District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis In Santo Fe, NM 8750577
1 26

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

For temporary pits, 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 Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,
below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
ease be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the vironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: Elm Ridge Exploration OGRID #: 149052
Address: P.O. Box 156; Bloomfield, NM 87413
Facility or well name: <u>Lybrook 19-2R</u>
API Number: 3003924558 OCD Permit Number:
U/L or Qtr/Qtr K Section 19 Township 24N Range 6W County: Rio Arriba
Center of Proposed Design: Latitude <u>36.2960225</u> Longitude <u>-107.5131026</u> NAD: □1927 ⊠ 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: Thicknessmil LLDPE HDPE PVC Other
String-Reinforced
Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D
Closed-loop System: Subsection H of 19.15.17.11 NMAC
Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of ntent)
Drying Pad Above Ground Steel Tanks Haul-off Bins Other
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other
Liner Seams: Welded Factory Other Other
i.
Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume:56bbl Type of fluid: Produced water
Γank Construction material: Fiberglass fixed roof tank
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Single-walled tank
Liner type: Thicknessmil
Alternative Method:

Le

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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				
7.				
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)				
Screen Netting Other Fiberglass solid/cone top				
Monthly inspections (If netting or screening is not physically feasible)				
8. Signs: Subsection C of 19.15.17.11 NMAC				
□ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers				
⊠ Signed in compliance with 19.15.3.103 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 consideration of approval.	office for			
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.	☐ Yes ⊠ No			
The attached iWATERS database search shows a well approximately 5.73 miles to the west with a depth to groundwater of 400 feet. This water well is at an elevation approximately 228 feet higher than the Lybrook 19 #2R well site, indicating that groundwater is greater than 50 feet from the bottom of the BGT at this well site.				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa	☐ Yes ☒ No			
lake (measured from the ordinary high-water mark). - The nearest watercourse 3,721.1 ft. north-west per attached topographic map. These findings are reflected by the attached visual inspection sheet.				
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 mentioned 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 the well site is not within 1000 feet of any water 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. - This site is not within incorporated municipal boundaries per the attached topographic map and visual inspection sheet.	☐ Yes ☑ No			
Within 500 feet of a wetland. - The USFWS data file, Wetlands Data.kmz, dated July 2, 2008 was opened using Google Earth. No wetlands were noted.	☐ Yes ☑ No			
Within the area overlying a subsurface mine. - The attached NM EMNRD web map indicates that the well site is not within an area overlying a subsurface mine.	☐ Yes ☑ No			
Within an unstable area.	□ Vac □ Na			
The attached topographic map and visual inspection sheet indicates that the well is not within an unstable area. Within a 100-year floodplain.	☐ Yes ☑ No			
- The attached FEMA study indicates that this well is not within a 100-year flood plain.	☐ Yes ⊠ No			

