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

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

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office. For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or								
Proposed Alternative Method Permit or Closure Plan Application								
Type of action: Below grade tank registration Closure of a pit or proposed alternative method Modification to an existing permit/or registration Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method								
Instructions: Please submit one application (Form C-144) per individual pit, 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:HPOC, LLCOGRID #: _246238								
Address:322 N. Railroad Ave; PO Box 5046; Buena Vista, CO 81211								
Facility or well name:Ojo Encino 31 Federal SWD 1								
API Number:        30-031-21112         OCD Permit Number:								
U/L or Qtr/QtrBSection _31Township _20NRange _5WCounty:McKinley								
Center of Proposed Design: LatitudeApprox. 35.92630_LongitudeApprox. 107.40532 NAD: []1927 🛛 1983								
Surface Owner: 🛛 Federal 🛄 State 🛄 Private 🛄 Tribal Trust or Indian Allotment								
2. RCVD NOV 15 '13								
$\boxtimes \underline{Pit}: Subsection F, G or J of 19.15.17.11 NMAC OIL CONS. DIV.$								
Temporary: 🖾 Drilling 🗋 Workover DIST. 3								
□ Permanent □ Emergency □ Cavitation □ P&A □ Multi-Well Fluid Management Low Chloride Drilling Fluid ⊠ yes □ no								
Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other								
String-Reinforced								
Liner Seams: Welded Factory Other Volume: _6412_bbl Dimensions: L_180' x W_20' x D_10'								
3. Below-grade tank: Subsection I of 19.15.17.11 NMAC								
Volume:bbl Type of fluid:								
Tank Construction material:								
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off								
Visible sidewalls and liner       Visible sidewalls only       Other         Liner type:       Thickness       mil       HDPE       PVC       Other								
4. Alternative Method:								
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.								
5.								
<sup>5.</sup> 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: Four foot height, square box-wire fencing								

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)

## 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 19.15.16.8 NMAC

## Variances 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:

Variance(s): Requests must be submitted to the appropriate division district 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. Siting criteria does not apply to drying pads or above-grade tanks. **General siting** Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. Yes 🕅 No NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells NA Yes 🛛 No Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. Π NA NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance $\Box$ Yes $\boxtimes$ No adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks) Written confirmation or verification from the municipality; Written approval obtained from the municipality Within the area overlying a subsurface mine. (Does not apply to below grade tanks) Yes No Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division Within an unstable area. (Does not apply to below grade tanks) 🗌 Yes 🛛 No 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. (Does not apply to below grade tanks) FEMA map **Below Grade Tanks** Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured $\square$ Yes $\square$ No from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site Yes No Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter) Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, 🗌 Yes 🖾 No or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) Topographic map: Visual inspection (certification) of the proposed site Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial 🗌 Yes 🛛 No application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock 🗌 Yes 🖾 No

watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

<ul> <li>Within 100 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🛛 No							
Temporary Pit Non-low chloride drilling fluid								
<ul> <li>Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No							
<ul> <li>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> </ul>								
<ul> <li>Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>								
<ul> <li>Within 300 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗋 Yes 🗌 No							
Permanent Pit or Multi-Well Fluid Management Pit								
<ul> <li>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).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No							
<ul> <li>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> </ul>	🗌 Yes 🗌 No							
<ul> <li>Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	🗌 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							
10.         Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 N         Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the do 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 19.15.17.10 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.         and 19.15.17.13 NMAC	cuments are 9 NMAC 15.17.9 NMAC							
11.         Multi-Well Fluid Management Pit 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 dot attached. <ul> <li>Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC</li> <li>A List of wells with approved application for permit to drill associated with the pit.</li> <li>Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 and 19.15.17.13 NMAC</li> <li>Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC</li> <li>Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC</li> <li>Previously Approved Design (attach copy of design)</li> <li>API Number:</li> <li>or Permit Number:</li> <li>or Permit Number:</li> </ul>	.15.17.9 NMAC							

<sup>12.</sup> <u>Permanent Pits Permit Application Checklist</u> : 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						
<ul> <li>attached.</li> <li>Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC</li> <li>Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC</li> <li>Climatological Factors Assessment</li> </ul>							
<ul> <li>Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC</li> </ul>							
<ul> <li>Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>Quality Control/Quality Assurance Construction and Installation Plan</li> <li>Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC</li> <li>Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC</li> </ul>							
<ul> <li>Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan</li> <li>Emergency Response Plan</li> <li>Oil Field Waste Stream Characterization</li> </ul>							
<ul> <li>Monitoring and Inspection Plan</li> <li>Erosion Control Plan</li> </ul>							
Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC							
<b><u>Proposed Closure</u></b> : 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 Multi-well F.	luid Management Pit						
Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only)							
<ul> <li>On-site Closure Method (Only for temporary pits and closed-loop systems)</li> <li>In-place Burial</li> <li>On-site Trench Burial</li> <li>Alternative Closure Method</li> </ul>							
<sup>14.</sup> Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be closure plan. Please indicate, by a check mark in the box, that the documents are attached.	attached to the						
<ul> <li>Costure plan. Prease inflicting, by a check mark in the box, that the abcuments are alluched.</li> <li>Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC</li> <li>Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC</li> <li>Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)</li> <li>Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> <li>Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> <li>Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> </ul>							
<sup>15.</sup> 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 sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. F 19.15.17.10 NMAC for guidance.							
<ul> <li>Ground water is less than 25 feet below the bottom of the buried waste.</li> <li>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</li> </ul>	□ Yes ⊠ No □ NA .						
Ground water is between 25-50 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 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						
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) Topographic map; Visual inspection (certification) of the proposed site							
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							
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site							
Written confirmation or verification from the municipality; Written approval obtained from the municipality							
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site							
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance							

