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

Form C-144 Revised June 6, 2013

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.

11988	Pit, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application
A- 31235	Type of action: Below grade tank registration Permit of a pit or proposed alternative method Closure of a pit, below-grade tank, 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
Please be advised tha	Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request at approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the per approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Address:Facility or well nate API Number: 30-0 U/L or Qtr/QtrCenter of Proposed	WPX Energy Production' LLC OGRID#: 120782 PO Box 640/721 S Main
Temporary: Demonstrate Demonst	on F, G or J of 19.15.17.11 NMAC rilling
Volume: Tank Construction ⊠ Secondary cor □ Visible sidewa	ank: Subsection I of 19.15.17.11 NMAC 120
4. Alternative M Submittal of an exception	ethod: ception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
Chain link, six institution or church	tion D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, och) nt, four strands of barbed wire evenly spaced between one and four feet ase specify As per BLM specifications

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)	
7.	
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	
Nariances 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.	
9. 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 acceptance of the compliance for each siting criteria below in the application.	ptable source
material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.	
Companylaiting	
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
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.	☐ Yes ☐ No☐ NA
NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	I NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	☐ Yes ☐ 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	1
Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	Yes No
Within an unstable area. (Does not apply to below grade tanks)	
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological	Yes No
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 from the ordinary high-water mark).	☐ Yes ☒ No
- Topographic map; Visual inspection (certification) of the proposed site	
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;.	☐ Yes ☑ No
- 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,	
or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.)	☐ Yes ☐ No
- 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 watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.	☐ Yes ☐ No
NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	

Form C-144

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes No
Temporary Pit Non-low chloride drilling fluid	
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). - 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 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; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes No
Permanent Pit or Multi-Well Fluid Management Pit	
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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes No
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 docattached. 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. and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number:	NMAC 15.17.9 NMAC
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 doc attached. 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 A List of wells with approved application for permit to drill associated with the pit. 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 Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number:	15.17.9 NMAC

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 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 ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	documents are
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 Multi-well Falternative 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	luid Management Pit
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. □ 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 C 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 H of 19.15.17.13 NMAC □ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
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. In 19.15.17.10 NMAC for guidance.	
Ground water is less than 25 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
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
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 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	☐ 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 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	☐ Yes ☐ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 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
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan 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 E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17. 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 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements 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 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 H of 19.15.17.13 NMAC	11 NMAC 15.17.11 NMAC
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 believes	ef
	01.
Name (Print): Vanessa Fields Title: Environmental Specialist	
Signature:	
e-mail address: <u>Vanessa.Fields@wpxenergy.com</u> Telephone: 505-333-1880	
telephone. 303-333-1880	
18. OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	
18.	
18. OCD Approval: Permit Application (including closure plan) Closure Plan (only) CCD Conditions (see attachment)	
18. OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date:	
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: Title: OCD Permit Number: 19. Closure Report (required within 60 days of closure completion): 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 is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-lo	complete this
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: Title: OCD Permit Number: 19. Closure Report (required within 60 days of closure completion): 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 is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: 20. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-lo	complete this
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: Title: OCD Permit Number: 19. Closure Report (required within 60 days of closure completion): 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 is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-lo	op systems only) dicate, by a check

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:				



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

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned,

C=the file is closed)

POD

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) QQQ

(In feet)

POD Number

Code Subbasin County 64 16 4 Sec Tws Rng

Depth Depth Water Y Well Water Column

SJ 01156

2 2 1 18 23N 06W

274330 4012555*

1500 1300

SJ 01506

1 1 3 22 23N 06W

278535 4010015*

200 feet

Minimum Depth:

Average Depth to Water:

200 feet

Maximum Depth: 200 feet

280

Record Count: 2

PLSS Search:

Township: 23N

Range: 06W

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

1/30/13 2:57 PM

Page 1 of 1

WATER COLUMN/ AVERAGE **DEPTH TO WATER**



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

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned.

