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.

11569

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: BP AMERICA PRODUCTION COMPANY OGRID #: 778
Address: 200 Energy Court, Farmington, NM 87401
Facility or well name: MUDGE LS 037
API Number: 3004521083 OCD Permit Number:
U/L or Qtr/Qtr K Section 23.0 Township 31.0N Range 11W County: San Juan County
Center of Proposed Design: Latitude 36.881286 Longitude -107.964498 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_____

OIL CONS. DIV DIST. 3
MAY 01 2014

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 _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC **(Closure Plan submittal only)**
Volume: 95.0 bbl Type of fluid: Produced Water Tank A
Tank Construction material: Steel
☐ 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.

16

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 19.15.16.8 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): Jeffrey Peace Title: Field Environmental Advisor

Signature: Jeffrey H. Peace Date: 06/14/2010

e-mail address: Peace.Jeffrey@bp.com Telephone: 505-326-9479

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

OCD Representative Signature: Jonathan Kelly 5/21/2014 Approval Date: 5/10/11

Title: Environmental Engineer 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: 8-17-2011

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 36.881286 Longitude -107.964498 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): Jeff Peace Title: Area Environmental Advisor

Signature: Jeff Peace Date: May 1, 2014

e-mail address: peace.jeffrey@bp.com Telephone: (505) 326-9479

BP AMERICA PRODUCTION COMPANY
SAN JUAN BASIN, NORTHWEST NEW MEXICO

BELOW-GRADE TANK CLOSURE PLAN

Mudge LS 37
API No. 3004521083
Unit Letter K, Section 23, T31N, R11W

This plan will address the standard protocols and procedures for closure of below-grade tanks (BGTs) on BP America Production Company (BP) well sites. As stipulated in Paragraph A of 19.15.17.13 NMAC, BP shall close a BGT within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the New Mexico Oil Conservation Division (NMOCD) requires because of imminent danger to fresh water, public health, safety or the environment. If deviations from this plan are necessary, any specific changes will be included on form C-144 and approved by the NMOCD. BP shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofit with a BGT that complies with the BP NMOCD approved BGT design attached to the BP Design and Construction Plan. BP shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, if not previously retrofitted to comply with the BP NMOCD approve BGT Design attached to the BP Design and Construction Plan, prior to any sale or change in operator pursuant to 19.15.9.9 NMAC. BP shall close the permitted BGT within 60 days of cessation of the BGTs operation or as required by the transitional provisions of Subsection B, D, or E of 19.15.17.17 NMAC.

General Closure Plan

1. BP shall notify the surface owner by certified mail that it plans to close a BGT. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records demonstrates compliance with this requirement.
   No notice was made due to misunderstanding of the notice requirements. Closure notices will be made for all BGT closures from this point forward.

2. BP shall notify the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice shall include the operator's name, and the location to be closed by unit letter, section, township and range. If the BGT closure is associated with a particular well, then the notice shall also include the well's name, number and API number.
   No notice was made due to misunderstanding of the notice requirements. Closure notices will be made for all BGT closures from this point forward.

3. BP shall remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. The facilities to be used are:
   a. BP Crouch Mesa Landfarm, Permit NM-02-003 (Solids)
   b. JFJ Landfarm, Permit NM-01-010(B) (Solids and Sludge)

c. Basin Disposal, Permit NM-01-0005 (Liquids)
d. Envirotech Inc Soil Remediation Facility, Permit NM-01-0011 (Solids and Sludge)
e. BP Operated E.E. Elliott SWD #1, API 30-045-27799 (Liquids)
f. BP Operated 13 GCU SWD #1, API 30-045-28601 (Liquids)
g. BP Operated GCU 259 SWD, API 30-045-20006 (Liquids)
h. BP Operated GCU 306 SWD, API 30-045-24286 (Liquids)
i. BP Operated GCU 307 SWD, API 30-045-24248 (Liquids)
j. BP Operated GCU 328 SWD, API 30-045-24735 (Liquids)
k. BP Operated Pritchard SWD #1, API 30-045-28351 (Liquids)

All liquids and sludge in the BGT were removed and sent to one of the above NMOCD approved facilities for disposal.