	🗋 Yes 🛛 No						
<ul> <li>Within the area overlying a subsurface mine.</li> <li>Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</li> </ul>	🗌 Yes 🛛 No						
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>							
Within a 100-year floodplain.	Yes No						
- FEMA map	Yes 🛛 No						
<ul> <li><sup>16</sup>.</li> <li><u>On-Site Closure Plan Checklist</u>: (19.15.17.13 NMAC) <i>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.</i></li> <li>Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC</li> <li>Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC</li> <li>Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC</li> <li>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</li> <li>Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC</li> <li>Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC</li> <li>Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC</li> <li>Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)</li> <li>Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> <li>Ste Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> </ul>							
Derator Application Certification: I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and beli Name (Print):Arthur W. Butler III Title: Manager	ef.						
Signature: Auto W. Butler: Itt Date:October 31, 2013							
e-mail address:bbutler@highplainsop.com Telephone: 719-395-8059 719-207-0164 (Cell)							
18.       OCD Approval:        Permit Application (including closure plan)       □ Closure Plan (only)       □ OCD Conditions (see attachment)         OCD Representative Signature:	laoi3						
18.       OCD Approval: Permit Application (including closure plan)       Closure Plan (only)       OCD Conditions (see attachment)         OCD Representative Signature:       Over the second seco	the closure report.						
18.       OCD Approval:	complete this						

## 22. 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:					

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## HPOC, LLC **Ojo Encino 31 Federal SWD #1** Information to accompany Form C-144–Modification to an existing permit or registration Request for Variance Closure October 31, 2013 Submittal

## Purpose:

HPOC, LLC, operator of the Ojo Encino 31 Federal SWD #1 well, respectfully requests a variance to the original C-144 pit permit for this well, allowing HPOC to remove two feet of material over the reserve pit, haul this material to the T-n-T Landfarm, backhaul material to fill the excavation and re-grade to the original contours. The BLM has approved this plan whereby HPOC would remove the two feet of mixed native material with minor amounts of drill cuttings currently covering the reserve pit. This request is necessitated due to a misunderstanding by HPOC of the directions from the BLM regarding closure of this pit. HPOC mixed stockpiled native soil to the four foot level to stabilize the pit before backfilling and re-grading over the pit in May 2013. This well is located on Federal Lease NMINM-113426, Unit B-Section 31-T20N-R5W. Fresh water resources, correlative rights, human health and the environment will be protected through the approval of this variance. This two-foot variance closure method appears to be the most appropriate closure method given a review of the limited available options and will reduce by ½ the impact of trucking material 45 miles one-way to the T-n-T landfarm. This application for a variance will ensure protection of fresh water resources, human health and the environment.

The Ojo Encino 31 Federal SWD #1 was drilled as a salt water disposal well with a fresh-water based mud system (< 15,000 ppm Cl-). No hydrocarbons were encountered during the drilling of this well, and no hydrocarbons ever reached the temporary lined reserve pit. See accompanying pad plat.

Plans are to excavate an area 2' beyond the original reserve pit boundary to a depth of 2'. Material excavated from the trench will be loaded in belly-dump trailers and hauled approximately 45 miles to the nearest landfarm.

The name of the landfarm facility and Permit # are: T-n-T Environmental Facility, Permit #: NM-01-0008. The Address of the facility is: HCR 74 Box 113, Lindrith, New Mexico. HPOC will complete the required C-138 form prior to transporting any material to T-n-T. The estimated volume of material to be removed from the original Ojo Encino 31 Federal SWD #1 temporary lined reserve pit down to 2' (with 2' boundaries) is 134' X 44' X 2' = 11,792 cu ft, or approximately 437 cu yards. Clean, land-farmed material from T-n-T will be back-hauled to the excavated pit and used to fill the excavation. Top-soil stored in the south side of the current pad (the fill side) will then be used to finish grade the pit closure as well as for final reclamation of the pad. Any additional top-soil required to provide an adequate soil profile for re-vegetation growth will be brought in.

Photographs of the pre-excavation, excavation, and closure phase will be taken, in addition to any regulatory supervision for file documentation purposes.