C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

		_										/ / - /	1 may 1 may 1
	POD		Q	Q	Q						Depth	Depth	Water
POD Number	Code Subbasiñ	County	64	16	4	Sec	Tws	Rng	X	<u>Ý</u>	Well	Water	Column
SJ 01507		RA	3	3	4	10	23N	07W	269889	4013098*	1709	900	809
SJ 02233		RA	1	1	2	15	23N	07W	269856	4012864*	1100		
SJ 02233 CLW223636	О	RA	1	1	2	15	23N	07W	269856	4012864*	1100		
									Avera	age Denth to	. Water	900	feet

Minimum Depth: 900 feet

Maximum Depth: 900 feet

Record Count: 3

PLSS Search:

Township: 23N

Range: 07W

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

1/30/13 2:51 PM

Page 1 of 1

WATER COLUMN/ AVERAGE **DEPTH TO WATER**

Hydrogeological Report WPX Energy Production, LLC Chaco 2306-18M 240H

Regional Hydrological Context

Referenced Well Location:

The referenced well and pit is located on Bureau of Land Management land within Farmington Field Office (FFO) jurisdiction in Rio Arriba County, New Mexico. This site is positioned in the northeastern portion of the San Juan Basin, an asymmetrical syncline that extends from northwestern New Mexico into southwestern Colorado (Carson National Forest FEIS, 2008). Elevation of the referenced well is approximately 6,938 feet MSL.

General Regional Groundwater Description:

As a portion of the San Juan Basin, the FFO is underlain by sandstone aquifers of the Colorado Plateau. The primary aquifer of potential concern at this location is the Uinta-Animas Aquifer, composed primarily of Lower Tertiary rocks in the San Juan Basin. The aquifer consists of the San Jose Formation; the underlying Animas formation and its lateral equivalent, the Nacimiento formation; and the Ojo Alamo Sandstone. The thickness of the Uinta-Animas aquifer generally increases toward the central part of the basin. In this region, the maximum thickness of the aquifer is approximately 3500 feet (USGS, 2001). This aquifer contains fresh to moderately saline water.

Groundwater generally flows toward the San Juan River and its tributaries, where it becomes alluvial groundwater or is discharged to stream flow. Additional information regarding the hydrogeologic setting can be found in the provided references.

Site Specific Information:

Surface Hydrology: The pit is located on flat to gently rolling terrain, with a

moderate slope to the east.

1st Water Bearing Formation:

Formation Thickness: Underlying Formation:

Depth to Groundwater:

San Jose, Tertiary

Approximately 1,900 ft. Nacimiento, Tertiary

Depth to groundwater is estimated at greater than 100 feet below

bottom of pit liner. Within a one-mile radius of this location, there is no iWATERS well with recorded water depth. However, the Chaco 187H test well has depth to moisture at 193' (see

Siting Criteria Map I for details).

References:

Allen, Erin. Undated. Colorado Plateau Aquifers.

http://academic.emporia.edu/schulmem/hydro/TERM%20PROJECTS/2007/Allen/Aquifer.html.

New Mexico Energy, Minerals and Natural Resources Department, Division of Mining and Minerals.

Database. 2010. Internet accessed January 2010.

New Mexico Office of the State Engineer. 2013. iWaters database. Internet accessed July 2013.

New Mexico WQCC. 2005. State of New Mexico Water Quality Act and the Water Control Commission Regulations.

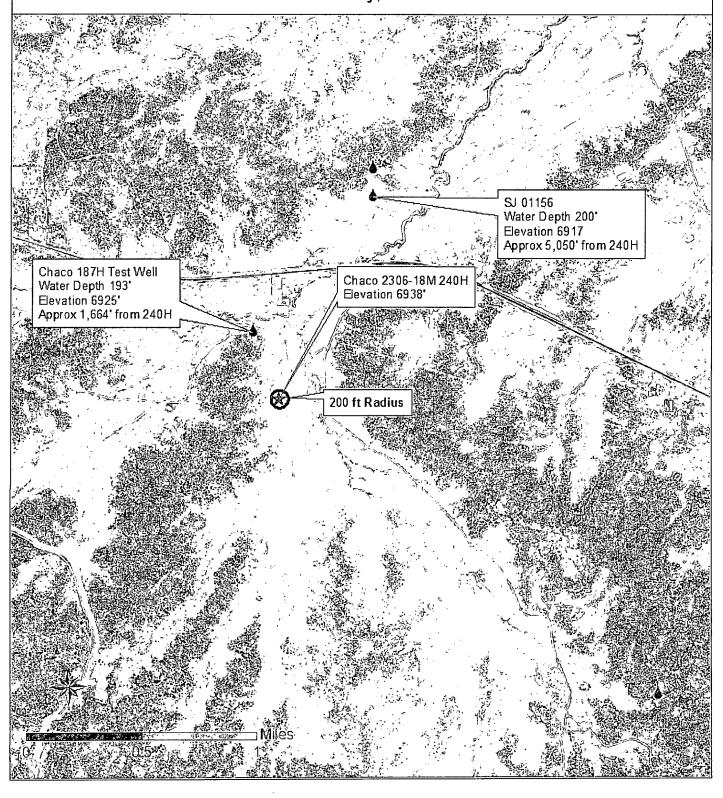
United States Department of Agriculture, Forest Service. 2008. Final Environmental Impact Statement for Surface Management of Gas Leasing and Development. Jicarilla Ranger District, Carson National Forest, Rio Arriba County, New Mexico.

