District I State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 Energy Minerals and Natural Resources District II District III 1301 W. Grand Avenue, Artesia, NM 88210 Department District III District III 1000 Rio Brazos Road, Aztec, NM 87410 EOEIVOID EOEIVICON District IV EOEIVOID EOES 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 2003 FIAR 16 PM 1	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.
Pit, Closed-Loop System, Below-Grade T	ank, or
Proposed Alternative Method Permit or Closure P	
Type of action: Permit of a pit, closed-loop system, below-grade tank, on Closure of a pit, closed-loop system, below-grade tank, on Modification to an existing permit Closure plan only submitted for an existing permitted or system, below-grade tank, or proposed alternative method	r proposed alternative method or proposed alternative method non-permitted pit, closed-loop
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop syste	m, 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 environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable go	
	149052
Address:P.O. Box 156; Bloomfield, NM 87413	149032
Facility or well name: <u>Marsha Bingham 1 - BGT #1</u>	
API Number: 3003924052 OCD Permit Number:	
	. Dio Arriba
	: <u>Rio Arriba</u>
Center of Proposed Design: Latitude <u>36.463639</u> Longitude <u>-107.124824</u> NAD: [19	027 ⊠ 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment	
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 Volume: bbl	
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 whi intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness Liner Seams: Welded Factory Other	
 5. Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environment 	ntal Bureau office for consideration of approval.

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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 <u>4' tall cattle paneling</u>

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)

Screen 🗌 Netting 🗌 Other_

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10.

Monthly inspections (If netting or screening is not physically feasible)

Signs: Subsection C of 19.15.17.11 NMAC

🛛 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19.15.3.103 NMAC

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.

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 The attached iWATERS database search shows a water well approximately 2.02 miles to the south-east with a depth to groundwater of 245 feet. This water well is at an elevation approximately 122 feet lower than the Marsha Bingham #1 well site, indicating that groundwater is greater than 50 feet from the bottom of the BGT.	🗌 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). The nearest significant watercourse is greater than 1000 feet from the well site per the attached topographical map and visual inspection sheet. 	🗋 Yes 🛛 No
 Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. The attached aerial photograph and visual inspection sheet indicate that none of the above locations are within 1000 feet of the well site. 	☐ 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)	☐ 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. The attached iWATERS database search and visual inspection sheet indicate that no wells are within 1000 feet of the 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. The site is not within incorporated municipal boundaries according to the attached topographic map and visual inspection sheet. 	🗌 Yes 🛛 No
 Within 500 feet of a wetland. The USFWS data file, WetlandsData.kmz, dated July 2, 2008 was opened using Google Earth. No electronic data was available; however, no wetland vegetation was noted during the site visit. 	□ Yes ⊠ No □ Yes ⊠ No
 Within the area overlying a subsurface mine. The NM EMNRD web map indicates that the well site is not within an area overlying a subsurface mine. 	$\Box Yes \boxtimes No$
Within an unstable area. The attached topographical map and visual inspection sheet indicate that the well site is not within an unstable area. Within a 100-year floodplain.	🗌 Yes 🛛 No

This area is outside the FEMA study area; however, the site is 85 ft. higher and 2,233 ft. from the nearest wash.

Form C-144

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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 19.15.17.12 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. <u>Closed-loop Systems Permit Application Attachment Checklist</u> : Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are 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 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 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 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Errosion Control Plan Errosion Control Plan Closure Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
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 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.