## Review of average depth to water

In preparation of this variance closure application, a review of the existing in-place temporary reserve pit closure on the Ojo Encino 31 Federal SWD #1 well was performed. The original search showed no water wells within a 2,000 meter radius. An updated review on this date of the New Mexico Office of the State Engineer's database, also indicates no wells within the 2,000 meter radius. An expanded search with a radius of 6,000 meters shows a well approximately 3 miles west of our location in section 34 of T20N-R6W with a depth to water greater than 100'.

## **Review of Available Sampling**

Sampling was performed from the mixed material used to fill the original temporary lined reserve pit. Both a 5-point composite surface sample and a composite sample from test holes dug under the supervision of Mr. Bob Switzer, Environmental Protection Specialist from the Farmington Field office of the BLM's were collected. Analysis of these samples was conducted at Envirotech in Farmington, NM.

Test Date: 6/14/2013	Five Point Top Soil Sample (P306071-01)	
Chloride Reading:	59.6 mg/kg Method EPA (300.0)	
Total BTEX:	Not Detected Method EPA (8021B)	
Total GRO & DRO Combine	d Fractions: Not Detected Method EPA (8015D)	
TPH:	39.9mg/kg Method EPA (418.1)	

Test Date: 6/15/2013	Composite sample from test holes (P306077-01)–Sampling					
Witnessed by Mr. Bob Switze	er of BLM					
Chloride Reading:	48.8 mg/kg Method EPA (300.0)					
Total BTEX:	Not Detected Method EPA (8021B)					
Total GRO & DRO Combined	d Fractions: 13.6 mg/kg Method EPA (8015D)					
TPH:	39.9 mg/kg Method EPA (418.1)					

These samples of the mixed material used to cover the current temporary lined reserve pit indicate that the required thresholds are met for variance closure contained within Table II of NMAC Title 19, Chapter 15, Part 17, Closure Criteria for Burial Trenches and Waste Left in Place In Temporary Pits. The Table 2 standards for in-place burial where Ground Water is greater than 100 feet are: 80,000 mg/kg Chloride (EPA Method 300.0), 2,500 mg/kg TPH (EPA SW-846 Method 418.1), 50 mg/kg BTEX and 10 mg/kg Benzene.

Copies of the sampling test results are included with this application.

## Siting Criteria

1. According to an updated review of the iWaters database of the State Engineer's Office, the ground water depth is located at a depth greater than 100 feet. This is consistent with the prior application and other area information on ground water depths. The area is in an arid, desert environment as is typical in this part of the San Juan Basin.

2. The updated aerial photograph and an onsite investigation indicate that the planned variance closure is not within 100 feet of a continuously flowing watercourse, or within 200 feet of any other significant watercourse, lakebed, sinkhole or playa lake (measured from the ordinary high water mark).

3. The updated aerial photograph and an onsite investigation indicate that the planned variance closure is not within 300 feet of a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

4. The planned variance closure is not within the boundary of any municipality.

5. Onsite investigation and a review of the prior FEMA wetland map information, also attached herewith, indicate that the planned variance closure is not within 300 feet of a wetland, nor within a 100-year floodplain.

6. The planned variance closure is not located in an area that is unstable, nor overlying a subsurface mine.

## **Closure and Site Reclamation Requirements**

1. HPOC, LLC shall close the pit in compliance with Rule 19.15.17.13(C), subject to the variance request in this application. HPOC will protect fresh water resources, human health and the environment in all aspects of its work.

2. HPOC, LLC will not commence construction or closure activities without obtaining approval of this closure plan with an approved permit application pursuant to Rule 19.15.17.13(C)(1).

3. HPOC, LLC shall cover the 2' deep excavated pit with non-waste containing, uncontaminated, earthen materials and construct a soil cover prescribed by the division.

4. HPOC, LLC shall install a steel marker at the center of the variance closure pit in accordance with Rule 19.15.17.13(F)(3). Per BLM request, the marker shall be a steel plate at or just below ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, and that the marker designates an onsite burial location shall be welded, stamped or otherwise permanently engraved into the metal of the steel marker.

5. HPOC, LLC shall notify the surface owner (Bureau of Land Management) via e-mail at least 72 hours prior to any closure operation pursuant to Rule 19.15.17.13(E)(1).

7. HPOC, LLC shall notify the division office in Aztec via e-mail at least 72 hours prior to any closure operation pursuant to Rule 19.15.17.13(E)(2).

8. HPOC, LLC shall, within 60 days of closure, file the closure report on form C-144 with all necessary attachments to document the closure activities including any additional sampling where applicable pursuant to Rule 19.15.17.13(F). All closure sampling reports will be supplied with the closure report.