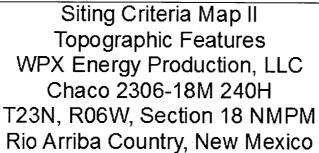
United States Department of the Interior. Bureau of Land Management. 2003. Final Farmington Resource Management Plan and Final Environmental Impact Statement. Farmington Field Office, Farmington, New Mexico.

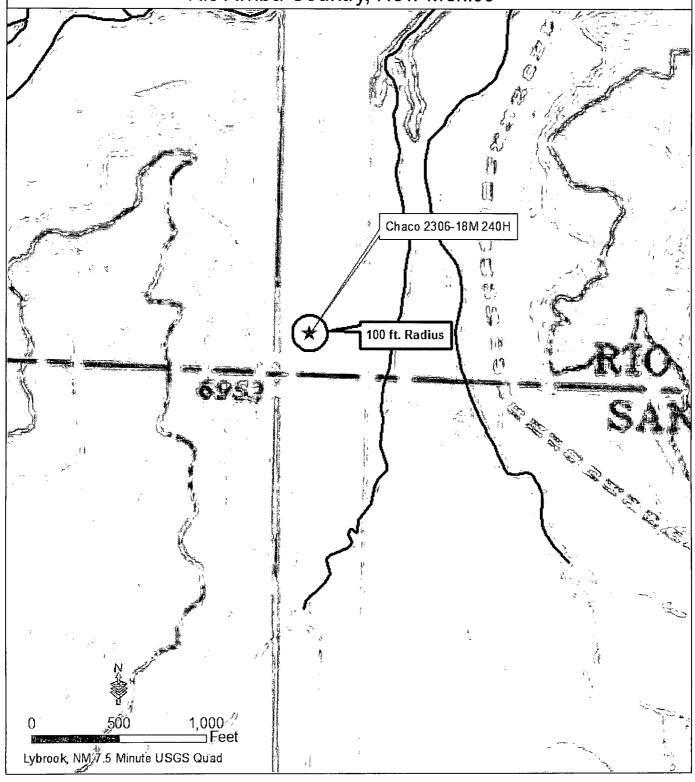
United States Geological Survey. 2001. Ground Water Atlas of the United States: Arizona, Colorado, New Mexico and Utah. USGS Publication HA 730-C;

Form C-144 Oil Conservation Division Page 9 of 22

Siting Criteria Map I Water Wells WPX Energy Production, LLC Chaco 2306-18M No. 240H T23N, R06W, Section 18 NMPM Rio Arriba County, New Mexico







Page 11 of 22

Siting Criteria Compliance Demonstrations:

- The Chaco 2306-18M 240H well is not located in an unstable area.
- The location is not situated over a mine or a steep slope. Excavated pit material will not be located within 100 feet of a continuously flowing water course or within 100 feet of any other significant water course, lakebed, sinkhole, or playa lake (see Siting Criteria Map II). The site is not within 100 feet of any reported riparian areas or wetlands (see attached USFWS wetland map); within 200 feet of any private, domestic fresh water well or spring; or within 200 feet of any other fresh water well or spring (see Siting Criteria Map I).
- The BGT will not be within any incorporated municipal boundaries or defined municipal freshwater well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. The location is not within 200 feet of any permanent residence, school, hospital, institution, or church.



WPX Energy requests the following variances:

- 1. The BGT will be protected from run on by being installed upon a top felt rock shield with a overlay of 30 mil rubber liner attached to the sidewalls of the inside of the containment berm. The 30 mill rubber liner will provide equal and/or better protection in the prevention of contamination of fresh water and protecting public health and the environment.