1 ,		
Temporary Pits, Emergency Pits, and Below-grade Tanks P Instructions: Each of the following items must be attached to		
attached. ☐ Hydrogeologic Report (Below-grade Tanks) - based upor ☐ Hydrogeologic Data (Temporary and Emergency Pits) - b ☐ Siting Criteria Compliance Demonstrations - based upon ☐ Design Plan - based upon the appropriate requirements of ☐ Operating and Maintenance Plan - based upon the approp ☐ Closure Plan (Please complete Boxes 14 through 18, if apand 19.15.17.13 NMAC	passed upon the requirements of Paragraph the appropriate requirements of 19.15.17. f 19.15.17.11 NMAC priate requirements of 19.15.17.12 NMAC	(2) of Subsection B of 19.15.17.9 NMAC 10 NMAC
Previously Approved Design (attach copy of design) AP	l Number: o	Permit Number:
Closed-loop Systems Permit Application Attachment Check Instructions: Each of the following items must be attached to attached. Geologic and Hydrogeologic Data (only for on-site closure) Siting Criteria Compliance Demonstrations (only for on-Design Plan - based upon the appropriate requirements of Operating and Maintenance Plan - based upon the appropriate Closure Plan (Please complete Boxes 14 through 18, if a and 19.15.17.13 NMAC	the application. Please indicate, by a chure) - based upon the requirements of Para-site closure) - based upon the appropriate of 19.15.17.11 NMAC priate requirements of 19.15.17.12 NMAC	graph (3) of Subsection B of 19.15.17.9 requirements of 19.15.17.10 NMAC
	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 imple	ment waste removal for closure)	
Permanent Pits Permit Application Checklist: Subsection E Instructions: Each of the following items must be attached to attached. Hydrogeologic Report - based upon the requirements of Siting Criteria Compliance Demonstrations - based upon Climatological Factors Assessment Certified Engineering Design Plans - based upon the app Dike Protection and Structural Integrity Design - based upon the Appropriate requirements of Dike Protection Design - based upon the appropriate requirements of Department of D	Paragraph (1) of Subsection B of 19.15.17 in the appropriate requirements of 19.15.17.11 NM apport the appropriate requirements of 19.15.17.11 NMAC apport the appropriate requirements of 19.15 in the appropriate requirements of 1 in the appropriate requirements of 19.15.17.12 NMAC in the appropriate requirements of 19.15.17 in Plan	7.9 NMAC .10 NMAC AC 5.17.11 NMAC 9.15.17.11 NMAC C 7.11 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14	through 18, in regards to the proposed c	losure plan.
☐ In-place Burial ☐	al systems only) for temporary pits and closed-loop system] On-site Trench Burial	
15. Waste Excavation and Removal Closure Plan Checklist: (1 closure plan. Please indicate, by a check mark in the box, that □ Protocols and Procedures - based upon the appropriate re □ Confirmation Sampling Plan (if applicable) - based upon □ Disposal Facility Name and Permit Number (for liquids, □ Soil Backfill and Cover Design Specifications - based upon □ Re-vegetation Plan - based upon the appropriate requirer □ Site Reclamation Plan - based upon the appropriate requirer	at the documents are attached. equirements of 19.15.17.13 NMAC in the appropriate requirements of Subsection in drilling fluids and drill cuttings) poon the appropriate requirements of Subsection I of 19.15.17.13 NMA	on F of 19.15.17.13 NMAC ction H of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions: Please indentify the facility or facilities for the disposal of liquids,						
facilities are required.	aranng janus unu urm canings. Ose unucimeni ij i	nore mun iwo				
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 of Yes (If yes, please provide the information below) ☐ No	ocur on or in areas that will not be used for future serv	vice and operations?				
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	requirements of Subsection H of 19.15.17.13 NMA(I of 19.15.17.13 NMAC	C				
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 provided below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmenta demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	e administrative approval from the appropriate dist. Bureau office for consideration of approval. Justi	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; Dat	a 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; Dat	a 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; Dat	a 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						
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image						
Within 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						
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approx	·	☐ Yes ☐ No				
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visu	al 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						
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geolog Society; Topographic map 	y & Mineral Resources; USGS; NM Geological	☐ 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 by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements or Proof of Surface Owner Notice - based upon the appropriate requirements or Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate of a drying protocols and Procedures - based upon the appropriate requirements of 19.1. Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Confirmation Plan - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	uirements of 19.15.17.10 NMAC Subsection F of 19.15.17.13 NMAC oppropriate requirements of 19.15.17.11 NMAC ad) - based upon the appropriate requirements of 19. 5.17.13 NMAC uirements of Subsection F of 19.15.17.13 NMAC Subsection F of 19.15.17.13 NMAC lrill cuttings or in case on-site closure standards cann H of 19.15.17.13 NMAC I of 19.15.17.13 NMAC	15.17.11 NMAC				

