P ¹ 3	
District I State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 Energy Minerals and Natural Resources District III Department 1301 W. Grand Avenue, Artesia, NM 88210 Department District III Department 1000 Rio Brazos Road, Aztec, NM 87410 C District IV 1220 South St. Francis Dr. 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 C Fight 16 PM 1 122	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 7 Proposed Alternative Method Permit or Closure F	
Type of action: Permit of a pit, closed-loop system, below-grade tank, o Closure of a pit, closed-loop system, below-grade tank, Modification to an existing permit Closure plan only submitted for an existing permitted on 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	em, below-grade tank or alternative request
Please be advised that approval of this request does not relieve the operator of liability should operations result i environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable go	1
Operator: Elm Ridge Exploration OGRID #	<u>149052</u>
Address:P.O. Box 156; Bloomfield, NM 87413	
Facility or well name: Rincon Largo Federal 24-1	
API Number: <u>3003925716</u> OCD Permit Number:	
	: Rio Arriba
	1927 🖂 1983
Surface Owner: Stederal State Private Tribal Trust or Indian Allotment	
Surface Owner: > Federal State > Private 1 ribal Trust of Indian Allotment 2.	
Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Or String-Reinforced String-Reinforced String-Reinforced String-Reinforced String-Reinforced	her Dimensions: L x W x D
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 wh intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other	
Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC] Other
Liner Seams: Welded Factory Other	
4.	
5.	
Alternative Method:	
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environme	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 hog wire fencing with pipe railing</u>

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)

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

 <u>Administrative Approvals and Exceptions</u>: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. <i>Please check a box if one or more of the following is requested, if not leave blank:</i> Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. 	office for
^{10.} <u>Siting Criteria (regarding permitting)</u> : 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appro office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry above-grade tanks associated with a closed-loop system.	opriate district approval.
 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 well approximately 6.81 miles to the north-east with a depth to groundwater of 80 feet. This water well is at an elevation approximately 323 feet lower than the Rincon Federal 24-1 well site, indicating that groundwater is greater than 50 feet from the bottom of the BGT at this well site. 	🗋 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 topographic map and visual inspection sheet indicate that the well site is approximately 94 feet to the Rincon Largo Wash. 	🛛 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 indicates 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 indicates no well 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 topographical 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 wetlands were noted.	🗌 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. 	🗌 Yes 🛛 No
Within an unstable area. The topographical map and visual inspection sheet indicate that the well site is not within an unstable area.	🗌 Yes 🛛 No
Within a 100-year floodplain.	🛛 Yes 🗌 No

The FEMA map indicates that the well site may be within a 100-year floodplain.

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 19.15.17.10 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Previously Approved Design (attach copy of design) API Number: or Permit Number:
12. Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Previously Approved Design (attach copy of design) API Number:
Previously Approved Operating and Maintenance Plan API Number: (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
13. Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Sitting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Determinent 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 Erosion Control Plan Closure Plan - based upon the appropriate requirements of 19.15.17.9 NMAC
<u>Proposed Closure:</u> 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
 15. Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

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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 a 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 service and operations? Yes (If yes, please provide the information below) No					
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC					
^{17.} Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable 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 \mid				
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 Maste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cann Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC 	15.17.11 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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Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accur	ate and complete to the best of my knowledge and belief.
Name (Print):Ms. Amy Mackey	Title: Administrative Manager
Signature: acter	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 Pl	an (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 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 to section of the form until an approved closure plan has been obtained and the closure	o implementing any closure activities and submitting the closure report. he completion of the closure activities. Please do not complete this osure activities have been completed.
	Closure Completion Date:
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alterna If different from approved plan, please explain.	tive Closure Method 🗌 Waste Removal (Closed-loop systems only)
^{23.} Closure Report Regarding Waste Removal Closure For Closed-loop Systems Instructions: Please indentify the facility or facilities for where the liquids, dril 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 Yes (If yes, please demonstrate compliance to the items below)	in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation	ons:
Re-vegetation Application Rates and Seeding Technique	
 24. <u>Closure Report Attachment Checklist</u>: <i>Instructions: Each of the following ite</i> 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) 	
	NAD: 1927 1983
 25. Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure r belief. I also certify that the closure complies with all applicable closure requirements 	
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 o	f Diversion Summary	