 (See attached photo))
- 2. A 42 inch tall, 12 gauge coated metal steel fence will be constructed around the BGT to protect livestock/wildlife as specified by the federal Surface Management Agency or, if not federal land/minerals; which will provide equal and/or better protection of a fence while preventing contamination of fresh water, protecting public health and the environment. (See attached photo)
- 3. If the surface owner is of public entity (i.e.: BLM) WPX Energy will notify by email the intent to close the BGT in place of a certified mail letter. WPX Energy will request a read receipt of the email which will be equal and/ or equivalent notification as certified mail.

Thank you,

Vanessa Fields Environmental Specialist

CC: /
Environmental File

Form C-144 Oil Conservation Division Page 13 of 22

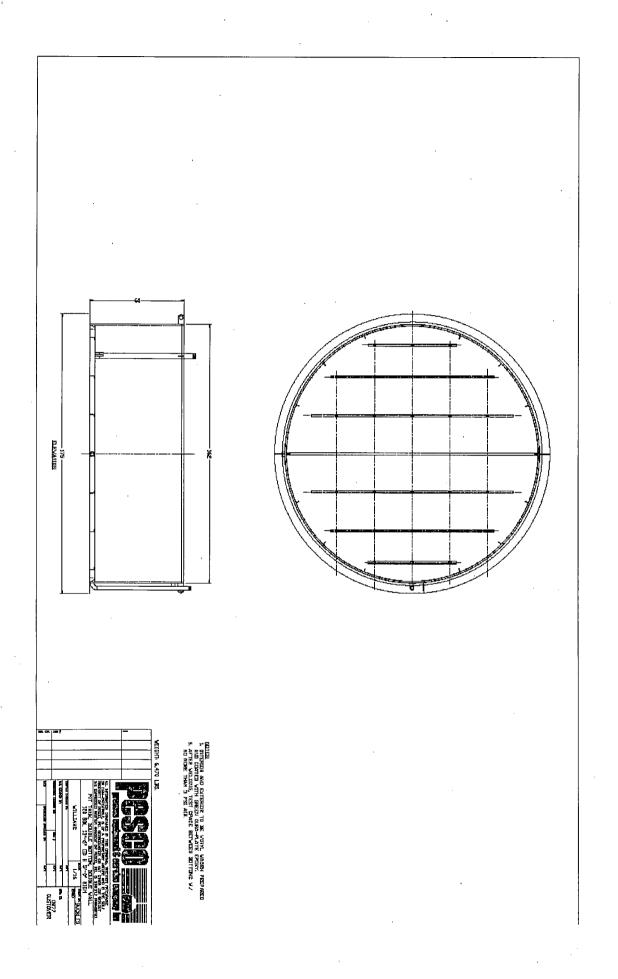
WPX Energy Co., LLC San Juan Basin: New Mexico Assets

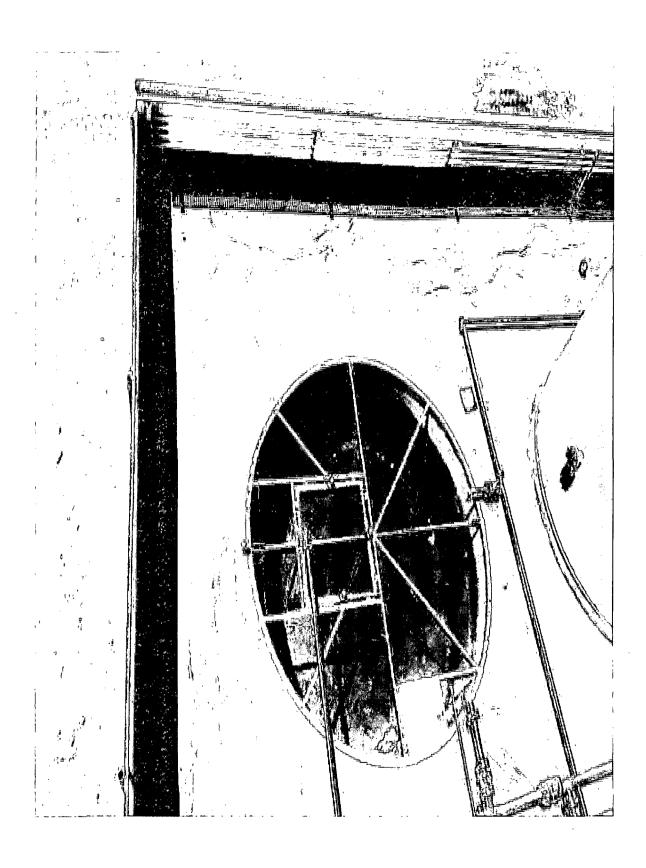
Production BGT: Buried Double-Wall Steel Tank
Design and Construction Plan