^{16.} Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.1 Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if 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 <i>will not</i> be used for future ser Yes (If yes, please provide the information below) No	vice and operations?
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	С
^{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 sour provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate dist considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Just demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	rict office or may be
 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 ple 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 19.15.17.13 NMAC 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 Subsection F of 19.15.17.13 NMAC Confirmation Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Site Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Soil Cover Design - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC 	15.17.11 NMAC

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

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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): <u>Ms. Amy Mackey</u> Title: <u>Administrative Manager</u>				
Signature: hcfl Date: 3 10 09				
E-mail address: amackey1@elmridge.net Telephone: 505-632-3476 Ext. 201				
20. OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)				
OCD Representative Signature: Approval Date:				
Title: OCD Permit Number:				
^{21.} <u>Closure Report (required within 60 days of closure completion)</u> : Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.				
Closure Completion Date:				
 22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain. 				
23. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more that 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 <i>will not</i> be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below) No				
Required for impacted areas which will not be used for future service and operations: Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique				
24. Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Longitude NAD: [1927] 1983				
25. Operator Closure Certification:				
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.				
Name (Print): Title:				
Signature: Date:				
E-mail address: Telephone:				

New Mexico Office of the State Engineer

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New Mexico Office of the State Engineer Point of Diversion Summary

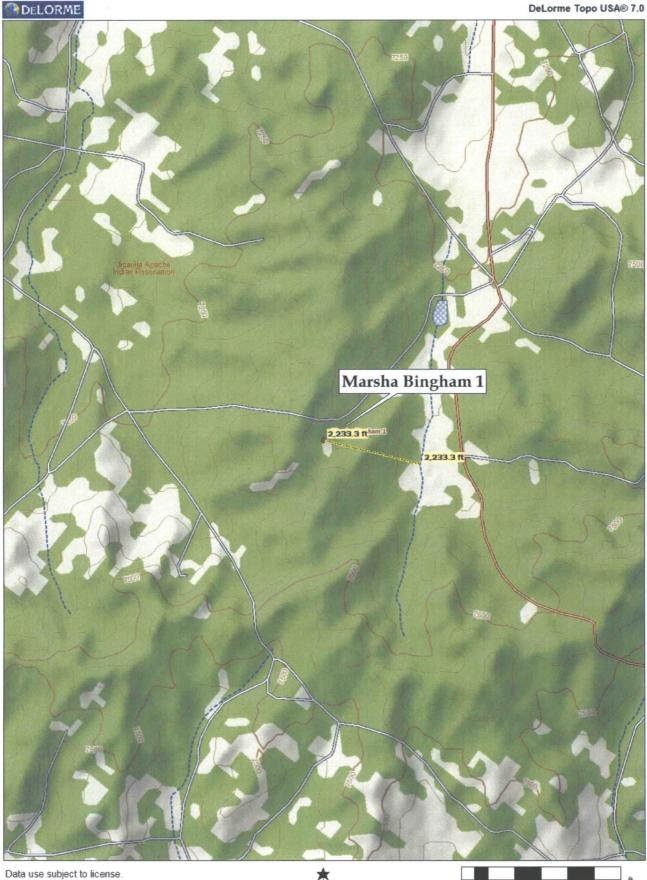
Back

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)										
POD Number		_		_	_	P	Zone	х	Y	
SJ 02203	25N	03W	01	2	4					
Driller Licence:										
Driller Name:	STEVE STEV	ENSC	DN					5	Source:	Artesian
Drill Start Date:	10/20/1988						Drill	Finish	Date:	11/25/1988
Log File Date:	01/12/1989						PCW R	eceived	Date:	
Pump Type:							Pipe Di	scharge	Size:	
Casing Size:	6						Est	imated	Yield:	15
Depth Well:	665							Depth	Water:	245
Water Bearing St:	ratificatio	ns:	5	lop	,	в	ottom	D	escrip	tion
			4	195			550	C	ther/U	nknown
			6	500			635	С)ther/U	nknown

http://iwaters.ose.state.nm.us:7001/iWATERS/WellAndSurfaceDispatcher?email_address... 12/15/2008

		<i>office of the State Eng</i> ports and Downloads	*	
Township: 26N	Range: 03W	Sections: 27		
NAD27 X:	Y:	Zone:	Search Radius:	
County:	Basin:		Number:	Suffix:
Owner Name: (Firs	,	(Last) Domestic	© Non-Do	omestic
POD / Surface Da	ata Report Avg	Depth to Water Report	t Water Column R	eport
	Clear Form	iWATERS Menu	Help	