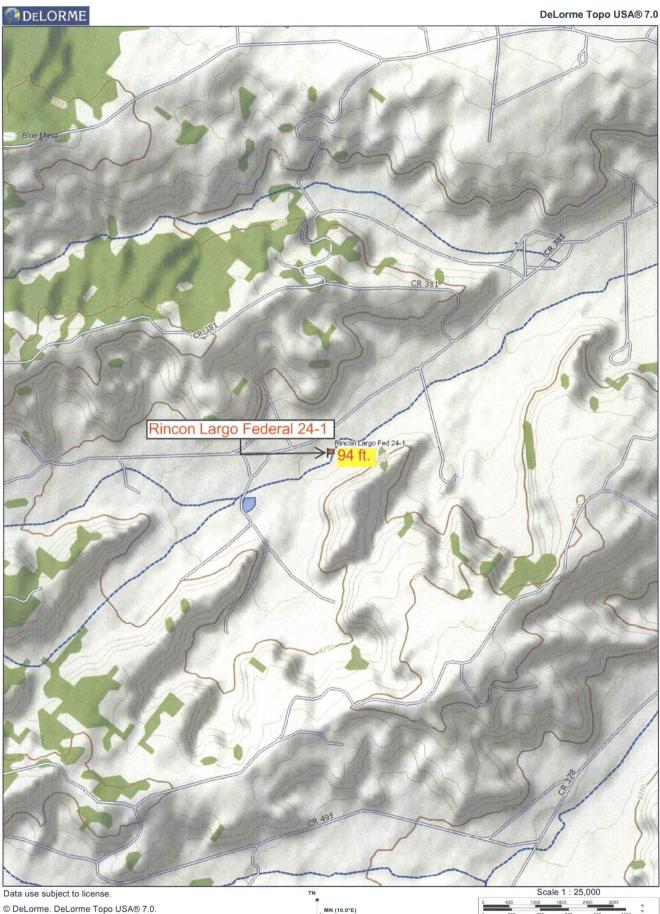
Back

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) POD Number Zone X Y Tws Rng Sec q q q 25N 06W 21 4 1 4 SJ 00681 Driller Licence: Driller Name: E.C. BARRY Source: Drill Finish Date: 05/04/1977 Drill Start Date: PCW Received Date: Log File Date: Pump Type: WINDMI Pipe Discharge Size: Casing Size: Estimated Yield: Depth Well: Depth Water: 80

http://iwaters.ose.state.nm.us:7001/iWATERS/WellAndSurfaceDispatcher?email_address... 12/18/2008

New Mexico Office of the State Engineer POD Reports and Downloads							
Township: 24N	Range: 07W	Sections: 35					
NAD27 X:	Y:	Zone:	Search Radius:				
County:	Basin:		Number:	Suffix:			
Owner Name: (Firs		(Last) Domestic • All	• Non-D	omestic			
POD / Surface Da	ata Report Avg	Depth to Water Rep	port Water Column R	eport			
	Clear Form	iWATERS Menu	Help				
AVERACE DE	TH OF WATER REPOR	27 10/24/2008					
AVERAGE DEP			Water in Feet)				