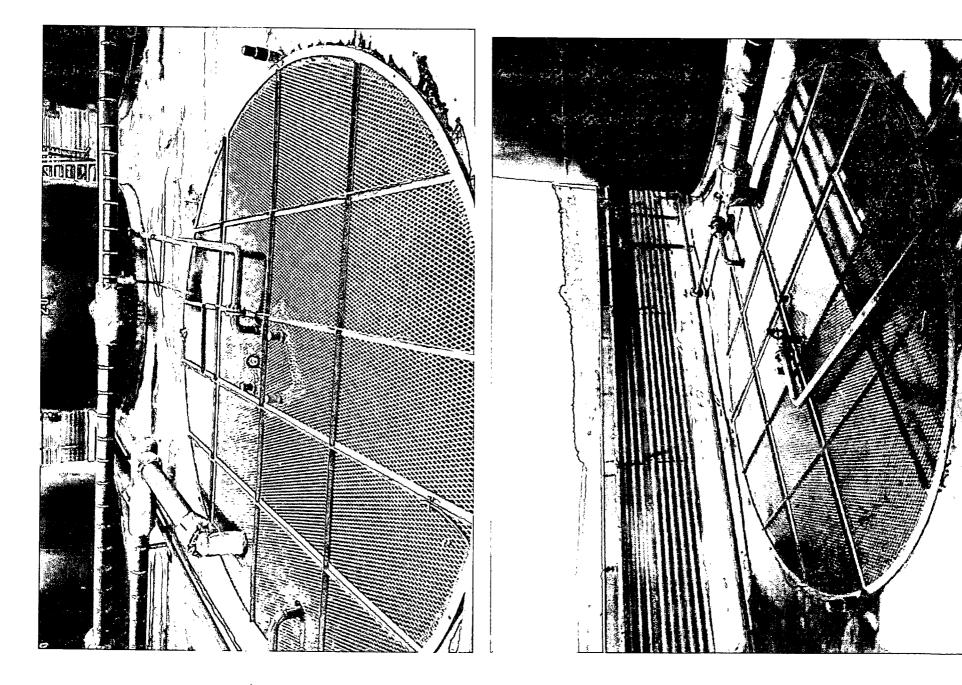
In accordance with Rule 19.15.17 NMAC, the following plan describes the general design and construction (D&C) of Below Grade Tanks (BGT) using buried double-wall steel tanks on WPX Energy Co, LLC (WPX) locations in the San Juan Basin of New Mexico. For those BGT which do not conform to this standard plan, a separate well-specific D&C plan will be developed and utilized.

General Plan Requirements:

- 1. WPX will post a well sign in accordance with the federal Surface Management Agency and rule NMAC 19.15.17.11.C
- 2. As a variance a 42 inch tall, 12 gauge coated metal steel "Fence" will be constructed around the BGT to protect livestock/wildlife as specified by the federal Surface Management Agency or, if not federal land/minerals, NMOCD rule 17 requirements. See Attached Design/photo.
- 3. The buried BGT will be constructed of steel with double-walls and double-bottom, welded following appropriate API and industry codes, coated with an epoxy based paint, covered with a steel #9 mesh screen, and equipped with an EFM to monitor high liquid levels and automatically shut off liquid discharges. A solid riser pipe will be installed between the interstitial space of the double-walls to allow monthly inspection to determine tank integrity.
- 4. WPX will design and construct a BGT to contain liquids associated with the dehydration and compression of produced natural gas, which will be resistant to ultra violet light and the contents of the tank to prevent contamination of fresh water resources and protect public health and the environment.
- 5. The BGT foundation will be level and free of rocks, debris, sharp edges or irregularities and have a firm compacted bottom and sidewalls that are stable for the soil conditions.
- 6. The BGT will be protected from run on by being installed within the impervious secondary containment provided by the AST tanks on location. See attached Design (Same as Fence)
- 7. The BGT will be placed in the excavation such that there is 30 mil rubber liner overlay between the surrounding soils and the tank top see attached design.
- 8. A solid riser pipe will be installed to allow withdrawal of liquids by suction. The riser will draw from the bottom of the BGT, capped when not in use and sloped to the BGT to allow drainage of liquids not collected during withdrawal operations.