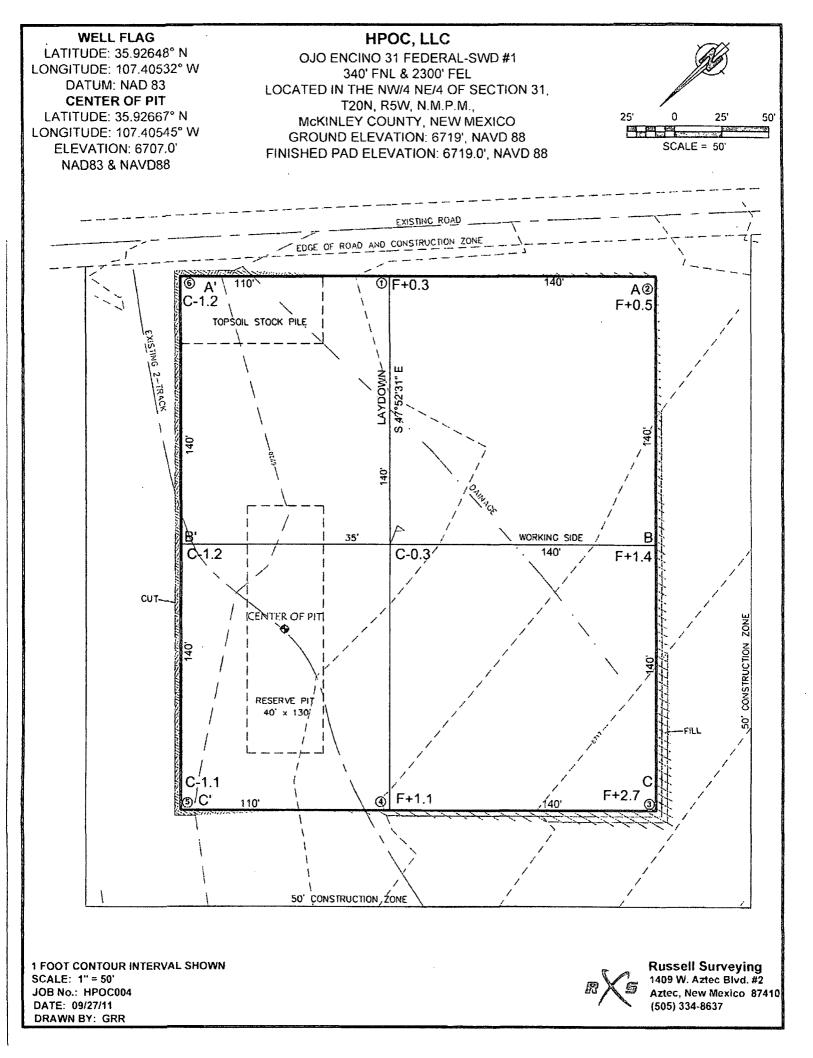
Ojo Encino 31 Federal SWD #1; Variance Closure HPOC, LLC 3 m) HPOC, LLC shall reclaim the pit closure pursuant to Rule 19.15.17.13(H), notifying all regulatory agencies with the appropriate information and timing.

The following information is submitted this 31<sup>st</sup> day of October 2013, along with additional attachments and the C-144 form to secure a permit for an variance closure on the Ojo Encino 31 Federal SWD #1 well location in Section 31, T20N-R5W, McKinley County, New Mexico by Arthur W. Butler III, Owner/Manager for HPOC, LLC. Such information is true and correct to the best of my knowledge.

1.T Ale

Arthur W. (Butch) Butler III Owner/Manager HPOC, LLC

Date: October 31, 2013





# Five-point sample collected June 14, 2013 from surface area of filled in pit

HPOC, LLC PO Box 5046	Project Name: Project Number:		31 FED #1 SWD 08169-0002					Reported	
Buena Vista CO, 81211	5	Project Manager: Butch Butler					24-Jun-13 15:13		
		Т	'op Soil	· · · · ·					
			71-01 (Sol	lid)					
		Reporting							
Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Toluene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Ethylbenzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
p,m-Xylene	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
o-Xylene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: Bromochlorobenzene		104%	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		110 %	80	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: Fluorobenzene		110 %	80	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Nonhalogenated Organics by 8015			· · · · · · · · · · · · · · · · · · ·						
Gasoline Range Organics (C6-C10)	ND	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	4.98	nıg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
GRO and DRO Combined Fractions	ND	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Total Petroleum Hydrocarbons by 418.1									
Total Petroleum Hydrocarbons	39.9	20.0	mg/kg	1	1325016	18-Jun-13	18-Jun-13	EPA 418.1	
Cation/Anion Analysis	····· <u>·</u> · ·								· · · · · · · · · · · · · · · · · · ·
Chloride	59.6	9.99	mg/kg	1	1325006	17-Jun-13	17-Jun-13	EPA 300.0	