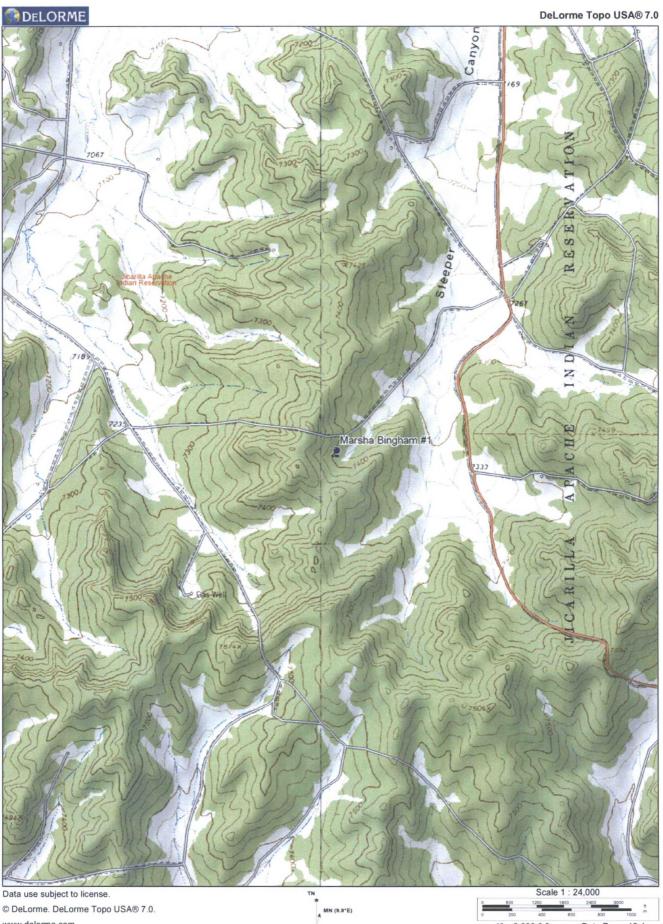
		AVERAGE I	DEPTH OF	WATER REP	PORT 1	0/30/20	08			
Bsn	Tws	Rng Sec	Zone	x	Y	Wells	(Depth Min	Water in Max	Feet) Avg	
No R	ecord	s found,	try agai	n						



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ft 0 600 1200 1800 2400 3000 3600 Data Zoom 13-0



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1" = 2,000.0 ft

Data Zoom 13-1



Elm Ridge Exploration Mine Map









pg 1 of 2
Elm Ridge Site Inventory Sheet
• Date: 9/3/08 Initials: 50 Time: Started: Ended:
· Well Name & Number: MADSNA BMGNAM #1
• API#: <u>3003924052</u>
• Lease #:
• Quarter/Quarter: <u>A</u> Section: <u>A7</u> Township: <u>A0N</u> Range: <u>BW</u>
· Lat: N. 36.463639 Long: W107.124824 GPS Point ID: Marsha Brighm-1
x / x)
• Pit Tank #1: Manufacturer:
• Serial #: <u>NA</u> DOM: <u>NA</u> Size <u>BO</u> bbl
• If N/A - Dimensions: Diameter <u>NA</u> Height <u>NA</u>
• Material: Steel Galvanized Fiberglass
• Tank Configuration: Double Wall Single Wall(Buried or Exposed)
Visible Walls: Y N Leak Detection: Y N
Contents: Produced Water Condensate Recycled Oil
 Tank Top Covering: Solid/Cone-top Netting(SolidFiber)
• Secondary Containment: Yes No NOT MARKED I
• Fencing around berm: Yes No
 Fence Type: Cattle Panel Field Fence Barbwire
• Pit Tank #2; Manufacturer:
• Serial #: <u>NH</u> DOM: <u>NH</u> Size <u>BO</u> bbi
\circ If N/A – Dimensions: Diameter Λ / A Height Λ / A
Material: Steel Galvanized Fiberglass
Tank Configuration: Double Wall Single Wall (Buried or Exposed)
Visible Walls: Y N Leak Detection: Y N
Contents: Produced Water Condensate Recycled Oil
Tank Top Covering: Solid/Cone-top
Secondary Containment: Yes No NOT MATCKEO
• Fencing around berm: Yes No No
Fence Type: Cattle Panel Field Fence Barbwire
• Above-Ground Tank #1: Manufacturer: TOUMAN TAUK
• Serial #: <u>23(062</u> DOM: <u>2787</u> Size <u>400</u> bbl
o If N/A – Dimensions: Diameter Height Height
Material: Steel Galvanized Fiberglass
• Contents: Produced Water Condensate(State #_ <u>GL_386/_</u>) Recycled Oil
Secondary Containment: Yes No Orude oil _X