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Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate	e and complete to the hest of my knowledge and heliof
Name (Print): Ms. Amy Mackey	Title: Administrative Manager
Signature: Am Jacker	/ 22 28
E-mail address: amackey1@elmridge.net	Telephone: 505-632-3476 ext. 201
20. OCD Approval: Permit Application (including closure plan) Closure Pla	n (only) OCD Conditions (see attachment)
OCD Representative Signature:	
	OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsection K Instructions: Operators are required to obtain an approved closure plan prior to The closure report is required to be submitted to the division within 60 days of the section of the form until an approved closure plan has been obtained and the closure pl	implementing any closure activities and submitting the closure report. e completion of the closure activities. Please do not complete this cure activities have been completed.
	Closure Completion Date:
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternati If different from approved plan, please explain.	ve Closure Method Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop Systems T	That Utilize Above Ground Steel Tanks or Haul-off Bins Only:
Instructions: Please indentify the facility or facilities for where the liquids, drilling two facilities were utilized.	
-	Disposal Facility Permit Number:
	Disposal Facility Permit Number:
Were the closed-loop system operations and associated activities performed on or in Yes (If yes, please demonstrate compliance to the items below) \(\subseteq \text{No} \)	
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ns:
24. Clasure Peneut Attachment Checklist, Justinustians, Each of the following item	us must be attached to the electron nament. Black indicate his a heal
Closure Report Attachment Checklist: Instructions: Each of the following item 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)	ns must be attached to the closure report. Please indicate, by a check
	le NAD:
25. Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this closure repelief. I also certify that the closure complies with all applicable closure requirements.	port is true, accurate and complete to the best of my knowledge and ints and conditions specified in the approved closure plan.
Name (Print):	Title:
Signature:	Date:

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)

Zone

POD Number

Tws Rng Sec q q q

Y

SJ 01131

24N 07W 19 4 1

Source: Shallow

Driller Licence: 862 WESTERN DRILLING CO. Driller Name:

Drill Start Date: 04/22/1980

Drill Finish Date: 04/30/1980

Pump Type:

Log File Date: 06/16/1980

PCW Received Date: Pipe Discharge Size:

Estimated Yield: 30 Depth Water: 400

Casing Size: 7 Depth Well: 1700.

Description

Water Bearing Stratifications:

Top Bottom 1200

Sandstone/Gravel/Conglomerate

Casing Perforations:

1340

Top Bottom 1100. 400

New Mexico Office of the State Engineer **POD Reports and Downloads**

Township: 24N

Range: 06W

Sections: 35

NAD27 X:

Y:

Zone:

Search Radius:

County:

Basin:

Number:

Suffix:

Owner Name: (First)

(Last)