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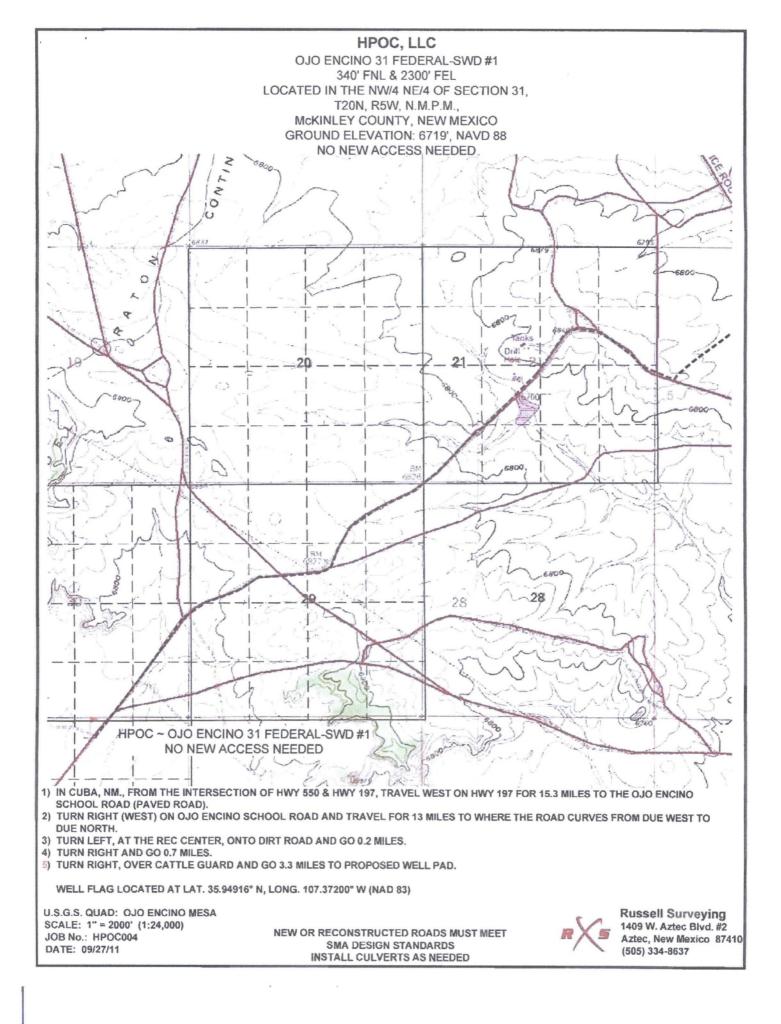


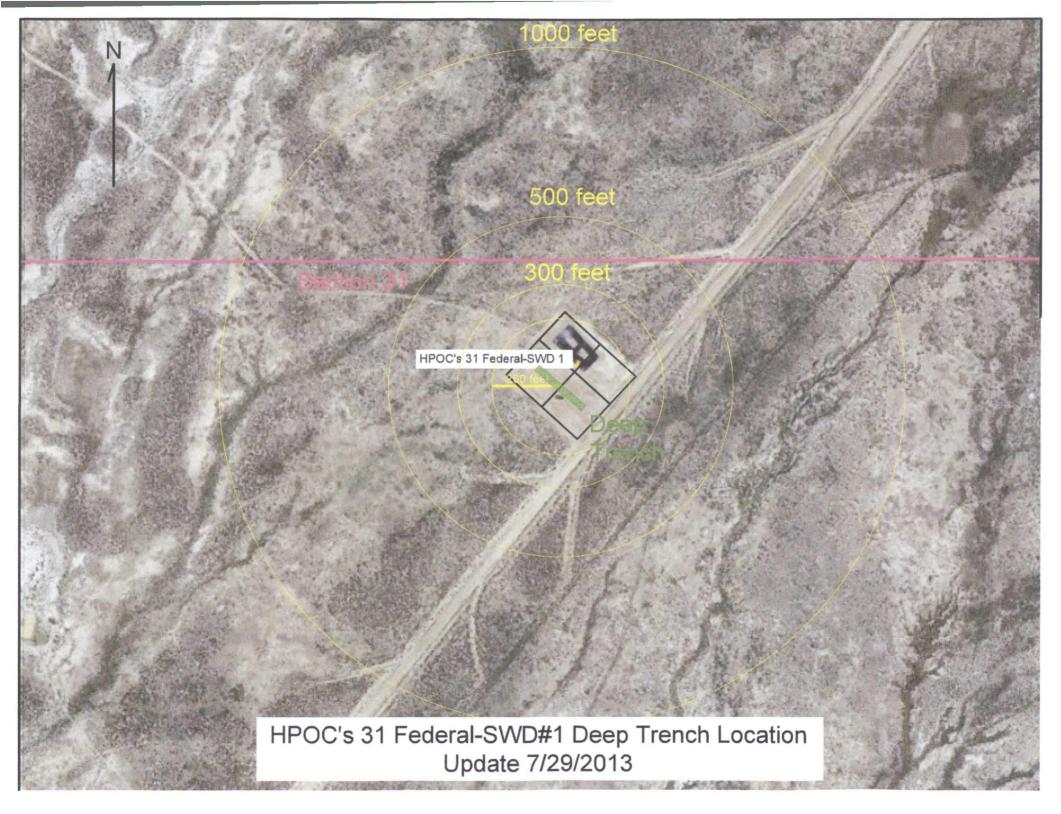
## Composite sample collected June 15, 2013 from test holes dug in filled in pit

