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 South 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.

1665

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: **Merrion Oil & Gas Corporation** OGRID #: **14634**

Address: **610 Reilly Ave Farmington, NM 87401**

Facility or well name **Heights Com 1Z**

API Number: **30-045-34405** OCD Permit Number: _____

U/L or Qtr/Qtr **A** Section **35** Township **30N** Range **13W** County: **San Juan**

Center of Proposed Design Latitude **36.7752869702 N** Longitude **-108.168802075W** 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

Temporary. ☐ Drilling ☐ Workover

☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A

☐ Lined ☐ Unlined Liner type Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____

☐ String-Reinforced

Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume _____bbl Dimensions L_____ x W_____ x D_____

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 _____

RECEIVED
SEP 2008
OIL CONS. DIV DIST 3

4

☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC

Volume: **300** bbl Type of fluid: **Oil**

Tank Construction material **Welded Metal**

☒ 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.

27

6.

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, hospital, institution or church)*

☒ Four foot height, four strands of barbed-wire evenly spaced between one and four feet

☐ Alternate Please specify_____

7

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

9

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.

10.

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 ☐ NA
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

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 H_2S, 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 indentify 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	☐ 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): **Philana Thompson** Title. **Regulatory Compliance Specialist**

Signature: Philana Thompson Date: 9/16/08

e-mail address **pthompson@merrion.bz** Telephone: **505-324-5336**

20.
OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 3/19/2012

Title: Compliance Officer **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 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

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:

New Mexico Office of the State Engineer
POD Reports and Downloads

Township [30N] Range [13W] Sections [35,26]

NAD27 X [ ] Y [ ] Zone [ ] Search Radius [ ]

County [ ] Basin [ ] Number [ ] Suffix [ ]

Owner Name (First) [ ] (Last) [ ] ○ Non-Domestic ○ Domestic ◉ All

[POD / Surface Data Report] [Avg Depth to Water Report] [Water Column Report]

[Clear Form] [iWATERS Menu] [Help]

POD / SURFACE DATA REPORT 09/18/2008

(acre ft per annum) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) X Y are in Feet UTM are in Meters)

)B File Nbr	Use	Diversion	Owner	POD Number	Source	Tws	Rng	Sec	q	q	q	Zone	X	Y	UTM_Zone	Easting	Northing	Start Date	Finish Date	Depth Well	Depth (in fe Water
SJ 00916	DOM	3	MICHAEL A. HAYDEN	SJ 00916		30N	13W	35	1	3	3				13	215895	4074153				
SJ 01117	DOM	3	W. J. COLE	SJ 01117	Shallow	30N	13W	26	3	1	4				13	216138	4075364	02/21/1980	02/21/1980	360	300
SJ 01119	DOM	3	GEORGE CHANDLER	SJ 01119	Shallow	30N	13W	26	1	4	4				13	216560	4075758	02/25/1980	02/26/1980	370	300
SJ 01181	DOM	3	GEORGE E. BENNETT	SJ 01181	Shallow	30N	13W	26	3	3	3				13	215917	4074959	05/24/1980	05/30/1980	257	230
SJ 01454	DOM	3	DOUG BATES	SJ 01454	Shallow	30N	13W	26	3	1	1				13	215938	4075564	08/03/1981	08/17/1981	400	350
SJ 01503	DOM	3	PAUL VENDETTI	SJ 01503	Shallow	30N	13W	26	4	2	2				13	217337	4075533	12/12/1981	12/15/1981	310	260
SJ 01547	MUL	3	ROBERT & THORA JAMES	SJ 01547		30N	13W	26	4	4	2				13	217315	4075129				
SJ 01736	DOM	3	A. E. HUNTSMAN	SJ 01736	Shallow	30N	13W	26	1	4	3				13	216360	4075758	06/11/1983	06/15/1983	332	300
SJ 01895	DOM	3	YANCEY ROBERSON	SJ 01895	Shallow	30N	13W	26	3	2	4				13	216538	4075354	11/01/1984	11/01/1984	370	250
SJ 01900	DOM	0	RANDALL L. HENRY	SJ 01900		30N	13W	26	2	3	2				13	216959	4075947				
SJ 02088	DOM	3	CHARLES A. & DORIS D KEELER	SJ 02088		30N	13W	35	1	1	1				13	215906	4074756				
SJ 02225	DOM	3	ENID CLAIRE SVOBODA	SJ 02225	Shallow	30N	13W	26	3	2	2				13	216538	4075554	04/20/1989	04/28/1989	339	300
SJ 02391	DOM	3	RICHARD E SYVERTSEN	SJ 02391	Shallow	30N	13W	35	1	1	1				13	215906	4074756	07/10/1992	07/15/1992	260	200
SJ 02625	DOM	0	ROLAN & LANA MCREE	SJ 02625		30N	13W	26	1	3	1				13	215960	4075969				
SJ 02682	DOM	3	RICK DEAN	SJ 02682		30N	13W	26	2	3	2				13	216959	4075947				

Record Count 15

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	71599	Basin Dakota

Property Code	Property Name	Well Number
026819	Heights	1 Z
OGRID No.	**Operator Name**	**Elevation**
014634	MERRION OIL & GAS	5696'

Surface Location

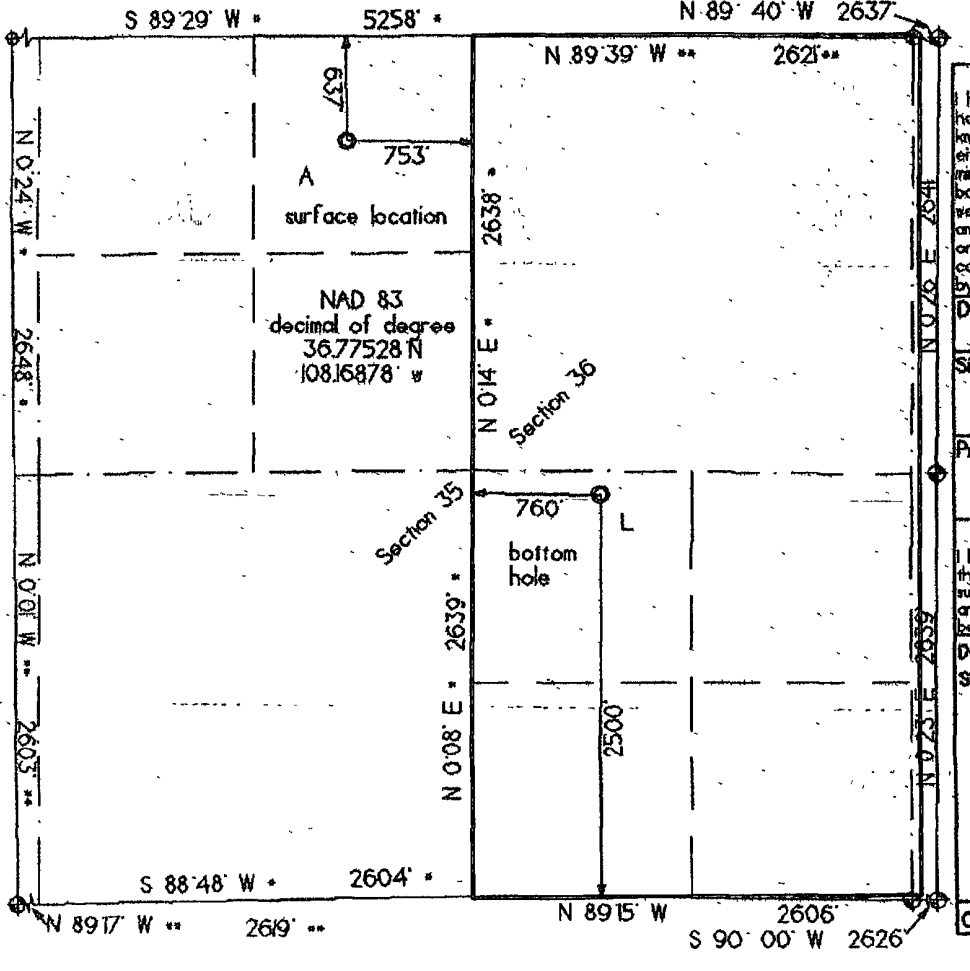
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County
A	35	30 N.	13 W.	A	637'	NORTH	753'	EAST	SAN JUAN

