control and/or Recovery: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for the pollution control or recovery operation. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The annual diversion amount. <input type="checkbox"/> The annual consumptive use amount. <input type="checkbox"/> The maximum amount of water to be diverted and injected for the duration of the operation. <input type="checkbox"/> The method and place of discharge. <input type="checkbox"/> The method of measurement of water produced and discharged. <input type="checkbox"/> The source of water to be injected. <input type="checkbox"/> The method of measurement of water injected. <input type="checkbox"/> The characteristics of the aquifer. <input type="checkbox"/> The method of determining the resulting annual consumptive use of water and depletion from any related stream system. <input type="checkbox"/> Proof of any permit required from the New Mexico Environment Department. <input type="checkbox"/> An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located</p>	<p>Construction De-Watering: <input type="checkbox"/> Include a description of the proposed dewatering operation, <input type="checkbox"/> The estimated duration of the operation, <input type="checkbox"/> The maximum amount of water to be diverted, <input type="checkbox"/> A description of the need for the dewatering operation, and, <input type="checkbox"/> A description of how the diverted water will be disposed of.</p>	<p>Mine De-Watering: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for mine dewatering. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The source(s) of the water to be diverted. <input type="checkbox"/> The geohydrologic characteristics of the aquifer(s). <input type="checkbox"/> The maximum amount of water to be diverted per annum. <input type="checkbox"/> The maximum amount of water to be diverted for the duration of the operation. <input type="checkbox"/> The quality of the water. <input type="checkbox"/> The method of measurement of water diverted. <input type="checkbox"/> The recharge of water to the aquifer. <input type="checkbox"/> Description of the estimated area of hydrologic effect of the project. <input type="checkbox"/> The method and place of discharge. <input type="checkbox"/> An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. <input type="checkbox"/> A description of the methods employed to estimate effects on surface water rights and underground water rights. <input type="checkbox"/> Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.</p>
<p>Monitoring: <input checked="" type="checkbox"/> Include the reason for the monitoring well, and, <input checked="" type="checkbox"/> The duration of the planned monitoring. Until released by NMOCD</p>		<p>Geo-Thermal: <input type="checkbox"/> Include a description of the geothermal heat exchange project, <input type="checkbox"/> The amount of water to be diverted and re-injected for the project, <input type="checkbox"/> The time frame for constructing the geothermal heat exchange project, and, <input type="checkbox"/> The duration of the project. <input type="checkbox"/> Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.</p>	

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Christopher Cortez (Atkins Engineering Associates, Inc., agent for the applicant)
 Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

[Signature]
 Applicant Signature

[Signature]
 Applicant Signature

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ACTION OF THE STATE ENGINEER

This application is:

- approved partially approved denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this _____ day of _____ 20 _____, for the State Engineer,

_____, State Engineer

By: _____
 Signature

 Print

Title: _____
 Print

FOR OSE INTERNAL USE

Application for Permit, Form wr-07

File Number:

Tm Number:

CONSENT FOR ACCESS TO PROPERTY

STATE ENGINEER OFFICE
ROSWELL, NEW MEXICO
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Project: Key Energy LLC. BKE SWD

Name of Property Owner(s): Celia Valdez

Address of Property Owner(s): 4204 Thomason Rd.
Carlsbad, New Mexico 88220

Telephone Number: (575) 885-8247

Address of the Property: SW/4SE/4NE/4 Section 13 Township 23S Range 27 E N.M.P.M.

I hereby consent to allow the employees and contractors of Souder, Miller & Associates (SMA) to enter and have access to my property located at the above address ("the property") for the following purposes:

1. Drill boreholes and install ^{two} ~~four~~ (2) monitoring/ wells to a depth of approximately 40 feet below the ground surface.
2. Periodically take measurements and groundwater samples from the monitoring wells and possibly install a SVE remediation system as part of a continuing environmental investigation of the site, as directed by the New Mexico Oil Conservation Division (NMOCD).

In order to install, sample and perform maintenance on the monitoring wells, or future remediation system (if any), I understand that SMA vehicles and subcontractor will be periodically located on my property for brief periods. I further understand that SMA is performing this work for an environmental investigation of soil and groundwater contamination on the above referenced property. I have also been told that the SMA Project Manager for this site is Mr. Austin Weyant, whom I may contact at (575) 689-7040 if I have any questions or concerns about this Consent for Access or any work performed as a result of it.

In return for this permission, SMA agrees to the following:

- A. To exercise reasonable professional care to ensure that the property's landscaping and structures are not damaged during well installation and groundwater sampling activities;
- B. To notify me at the above address and telephone number prior to entering the property for any reason;
- C. To ensure that equipment and vehicles are promptly removed from the property, and that the wells are capped and locked after sampling and/or maintenance activities;
- D. To provide me with a copy of the findings from the sampling/remediation activities from the monitoring/SVE wells installed on my property.

Property Owner(s) or
Authorized Representative(s)
By: *Celia Valdez*
Title: _____
Date: 2-9-16

Miller Engineers, Inc. d.b.a.
Souder, Miller & Associates
By: *Austin Weyant*
Title: PROJECT SCA
Date: 2/9/16

CONSENT FOR ACCESS TO PROPERTY

Project: BKE SWD

Name of Property Owner(s): Thompson, Melinda
Martinez Greg

Address of Property Owner(s): 1 W.
7930 90th Ave
~~Bloomfield~~, CO 80021
Broomfield

Telephone Number: 303.431.2003

Address of the Property: NW of 1405 Roberson RD LOT 887-1
Loving, NM

*Prefer to receive
mail at P.O. Box
740362
Arvada, CO
80006*

I hereby consent to allow the employees and contractors of Souder, Miller & Associates (SMA) to enter and have access to my property located at the above address ("the property") for the following purposes:

1. Drill boreholes and install [two (2)] [monitoring wells to a depth of approximately 38ft feet below the ground surface.
2. Periodically take measurements and groundwater samples from the well(s) as part of a continuing environmental investigation of the site, as directed by the New Mexico Oil Conservation Division (NMOCD).

In order to install, sample and perform maintenance on the wells I understand that SMA vehicles and subcontractor will be periodically located on my property for brief periods. I further understand that SMA is performing this work for an environmental investigation of soil and groundwater contamination on the above referenced property (Project). I have also been told that the SMA Project Manager for this site is J. Austin Weyant, whom I may contact at (575) 689-7040 or austin.weyant@soudermiller.com if I have any questions or concerns about this Consent for Access or any work performed as a result of it.

In return for this permission, SMA agrees to the following:

- A. To exercise reasonable professional care to ensure that the property's landscaping and structures are not damaged during well installation and groundwater sampling activities;
- B. To notify me at the above address and telephone number prior to entering the property for any reason;
- C. To ensure that equipment and vehicles are promptly removed from the property, and that the wells are capped and locked after sampling and/or maintenance activities;
- D. To provide me with a copy of the findings from the activities from the well(s) installed on my property.

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Property Owner(s) or
Authorized Representative(s)
By: [Signature]
Title: Property Owners
Date: 2-21-16

Miller Engineers, Inc. d.b.a.
Souder, Miller & Associates
By: J. Austin Weyant
Title: PROJECT SCIENTIST
Date: 2/12/16