4. BP shall remove the BGT and dispose of it in a NMOCD approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD approves. If a liner is present and must be disposed of it will be cleaned by scraping any soils or other attached materials on the liner to a de minimus amount and disposed at a permitted solid waste facility, pursuant to Subparagraph (m) of Paragraph (1) of Subsection C of 19.15.35.8 NMAC. Documentation as to the final disposition of the removed BGT will be provided in the final closure report.
The BGT was transported to a storage area for sale and re-use.

5. BP shall remove any on-site equipment associated with a BGT unless the equipment is required for well production.
All equipment associated with the BGT has been removed.

6. BP shall test the soils beneath the BGT to determine whether a release has occurred. BP shall collect at a minimum: a five (5) point composite sample and individual grab samples from any area that is wet, discolored or showing other evidence of a release and analyze for BTEX, TPH and chlorides. The testing methods for those constituents are as follows;

Constituents	Testing Method **95 bbl BGT**	Release Verification (mg/Kg)	Sample results
Benzene	US EPA Method SW-846 8021B or 8260B	0.2	ND
Total BTEX	US EPA Method SW-846 8021B or 8260B	50	ND
TPH	US EPA Method SW-846 418.1	100	ND
Chlorides	US EPA Method 300.0 or 4500B	250 or background	1.6

Notes: mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. Chloride closure standards will be determined by which ever concentration level is greatest.

Soil under the BGT was sampled and TPH, BTEX and chloride levels were below the stated limits. Sampling data is attached.

7. BP shall notify the division District III office of its results on form C-141.
C-141 is attached.

8. If it is determined that a release has occurred, then BP will comply with 19.15.30 NMAC and 19.15.29 NMAC, as appropriate.
Sampling results indicate no release occurred.

9. If the sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then BP shall backfill the excavation, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover, re-contour and re-vegetate the location. The location will be reclaimed if it is not with in the active process area
The area under the BGT was backfilled with clean soil and is still within the active area.

10. BP shall reclaim the BGT location and all areas associated with the BGT including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. BP shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC.
The area over the BGT is still within the active well area. This area will be reclaimed when the well is plugged and abandoned as part of final reclamation.

11. The soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. The soil cover will be constructed to the site's existing grade and all practicable efforts will be made to prevent ponding of water and erosion of the cover material.
The area over the BGT is still within the active well area. This area will be reclaimed when the well is plugged and abandoned as part of final reclamation.

12. BP shall seed the disturbed area the first growing season after closure of the BGT. Seeding will be accomplished by drilling on the contour whenever practical or by other division-approved methods. Vegetative cover will be, at a minimum, 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation), consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
The area over the BGT is still within the active well area. This area will be reclaimed when the well is plugged and abandoned as part of final reclamation.

13. BP shall seed, plant and re-seed pursuant to Paragraph (3) of Subsection I of 19.15.17.13 NMAC, until the location successfully achieves the required vegetative cover.
BP will seed the area when the well is plugged and abandoned.

14. Pursuant to Paragraph (5) of Subsection I of 19.15.17.13 NMAC, BP shall notify the NMOCD when it has seeded or planted and when it successfully achieves re-vegetation.
BP will notify NMOCD when re-vegetation is successful.

15. Within 60 days of closure completion, BP shall submit a closure report on NMOCD's form C-144, and will include the following;
    a. proof of closure notification (surface owner and NMOCD)
    b. sampling analytical reports; information required by 19.15.17 NMAC;
    c. disposal facility name and permit number
    d. details on back-filling, capping, covering, and where applicable re-vegetation application rates and seeding techniques and
    e. site reclamation, photo documentation.
    Closure report on C-144 form is included.

16. BP shall certify that all information in the report and attachments is accurate, truthful, and compliant with all applicable closure requirements and conditions specified in the approved closure plan.
Certification section of C-144 has been completed.