Bottom Hole Location If Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County
	36	30 N.	13 W.	L	2500'	SOUTH	760'	WEST	SAN JUAN

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	Infill		

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.



OPERATOR CERTIFICATION

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 bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pool agreement or a compulsory pooling order heretofore entered by the division.

Date 8/20/07

Signature

Printed Name
Connie S Dinning

SURVEYOR CERTIFICATION

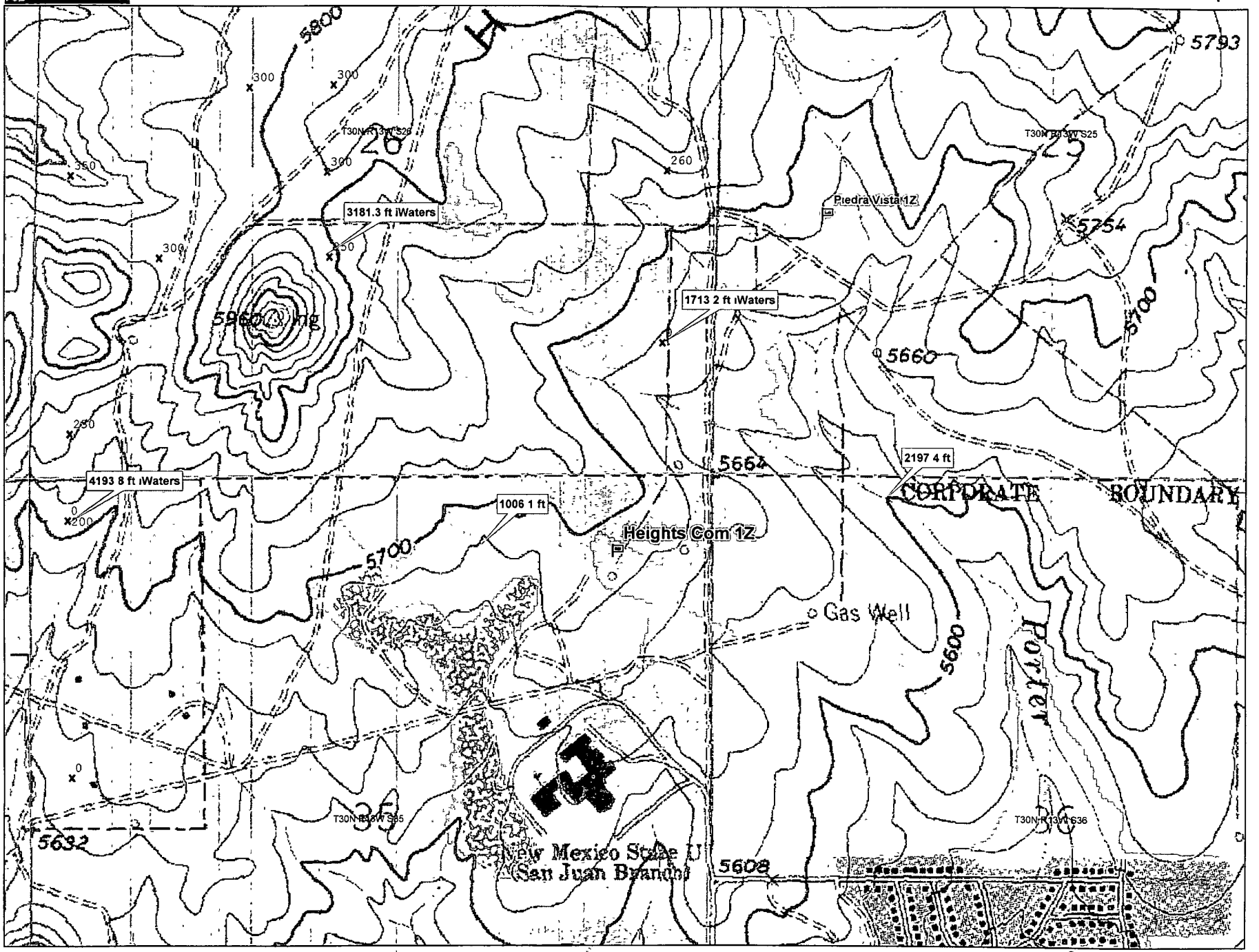
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of survey 07 18 '07

