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.

Pit, Below-Grade Tank, or

12482	Proposed Alternative Metho	od Permit or Clos	ure Plan Applica	tion
Туре о	of action: Below grade tank registra	ation	- UI	LUNS. DIV DIST. 3
45.233	Permit of a pit or propose Closure of a pit, below-gr		tamativa mathad	DEC 2 3 2014
75 000	☐ Modification to an existing		ternative method	
	Closure plan only submitt	ted for an existing permi	tted or non-permitted p	it, below-grade tank,
. ,	oosed alternative method	C 144) or on in that the at air	I don and don't be	
	tions: Please submit one application (Form ral of this request does not relieve the operator of			-
environment. Nor does appro	oval relieve the operator of its responsibility to	comply with any other applic	cable governmental authorit	cy's rules, regulations or ordinances.
I. DD America I	Doe doest or Comment	0.60.10	770	
	Production Company			
Address:200 Energy	Court, Farmington, NM 87401			
Facility or well name:	Hughes 2M			
API Number:300452	23341OCD	Permit Number:		
U/L or Qtr/QtrG	Section21 Township	29N Range8W	County:San J	uan
Center of Proposed Design	n: Latitude36.71180	Longitude107.678	865 NAI	D: □1927 ☑ 1983
Surface Owner: X Federa	al 🗌 State 🔲 Private 🔲 Tribal Trust or Indi	ian Allotment		
2.				
	or J of 19.15.17.11 NMAC			
Temporary: Drilling		P1 2114		71 · 1 · 1 · 1
	ncy Cavitation P&A Multi-Well Liner type: Thicknessmil LI			
String-Reinforced	mer type. Thicknessnii 🗀 Et	Dre Hore Pvc	Other	
•	☐ Factory ☐ Other	Volume:	hhl Dimensions: L	x W x D
		, oranic.		X 11X
3. Polony grada tanku S	Subsection I of 19.15.17.11 NMAC	Tank A		
	bbl Type of fluid:Produ	uced water		
Tank Construction materia				
☐ Secondary containmen	nt with leak detection Visible sidewalls,	liner, 6-inch lift and autom	natic overflow shut-off	
	liner Visible sidewalls only Qother			
Liner type: Thickness	mil HDPE PVC	C Other		
4.				
Alternative Method:		in to do C o E B		Consequent de la Consequence del Consequence de la Consequence de
Submittal of an exception i	request is required. Exceptions must be sub-	mitted to the Santa Fe Envi	ironmentai Bureau office :	for consideration of approval.

Form C-144

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church)	hospital,
Four foot height, four strands of barbed wire evenly spaced between one and four feet	
Alternate. Please specify	
6. 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	
Signed in compnance with 19.15.10.8 NWIAC	
8. 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.	
Exception(s). Requests must be submitted to the Santa Pe 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 acce	ptable 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. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	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. (Does not apply to below grade tanks) - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
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 Society; Topographic map 	☐ Yes ☐ No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	Yes No
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). - 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	☐ Yes ☐ No
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.) - Topographic map; Visual inspection (certification) of the proposed site	Yes No

Within 300 feet from a occupied 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 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. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
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	□ Vaa□ Na
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes No
- 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 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:	
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 docattached.	cuments are
 □ 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 	.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:	

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.	documents are
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	
13,	
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 F	luid Managamant Dit
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	uuu Management Fit
14.	
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	attached to the
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. P. 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 ☐ 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 ☐ 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	

Page 4 of 6

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 pl 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. 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 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 cann 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 Site Reclamation 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 beli	ief.
Name (Print): Title:	
Signature: Date:	
e-mail address:	
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 1/13/ Title: OCD Permit Number:	2015
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:12/6/2011	
20. Closure Method: Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-lo ☐ If different from approved plan, please explain.	oop systems only)

Form C-144 Oil Conservation Division Page 5 of 6

Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this closure rebelief. I also certify that the closure complies with all applicable closure requirements.	
Name (Print):Jeff Peace	Title: Field Environmental Coordinator
Signature: Jeff Pesel	Date:December 22, 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

Hughes 2M API No. 3004523341 Unit Letter G, Section 21, T29N, R8W

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 BGT notice requirements at that time.
- 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 BGT notice requirements at that time.
- 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	Release Verification	Sample
	95 bbl BGT	(mg/Kg)	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	ND

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 well 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 as part of final reclamation.

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 revegetation.