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NORTH Well Schematic	
The superior of the superior o	AR
Schematic Key:	I
Separator SEP Artificial Lift AL Condensate Tank COND	
Compressor COM Meter Run METER RUN	
Dehydrator DEH Well Head O Water Tank WATER	
Measure any distance 1000ft or less of the following:	•
 From wellhead to any continuous flowing or significant water course. 	
 From below-grade tanks to any permanent residence, school, church, hospital, etc MA 	

Pg 2042

AST Attachment

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•	Above-Ground Tank #: Manufacturer: + CV mi	antank
•	Serial #: <u>23675</u> DOM: <u>4187</u>	Size_ <u>400</u> bbl
	∘ If N/A – Dimensions: Diameter/∂	Height
•	Material: Steel Galvanized	Fiberglass
•	Contents: Produced Water Condensate	(State #)
	Recycled Oil	
•	Secondary Containment: Yes No	rude del x
•	Above-Ground Tank #: Manufacturer:	· ·
•	Serial #: DOM:	Sizebbl
	 If N/A – Dimensions: Diameter 	Height
٠	Material: Steel Galvanized	Fiberglass
•	Contents: Produced Water Condensate	(State #)
	Recycled Oil	
٠	Secondary Containment: Yes No	
•	Above-Ground Tank #: Manufacturer:	
•	Serial #: DOM:	Sizebbl
	 If N/A – Dimensions: Diameter 	Height
٠	Material: SteelGalvanized	Fiberglass
•	Contents: Produced Water Condensate	(State #)
	Recycled Oil	
•	Secondary Containment: Yes No	
•	Above-Ground Tank #: Manufacturer:	
•	Serial #: DOM:	Sizebbl
	 If N/A – Dimensions: Diameter 	
•	Material: Steel Galvanized	Fiberglass
•	Contents: Produced Water Condensate	(State #)
	Recycled Oil	
•	Secondary Containment: Yes No	

BELOW GRADE TANK (BGT) CLOSURE PLAN

SITE NAME:

MARSHA BINGHAM #1 UNIT LETTER A, SECTION 27, TOWNSHIP 26N, RANGE 3W RIO ARRIBA COUNTY, NEW MEXICO LATITUDE 36.463639 LONGITUDE -107.124824

SUBMITTED TO:

MR. WAYNE PRICE NEW MEXICO OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DRIVE SANTA FE, NEW MEXICO 87505 (505) 476-3490

SUBMITTED BY:

MS. AMY MACKEY ELM RIDGE EXPLORATION P.O. BOX 156 BLOOMFIELD, NEW MEXICO 87413 (505) 632-3476 EXT. 201

MARCH 2009

BELOW GRADE TANK (BGT) CLOSURE PLAN ELM RIDGE EXPLORATION MARSHA BINGHAM #1 RIO ARRIBA COUNTY, NEW MEXICO

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SCOPE OF CLOSURE ACTIVITIES	
REPORTING	

Below Grade Tank (BGT) Closure Plan Elm Ridge Exploration Marsha Bingham #1 Page 1