Non-Domestic

DomesticAll

Clear Form iWATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 10/24/2008

Bsn Tws Rng Sec Zone

X

Y Wells

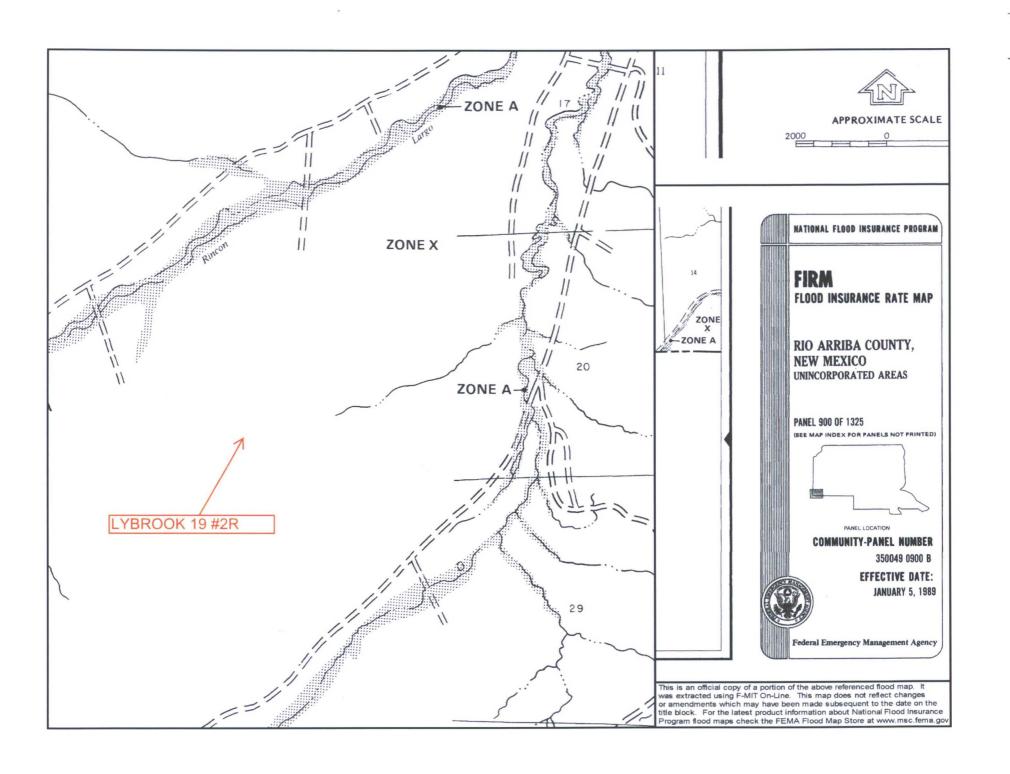
Min

Max

(Depth Water in Feet) Avg

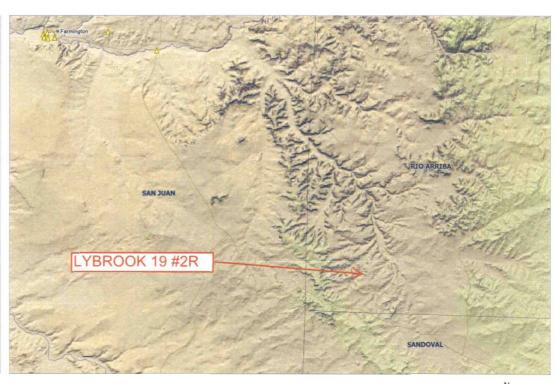
No Records found, try again





Elm Ridge Exploration Mine Map

Mines, Mills & Quarries Commodity Groups **Aggregate & Stone Mines Coal Mines Industrial Minerals Mines Industrial Minerals Mills Metal Mines and Mill Concentrate Potash Mines & Refineries** Smelters & Refinery Ops. **Uranium Mines Uranium Mills** Mines, Mills & Quarries Status **Active Mining Active Mining, Active Reclamation Permanent Closure, Active Reclamation** Permanent Closure, Reclaimed Awaiting Bond Release **Temporary Suspension**