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

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: BP	Contact: Jeff Peace
Address: 200 Energy Court, Farmington, NM 87401	Telephone No.: 505-326-9479
Facility Name: Mudge LS 37	Facility Type: Natural gas well

Surface Owner: Federal	Mineral Owner: Federal	API No. 3004521083

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County: San Juan
K	23	31N	11W	1,700	South	1,510	West	

Latitude 36.881286 **Longitude** 107.964498

NATURE OF RELEASE

Type of Release: none	Volume of Release: N/A	Volume Recovered: N/A
Source of Release: below grade tank – 95 bbl	Date and Hour of Occurrence:	Date and Hour of Discovery:
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Sampling of the soil beneath the BGT was done during removal to ensure no soil impacts from the BGT. Soil analysis resulted in TPH, BTEX and chloride below standards. Analysis results are attached.

Describe Area Affected and Cleanup Action Taken.* BGT was removed and the area underneath the BGT was sampled. The excavated area was backfilled and compacted is still within the active well area.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: Jeff Peace	OIL CONSERVATION DIVISION	
Printed Name: Jeff Peace	Approved by Environmental Specialist:	
Title: Area Environmental Advisor	Approval Date:	Expiration Date:
E-mail Address: peace.jeffrey@bp.com	Conditions of Approval:	Attached ☐
Date: May 1, 2014 Phone: 505-326-9479		

* Attach Additional Sheets If Necessary

CLIENT: BP — NE/SW

BLAGG ENGINEERING, INC.
P.O. BOX 87, BLOOMFIELD, NM 87413
(505) 632-1199

API #: 3004521083
TANK ID (if applicble): A

FIELD REPORT:

(circle one): [BGT CONFIRMATION] / RELEASE INVESTIGATION / OTHER:

PAGE #: 1 of 1

SITE INFORMATION:

SITE NAME: MUDGE LS # 37

DATE STARTED: 08/09/11
DATE FINISHED:

QUAD/UNIT: K SEC: 23 TWP: 31N RNG: 11W PM: NM CNTY: SJ ST: NM

1/4 -1/4/FOOTAGE: 1,700'S/1,510'W NE/SW LEASE TYPE: [FEDERAL] / STATE / FEE / INDIAN

LEASE #: SF078096 PROD. FORMATION: PC CONTRACTOR: ELKHORN

ENVIRONMENTAL SPECIALIST(S): JCB

REFERENCE POINT:

WELL HEAD (W.H.) GPS COORD.: 36.88152 X 107.96439 GL ELEV.: 5,783'

1) 95 BGT (SW/DB)	GPS COORD.: 36.881286 X 107.964498	DISTANCE/BEARING FROM W.H.:	87', S25W
2)	GPS COORD.:	DISTANCE/BEARING FROM W.H.:	
3)	GPS COORD.:	DISTANCE/BEARING FROM W.H.:	
4)	GPS COORD.:	DISTANCE/BEARING FROM W.H.:	

SAMPLING DATA:

CHAIN OF CUSTODY RECORD(S) # OR LAB USED: HALL

						OVM READING (ppm)
1) SAMPLE ID:	95 BGT 5-pt. @ 7'	SAMPLE DATE: 08/09/11	SAMPLE TIME: 1504	LAB ANALYSIS:	418.1/8015B/8021B/300.0 (Cl)	0.0
2) SAMPLE ID:		SAMPLE DATE:	SAMPLE TIME:	LAB ANALYSIS:		
3) SAMPLE ID:		SAMPLE DATE:	SAMPLE TIME:	LAB ANALYSIS:		
4) SAMPLE ID:		SAMPLE DATE:	SAMPLE TIME:	LAB ANALYSIS:		

SOIL DESCRIPTION:

SOIL TYPE: SAND / SILTY SAND / SILT / [SILTY CLAY] / CLAY / GRAVEL / OTHER

SOIL COLOR:

COHESION (ALL OTHERS): NON COHESIVE / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE

PLASTICITY (CLAYS): NON PLASTIC / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC

CONSISTENCY (NON COHESIVE SOILS): LOOSE / [FIRM] / DENSE / VERY DENSE

DENSITY (COHESIVE CLAYS & SILTS): SOFT / [FIRM] / STIFF / VERY STIFF / HARD

MOISTURE: [DRY / SLIGHTLY MOIST] / MOIST / WET / SATURATED / SUPER SATURATED

HC ODOR DETECTED: YES [NO] EXPLANATION -

SAMPLE TYPE: GRAB / [COMPOSITE] - # OF PTS. 5

DISCOLORATION/STAINING OBSERVED: YES [NO] EXPLANATION -

ANY AREAS DISPLAYING WETNESS: YES [NO] EXPLANATION -

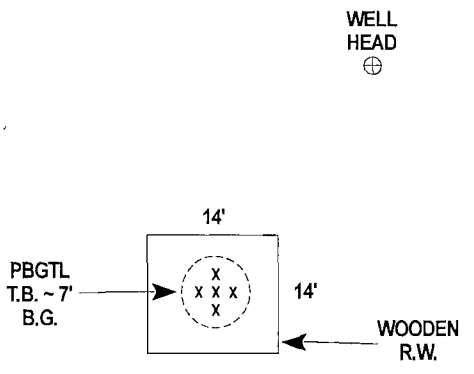
ADDITIONAL COMMENTS: BGT ON GRAVEL, SIDEWALLS VISIBLE.

SOIL IMPACT DIMENSION ESTIMATION: NA ft. X NA ft. X NA ft. EXCAVATION ESTIMATION (Cubic Yards): NA

DEPTH TO GROUNDWATER: <50' NEAREST WATER SOURCE: >1,000' NEAREST SURFACE WATER: <1,000' NMOCD TPH CLOSURE STD: 100 ppm

SITE SKETCH

PLOT PLAN circle: attached



OVM CALIB. READ. = 52.9 ppm RF = 0.52
OVM CALIB. GAS = 100 ppm
TIME: 1:15 am/pm DATE: 08/09/11

MISCELL. NOTES

WO: N1405080
PK: ZSCHWLLBGT
PO #: 52575

Tank ID A — Permit date: 06/14/10
BGT Sidewalls Visible: (Y) / N / NA
BGT Sidewalls Visible: Y / N / NA
Magnetic declination: 10° E

NOTES: BGT = BELOW-GRADE TANK; E.D. = EXCAVATION DEPRESSION; B.G. = BELOW GRADE; B = BELOW; T.H. = TEST HOLE; ~ = APPROX.; T.B. = TANK BOTTOM; PBGTL = PREVIOUS BELOW-GRADE TANK LOCATION; SPD = SAMPLE POINT DESIGNATION; R.W. = RETAINING WALL; NA - NOT APPLICABLE OR NOT AVAILABLE; SW - SINGLE WALL; DW - DOUBLE WALL; SB - SINGLE BOTTOM; DB - DOUBLE BOTTOM.

TRAVEL NOTES: CALLOUT: ONSITE: 08/09/11

Hall Environmental Analysis Laboratory, Inc.

Date: *17-Aug-11*
Analytical Report

CLIENT:	Blagg Engineering	**Client Sample ID:**	95 BGT 5-Point @7'
Lab Order:	1108550	**Collection Date:**	8/9/2011 3:04:00 PM
Project:	Mudge LS 37	**Date Received:**	8/12/2011
Lab ID:	1108550-01	**Matrix:**	SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: **JB**
Diesel Range Organics (DRO)	ND	9.9		mg/Kg	1	8/15/2011 8:57:01 PM
Surr: DNOP	101	73.4-123		%REC	1	8/15/2011 8:57:01 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: **NSB**
Gasoline Range Organics (GRO)	ND	4.6		mg/Kg	1	8/15/2011 4:20:25 PM
Surr: BFB	93.2	75.2-136		%REC	1	8/15/2011 4:20:25 PM
EPA METHOD 8021B: VOLATILES						Analyst: **NSB**
Benzene	ND	0.046		mg/Kg	1	8/15/2011 4:20:25 PM
Toluene	ND	0.046		mg/Kg	1	8/15/2011 4:20:25 PM
Ethylbenzene	ND	0.046		mg/Kg	1	8/15/2011 4:20:25 PM
Xylenes, Total	ND	0.092		mg/Kg	1	8/15/2011 4:20:25 PM
Surr: 4-Bromofluorobenzene	93.5	90.3-115		%REC	1	8/15/2011 4:20:25 PM
EPA METHOD 300.0: ANIONS						Analyst: **SRM**
Chloride	1.6	1.5		mg/Kg	1	8/16/2011 5:37:29 PM
EPA METHOD 418.1: TPH						Analyst: **JB**
Petroleum Hydrocarbons, TR	ND	20		mg/Kg	1	8/16/2011