Signature and Seal of Professional Surveyor

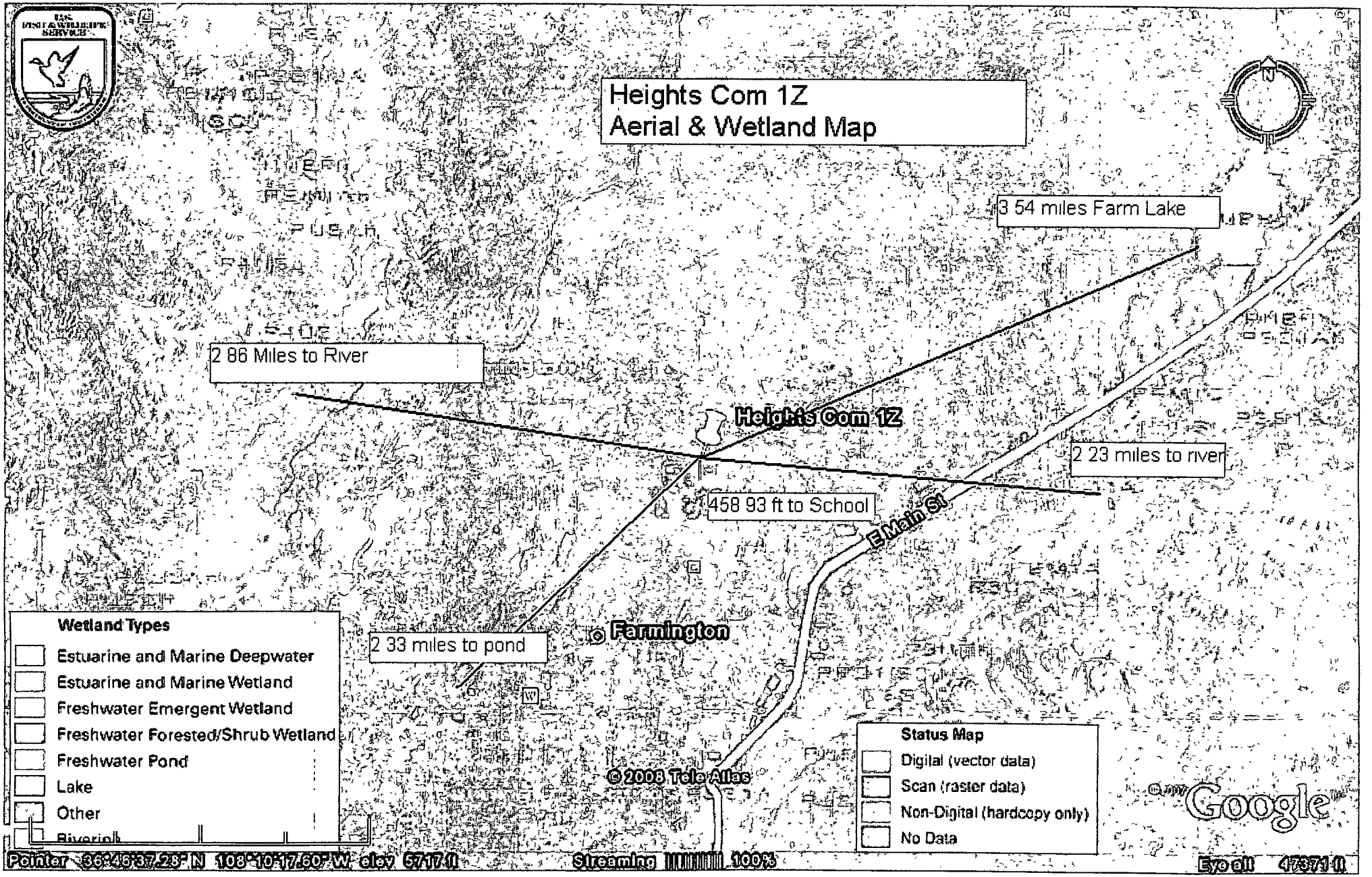
GERALD C. HUBBLESTON
NEW MEXICO
6844
REGISTERED LAND SURVEYOR

Certificate Number 6844



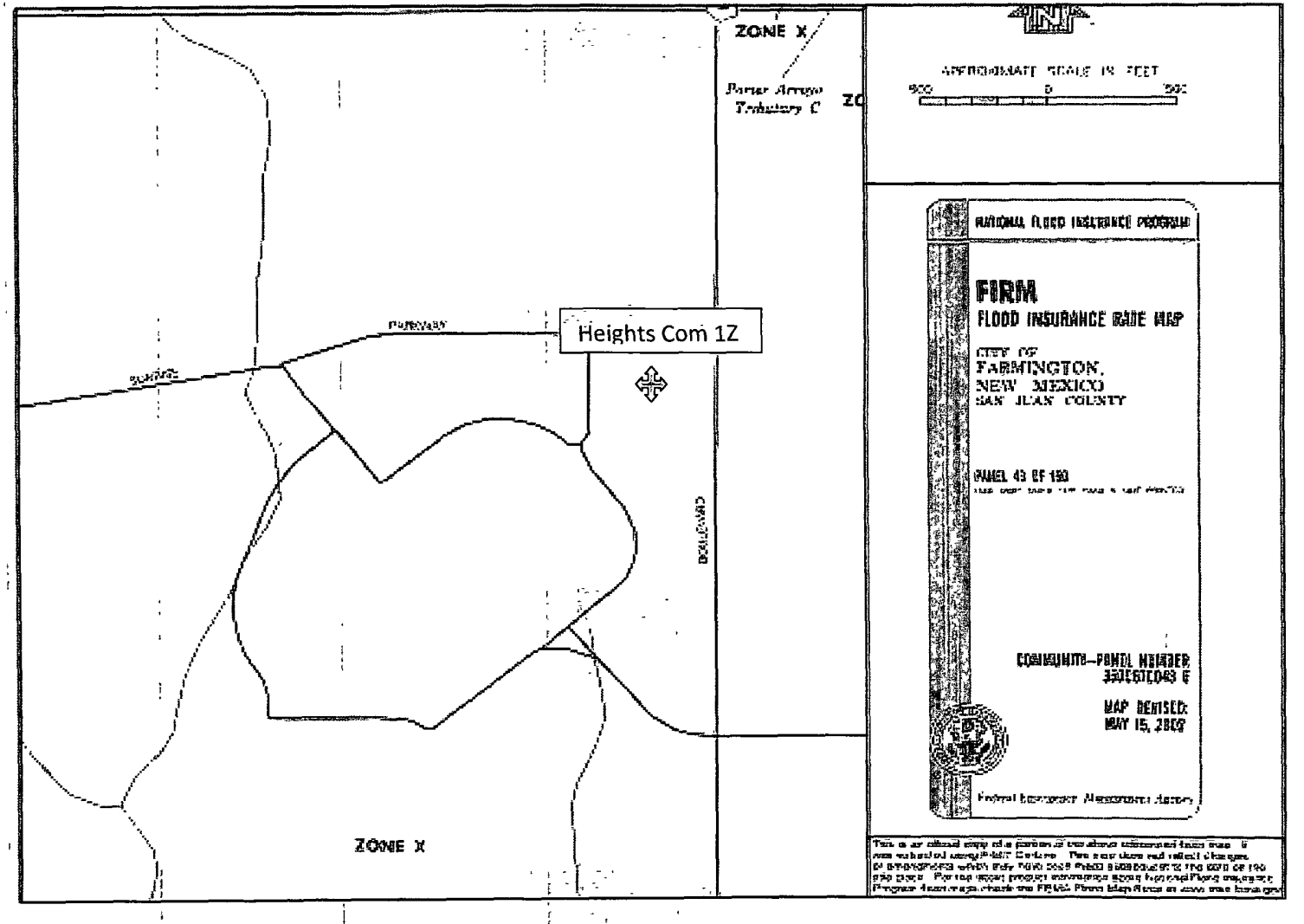
TN
MN (10 4°E)