WPX Energy Co., LLC San Juan Basin: New Mexico Assets

Production BGT: Buried Double-Wall Steel Tank Operations and Maintenance Plan

In accordance with Rule 19.15.17 NMAC, the following plan describes the general operations and maintenance (O&M) of production Below Grade Tanks (BGT) on WPX Energy Co, LLC (WPX) locations in the San Juan Basin of New Mexico. For those BGT which do not conform to this standard O&M plan, a separate well specific O&M plan will be developed and utilized.

- 1. WPX will inspect the BGT monthly for leaks and damage. Electronic copies of the inspections will be kept at the WPX San Juan Basin office for a minimum of five years following completion. Copies of the inspections will be available to NMOCD upon request.
- 2. Any oil or hydrocarbon collecting on the BGT will be removed. Saleable condensate will be returned to the sales tank. Slop oil from compression will be recycled with Safety Kleen, Farmington, NM or Hydropure, Aztec, NM (No Permit Required).
- 3. WPX will only allow produced liquids meeting the RCRA exemption for O&G wastes to be stored in the BGT. WPX will not discharge or store any hazardous waste as defined under RCRA 40CFR 261 and 19.15.2.7.H.3 NMAC in any BGT.
- 4. WPX shall maintain sufficient freeboard for to prevent overflow. Discharges to the BGT will be shutoff automatically if the high-level alarm is triggered from the EFM or manually if the EFM is not functional.
- 5. The Steel fencing around the perimeter of the BGT shall be maintained as protection from run-on.
- 6. Produced water will be disposed by evaporation or transport any of the following NMOCD approved facilities depending on the well location: Basin Disposal, Inc in Bloomfield, New Mexico (Permit # NM-01-005), WPX Energy Rosa SWD#1 (Permit # SWD-916), WPX Energy Rosa #94 (Permit # SWD-758), Burlington Resources Jillson SWD#1 (Permit #R10168A), or other NMOCD approved water disposal facilities.
- 7. If the tank integrity is compromised:
 - a. All discharges will be shut off to the BGT.
 - b. All liquids will be removed as soon as possible but no later than 24 hours after discovery.
 - c. WPX will notify and report to NMOCD in accordance to 19.15.29 NMAC and all other applicable agency's as require.

WPX Energy Co., LLC San Juan Basin: New Mexico Assets

Production BGT: Buried Double-Wall Steel Tank
Closure Plan

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general closure requirements of below-grade tanks (BGT) on WPX Energy Co, LLC (WPX) locations in the San Juan Basin of New Mexico. This is WPX's standard closure procedure for all BGTs regulated under Rule 19.15.17 NMAC and operated by WPX. For those closures which do not conform to this standard closure plan, a separate BGT specific closure plan will be developed and utilized.

Closure Conditions and Timing for BGT:

- Within 60 days of cessation of operation WPX will:
 - o Remove all liquids and sludge and dispose in a division approved manner
- Within 72 Hrs or 1 week prior to closure WPX will:
 - o Give notice to Surface owners by certified mail. For public entities by email as specified on the variance page.
 - o Give notice to District Division verbally and in writing/email
- Within 6 months of cessation of operation WPX will:
 - o Remove BGT and dispose, recycle, reuse, or reclaim in a division approved manner
 - o Remove unused onsite equipment associated with the BGT
- Within 60 Days of Closure WPX will:
 - o Send the District Division a Closure Report per 19.15.17.13.F

General Plan Requirements:

- Prior to initiating any BGT Closure except in the case of an emergency, WPX will
 notify the surface owner of the intent to close the BGT by certified mail no later than
 72 hours or 1 week before closure and a copy of this notification will be included in
 the closure report. In the case of an emergency, the surface owner of record will be
 notified as soon as practical.
- Notice of Closure will be given to the Aztec District office between 72 hours and one week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name (WPX)
 - b. Well Name and API Number
 - c. Location (USTR)
- 3. All liquids will be removed from the BGT following cessation of operation. Produced water will be disposed at one of the following NMOCD approved facilities depending on the proximity of the BGT site: Rosa Unit SWD #1 (Order: SWD-916, API: 30-039-27055), Rosa Unit #94 (Order: SWD-3RP-1003-0, API: 30-039-23035), Jillson Fed. SWD #001 (Order: R10168/R10168A, API: 30-039-25465), Middle Mesa SWD #001 (Order: SWD-350-0, API: 30-045-27004) and/or Basin Disposal (Permit: NM-01-0005).
- 4. Solids and sludge's will be shoveled and /or vacuumed out for disposal at Envirotech (Permit Number NM-01-0011).

- 5. WPX will obtain prior approval from NMOCD to dispose, recycle, reuse, or reclaim the BGT and provide documentation of the disposition of the BGT in the closure report. Steel materials will be recycled or reused as approved by the Division. Fiberglass tanks will be empty, cut up or shredded, and EPA cleaned for disposal as solid waste. Liners materials will be cleaned without soils or contaminated material for disposal as solid waste. Fiberglass tanks and liner materials will meet the conditions of 19.15.35 NMAC. Disposal will be at a licensed disposal facility, presently San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426.
- 6. Any equipment associated with the BGT that is no longer required for some other purpose, following the closure will be removed from the location.
- 7. Following removal of the tank and any liner material, WPX will test the soils beneath the BGT as follows:
 - a. At a minimum, a five-point composite sample will be taken to include any obvious stained or wet soils or any other evidence of contamination.
 - b. The laboratory sample shall be analyzed for the constituents listed in Table I of 19.15.17.13

Depth below bottom of pit to groundwater less than 10,000 mg/1 TDS	Constituent	Method	Limit
	Chloride	EPA 300.0	600 mg/kg
	ТРН	EPA SW-846 Method 418.1	100 mg/kg
≤50 feet	BTEX	EPA SE-846 Method 8021B or 8015M	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg

Depth below bottom of pit to groundwater less than 10,000 mg/1 TDS	Constituent	Method	Limit
	Chloride	EPA 300.0	10,000 mg/kg
	ТРН	EPA SW-846 Method 418.1	2,500 mg/kg
51 feet-100 feet	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SE-846 Method 8021B or 8015M	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg

Depth below bottom of pit to groundwater less than 10,000 mg/1 TDS	Constituent	Method	Limit
	Chloride	EPA 300.0	20,000 mg/kg
	ТРН	EPA SW-846 Method 418.1	2,500 mg/kg
>100 feet	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SE-846 Method 8021B or 8015M	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg



- (1) Or other test methods approved by the division
- (2) Numerical limits or natural background level, whichever is greater (19.15.17.13 NMAC-Ro, 19.15.17.13 NMAC 3/28/2013)
- 8. If the Division and/or WPX determine there is a release, WPX will comply with 19.15.17.13.C.3b
- 9. Upon completion of the tank removal, the excavation will be backfilled with non-waste earthen material compacted and covered with a minimum of one foot of top soil or background thickness whichever is greater and to existing grade. The surface will be re-contoured to match the native grade and prevent ponding.

For those portions of the former BGT area no longer required for production activities, WPX will seed the disturbed areas the first favorable growing season after the BGT is covered. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division-approved methods. WPX will notify the Division when reclamation and re-vegetation is complete.

Reclamation of the BGT shall be considered complete when:

- a. Vegetative cover reflects a life form ratio of +/- 50% of pre disturbance levels
- b. Total percent plant cover of at least 70% of pre-disturbance levels (Excluding noxious weeds)

OR

- c. Pursuant to 19.15.17.13.H.5d WPX will comply with obligations imposed by other applicable federal or tribal agencies in which their re-vegetation and reclamation requirements provide equal or better protection of fresh water, human health and the environment.
- 10. For those portions of the former BGT area required for production activities, reseeding will be done at well abandonment, and following the procedure noted above.

Closure Report:

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the BGT closure on a Closure Report using Division Form C-144. The Report will include the following:

- Proof of Closure Notice (surface owner & NMOCD)
- Backfilling & Cover Installation
- Confirmation Sampling Analytical Results
- Disposal Facility Name(s) and Permit Number(s)
- Application Rate & Seeding techniques
- Photo Documentation of Reclamation