Qualifiers:

*	Value exceeds Maximum Contaminant Level	B	Analyte detected in the associated Method Blank
E	Estimated value	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	MCL	Maximum Contaminant Level
NC	Non-Chlorinated	ND	Not Detected at the Reporting Limit
PQL	Practical Quantitation Limit	S	Spike recovery outside accepted recovery limits

Chain-of-Custody Record

Client: BLAGG ENGINEERING INC.
BP AMERICA
Mailing Address: P.O. BOX 87
BLOOMFIELD NM
Phone #: 505-632-1199
email or Fax#:
QA/QC Package:
☒ Standard ☐ Level 4 (Full Validation)
Accreditation
☐ NELAP ☐ Other
☐ EDD (Type)

Turn-Around Time:
☒ Standard ☐ Rush
Project Name: MUDGE LS 37
Project #:
Project Manager: J. BLAGG
Sampler: J. BLAGG
On Ice: ☒ Yes ☐ No
Sample Temperature: 1.1

HALL ENVIRONMENTAL ANALYSIS LABORATORY
www.hallenvironmental.com
4901 Hawkins NE - Albuquerque, NM 87109
Tel. 505-345-3975 Fax 505-345-4107

Date	Time	Matrix	Sample Request ID	Container Type and #	Preservative Type	HEAL No. 1106560	BTEX + ~~MTBE + TMB's~~ (8021)	BTEX + MTBE + TPH (Gas only)	TPH Method 8015B (Gas/Diesel)	TPH (Method 418.1)	EDB (Method 504.1)	8310 (PNA or PAH)	RCRA 8 Metals	Anions (F,Cl,NO_3,NO_2,PO_4,SO_4)	8081 Pesticides / 8082 PCB's	8260B (VOA)	8270 (Semi-VOA)	CHLORIDE				Air Bubbles (Y or N)
8/9/11	1504	SOIL	95 BGT 5-POINT @ -7'	4oz x 1	COOL	-1	X		X	X								X				

Analysis Request

Date:	Time:	Relinquished by:	Received by:	Date	Time
8/11/11	1343	Jeff Blagg	Christine Walters	8/11/11	1343
8/11/11	1605	Christine Walters		8/12/11	945

Remarks: GRO + DRO ON 8015
PAYKEY: ZPEACJDENV
WORKORDER: N1405080

If necessary, samples submitted to Hall Environmental may be subcontracted to other accredited laboratories. This serves as notice of this possibility. Any sub-contracted data will be clearly notated on the analytical report.