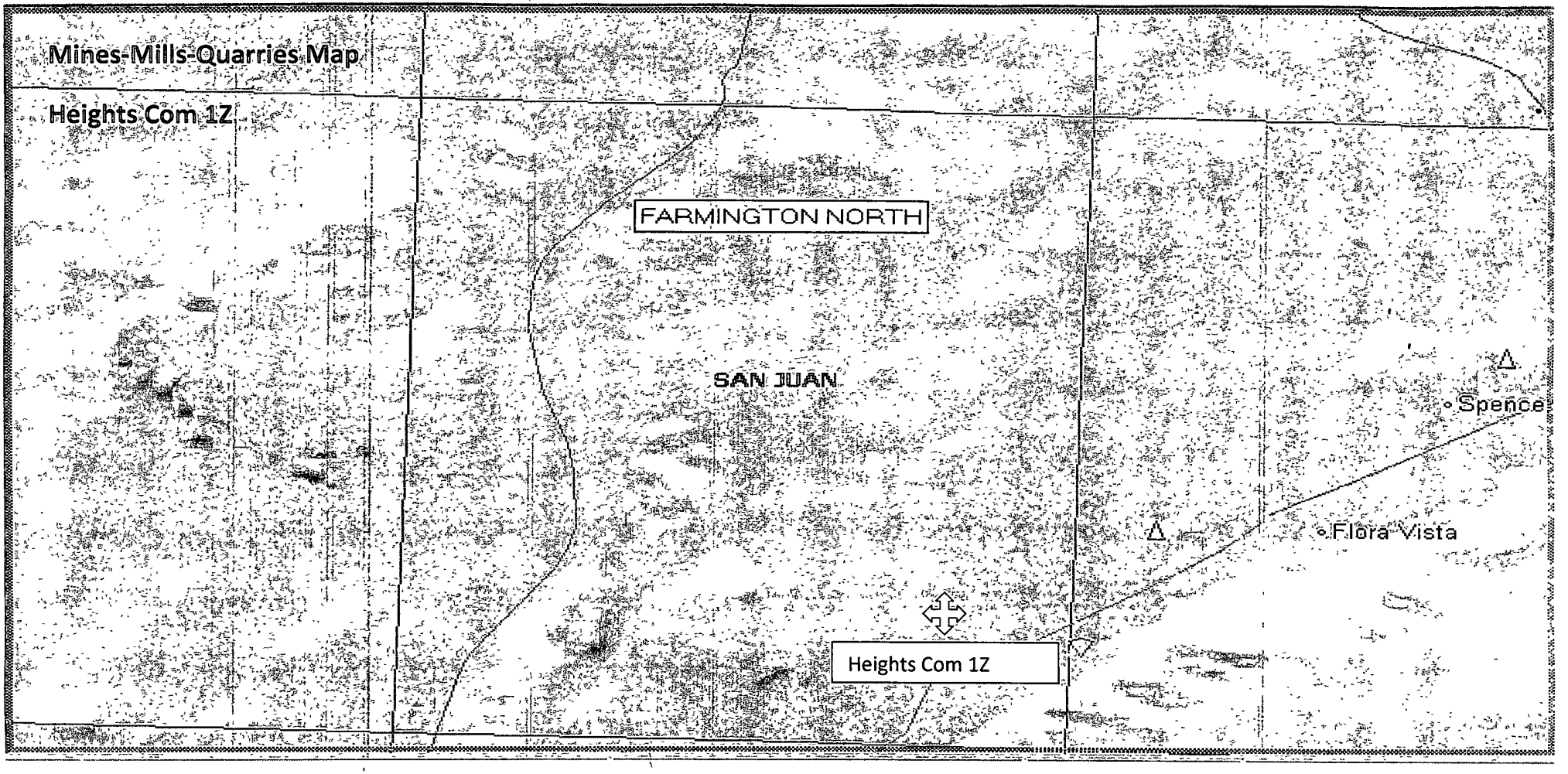
Scale 1 12,000
1" = 1,000 0 ft
Data Zoom 14-1


Heights Com 1Z
Aerial & Wetland Map
3 54 miles Farm Lake
2 86 Miles to River
Heights Com 1Z
2 23 miles to river
458 93 ft to School
E Main St
Farmington
2 33 miles to pond
Wetland Types
Estuarine and Marine Deepwater
Estuarine and Marine Wetland
Freshwater Emergent Wetland
Freshwater Forested/Shrub Wetland
Freshwater Pond
Lake
Other
Riverine
Status Map
Digital (vector data)
Scan (raster data)
Non-Digital (hardcopy only)
No Data
© 2008 Tele Atlas
Google
Pointer 36°46'37.28" N 108°10'17.60" W elev 5717 ft
Streaming 100%
Eye alt 47371 ft