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.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Floods, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Revised August 8, 2011

Form C-141

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

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

			Rele	ease Notific	catio	n and Co	orrective A	ction	1			
						OPERA'	ГOR		☐ Initi	al Report	\boxtimes	Final Report
Name of Co						Contact: Jef	f Peace					
		Court, Farmi	ngton, N	M 87401			No.: 505-326-94					
Facility Na	me: Hughe	es 2M				Facility Typ	e: Natural gas v	well				
Surface Ow	ner: Feder	al		Mineral C)wner:	Federal			API No	. 30045233	41	
				LOCA	ATIO	N OF RE	LEASE					
Unit Letter	Section	Township	Range	Feet from the		n/South Line	Feet from the	East/\	West Line	County: Sa	ın Juan	ı
G	21	29N	8W	2,440	North	n	1,770	East				
		Lat	itude3	36.71180		Longitud	le107.67865_					
				NAT	TIRE	OF REL	EASE					
Type of Rele	ase: none			11122			Release: N/A		Volume F	Recovered: N	I/A	
		w grade tank –	95 bbl				lour of Occurrence	e:	Date and	Hour of Disc	covery:	:
Was Immedi	ate Notice (Yes [] No ⊠ Not Re	equired	If YES, To	Whom?					
By Whom?						Date and I-	lour					
Was a Water	course Rea						olume Impacting t	the Wate	ercourse.			
			Yes 🛚] No								
If a Waterco	urse was Im	pacted, Descri	be Fully.	k								
the BGT. So	a Affected	esulted in TPI and Cleanup A	I, BTEX	n Taken.* Sampli and chloride below sen.* BGT was re	w stand	lards. Analysi	s results are attacl	hed.				
				active well area.								
regulations a public health should their or or the enviro	Il operators or the envi operations h nment. In a	are required to ronment. The have failed to a	report ar acceptant dequately CD accep	e is true and comp nd/or file certain r ce of a C-141 repo investigate and r stance of a C-141	elease i ort by th emedia	notifications a ne NMOCD m te contaminati	nd perform correct arked as "Final R on that pose a thr	ctive act eport" d eat to gr	ions for rele loes not reli round water	eases which eve the oper , surface wa	may en ator of ter, hur	ndanger Tliability man health
Signature:	off.	Pesse					OIL CON	SERV	'ATION	DIVISIO	<u>N</u>	
Printed Nam	e: Jeff Peac	e				Approved by	Environmental S	pecialis	t:			
Title: Field E	Environmen	tal Coordinatoi				Approval Da	te:		Expiration	Date:		
E-mail Addre	ess: peace.jo	effrey@bp.con	1			Conditions of	f Approval:			Attached		
Date: Decen	nber 22, 20	14	Pho	ne: 505-326-9479	,							

^{*} Attach Additional Sheets If Necessary

CLIENT: BP	P.O. BOX 87, BLO	INEERING, INC. OMFIELD, NM 87413 632-1199	API #:	41
FIELD REPORT:	(circle one): BGT CONFIRMATION RELI	EASE INVESTIGATION / OTHER:	PAGE #: 1 of	1
SITE INFORMATION	I: SITE NAME HUGHES #	‡ 2M	DATE STARTED: 11/18	/11
QUAD/UNIT: G SEC: 21 TWP:	29N RNG: 8W PM: NN	CNTY: SJ ST: NM	DATE FINISHED:	
	O'E SW/NE LEASE TYPE:	FEDERAL STATE / FEE / INDIA		
LEASE #: SF078046	PROD. FORMATION: MV CON	ITRACTOR: MBF - D. HARRIS	SPECIALIST(S): NJ	<u>V</u>
REFERENCE POINT		ORD.: 36.71172 X 107	7.67830 GLELEV: 6,2	264'
1) 95 BGT (SW/DB)	GPS COORD.: 36.97 ′	1180 X 107.67865 DISTA	NCE/BEARING FROM W.H.: 104', N	67W
	GPS COORD.:		NCE/BEARING FROM W.H.:	
	GPS COORD.:		NCE/BEARING FROM W.H.:	
	GPS COORD.:		NCE/BEARING FROM W.H.:	OVM
	CHAIN OF CUSTODY RECORD(S) # OR LAB			READING (ppm)
-	BGT) SAMPLE DATE: 11/18/11		, ,	NA
2) SAMPLE ID:				
	SAMPLE DATE:			
	SAMPLE DATE:	SAMPLE TIME: LAB ANALYSIS:		
SOIL DESCRIPTION		O SILT / SILTY CLAY / CLAY / GRAVE	L/OTHER	
SOIL COLOR: DARK YE COHESION (ALL OTHERS): NON COHESIVE SLIGHTL'	ELLOWISH ORANGE	PLACTICITY (OLIVO) - NON DÉACTIC (OLIVO)	LASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLAS	
MOISTURE: DRY SLIGHTLY MOIST / MOIST W SAMPLE TYPE: GRAB (COMPOSITE) # DISCOLORATION/STAINING OBSERVED ANY AREAS DISPLAYING WETNESS: YES NO	OF PTS	HC ODOR DETECTED: YES NO	EXPLANATION -	
	ARENT EVIDENCE OF A RELEASE FRO	DM BGT. BGT RESTED ON 6" I-BEA	М.	
		t. X NA ft. cubic y AREST SURFACE WATER: <1,000'	vards excavated (if applicable): N. NMOCD TPH CLOSURE STD: 1,000	
SITE SKETCH		PLOT PLAN circle: attached	OVM CALIB. READ. = NA ppm	RF = 0.52
PBGTL		N	OVM CALIB. GAS = <u>NA</u> ppm [TIME: <u>NA</u> am/pm DATE:] MISCELL. NOTE	NA ES
			BGT: 15' DIAMETER	·
BEDROCK @ 7' B.G			WO - N1466469	
PIT CLOSURE FEB. '04			PO - 60414	
			PK - ZVALENOLAB	
		WELL HEAD	Permit date: ? Tank ID A BGT Sidewalls Visible: (Y)	/ 81 / 814
	WATER DEPOSITION OF THE PARTY O	X- S.P.L	BGT Sidewalls Visible: (Y)	
T.B. = TANK BOTTOM; PBGTL = PREVIOU	AVATION DEPRESSION; B.G. = BELOW GRADE; B = S BELOW-GRADE TANK LOCATION; SPD = SAMPLE E; SW - SINGLE WALL; DW - DOUBLE WALL; SB - S	EPOINT DESIGNATION; R.W. = RETAINING WAL		
TRAVEL NOTES: CALLOUT:	11/16/11	ONSITE: 11/18/11		