GH

QA/QC SUMMARY REPORT

Client: Blagg Engineering
Project: Mudge LS 37 **Work Order:** 1108550

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Method: EPA Method 300.0: Anions											
Sample ID: MB-28041		*MBLK*				Batch ID:	**28041**	Analysis Date:		8/16/2011 12:58:54 PM	
Chloride	ND	mg/Kg	1.5								
Sample ID: LCS-28041		*LCS*				Batch ID:	**28041**	Analysis Date:		8/16/2011 1:16:19 PM	
Chloride	14.26	mg/Kg	1.5	15	0	95.0	90	110			
Method: EPA Method 418.1: TPH											
Sample ID: MB-28036		*MBLK*				Batch ID:	**28036**	Analysis Date:		8/16/2011	
Petroleum Hydrocarbons, TR	ND	mg/Kg	20								
Sample ID: LCS-28036		*LCS*				Batch ID:	**28036**	Analysis Date:		8/16/2011	
Petroleum Hydrocarbons, TR	99.36	mg/Kg	20	100	0	99.4	87.8	115			
Sample ID: LCSD-28036		*LCSD*				Batch ID:	**28036**	Analysis Date:		8/16/2011	
Petroleum Hydrocarbons, TR	101.9	mg/Kg	20	100	0	102	87.8	115	2.56	8.04	
Method: EPA Method 8015B: Diesel Range Organics											
Sample ID: MB-28024		*MBLK*				Batch ID:	**28024**	Analysis Date:		8/15/2011 5:30:37 PM	
Diesel Range Organics (DRO)	ND	mg/Kg	10								
Sample ID: LCS-28024		*LCS*				Batch ID:	**28024**	Analysis Date:		8/15/2011 6:05:00 PM	
Diesel Range Organics (DRO)	43.24	mg/Kg	10	50	0	86.5	66.7	119			
Sample ID: LCSD-28024		*LCSD*				Batch ID:	**28024**	Analysis Date:		8/15/2011 6:39:27 PM	
Diesel Range Organics (DRO)	45.69	mg/Kg	10	50	0	91.4	66.7	119	5.49	18.9	
Method: EPA Method 8015B: Gasoline Range											
Sample ID: MB-28021		*MBLK*				Batch ID:	**28021**	Analysis Date:		8/15/2011 7:53:18 PM	
Gasoline Range Organics (GRO)	ND	mg/Kg	5.0								
Sample ID: LCS-28021		*LCS*				Batch ID:	**28021**	Analysis Date:		8/15/2011 7:23:12 PM	
Gasoline Range Organics (GRO)	30.99	mg/Kg	5.0	25	2.12	115	86.4	132			
Method: EPA Method 8021B: Volatiles											
Sample ID: MB-28021		*MBLK*				Batch ID:	**28021**	Analysis Date:		8/15/2011 7:53:18 PM	
Benzene	ND	mg/Kg	0.050								
Toluene	ND	mg/Kg	0.050								
Ethylbenzene	ND	mg/Kg	0.050								
Xylenes, Total	ND	mg/Kg	0.10								
Sample ID: LCS-28021		*LCS*				Batch ID:	**28021**	Analysis Date:		8/15/2011 5:50:49 PM	
Benzene	0.9760	mg/Kg	0.050	1	0.0186	95.7	83.3	107			
Toluene	0.9102	mg/Kg	0.050	1	0.0261	88.4	74.3	115			
Ethylbenzene	1.049	mg/Kg	0.050	1	0.0132	104	80.9	122			
Xylenes, Total	3.194	mg/Kg	0.10	3	0.0312	105	85.2	123			

Qualifiers:

E	*Estimated value*	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	NC	Non-Chlorinated
ND	Not Detected at the Reporting Limit	R	RPD outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Sample Receipt Checklist

Client Name BLAGG | Date Received: 8/12/2011

Work Order Number 1108550 | Received by: LNM

Checklist completed by: Signature 8/12/11 Date | Sample ID labels checked by: Initials

Matrix: | Carrier name: Greyhound

Shipping container/cooler in good condition?	Yes ☑	No ☐	Not Present ☐	
Custody seals intact on shipping container/cooler?	Yes ☑	No ☐	Not Present ☐	Not Shipped ☐
Custody seals intact on sample bottles?	Yes ☐	No ☐	N/A ☑	
Chain of custody present?	Yes ☑	No ☐		
Chain of custody signed when relinquished and received?	Yes ☑	No ☐		
Chain of custody agrees with sample labels?	Yes ☑	No ☐		
Samples in proper container/bottle?	Yes ☑	No ☐		
Sample containers intact?	Yes ☑	No ☐		
Sufficient sample volume for indicated test?	Yes ☑	No ☐		
All samples received within holding time?	Yes ☑	No ☐		Number of preserved bottles checked for pH:
Water - VOA vials have zero headspace?	No VOA vials submitted ☑	Yes ☐	No ☐	
Water - Preservation labels on bottle and cap match?	Yes ☐	No ☐	N/A ☑	
Water - pH acceptable upon receipt?	Yes ☐	No ☐	N/A ☑	*<2 >12 unless noted below.*
Container/Temp Blank temperature?	1.1°	*<6° C Acceptable* If given sufficient time to cool.		