Bsn				Zone	X X	Wells	Water in Max	Feet) Avg
No R	ecord	s fou	und,	try aga.	in			



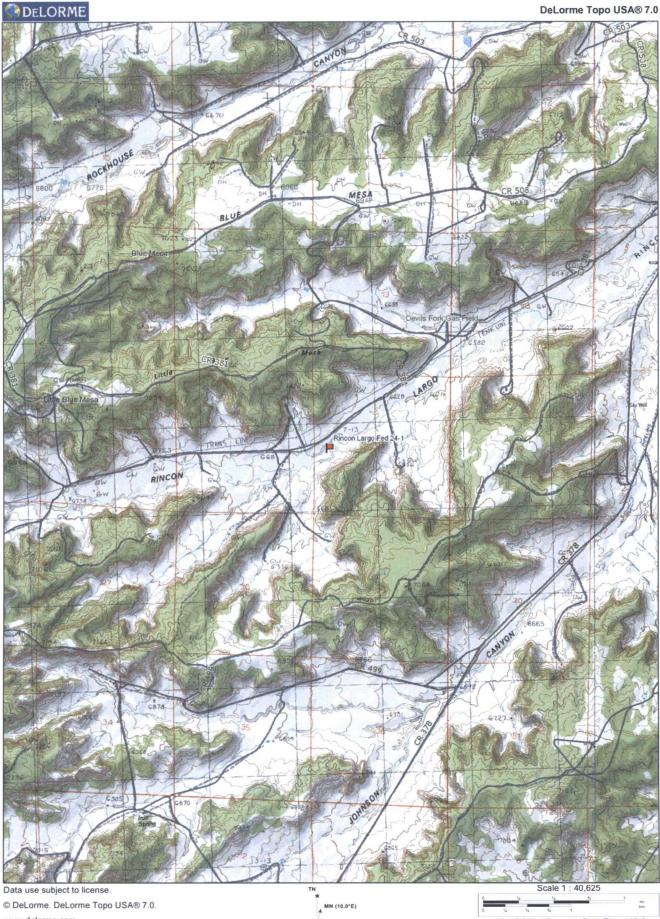
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MN (10.0°E) 4