Heights Com 1Z API 30-045-34405

FEMA Map- Flood Zone X



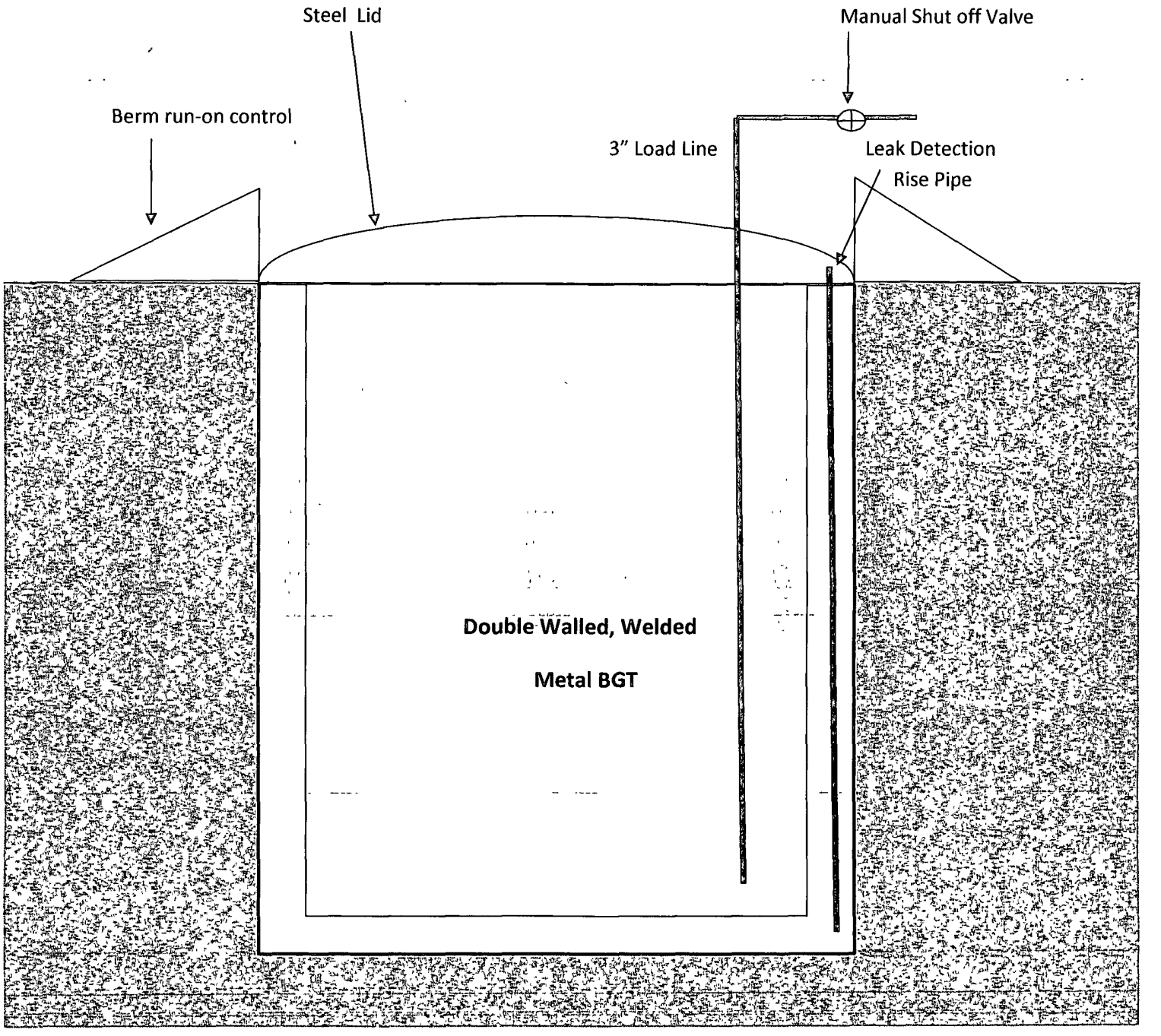


N

Mines, Mills & Quarries Commodity Groups

- △ Aggregate & Stone Mines
- ◆ Coal Mines
- ☆ Industrial Minerals Mines
- ▽ Industrial Minerals Mills
- ▨ Metal Mines and Mill Concentrate
- ▨ Potash Mines & Refineries
- Smelters & Refinery Ops.
- Uranium Mines
- ⊕ Uranium Mills

http://www.emnrd.state.nm.us/MMD/MRRS/MinesMillsQuarriesWebMap.htm



Merrion Oil & Gas Standard Below Grade Tank design

Heights Com #1Z Siting Criteria

1. Ground water is not less than 50 ft below the bottom of the BGT. Ground water is greater than 100 ft below the bottom of the BGT.

2. The BGT is not within 300 ft of a continuously flowing water course, or 200 ft of any other watercourse, lakebed, sinkhole, or playa lake (measured from ordinary high water mark). See attached topographic map.

3. The BGT is not within 300 ft from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. See the attached satellite image.

4. The BGT is not 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. See attached NM Office of the State Engineer iWaters database search.

5. The BGT is 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. See attached agreement.

6. The BGT is not within 500 feet of a wetland. See attached satellite and wetland map.

7. The BGT is not within the area overlying a subsurface mine. See the attached Mine, Mills and Quarry map of New Mexico (New Mexico, EMND 2008) showing the location and area around the subject pit.

8. The BGT is not located within an unstable area. See the attached topographic map of the location and area around the subject BGT.

9. The BGT is not located within a 100-year floodplain area. See the attached FEMA map of the 100 year floodplain showing the location and area around the subject BGT.

CITY OF FARMINGTON
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND FINAL DECISION

PETITION SUP 07-15 – SPECIAL USE PERMIT

REQUEST:
Petition SUP 07-15, a request from Merrion Oil & Gas Corporation, represented by Walter Reeves, AICP, of Sakura Engineering, for a Special Use Permit to allow the drilling and operation of the Heights Com 1Z gas well located southwest of the intersection of Piñon Hills Boulevard and College Boulevard, just north of the Quality Center for Business at San Juan College.

PUBLIC PARTICIPATION:
Publication of Notice for this public hearing appeared in the Daily Times on Wednesday, August 15, 2007. Adjoining property owners were sent notice by certified mail on Friday, August 17, 2007 and a sign was posted on Friday, August 17, 2007. The petitioner was present and spoke in favor of the request.

SUMMARY OF RELATED FACTS:

The Property

Location	Southwest of the intersection of Piñon Hills Boulevard and College Boulevard, just north of the Quality Center for Business at San Juan College.
Physical Characteristics	High Desert
Existing Land Use	Vacant
Existing Zoning	R-A Rural Agricultural

Surrounding Zoning and Land Use

North:	R-A: Vacant
South:	R-A: Farmington No. 001, Quality Center for Business
East:	R-A: Vacant
West:	R-A: Vacant

Description of Proposed Activity

The petitioner is proposing a new 7,400-foot deep gas well in the Basin Dakota formation that will be co-located with the Farmington No. 001. The well is a directional well and will be drilled using a closed loop system. Proposed access to the well site is from College Boulevard, just south of its intersection with Piñon Hills Boulevard.

The proposed production facilities are wellhead, a 24-foot tall pumping unit, a three-phase separator, a 15' x 12' produced water storage tank, and a 15' x 12' hydrocarbon storage tank. At the time of writing the Staff Report, information about the associated gathering lines for the proposed well was not available.

There are no principal use buildings within 300 feet of the proposed well site, therefore landscaping and screening is not required. The nearest structure to the well site is the Quality Center for Business which is approximately 450 feet from the well site to the south.

The petitioner is requesting waivers to §19-3-11(a) requiring the burial of hydrocarbon storage tanks as sandstone is anticipated under the surface of the location; and to §19-3-11(b) requiring that tanks be low-profile (defined as eight feet in height) so that they can locate 15-foot tall tanks on-site.

FINDINGS:

1. Merrion Oil & Gas Corporation has entered into a Surface Use Agreement with the property owner, San Juan College.
2. The property is currently zoned R-A.
3. There are no principal use buildings located within 300 feet of the well site.
4. The well will be co-located with the Farmington No. 001 well site, which is operated by Energen.
5. Access is taken from College Boulevard south of its intersection with Piñon Hills.
6. The access road will be 20 feet wide and improved with four-inches of gravel road base.
7. The access point to College Boulevard will be improved with a paved apron constructed to City standards.
8. Landscaping and screening is not required as there are no principal use buildings within 300 feet.
9. Sound abatement is required if the well does not meet the noise standards set in §19-3-12.
10. The height of the pumping unit installed will be twenty-four (24) feet.
11. The condensate tank proposed will meet the requirements set in FCC §19-3-11(a) unless otherwise approved by the Fire Marshall.
12. Adequate justification was not provided to support the requested variance to §19-3-11(b) requiring that all above ground tanks be low-profile.