INTRODUCTION

Elm Ridge Exploration would like to submit a closure plan for the below grade tank (BGT) at the Marsha Bingham #1 well site located in the NE ¼ NE ¼ of Section 27, Township 26N, Range 3W, Rio Arriba County, New Mexico. This closure plan has been prepared in conformance with the closure requirements of 19.15.17.13 NMAC.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide the details of activities involved in the closure of the BGT at the Marsha Bingham #1 well site. The following scope of closure activities has been designed to meet this objective:

- Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will close all of the BGTs currently in service within the five (5) years allotted. Elm Ridge Exploration does not operate any BGTs which would qualify to be upgraded or retrofitted; as such, they will be closing all their current BGTs and replacing them with above ground storage tanks.
- 2) Elm Ridge Exploration will close BGTs deemed to be an imminent danger to fresh water, public health, or the environment by an earlier date that the division requires as specified in Subsection A of 19.15.17.13 NMAC.
- 3) Elm Ridge Exploration will close any BGT which demonstrates a compromise of integrity before the five (5) years allotted by the division per Paragraph (6) of Subsection I of 19.15.17.11 NMAC.
- 4) Elm Ridge Exploration will close any BGT within 60 days of cessation of the BGTs operation per Subsection A of 19.15.17.13 NMAC.
- 5) No less than 72 hours and no greater than one (1) week prior to BGT removal Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will provide written notification to the appropriate division district office as well as a schedule of on-site activities, as in accordance with 19.15.17.13 Subsection J Paragraph (2) NMAC. Written notification will include the name of the well operator, the well's API number, the well's name and number, and the well's unit letter, section, township, and range.
- 6) No less than 24 hours and no greater than one (1) week prior to beginning BGT closure activities Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will provide written notification to the appropriate surface owner, as in accordance with 19.15.17.13 Subsection J Paragraph (1) NMAC. Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will notify the surface owner by certified mail, return receipt requested that the operator plans to close a below-grade tank. The return receipt will be used to ensure that the surface owner has received written notification no less than 24 hours and no greater than one (1) week prior to the beginning of BGT closure activities. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance with this requirement. Closure activities that will take place on tribal land will have notifications sent by certified mail, return

Below Grade Tank (BGT) Closure Plan Elm Ridge Exploration Marsha Bingham #1 Page 2

receipt requested, to the appropriate tribal office. Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will notify the Bureau of Land Management (BLM) of closure activities for wells located on federal land per a Sundry Notice, as in accordance with 19.15.17.13 Subsection J Paragraph (1) NMAC. All notices will be sent in such a way that the surface owner received notice at least 24 hours prior to the beginning of closure activities.

- 7) Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will remove all liquids, and/or sludge, if applicable, prior to closure. Material will be disposed of at Envirotech's Landfarm #2, Permit # NM-01-0011, TNT Environmental Inc. Landfarm, Permit # NM-01-0008, Industrial Ecosystems Inc. (IEI) Landfarm, Permit # NM-01-0010B or Basin Disposal, Permit # NM-01-0005, depending on the consistence of the material removed, as in accordance with 19.15.17.13 Subsection E Paragraph (1) NMAC.
- 8) Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will remove all on-site equipment associated with this BGT that is no longer required for some other purpose, as in accordance with 19.15.17.13 Subsection E Paragraphs (3) NMAC.
- 9) If applicable, any liners or leak detection systems removed from a BGT closure will be cleaned off and disposed of at San Juan County Regional Landfill in accordance with Subparagraph (m) of Paragraph (1) of Subsection D of 19.15.9.712 NMAC.
- 10) Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will obtain prior approval from the OCD to dispose, recycle, reuse, or reclaim the BGT. Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will provide the OCD with documentation concerning the final disposition of the BGT with the closure report.
- 11) Once the BGT is removed, a five (5)-point composite sample will be collected from directly below the tank or below the leak detection system if present. Grab samples will be collected from any areas that are wet, discolored, or showing other evidence of a release. All samples being collected will be analyzed for benzene and total BTEX via USEPA Method 8021B, TPH via USEPA Method 418.1, and chlorides via USEPA 300.1, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
- 12) Depending on soil sample results, the area will be either backfilled or the area will be excavated.
 - a. If soil samples do not exceed the regulatory standards of 0.2 mg/kg benzene, 50 mg/kg BTEX, 100 mg/kg TPH, and 250 mg/kg or background concentration of chlorides, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
 - i. Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, shall submit a Form C-141 with the laboratory results so that the division may review the results to determine if additional delineation is required in accordance with Paragraph (5) of Subsection E of 19.15.17.13 NMAC.
 - ii. Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will backfill the excavation or impacted area with non-waste containing, earthen material, in accordance with 19.15.17.13