Hall Environmental Analysis Laboratory, Inc.

Date: 06-Dec-11
Analytical Report

CLIENT:

Blagg Engineering

Client Sample ID: 5PC-TB @ 4' (95 BGT)

Lab Order:

1111907

Collection Date: 11/18/2011 12:10:00 PM

Project:

Hughes #2M

Date Received: 11/23/2011

Lab ID:

1111907-01

Matrix: SOIL

Analyses	Result	PQL Q	ual Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGI	ORGANICS				Analyst: JB
Diesel Range Organics (DRO)	ND	10	mg/Kg	1	11/29/2011 10:55:57 AM
Surr: DNOP	90.3	77.4-131	%REC	1	11/29/2011 10:55:57 AM
EPA METHOD 8015B: GASOLINE RAI	NGE				Analyst: RAA
Gasoline Range Organics (GRO)	ND	4.6	mg/Kg	1	11/29/2011 7:45:34 PM
Surr: BFB	94.5	75.2-136	%REC	1	11/29/2011 7:45:34 PM
EPA METHOD 8021B: VOLATILES					Analyst: RAA
Benzene	ND	0.046	mg/Kg	1	11/29/2011 7:45:34 PM
Toluene	ND	0.046	mg/Kg	1	11/29/2011 7:45:34 PM
Ethylbenzene	ND	0.046	mg/Kg	1	11/29/2011 7:45:34 PM
Xylenes, Total	ND	0.092	mg/Kg	1	11/29/2011 7:45:34 PM
Surr: 4-Bromofluorobenzene	83.9	80-120	%REC	1	11/29/2011 7:45:34 PM
EPA METHOD 300.0: ANIONS					Analyst: BRM
Chloride	ND	7.5	mg/Kg	5	12/2/2011 10:15:33 AM
EPA METHOD 418.1: TPH					Analyst: JB
Petroleum Hydrocarbons, TR	ND	20	mg/Kg	1	12/2 / 2011

Qualifiers:

- * Value exceeds Maximum Contaminant Level
- E Estimated value
- J Analyte detected below quantitation limits
- NC Non-Chlorinated
- PQL Practical Quantitation Limit

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- MCL Maximum Contaminant Level
- ND Not Detected at the Reporting Limit
- S Spike recovery outside accepted recovery limits