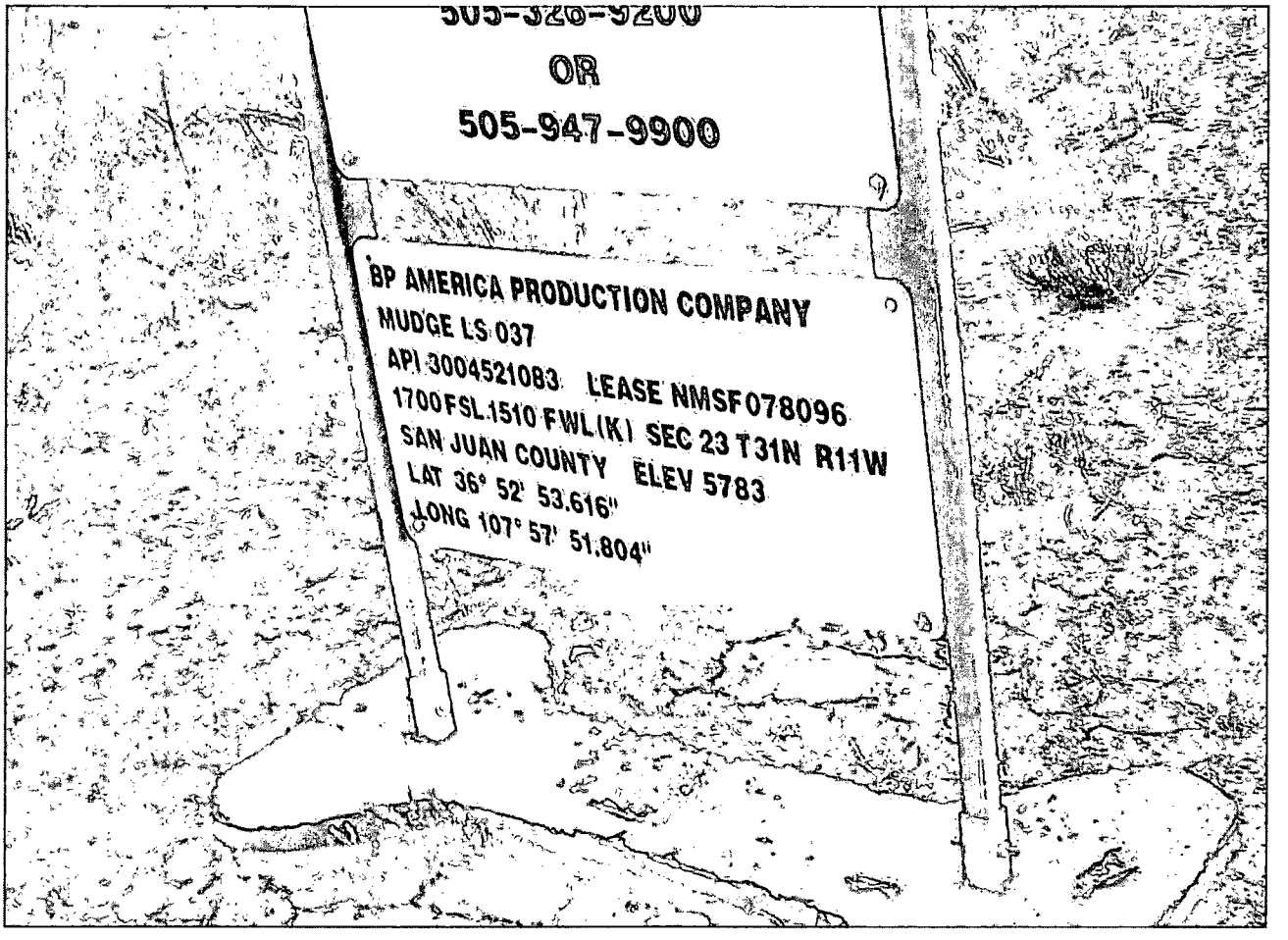
COMMENTS:

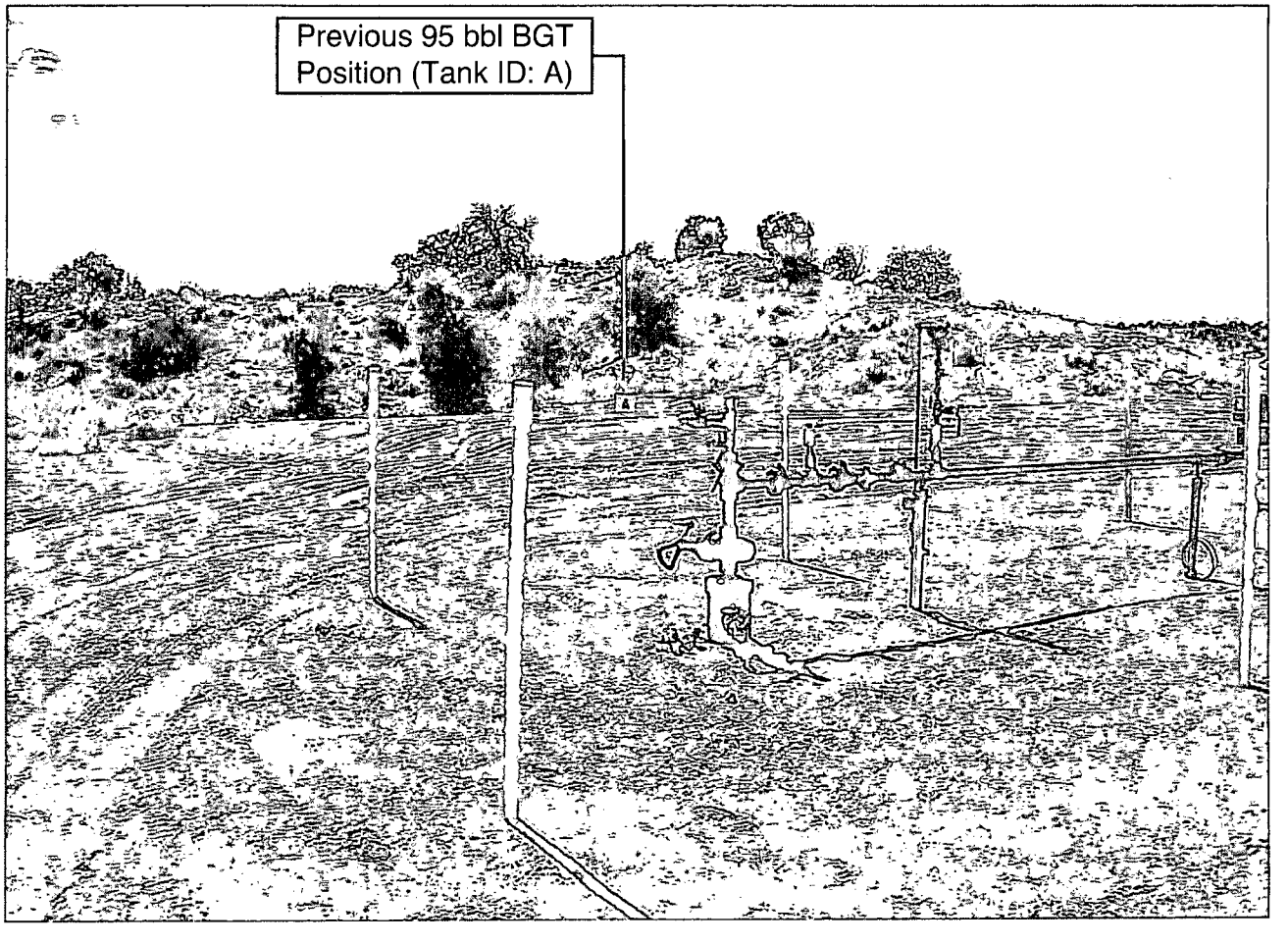
Client contacted _____ Date contacted: _____ Person contacted _____

Contacted by: _____ Regarding: _____

Comments: _____

Corrective Action _____


505-326-9200
OR
505-947-9900
BP AMERICA PRODUCTION COMPANY
MUDGE LS 037
API 3004521083 LEASE NMSF078096
1700FSL 1510 FWL(K) SEC 23 T31N R11W
SAN JUAN COUNTY ELEV 5783
LAT 36° 52' 53.616"
LONG 107° 57' 51.804"


Previous 95 bbl BGT
Position (Tank ID: A)