Subsection E Paragraph (6) NMAC. A soil cover shall be installed for all backfilled excavations consisting of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater in accordance with Subsections H of 19.15.17.13 NMAC. The operator shall construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material.

- iii. All areas of the well site that are no longer utilized on a day to day basis for the production of oil and/or gas, Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will substantially restore, re-contour, and re-vegetate the areas, in accordance with 19.15.17.13 Subsections G and I NMAC. The operator shall notify the division when it has been re-seeded and when it has achieved successful re-vegetation. For re-vegetation methods, please see attached re-vegetation plan.
- b. If soil samples exceed the regulatory standards stated above.
 - i. Elm Ridge Exploration will submit a Release Notification by Form C-141 with the appropriate analytical laboratory results to the appropriate division district office, in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
 - ii. In accordance with Paragraph (5) of Subsection E of 19.15.17.13 NMAC, once the operator or the OCD has determined that a release has occurred, Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will comply with rule 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate.

REPORTING

Elm Ridge Exploration will submit a closure report within 60 days following the BGT closure. The closure report will consist of a form C-144 with all supporting data and a form C-141 with all supporting data. The supporting data will include proof of closure notice to the surface owner and the OCD, confirmation sampling analytical results, a site diagram, soil backfilling and cover installation, re-vegetation rates, re-seeding techniques, and site reclamation photo documentation, if applicable, along with all other information related to the onsite activities.

We appreciate the opportunity to be of service. If you have any questions or require further information, please do not hesitate to contact our office at (505) 632-3476 Ext. 201.

Respectfully Submitted: Elm Ridge Exploration Mackey

Elm Ridge Exploration

Elm Ridge Exploration

Re-Seeding Techniques and Seed Mixture Ratios

These applied practices by Elm Ridge Exploration will at a minimum comply with the New Mexico Oil Conservation Divisions rule 19.15.17.13, Subsection I NMAC. Elm Ridge Exploration has adopted these re-seeding application techniques, ratios, and mixtures as their standard operating procedures.

- 1. The first growing season after closure of a below grade tank or pit, all areas of the well site not utilized for the production of oil and/or gas on a daily basis will be re-seeded with the specified seed mixture.
- 2. The seed mixture used will be certified with no primary or secondary noxious weeds in seed mixtures. The seed labels from each bag shall be available for inspection while seed is being sown.
- 3. The operator shall accomplish seeding by drilling on the contour whenever practical or by other division-approved methods. The operator shall obtain vegetative cover that equals 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 maintain that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
- 4. Hand seeding with hydro-mulch, excelsior netting, or mulch with netting is required on the cut/fill slopes. Mulch will be spread at a rate of 2,000-3,000 pounds per acre.
- 5. Compacted areas determined by visual inspection will be ripped to a depth of 12 inches below ground surface and disked to a depth of six (6) inches before seeding. Seeding shall be done with a disk type drill with two (2) boxes for various seed sizes. The drill rows shall be eight (8) to ten (10) inches apart. Seed shall be planted at no less than one-half (1/2) inch deep or more than one (1) inch deep. The seeder shall be followed with a drag, packer, or roller to ensure uniform coverage of the seed and adequate compaction. Drilling shall be done on the contour where possible, but not up and down the slope.
- 6. Where slopes are too steep for contour drilling, a hand seeder shall be used. Seed shall be covered to the depth stated above by whatever means is practical. If the seed is unable to be covered by the means listed above, the prescribed seed mixture amount will be doubled.