HPOC, LLC PO Box 5046 Buena Vista CO, 81211	Project	Name: Number: Manager:	08169	D #1 SWD -0002 al Allen				Reported 24-Jun-13 1	
		•	pth Sam 77-01 (Sol			-			
		Reporting							
Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Toluene	ND	0.05	nıg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Ethylbenzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
p,m-Xylene	ND	0.05	mg/kg	ł	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
o-Xylene	ND	. 0.05	nıg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	i	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	t	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: Bromochlorobenzene		106 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogale: 1,4-Difluorobenzene		109 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: Fluorobenzene		113 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	ND	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Diesel Range Organics (C10-C28)	13.6	4.98	nıg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
GRO and DRO Combined Fractions	13.6	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Total Petroleum Hydrocarbons by 418.1									
Total Petroleum Hydrocarbons	56.0	20.0	mg/kg	ł	1325016	18-Jun-13	18-Jun-13	EPA 418.1	
Cation/Anion Analysis			`						
Chloride	48.8	9.99	mg/kg	1	1325006	17-Jun-13	17-Jun-13	EPA 300.0	

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# New Mexico Office of the State Engineer Wells with Well Log Information

UTMNAD83 Radius Search (in meters):

Easting (X): 282980.93

Northing (Y): 3978468.32

Radius: 2000

No wells found.



# New Mexico Office of the State Engineer Wells Without Well Log Information

No wells found.

UTMNAD83 Radius Search (in meters):

Easting (X): 282980.93

Northing (Y): 3978468.32

Radius: 2000



# New Mexico Office of the State Engineer Water Column/Average Depth to Water

No records found.

UTMNAD83 Radius Search (in meters):

Easting (X): 282980.93

Northing (Y): 3978468.32

Radius: 2000



# New Mexico Office of the State Engineer Point of Diversion with Meter Attached

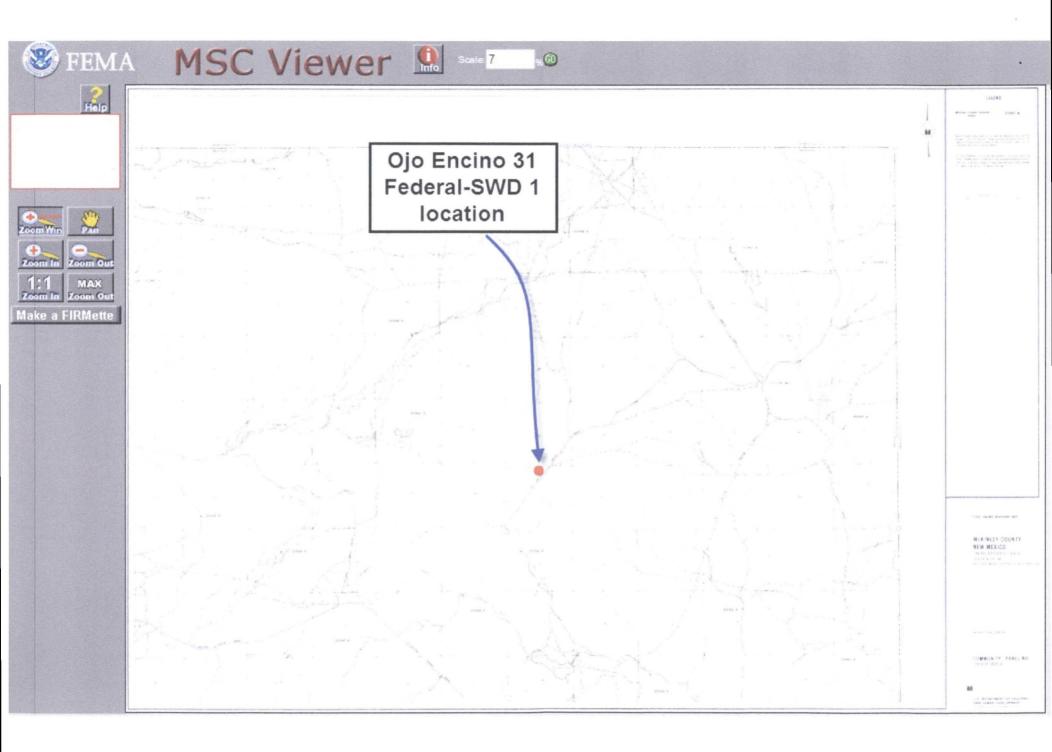
No PODs found.