Cł	nain-c	of-Cus	tody Record	Turn-Around	Γime:					L	4 A		F	ra va	e e	20	. DAJI B	M E	N.	TA		
Client:	BLAG	G ENGR.	/ BP AMERICA		☐ Rush _														AT			,
		• •	. .	Project Name										viro							*	
Mailing A	ddress:	P.O. BO	X 87]	HUGHES #	2M		49	01 H	lawk)9			
· · · · · · · · · · · · · · · · · · ·	· · ·	BLOOM	FIELD, NM 87413	Project #:		·	1)5-34				Fax								
Phone #:		(505) 63	2-1199	1															SA S			
email or F	ax#:	· · · · · · · · · · · · · · · · · · ·		Project Manag	jer:									504)			. W. ap. 1.	2.00				
QA/QC Pad	_		Level 4 (Full Validation)	† 	NELSON V	ELEZ	(8021B)	only)	/Diesel						PCB's						9	
Accreditat	ion:			Sampler:	NELSON V	ELEZ nv	1. (8)	+ TPH (Gas	(Gas		_			102,	82 P						E E	
□ NELAF		□ Other		On ice:	r Yes	□ No	*	ТРН	15B	18.1	04.1	£		J3, I	/ 80		-				e sa	Ş
□ EDD (1	ype)	T		Sample Temp	erature: \\\\	\mathcal{D}			08 P	pd 4	s pa	or P,	tals	ž,	ides	<u>ہ</u>	/O/-	00.0			osit	څ
Date	Time	Matrix	Sample Request ID	Container Type and #	Preservative Type	HEAL NO. 1111907	BTEX +- WITH	BTEX + MTBE	TPH Method 8015B (Gas/Diesel)	TPH (Method 418.1)	EDB (Method S04.1)	8310 (PNA or PAH)	RCRA 8 Metals	Anions (F, Cl, NO3, NO2, PO4,	8081 Pesticides / 8082	8260B (VOA)	8270 (Semi-VOA)	Chloride (300.0)			5 pt. composite sample	Air Bubbles (Y or N)
11/18/11	1210	SOIL	5PC-TB @ 4' (95 BGT)	4 oz 2	Cool	~ <i>i</i>	٧		V	٧								٧		寸	7	
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Date: 7	Time:	Relinquish	ad by: / 🕜	Received by:		Date Time	Ren	nark	l s:	TPH	(80	)15E	3} - (	GRO	8. [	ORO	ON	ILY.				
1/21/11	1404	The	Un VJ	Mustin	Lactes	1/21/2011 1404	BIL	L DII	RECT	<b>LY T</b> 0 200 E	) BP	:								ZER	2 2	سما
Date:	Time:	Relinquishe	ti. L. ho fan	Received by:	w	Date Time 23/11 (01) 2-	W	ork O	rder	: <u>1</u>	146	64 64	69	- P:	ayke	y: <u>Z</u>	"VA	1401 LE	10r			
1 1 1 1 m		samples sub	omitted to Hall Environmental may be a	bcontracted to other	ccredited laboratorie		f this p	ossibi	lity. A	ny sub	-contr	acted	data	will be	clearl	y nota	ted or	the a	nalytic	al repo	ort.	

Date: 06-Dec-11

# **QA/QC SUMMARY REPORT**

Client:

Blagg Engineering

Project:

Hughes #2M

Work Order:

1111907

Analyte	Result	Units	PQL	SPK Va S	SPK ref	%Rec Lo	owLimit Hig	ghLimit %R	PD RPDLimi	Qual
Method: EPA Method 300.0: A	nions									
Sample ID: LCS-29578		LCS				Batch ID:	29578	Analysis Dat	e: 12/2/2011	1:15:50 AM
Chloride	13.85	mg/Kg	1.5	15	0	92.3	90	110		
Method: EPA Method 418.1: Ti	PH									
Sample ID: MB-29571		MBLK				Batch ID:	29571	Analysis Dat	e:	12/2/2011
Petroleum Hydrocarbons, TR	ND	mg/Kg	20							
Sample ID: LCS-29571		LCS				Batch ID:	29571	Analysis Dat	e:	12/2/2011
Petroleum Hydrocarbons, TR	96.80	mg/Kg	20	100	0	96.8	87.8	115		
Sample ID: LCSD-29571		LCSD				Batch ID:	29571	Analysis Dat	e:	12/2/2011
Petroleum Hydrocarbons, TR	99.24	m <b>g/Kg</b>	20	100	0	99.2	87.8	115 2.	49 8.04	
Method: EPA Method 8015B: [	Diesel Range	organics								
Sample ID: 1111907-01AMSD	Ū	MSD				Batch ID:	29519	Analysis Dat	e: 11/29/2011	3:29:43 PN
Diesel Range Organics (DRO)	47.95	mg/Kg	9.8	49.21	0	97.4	57.2	146 14	1.7 26.7	
Sample ID: MB-29519		MBLK				Batch ID:	29519	Analysis Dat	e: 11/29/2011	7:50:44 AN
Diesel Range Organics (DRO)	ND	mg/Kg	10							
Sample ID: LCS-29519		LCS				Batch ID:	29519	Analysis Dat	e: 11/29/2 <b>01</b> 1	8:25:07 AN
Diesel Range Organics (DRO)	49.54	mg/Kg	10	50	0	99.1	62.7	139		
Sample ID: 1111907-01AMS		MS				Batch ID:	<b>2951</b> 9	Analysis Dat	e: 11/29/2011	2:55:19 PM
Diesel Range Organics (DRO)	55.57	mg/Kg	10	51.65	0	108	57.2	146		
Method: EPA Method 8015B: (	Gasoline Ra	nge								
Sample ID: MB-29506		MBLK				Batch ID:	29506	Analysis Dat	e: 11/29/2011	1:12:24 PM
Gasoline Range Organics (GRO)	ND	mg/Kg	5.0							
Sample ID: LCS-29506		LCS				Batch ID:	29506	Analysis Dat	te: 11/29/ <b>2</b> 011	12:11:57 PN
•							86.4	132		