COMMISSION ACTION of August 30, 2007:

Motion was made by Commissioner Kuchera and seconded by Commissioner Cardon to **approve** Petition SUP 07-15, a request from Merrion Oil & Gas Corporation, represented by Walter Reeves, AICP, of Sakura Engineering, for a Special Use Permit to allow the drilling and operation of the Heights Com 1Z gas well located southwest of the intersection of Piñon Hills Boulevard and College Boulevard, just north of the Quality Center for Business at San Juan College, subject to the following conditions:

a. The drilling and operation of the well site shall be in conformance with the rules and regulations set forth in Chapter 19 of the Farmington City Code, the laws of the State of New Mexico, and any other rules and regulations applicable to the operation of oil and gas wells.

b. Any violation of Chapter 19 of the Farmington City Code, the laws of the State of New Mexico, and the rules and regulations applicable to the operation of oil and gas wells shall be corrected within a reasonable time, not to exceed 15 days from the date the operator is notified of the violation. The failure to cure

the violation may cause the permit to be revoked pursuant to § 19-2-3, or this Special Use Permit to be revoked in accordance with § 27-27-4.

c. The access road to the well site shall be a minimum of twenty (20) feet wide and surfaced with a minimum of four inches of gravel road base. The access point to College Boulevard shall be improved with a paved apron and driving surface, a minimum of 20 feet wide, with 25-foot radii, 25 feet from the existing edge of pavement and installed to city standards.

d. All the required City permits are obtained prior to drilling of the well. Necessary permits may include, but are not limited to the following:

   i) Installation of required fencing.
   ii) Installation of sound abatement panels.
   iii) A road cut permit if associated gathering lines cross City streets.
   iv) A grading permit if well site development disturbs more than two (2) acres.

AYE: Chairman Shields, Commissioners Buchanan (Alt.), Byrom, Cardon, Ivie, Kuchera, Moffett, and Simpson

NAY: None

ABSTAINED: None

ABSENT: Commissioner Bird and Williams

The motion passed (8-0).

OIL & GAS COMMISSION ACTION of September 4, 2007:
Motion was made by Commissioner Simmons and seconded by Commissioner Riggs to **approve** Petition SUP 07-15, a request from Merrion Oil & Gas Corporation, represented by Walter Reeves, AICP, of Sakura Engineering, for a Special Use Permit to allow the drilling and operation of the Heights Com 1Z gas well located southwest of the intersection of Piñon Hills Boulevard and College Boulevard, just north of the Quality Center for Business at San Juan College, and amending the Planning and Zoning recommendation by adding a variance to:

- §19-3-11(a) Storage Tanks — To allow the location of a hydrocarbon storage tank above-ground.

And, subject to the following conditions:

a. The drilling and operation of the well site shall be in conformance with the rules and regulations set forth in Chapter 19 of the Farmington City Code, the laws of the State of New Mexico, and any other rules and regulations applicable to the operation of oil and gas wells.

b. Any violation of Chapter 19 of the Farmington City Code, the laws of the State of New Mexico, and the rules and regulations applicable to the operation of oil and gas wells shall be corrected within a reasonable time, not to exceed 15 days from the date the operator is notified of the violation. The failure to cure

the violation may cause the permit to be revoked pursuant to § 19-2-3, or this Special Use Permit to be revoked in accordance with § 27-27-4.

c. The access road to the well site shall be a minimum of twenty (20) feet wide and surfaced with a minimum of four inches of gravel road base. The access point to College Boulevard shall be improved with a paved apron and driving surface, a minimum of 20 feet wide, with 25-foot radii, 25 feet from the existing edge of pavement and installed to city standards.

d. All the required City permits are obtained prior to drilling of the well. Necessary permits may include, but are not limited to the following:

   i) Installation of required fencing.
   ii) Installation of sound abatement panels.
   iii) A road cut permit if associated gathering lines cross City streets.
   iv) A grading permit if well site development disturbs more than two (2) acres.

AYE: Commissioners Hanson, Simmons, and Riggs
NAY: None
ABSTAINED: None
ABSENT: None

The motion passed (3-0)

COUNCIL ACTION:

On September 11, 2007 the City Council adopted the Planning and Zoning Commission Action Summary and approved Petition SUP 07-15, a request from Merrion Oil & Gas Corporation, represented by Walter Reeves, AICP, of Sakura Engineering, for a Special Use Permit to allow the drilling and operation of the Heights Com 1Z gas well located southwest of the intersection of Piñon Hills Boulevard and College Boulevard, just north of the Quality Center for Business at San Juan College, subject to conditions a-d as recommended by the Planning and Zoning Commission and without the additional variance recommended by the Oil and Gas Commission.

Approved this 11th day of September 2007

George F. Sharpe, Mayor Pro Tem

ATTEST:

Dianne Fuhrman, City Clerk

LEGAL DEPARTMENT

APPROVED AS TO FORM

BY: _____ DATE: 9/12/07

SURFACE USE AND DAMAGE AGREEMENT

THIS AGREEMENT made and entered into this 11 day of ~~November~~ December, 2006, by and between SAN JUAN COLLEGE, 4601 College Boulevard, Farmington, New Mexico, 87402 (hereinafter referred to as "Owner"), and MERRION OIL & GAS, 610 Reilly Avenue, Farmington, New Mexico, 87401 (hereinafter referred to as "Operator").

WITNESSETH:

For and in consideration of the covenants and agreements herein contained, and other good and valuable considerations, the parties hereto AGREE:

1. The Operator intends to drill a directional natural gas well, known as the Heights Com 1Z, from a surface location in the NE/4 of Section 35, Township 30 North, Range 13 West, to a depth of approximately 6,200 feet at a bottom hole location in the NW/4 of Section 36, Township 30 North, Range 13 West.

2. That in order for Operator to enter, drill, complete, and produce its proposed well, it is necessary that they cross and use certain property owned by the Owner, and the parties hereby agree as to damage, entry, and surface use therefor.

3. Operator shall notify Owner prior to entry upon said lands, and shall consult with Owner as to the location of well sites, roads, pipelines and other facilities. Operator shall notify Owner when each drilling or producing operation has been completed and Operator is permanently or temporarily absent from the surface. At any site where Operator does not discover oil, gas, or hydrocarbons of commercial quantity, and determines it to be a "dry hole", Operator shall restore and reseed said area after replacing the topsoil. "Above ground" dry hole markers shall be installed when necessary unless otherwise agreed or required by law. All clean-up and restoration requirements shall be completed by Operator within six (6) months after termination of drilling or production activities at any well site and access road.