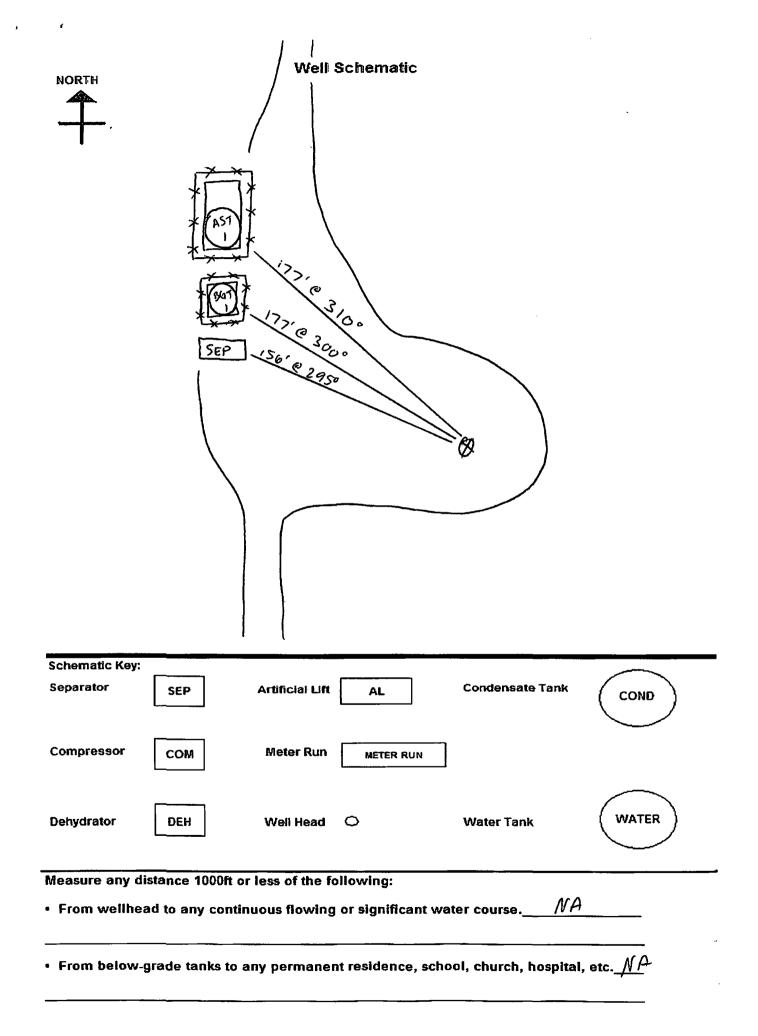






Elm Ridge Site Inventory Sheet

	Date: $8 \cdot 21 - 08$ Initials: $$ Time: Started: $9 \cdot 30Am$ Ended: $9 \cdot 52Am$
•	Well Name & Number: LYBROOK 19 002R
•	API#: 3003924558
•	Lease #:
•	Quarter/Quarter: K Section: 19 Township: 24N Range: 6W
•	Lat: N36°17.7621' Long: W107°30.7878' GPS Point ID: Lb19-2r
•	Pit Tank #1: Manufacturer:
•	Serial #: <u>NA</u> DOM: <u>NA</u> Size <u>NA</u> bbl
	o If N/A – Dimensions: Diameter/0′ Height
•	Material: Steel Galvanized Fiberglass
•	Tank Configuration: Double Wall Single Wall (Buried 🔀 or Exposed)
•	Visible Walls: Y N_X Leak Detection: Y N_X
•	Contents: Produced Water X Condensate Recycled Oil NoT LABEL X
•	Tank Top Covering: Solid/Cone-top Netting (Solid Fiber)
•	Secondary Containment: Yes_X No
•	Fencing around berm: Yes_X No
	Fence Type: Cattle Panel Field Fence Barbwire
•	Pit Tank #2: Manufacturer:
•	Serial #: DOM: Sizebbl
	o If N/A – Dimensions: Diameter Height
•	Material: Steel Galvanized Fiberglass
•	Tank Configuration: Double Wall (Buried or Exposed)
•	Tank Configuration: Double Wall Single Wall (Buried or Exposed) Visible Walls: Y N
•	
•	Visible Walls: Y N Leak Detection: Y N
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid_Fiber)
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid_Fiber) Secondary Containment: Yes No
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid_Fiber) Secondary Containment: Yes No Fencing around berm: Yes No
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid_Fiber) Secondary Containment: Yes No Fencing around berm: Yes No o Fence Type: Cattle Panel Field Fence Barbwire
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid_Fiber) Secondary Containment: Yes No Fencing around berm: Yes No o Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: D & TANK CO
•	Visible Walls: Y N Leak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid Fiber) Secondary Containment: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fence Type: Cattle Panel Field Fence Barbwike Above-Ground Tank #1: Manufacturer: D & T ANK CO. Serial #: 3775
•	Visible Walls: Y N Laak Detection: Y N Contents: Produced Water Condensate Recycled Oil Tank Top Covering: Solid/Cone-top Netting (Solid Fiber) Secondary Containment: Yes No Fencing around berm: Yes No o Fence Type: Cattle Panel Field Fence Barbwike Above-Ground Tank #1: Manufacturer: D & TANK CO. Serial #: 3175 DOM: 1981 Size 360 bbl o If N/A - Dimensions: Diameter 12' Height 15'



BELOW GRADE TANK (BGT) CLOSURE PLAN

SITE NAME:

Lybrook 19-2R
UNIT LETTER K, SECTION 19, TOWNSHIP 24N, RANGE 6W
RIO ARRIBA COUNTY, NEW MEXICO
LATITUDE 36.2960225 LONGITUDE -107.5131026

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

JANUARY 2009

BELOW GRADE TANK (BGT) CLOSURE PLAN ELM RIDGE EXPLORATION LYBROOK 19-2R RIO ARRIBA COUNTY, NEW MEXICO

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Introduction

Elm Ridge Exploration would like to submit a closure plan for the below grade tank (BGT) at the Lybrook 19-2R well site located in the NE ¼ SW ¼ of Section 19, Township 24N, Range 06W, 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 Lybrook 19-2R well site. The following scope of closure activities has been designed to meet this objective:

- 1) 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

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 area 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

Amy 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.
- 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 are to 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. This particular location does not meet the siting criteria to operate a BGT, and thus will be closing the BGT within five (5) years, or upon failure of integrity, and replacing it with an above ground storage tank.