#### Qualifiers:

E Estimated value

J Analyte detected below quantitation limits

NC Non-Chlorinated

R RPD outside accepted recovery limits

Date: 06-Dec-11

## **QA/QC SUMMARY REPORT**

Client:

Blagg Engineering

Project:

Hughes #2M

Work Order:

1111907

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec LowLimit HighL		ghLimit	%RPD	RPDLimit	Qual
Method: EPA Method 8021B: \	/olatiles										
Sample ID: 1111907-01AMSD		MSD				Batch ID:	29506	Analys	sis Date:	11/29/2011 8	8:45:48 PN
Benzene	0.8377	mg/Kg	0.047	0.931	0.0036	89.6	67.2	113	3.32	14.3	
Toluene	0.7756	mg/Kg	0.047	0.931	0.0054	82.7	62.1	116	1.07	15.9	
Ethylbenzene	0.8409	mg/Kg	0.047	0.931	0	90.3	67.9	127	0.0591	14,4	
Xylenes, Total	2.476	mg/Kg	0.093	2.793	0	88.6	60.6	134	1.75	12.6	
Sample ID: MB-29506		MBLK				Batch ID:	29506	Analys	is Date:	11/29/2011 1	1:12:24 PA
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-29506		LCS				Batch ID:	29506	Analys	is Date:	11/29/2011 12	2:42:05 PN
Benzene	1.024	mg/Kg	0.050	1	0	102	80	120			
Toluene	0.9747	mg/Kg	0.050	1	0	97.5	80	120			
Ethylbenzene	1.043	mg/Kg	0.050	1	0.0071	104	80	120			
Xylenes, Total	3.102	mg/Kg	0.10	3	0	103	80	120			
Sample ID: 1111907-01AMS		MS				Batch ID:	29506	Analys	is Date:	11/29/2011 8	3:15:51 PA
Benzene	0.8104	mg/Kg	0.048	0.953	0.0036	84.6	67.2	113			
Toluene	0.7840	mg/Kg	0.048	0.953	0.0054	81.7	62.1	116			
Ethylbenzene	0.8414	mg/Kg	0.048	0.953	0	88.3	67.9	127			
Xylenes, Total	2.519	mg/Kg	0.095	2.86	0	88.1	60.6	134			

#### Qualifiers:

ND Not Detected at the Reporting Limit

R RPD outside accepted recovery limits

E Estimated value

J Analyte detected below quantitation limits

H Holding times for preparation or analysis exceeded

NC Non-Chlorinated

## Hall Environmental Analysis Laboratory, Inc.

### Sample Receipt Checklist

Client Name BLAGG		·	Date Received	l:	11/23/2011
Work Order Number 1111907	Received by:	AMG	1.		
Checklist completed by:	h	Dafte	Sample ID la	bels checked by:	dam Initials
Matrix:	Carrier name	Courier			
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 $\square$	No 🗀	N/A ☑	
Chain of custody present?		Yes 🗹	No 🗆		
Chain of custody signed when relinquished and rece	eived?	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
Water - VOA vials have zero headspace?	lo VOA vials subr	nitted 🗹	Yes 🗌	No 🗆	bottles checked for pH:
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?		1.6°	<6° C Acceptable		Delow.
COMMENTS:			If given sufficient	time to cool.	
	====	:====			
Client contacted Dat	e contacted:		Perso	on contacted	
Contacted by: Reg	garding:				
Comments:					
Corrective Action					



Previous 95 bbl BGT Position (Tank ID: A)