4. For the above referred well site, including access roads and associated pipelines, Operator agrees to pay and Owner agrees to accept the sum of ONE DOLLAR AND ZERO CENTS ($1.00), as surface use damages. As further consideration, Operator has voluntarily offered to make a donation to the San Juan College Foundation in the sum of TWENTY THOUSAND AND NO/100 DOLLARS ($20,000.00). Said payment shall be made directly to the San Juan College Foundation on behalf of the Operator and shall be apportioned as follows: one-half (½) to the Merrion Oil and Gas Endowment at the San Juan College Foundation and one-half (½) as an unrestricted contribution to the San Juan College Foundation.

5. The listed considerations are for construction and normal operation of the well site identified above, as well as access roads and associated pipelines. It does not constitute payment for any other damages or losses that may be experienced by Owner as a result of abnormal or non-standard events in Operator's construction or operation of the said well.

6. Owner and Operator agree that if Operator does not commence drilling operations within eighteen (18) months of the date of this Agreement, this Agreement will be null and void, unless extended by the mutual agreement of the parties. In no event, however, will the consideration set forth above be returned to Operator.

7. In regard to construction and operations, Operator agrees to the following terms:

A) Operator will obtain, at its expense, all permits and authorizations for the well required by the Bureau of Land Management and the City of Farmington, New Mexico, and will comply with all federal, state, or local laws or regulations.

B) The well site shall be adjacent to and as far as practicable upon as much of the existing Energen City of Farmington No. 1 well location as possible and Operator will secure all necessary agreements from Energen for the shared well location.

C) Operator agrees to use the existing Energen/Pogo Productions access road to the well site. Owner and Operator acknowledge that the location of that road is currently in a state of flux due to construction on Owner's campus. Once a permanent location for that road is determined, Operator agrees that the access road will be upgraded using two-inch (2") gravel or otherwise meeting all applicable City of Farmington standards and/or specifications. Operator agrees that Owner shall have the right to use said road. In the future, if necessary, Owner can require the Operator to alter the access route to accommodate College activities and development, but must provide reasonable alternative access to the well site.

D) If requested by Owner, Operator agrees to build, at its sole expense, a gate at the entrance to the access road and to place an appropriate sign or signs on said road designating them as "private roads, no trespassing".

E) Operator agrees that its employees and agents will close and lock the gate on entering and exiting the property.

F) Operator agrees to grade the access road in March and September each year at its sole expense and will perform all other maintenance and repairs that are reasonable and necessary within fifteen (15) business days of notification.

G) Operator will require its employees and employees of drilling contractors and third-party service and supply companies to use only the roadways designated by the Owner for vehicles going to and from any well or other facility on the lease, and Operator will require as a condition to any persons going upon said lands that any employee of Operator or any contractor or subcontractor who trespasses on lands of the Owner and refuses to observe requirement for use of designated roads shall not be permitted upon the premises of Owner.

H) Owner and Operator agree that tree removal for the well pad and access road will be limited to those tress specifically marked and mutually agreed to by Owner and Operator.

I) Operator agrees that all reserve pits will be lined and properly filled and reclaimed at the completion of the well drilling and completion process.

J) Operator agrees that upon removal and reclamation of the reserve pit, it will expand the existing Energen fence to encompass the entire combined well sites into a single fenced location.

K) Operator agrees that if practicable, it will use only underground electrical service lines to said well and the placement of such lines will be in a location approved of in advance by Owner.

L) Operator agrees to use low profile tanks and production equipment painted in a color acceptable to Owner.

M) Operator agrees that if compressors are used on said well, the compressors will be completely enclosed with noise abatement walls and that noise from the well will not exceed the decibel levels established by the City of Farmington, New Mexico.

N) In the event pump jacks or other pumps are used for said well, Operator agrees that the motors for any such equipment will be electric.

O) Operator will provide visual screens for the well site and equipment using vinyl slatted privacy chain link fabric with Owner to select the color of the privacy slats.

P) Operator agrees that all of its pipelines shall be constructed, maintained, and used in accordance with acceptable and prudent industry practices and shall be located as far as possible within or immediately adjacent to the access road to the well site or within an existing pipeline right-of-way.

Q) Operator agrees that all work done on Owner's property by Operator or its agents will be done in a reasonable and workmanlike manner.

R) At the completion of construction, when the well goes into operation, Operator will, at its sole expense, obtain a survey of the final well site and access road locations and provide a copy of the survey to Owner.

8. Operator agrees to work with Owner's "School of Energy" to create a venue suitable as an educational tool for Owner's School of Energy students.

9. In the event Operator discovers water during its drilling operations, and said water is not to be used by Operator, or abandoned by the Operator, Operator agrees to advise Owner of the location, quantity and quality thereof, known to the Operator.

10. Operator agrees to compensate Owner for extraordinary loss or damage caused by Operator, its agents, or employees to its property, and that of its surface lessee, if any. Payments herein provided are acknowledged by Owner sufficient and in full for damages, caused or created by reason of the reasonable and customary entry, rights-of-way, drilling operations and subsequent operation of said well site roads, pipelines and tank batteries.

11. Operator agrees to indemnify, defend, and hold Owner harmless from any and all claims, suits, damages or causes of action arising out of, or in connection with the construction, drilling, completion and operation of the well and the rights herein granted, and shall include the acts and/or omissions of Operator, its agents, contractors, licensees and permittees. Operator agrees to pay all costs, fees, attorney's fees, judgments, and settlement amounts generated and incurred in defending Owner from all claims arising from Operator's activities relating to the well referenced herein.

12. Notice by either party hereto shall be promptly given, orally, if possible, and immediately mailed to:

Owner: San Juan College
Attention: Vice-President, Business Affairs
4601 College Boulevard
Farmington, New Mexico 87402

Operator: Merrion Oil & Gas
Attention: Land Department
610 Reilly Avenue
Farmington, New Mexico 87401

13. This agreement shall not be placed of record without the written consent of both parties. However, the parties agree that on the request of one of the parties, they will execute an appropriate "Memorandum of Agreement" suitable for recording, and which may be recorded by either party, generally referring to this Agreement and describing in general or specific terms, the location of any site, facility, road or pipeline of Operator. In the event such "Memorandum of Agreement" is placed of record, Operator agrees to execute and deliver to Owner upon termination of its oil and gas lease on the subject property, a Quitclaim and Release terminating the rights contained herein and under said "Memorandum of Agreement" suitable for recording.

14. Operator will do its best to ensure that all company and contract employees maintain a high standard of behavior while on this property. A portable restroom will be supplied during the drilling and completion activities. All contracted workers will be advised of proper etiquette while on location.

15. Operator agrees that any future damages related to the operation of this well will be resolved with Owner in a timely manner. If a mutually acceptable agreement can be agreed to, Operator agrees that any damages will be mitigated with a settlement within a three (3) week time period.