- 7. Elm Ridge Exploration shall repeat seeding or planting until it successfully achieves the required vegetative cover of 70% of the native perennial vegetation cover.
- 8. Upon abandonment of a well site, if the retention of the access road is not considered necessary for the management and multiple uses of the natural resources, or by the surface owner, it will be ripped a minimum of 12 inches in depth. After ripping, water bars will be installed. All ripped surfaces will be protected from vehicular travel by construction of a dead end ditch and earthen barricade at the entrance to these ripped areas. Re-seeding of areas affected by the ditch and barriers will be re-seeded if necessary.
- 9. Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will inform the division once successful re-vegetation has occurred.

Elm Ridge Exploration

San Juan Basin

Below Grade Tank Maintenance and Operating Plan

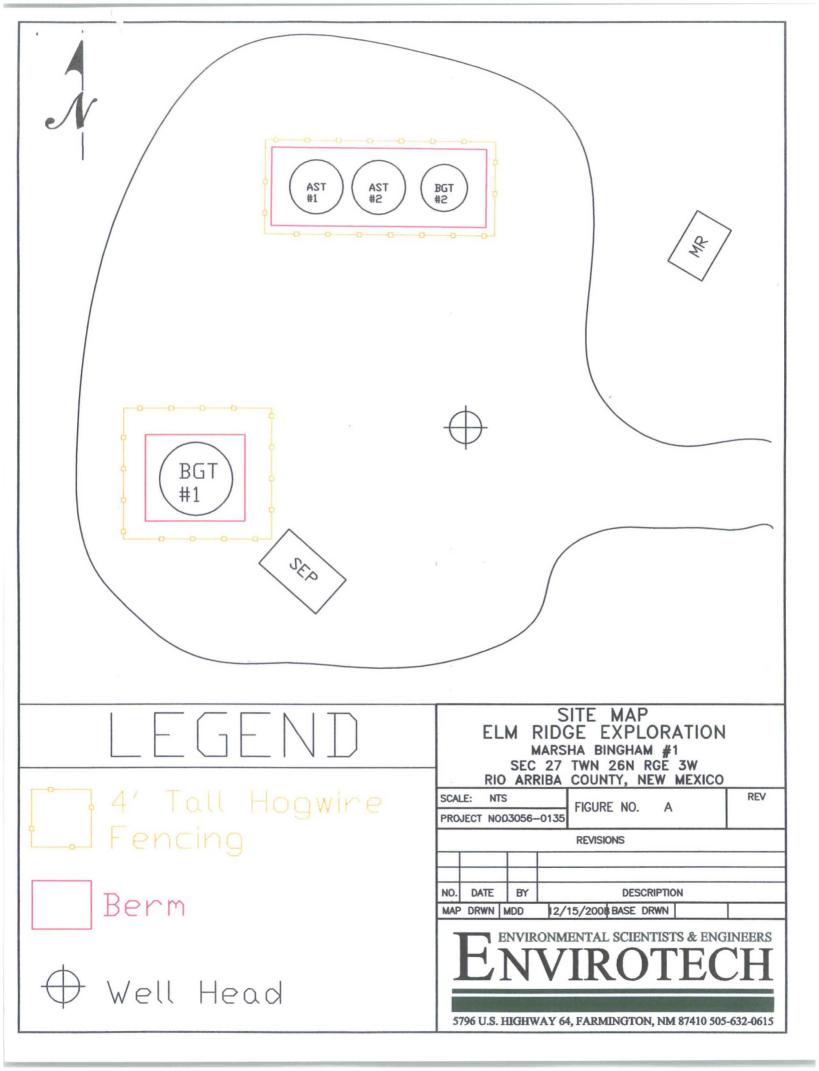
In accordance with Rule 19.15.17 the following information describes the operation and maintenance of a Below Grade Tank (BGT) on Elm Ridge Exploration locations. Elm Ridge Exploration will close this BGT within five (5) years, or upon failure of integrity, and replacing it with an above ground storage tank.