UTMNAD83 Radius Search (in meters):

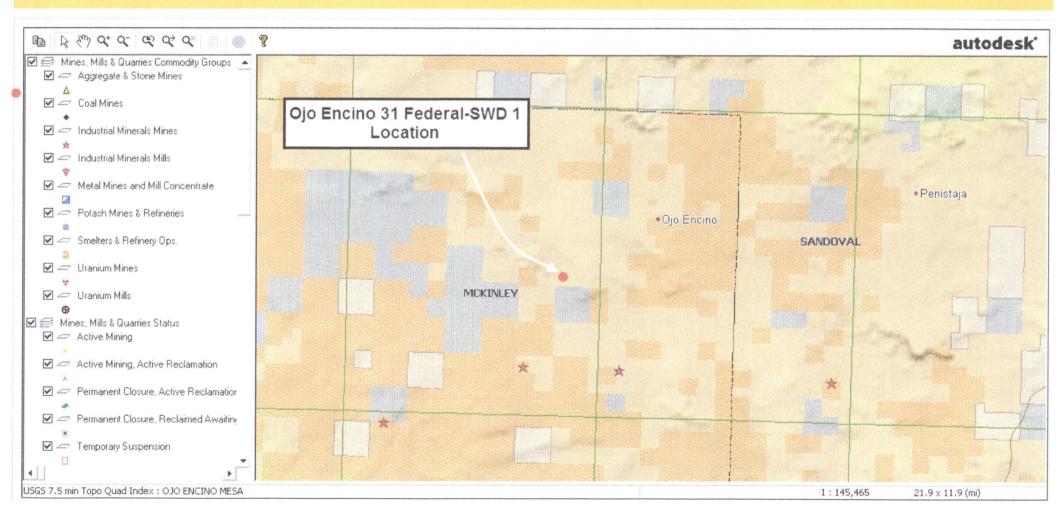
Easting (X): 282980.93

Northing (Y): 3978468.32

Radius: 2000



# Mines, Mills and Quarries Web Map



Form C-144–Modification to an existing permit or registration Request for Variance Closure–Two feet of cover over reserve pit

October 31, 2013

District III, NM Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410 RCVD NOV 15'13 OIL CONS. DIV. DIST. 3

To whom it may concern:

HPOC, LLC submitted a modification to its original C-144 pit permit for the referenced well on July 29, 2013 (with a subsequent correction on August 9<sup>th</sup>). This modification permit was for an onsite burial trench. This was required because HPOC did not have the required four feet of freeboard in the reserve pit and misunderstood the direction of the BLM regarding closure of this pit. HPOC mixed stockpiled native soil to the four foot level to stabilize the pit before backfilling and re-grading over the pit. Brandon Powell with NM OCD, due to the distance the location is from the nearest landfarm, originally suggested the onsite burial trench closure method, where four feet of material would be removed over the pit and buried in the onsite trench.

NM OCD subsequently approved this onsite burial trench permit however the BLM would not allow a burial trench on BLM lands. At a meeting on September 4, 2013 between BLM and HPOC personnel, Mark Kelly with the BLM proposed an alternative solution. He said the BLM would approve removing two feet of material from the current pit closure, due to the testing results indicating clean material in the four feet of cover over the pit. This will reduce by ½ the impact of trucking material 45 miles one-way to the T-n-T landfarm. The BLM subsequently approved a Sundry Notice with approval of this proposal. This approved Sundry is included with our application.

Following please find a new C-144 "modification to an existing permit," requesting a variance to the original C-144 pit permit, allowing HPOC to remove two feet of material over the reserve pit, haul this material to the T-n-T Landfarm, backhaul material to fill the excavation and re-grade to the original contours.

I can be reached at 719-395-8059 (office) or via email to bbutler@highplainsop.com if you have any questions.

Thank you,

Arthur W. (Butch) Butler III Owner/Manager HPOC, LLC

Date: October 31, 2013

Form	3	1	60.5
(Augi	15	I	2007)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

#### SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN	<b>TRIPLICATE</b> - Other	r instructions on reverse side.

SUBMIT IN TRIPLICATE - Oth	7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well Dil Well Dias Well 🔯 Other: INJECTION		8. Well Name and No. OJO ENCINO 31 FEDERAL SWD 1
2. Name of Operator HPOC, LLC E-Mail:	Contact: ARTHUR W. BUTLER BBUTLER@HIGHPLAINSOP.COM	9. API Well No. 30-031-21112
3a. Address PO BOX.5046 BUENA VISTA, CO 81211	3b. Phone No. (include area code) Ph: 719-395-8059	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey	Description)	11. County or Parish, and State
Sec 31 T20N R5W Mer NMP NWNE 340FNL 35,926480 N Lat, 107,405320 W Lon	2300FEL	MCKINLEY COUNTY, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	🗖 Acidize	🗖 Deepen	Production (Start/Resume)	□ Water Shut-Off			
<b>4</b> ,0	Alter Casing	Fracture Treat	Reclamation	Well Integrity			
Subsequent Report	🗖 Casing Repair	New Construction	Recomplete	Other			
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon				
	Convert to Injection	Plug Back	Water Disposal				

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

HPOC, LLC is operating with Bond No. NMB 000457.

