District I 1625 N. French Dr., Hobbs, NM 88240 District III
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 NMOCD ARTESIA loop systems, and Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

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Form C-144 July 21, 2008

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: PONDEROSA PETROLEUM CORP., OGRID#: 248481 Address: P.O. BOX 132, ROSWELL, NM 88202 Facility or well name: LE RANCH 16 - #27 API Number: 30-005-64008 OCD Permit Number: 209855 U/L or Qtr/Qtr A Section 16 Township 1/5 Range 28E County: CHAVES
Center of Proposed Design: Latitude Longitude NAD: \[\] 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness Z mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: 300 bbl Dimensions: L 40 x W 50 x D 4
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: Thicknessmil
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.

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	hospital,	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other		
Monthly inspections (If netting or screening is not physically feasible)		
8. Signs: Subsection C of 19.15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19.15.3.103 NMAC		
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.		
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: 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.		
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No	
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. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No	
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA	
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 search; 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	

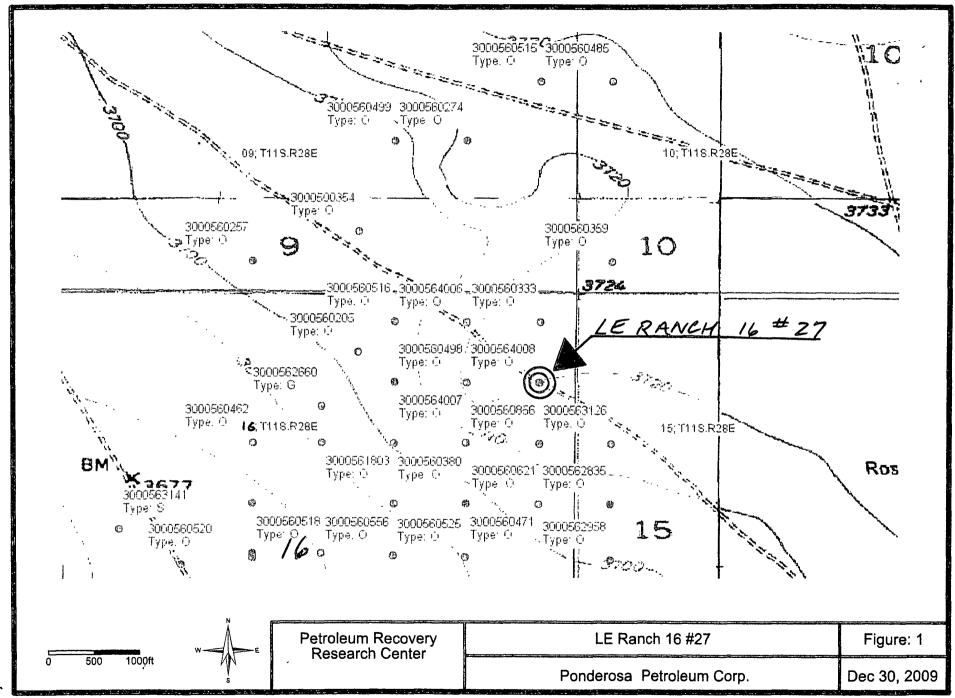
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Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, 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 19.15.17.12 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: or Permit Number:
11
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)
above ground steet tanks or natit-off bins and propose to implement waste removal for closure)
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 Preeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, 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
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)
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 G of 19.15.17.13 NMAC

16. Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Ste Instructions: Please indentify the facility or facilities for the disposal of liquids, dril facilities are required.	el Tanks or Haul-off Bins Only: (19.15.17.13.1 Uing fluids and drill cuttings. Use attachment if n	NMAC) nore than two	
facilities are required. Disposal Facility Name: Di	sposal Facility Permit Number:		
	sposal Facility Permit Number:		
Will any of the proposed closed-loop system operations and associated activities occur 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 representation Plan - based upon the appropriate requirements of Subsection I o Site Reclamation Plan - based upon the appropriate requirements of Subsection	f 19.15.17.13 NMAC	C	
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 of	otained 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 of	otained 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 of	btained from nearby wells	Yes No	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significance (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	icant watercourse or lakebed, sinkhole, or playa	Yes No	
Within 300 feet from a permanent residence, school, hospital, institution, or church in Visual inspection (certification) of the proposed site; Aerial photo; Satellite in		☐ Yes ☑ No	
Within 500 horizontal feet of a private, domestic fresh water well or spring that less th watering purposes, or within 1000 horizontal feet of any other fresh water well or spring. NM Office of the State Engineer - iWATERS database; Visual inspection (cer	ng, in existence at the time of initial application.	Yes No	
Within incorporated municipal boundaries or within a defined municipal fresh water wadopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval	-	Yes No	
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual in	nspection (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	d Mineral Division	☐ Yes ☑ No	
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Society; Topographic map	Mineral Resources; USGS; NM Geological	Yes No	
Within a 100-year floodplain FEMA map JEFEMA MAP UNAVALLABLE FOR	2 THIS ADDRESS.	☐ Yes ☐ No NA	
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 19.15.17.13 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 I of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC			

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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): FRED F. POOL THE Title: PRESIDENT
Signature: 7 How 19 19 Date: 12/30/2009
e-mail address: 55 pool @ CABIRONE INET Telephone: 575-623-9667/626-38
20. OCD Approval: X Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: Jewis R. Dade Approval Date: 01/19/2010
Title: DIST II Supervisor OCD Permit Number: 209855
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 indentify 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
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:



Ponderosa Petroleum Corporation Attachments to C 144 LE Ranch 16 #27
Box 17
Mr. Ken Fresquez of the NMSEO confirmed that depth to groundwater is 160 to 200 feet in this area, based on data from nearby wells.
Subsurface geologic formations consist of red shale with streaks of anhydrate from surface to approx. 360 feet.
The State of New Mexico is the surface owner.
Protocols and procedures shall be in accordance with 19.15.17.13 NMAC.
Waste Material Sampling Plan shall be in accordance with 19.15.17.13 NMAC.
Disposal facility, if required, will be Gandy Marley, Inc., Permit # 711-1-0020.
Soil Cover Design will include native topsoil stored on site.
Re-vegetation Plan will be in accordance with subsection I, 19.15.17.13 NMAC.
Site Reclamation Plan will be in accordance with subsection G, 19.15.17.13 NMAC.

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Ponderosa Petroleum Corporation Attachment to C 144 LE Ranch 16 #27

Box 18

Siting Criteria by visual inspection by Fred F. Pool, III unless noted otherwise.

Construction/Design of Burial Trench to be in accordance with 19.15.17.11 NMAC.

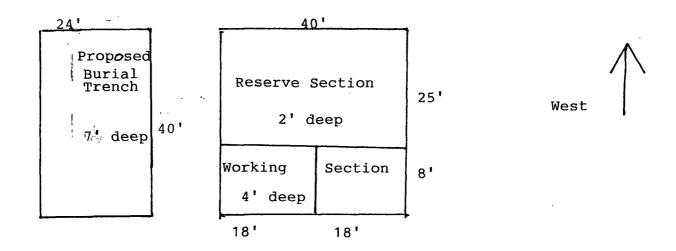
WE PROPOSE to close the subject pit using the on-site trench burial method as follows;

The contents of the temporary drilling pit will be placed in a lined trench next to the pit and then covered with a 20 mil top cover and then covered with a minimum of 4 feet of topsoil, followed by revegetation. After the cuttings are removed, the old plastic liner will be removed, and the stockpiled topsoil will be replaced, followed by revegetation.

A diagram of the existing temporary drilling pit and the proposed burial trench is attached.

All closure operations will be in accordance with 19.17.17 NMAC.

Ponderosa Petroleum Corporation Attachments to C 144 LE Ranch 16 #27 Diagram of temporary drilling pit and proposed burial trench Box 18 Construction/Design of Burial Trench.



1/4" = 5'