GENERAL PLAN:

- 1. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will operate and maintain a BGT to contain liquids and solids to prevent contamination of fresh water and to protect public health and the environment. This will be accomplished by performing monthly inspections of the BGT, any liners or leak detection, if applicable, netting, secondary containment, fencing, and maintaining adequate freeboard.
- 2. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall not allow a BGT to overflow or allow surface water run-on to enter the BGT. This will be accomplished by a secondary containment consisting of a soil berm around the BGT that will be monitored by monthly inspections. Overflowing will be prevented by maintaining an adequate freeboard of eight (8) inches, maintained by monthly inspections. This process will be performed on the current BGT located at this well site.
- 3. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall continuously remove any visible or measurable layer of oil from the fluid surface of a BGT in an effort to prevent the accumulation of oil over time.
- 4. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall inspect the BGT at least once monthly and maintain a written record of each inspection for at least five (5) years. The monthly inspection form to be used by Elm Ridge Exploration is attached to this document.
- 5. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall maintain adequate freeboard to prevent overtopping of the BGT. The standard freeboard to be maintained by Elm Ridge Exploration is eight (8) inches.
- 6. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall maintain an expanded metal covering on the BGT.

- 7. Elm Ridge Exploration will not discharge into or store any hazardous wastes in the BGT.
- 8. If Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, determines that a BGT has developed a leak below the liquid's surface, then Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will notify the appropriate division office within 48 hours of discovering the leak. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall remove all liquids above the damage or leak line within 48 hours in accordance with Subsection A of 19.15.17.12 NMAC. The damaged tank will then be removed and closure activities will begin in accordance with the submitted closure plan.
- 9. Elm Ridge Exploration will close any BGT within 60 days of cessation of the BGTs operation per Subsection A of 19.15.17.13 NMAC.
- 10. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will close the BGT within the NMOCD allotted five (5) years, within 60 days of cessation of operation of the BGT or upon failure of integrity, and put into service an above ground storage tank to meet the needs previously fulfilled by the BGT.

Figure A, Site Map Attachment 1, Monthly BGT Inspection Form



Elm Ridge Exploration, LLC

Monthly Below Grade Tank Inspe	ection Form
Inspection Performed By:	Date:
Well Site Name:	
Unit: Section: Township: Range:	County:
Quarter Footage:	
Latitude: Longitude:	
Below Grade Tank	
Construction Material of BGT (circle one): Steel Fiberglass Galva	nized Other:
Tank Capacity (BBLS):	_
Status of Tank (circle one): NA poor fair good	excellent
Leaks Detected (circle one): Yes No Unknown	
Liquid level in tank from the top:	
Recent overflow detected (circle one): Yes No Unknown	n
BGT Cover present: Yes No NA	
Cover Type (circle one): wire mesh steel mesh fibrous n	etting other:
Berm Present (circle one): Yes No	
Secondary Containment	
Type of secondary containment:	
Status of secondary containment (circle one): NA poor f	air good excellent
Fencing	
Fencing Present (circle one): Yes No	
Describe Fencing:	
Status of Fencing (circle one): NA poor fair good	excellent

*Maintain this document on record for a minimum of five (5) years from the date performed.

OCD Aztec District III ELM RIDGE Checklist Below Grade Tank Closure Plans

19.15.17.9 Permit application

Signed C-144 (Page 5 of C-144)

19.15.17.10 Siting requirements

Proximity to watercourses (Topo map)

Proximity to Permanent Structure (Aerial Map)

Proximity to Flood Plain Map (Aerial Map)

Proximity to Subsurface Mines Map (Aerial Map)

19.15.17.13 Closure Plan

Below Grade Tank Closure Plan

19,15.17.12 Operating and Maintenance Plan

Below Grade Tank Operating and Maintenance Plan

Requirements: (Application Marked Closure Plan Only

<u>5 | 18 | 18</u> CS **Registration Date:** VF /