GENERAL PLAN:

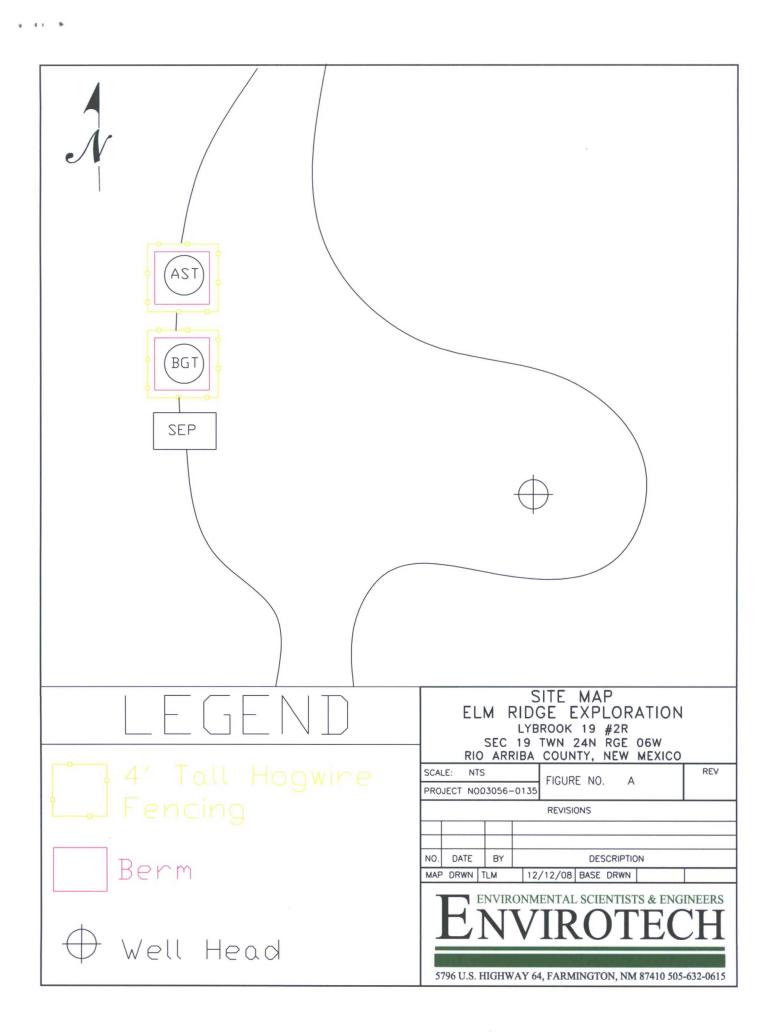
- Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will operate
 and maintain a BGT to contain liquids and solids to prevent contamination of fresh
 water and to protect public health and environment. This will be accomplished by
 performing monthly inspections of the BGT, any 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

11 .

Attachment 1, Monthly BGT Inspection Form



Elm Ridge Exploration, LLC

Monthly Below Grade Tank Inspection Form

Inspe	ction Performed I	sy:			Da	ite:	
Well Site Name:				-			
Unit:	Section:	Township:	:	Range:		Count	y:
	Quarte	Footage:			•••		
	Latitude:		Lo	ongitude:			
Below Grade	<u>Tank</u>			,			
Construction Ma	terial of BGT (cir	cle one): Stee	l Fiberg	lass Galva	nized	Other:	
Tank Capacity (F	BBLS):				_		
Status of Tank (c	ircle one):	NA poor	fair	good	exce	llent	
Leaks Detected (circle one):	Yes	No	Unknown			
Liquid level in ta	nk from the top:						
Recent overflow	detected (circle o	ne): Yes	No	Unknow	n		
BGT Cover prese	ent: Yes	No NA					
Cover Type (circ	le one): wir	e mesh ste	el mesh	fibrous n	etting	other:	
Berm Present (ci	rcle one):	Yes	No				
Secondary Co	ontainment						
Type of secondar	ry containment: _						
Status of seconda	ary containment (circle one):	NA	poor f	air	good	excellent
Fencing							
Fencing Present	(circle one):	Yes No					
Describe Fencing	3:						
Status of Fencing	g (circle one):	NA poo	r fai	r good	ex	cellent	

^{*}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)
Site Specific Hydrogeology (Iwaters)
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
below Grade Tank Operating and Maintenance Flan
Requirements: (Application Marked Closure Plan Only
Registration Date: VF CS