16. The duration of this agreement will be the life of the well.

IN WITNESS WHEREOF, the parties hereto have set their hands, the day and year first above written

"OWNER"

SAN JUAN COLLEGE
4601 College Boulevard
Farmington, New Mexico 87402

By _____
CAROL J. SPENCER
President

"OPERATOR"

MERRION OIL & GAS
610 Reilly Avenue
Farmington, New Mexico 87401

By _____
T. GREG MERRION
President

Heights Com #1Z S2, T30N, R12W Hydrogeologic Data

Heights Com #1Z is located on State land near the within Farmington City limits in the San Juan structural basin in San Juan County, New Mexico. The region is a northwest-trending asymmetric structural depression. The basin merges gradually into adjacent depressions or uplifts. The structural boundaries principally consist of large, elongate domal uplifts; low marginal platforms; and abrupt monoclines.

A records search of the NM office of the State Engineer- iWaters database was conducted for the T30N, R13W (iWaters report attached). The closest water wells are located in S26, T30N, R13W which is 1713.2 ft from the current well location. iWaters does not provide any depth information other than it is for domestic households. S26, T30N, R13W which is 3181.3 ft from the current location, a well was drilled to a depth of 370'; the top of the water was reported at 250'. The water for this well is used for domestic household use. S35, T30N, R13W which is 4193.8 ft from the current location, a well was drilled to a depth of 260'; the top of the water was reported at 200'. This water is for domestic household use.

The Dakota formation is a source of water for public-supply, commercial, private-domestic, and livestock use where water quality is suitable. The closest altitude of the potentiometric surface ground water to this location is 5237'. Water in the Dakota formation occurs generally near the margins of the basin.

GEOLOGY

The Dakota Sandstone contains three principal lithologies. It typically consists of a sequence of buff to brown cross bedded poorly sorted coarse grained conglomeratic sandstone and moderately sorted medium grained sandstone in the lower part dark gray carbonaceous shale with brown siltstone and lenticular sandstone beds in the middle part and yellowish tan fine grained sandstone interbedded with gray shale in the upper part. Thickness of the Dakota Sandstone generally ranges from a few tens of feet to about 500 feet Stone and others have reported that 200 to 300 feet probably is a more common range. Data reported by Stone and others and Molenaar , and data obtained from Petroleum Information Corporation Indicate that the thickness of the Dakota generally increases from the west northwest and north margins of the basin toward the south southeast and east margins.

Reference:

HA-720I Hydrogeology of the Dakota Sandstone in the San Juan structural basin, New Mexico, Colorado, Arizona, and Uta , Craigg, S. D.; Dam, W. L.; Kernodle, J. M.; Levings, S. W., 1989, USGS, atlas format. (1,000,000 and 2,000,000 scale)

Heights Com #1Z
BGT
Design & Construction Plan

1. Below Grade Tank was designed and constructed to contain liquids and solids and would prevent contamination of fresh water and protect the public health and environment. (see attached BGT design).

2. MOG posted a well sign on location that lists the following: the operator on record as the operator; the location of the well site by UL, S, T, R; and emergency telephone numbers. The location was signed in accordance with rule 19.15.3.103 Sign on wells.

3. MOG fenced the location with a four foot fence that has at least four strands of barbed wire evenly spaced in the interval between one foot and four feet above ground level.

4. The BGT was covered with a steel lid on top of the tank.

5. The BGT was constructed to ensure the confinement of liquids and prevent unauthorized releases.

6. The BGT was constructed of materials resistant to the tank's particular contents and resistant to damage from sunlight.

7. The BGT was constructed with a level base free of rocks, debris, sharp edges or irregularities to prevent puncture, cracks or indentations of the tank bottom.

8. The BGT was constructed to prevent overflow and the collection of surface water run on/ run off (see attached BGT design).

9. The BGT is constructed of double walled- double bottom, welded metal (see attached BGT design).

10. The BGT is equipped with a 3' load line with a manual shut off valve (see attached BGT design).

11. The BGT is equipped with a leak detection rise pipe (see attached BGT design).

12. The BGT has diversionary berms, ditches or sloping that prevents overflow and the collection of surface water entrapment (see attached BGT design).

Heights Com #1Z
BGT
Operation Requirements

1. The BGT will be maintained and operated to contain liquids and solids and maintain integrity of the tank so as to prevent contamination of fresh water and protect public health and environment.

2. All fluids will be recycled, reused, reclaimed or disposed of in a manner approved by division rules.

3. MOG will not discharge into or store any hazardous waste in the BGT.

4. If the BGT develops a leak, or if any penetration occurs below the liquid's surface, MOG shall remove all liquid above the damage or leak line within 48 hours and notify the NMOCD within 48 hours of discovery and repair the damage or replace the BGT.

5. MOG will not allow the BGT to overflow or allow surface water run-on to enter the BGT.

6. MOG shall remove any visible or measurable layer of oil from the fluid surface of the BGT.

7. MOG will inspect the BGT monthly and will maintain records of each inspection for 5 years.

8. MOG shall maintain adequate freeboard to prevent overtopping of the BGT.

Heights Com #1Z
BGT
Closure Requirements

1. The BGT of the Heights Com #1Z meets the requirements of Paragraphs 1 through 4 of Subs. I of 19.15.17.11. In the event that the integrity fails on the following BGT, MOG will replace or repair to maintain compliance.

2. All fluids will be removed at the start of the BGT closure process from the BGT and disposed of in a division approved facility or recycle, reuse or reclaim the liquids in a manner that the appropriate division district office approves.

3. All solids or sludge from the BGT will be removed and transported to either Envirotech or IEI.

4. MOG will remove the BGT and dispose of it in a division approved facility or recycle, reuse or reclaim it in a manner that the appropriate district office approves.

5. Any on-site equipment that is associated with the following BGT will be removed, unless the equipment is required for some other purposes.

6. MOG will not allow the BGT to overflow or allow surface water run-on to enter the BGT.

7. MOG shall remove any visible or measurable layer of oil from the fluid surface of the BGT.

8. MOG will inspect the BGT monthly and will maintain records of each inspection for 5 years.

9. MOG shall maintain adequate freeboard to prevent overtopping of the BGT.

10. A five point composite sample will be taken from the soils beneath the BGT pursuant to 19.15.17.13 (E)(4) in order to assure there has not been any type of contamination.

Components	Test Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	100
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	250 or background

11. The NMOCD shall be notified of testing results on form C-141.

12. If it is determined that a release has occurred, rule 19.15.3.116 NMAC and 19.15.1.19 NMAC will be complied with as required.

13. If the BGT has met all closure requirements as outlined in paragraph 4 of subs. E of 19.15.17.13 NMAC, then MOG shall backfill the excavated site with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; re-contour and re-vegetate the site as required by Subs G, H and I of 19.15.17.13 NMAC.

14. The NMOCD shall be notified within 60 days of closure of the BGT. The closure report will be filed on form C144 and will document all closure activities, sampling results, a plot plan, and details on backfilling and capping where applicable.

15. The NMOCD will be notified once successful re-vegetation has occurred.