HPOC requests a variance to its original APD submitted to the BLM allowing HPOC to remove 2 ft of fill from the top of the cover over the reserve pit, haul this fill material to T-n-T Landfarm approximately 45 miles to the north, and return with clean material to fill the excavated 2 ft This solution was proposed by Mark Kelly, Environmental Compliance Team Lead, at a meeting on September 4, 2013 in the BLM Farmington Field Office between HPOC personnel and BLM personnel Gary Torres, Farmington Field Office Manager, Maureen Joe, Assistant Field Office Manager for Lands and Renewable Resources, Mark Kelly, and Bob Switzer, Environmental Protection Specialist. This meeting was called to resolve the mixing of stockpiled soil with drill cuttings used to provide the 4 ft of

**RCVD NOV 15'13** OIL CONS. DIV. DIST. 3

FORM APPROVED OMB NO. 1004-0135

Expires: July 31, 2010

Lease Serial No.

NMNM113426

6. If Indian, Allottee or Tribe Name

cover over the pit. 14. I hereby certify that the foregoing is true and correct. Electronic Submission #221052 verified by the BLM Well Information System For HPOC, LLC, sent to the Farmington Name (Printed/Typed) ARTHUR W. BUTLER Title MANAGER Signature (Electronic Submission) Date 09/24/2013 **THIS SPACE FOR FEDERAL OR STATE OFFICE USE** s A

			*****		_
alks Kell.			SEP	25	2013
Approved By	Title	ENVIRONMENTAL	Date		
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease	0.5	COMPLIANCE TEAM LEAD			
which would entitle the applicant to conduct operations thereon.	Office				

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

**OPERATOR COPY** 



# Five-point sample collected June 14, 2013 from surface area of filled in pit

HPOC, LLC PO Box 5046 Buena Vista CO, 81211	Project	Project Name:31 FED #1 SWDProject Number:08169-0002Project Manager:Butch Butler					Reported 24-Jun-13 1		
			op Soil 71-01 (Sol	id)					
T		1 3000	1=01 (30)						
Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
			<u></u>						
Volatile Organics by EPA 8021 Benzene	ND	0,05	mg/kg	 ł	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Tolucne	ND	0,05	mg/kg		1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Ethylbenzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
p,m-Xylene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
o-Xylene	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	1 I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	ł	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: Bromochlorobenzene	agantan kula kulaya kulaya da kulaya da y	104 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		110%	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	n dage of a second to be a special to
Surrogate: Fluorobenzene		110 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	ND	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
GRO and DRO Combined Fractions	ND	4.98	mg/kg	I	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Total Petroleum Hydrocarbons by 418.1									
Total Petroleum Hydrocarbons	39,9	20.0	mg/kg	1	1325016	18-Jun-13	18-Jun-13	EPA 418.1	
Cation/Anion Analysis									
Chioride	59.6	9.99	mg/kg	1	1325006	17-Jun-13	17-Jun-13	EPA 300.0	

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# Composite sample collected June 15, 2013 from test holes dug in filled in pit

HPOG, LLG PO Box 5046 Buena Vista CO, 81211	Project	t Name: t Number; t Manager:						Reported 24-Jun-13-1	
	an dan kerangan penyangkan kerangkan kerangkan kerangkan kerangkan kerangkan kerangkan kerangkan kerangkan ker		pth Samj 77-01 (Sol	•					
······································		r3000	//-01 (50)	ia)					
	n k	Reporting							
Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Tofuene	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Ethylbenzene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
p.m-Xylene	ND	0.05	mg/kg	1	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
o-Xylene	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Totał BTEX	ND	0.05	mg/kg	I	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: Bromochlorobenzene		106 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		109 %	80-	120	1325007	17-Jun-13	23-Jun-13	EPA 8021B	an a
Surrogate: Fluorobenzene	Manalay south for a star a star and	113 %	80-	120	1325007	7-Jun- 3	23-Jun-13	EPA 8021B	
Nonhalogenated Organics by 8015								•	
Gasoline Range Organics (C6-C10)	ND	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Diesel Range Organics (C10-C28)	13.6	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
GRO and DRO Combined Fractions	13.6	4.98	mg/kg	1	1325009	17-Jun-13	23-Jun-13	EPA 8015D	
Total Petroleum Hydrocarbons by 418,1									
Total Petroleum Hydrocarbons	56.0	20.0	mg/kg	1	1325016	18-Jun-13	18-Jun-13	EPA 418.1	
Cation/Anion Analysis									····
Chloride	48.8	9.99	mg/kg	I	1325006	17-Jun-13	17-Jun-13	EPA 300.0	

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