1" = 2,083.3 ft Data Zoom 13-0



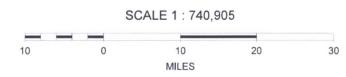
www.delorme.com

1" = 3,385.4 ft Data Zoom 12-3



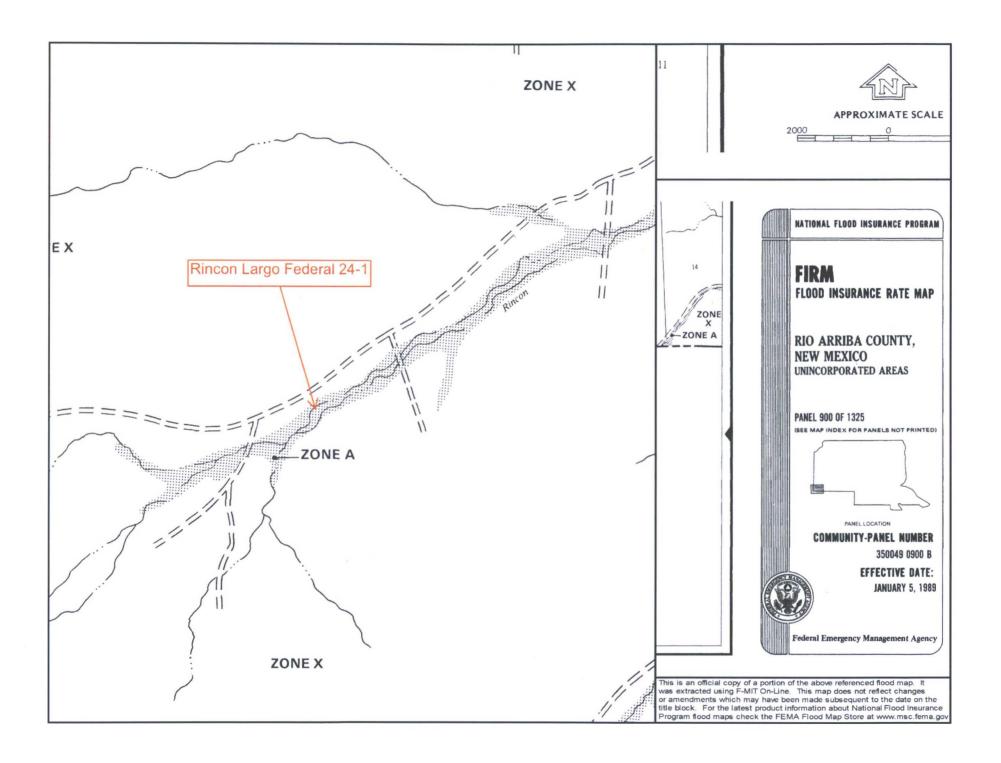
Elm Ridge Exploration Mine Map



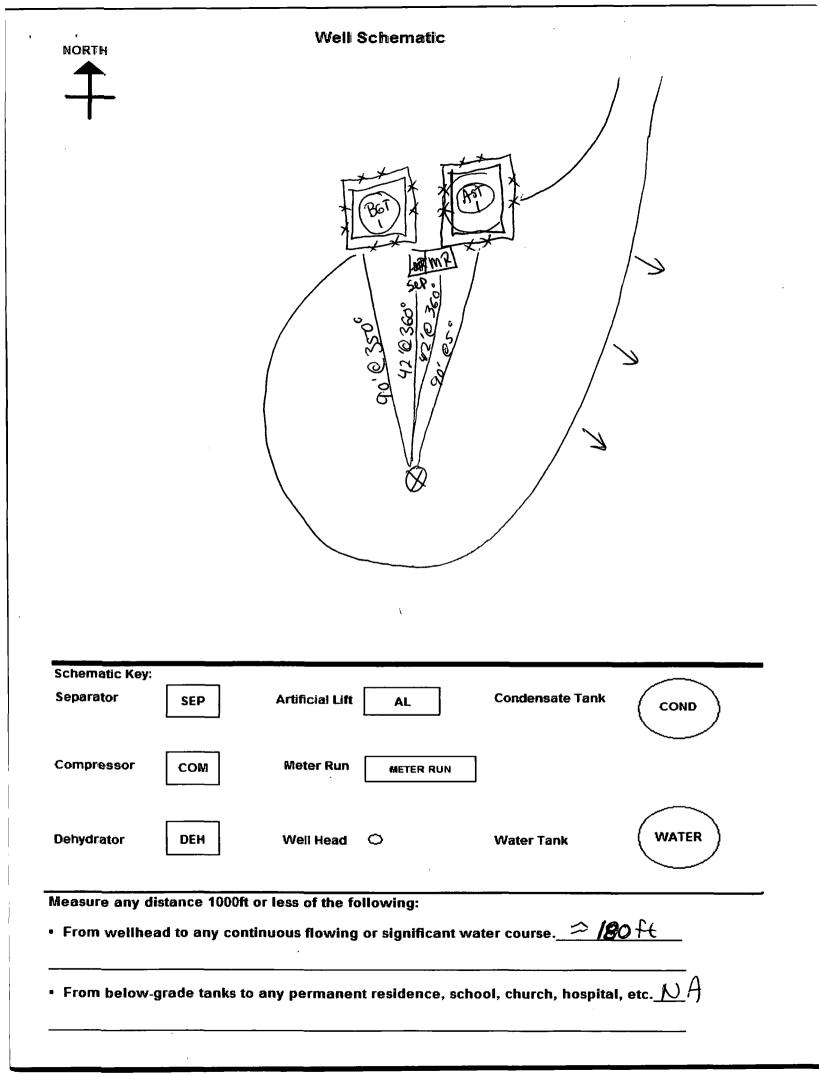








t	Elm Ridge Site Inventory Sheet
•	Date: 8-20-08 Initials: JN Time: Started: 4:00 pm Ended: 4:20 pm
•	Well Name & Number: <u>Rincon Largo Federal 24 001</u>
•	API#: 3003925716
•	Lease #:
٠	Quarter/Quarter: Section: Township: Range:
٠	Lat: <u>N 36°/7.8245′</u> Long: <u>W/07°32,0890′</u> GPS Point ID: <u>R1F24-</u> 2
•	Pit Tank #1: Manufacturer: NA
•	Serial #: NA DOM: NA Size NA bbl
-	 o If N/A − Dimensions: Diameter 12' Height 5'
•	Material: Steel Galvanized FiberglassX
•	Tank Configuration: Double Wall Single Wall X (Buried X 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_X (Solid_X Fiber)
. •	Secondary Containment: Yes_XNo
•	Fencing around berm: Yes_X_ No
	○ Fence Type: Cattle Panel Field Fence × Barbwire
•	Pit Tank #2: Manufacturer:
•	Pit Tank #2: Manufacturer:
•	Serial #: DOM: Sizebbl
•	Serial #: DOM: Sizebbl o If N/A – Dimensions: Diameter Height
•	Serial #: DOM: Sizebbl o If N/A – Dimensions: Diameter Height
•	Serial #: DOM: Sizebbl o If N/A – Dimensions: Diameter Height Material: Steel Galvanized
•	Serial #: DOM: bbl o If N/A – Dimensions: Diameter Height
•	Serial #: DOM:
•	Serial #: DOM: Size bbl o If N/A - Dimensions: Diameter Height Material: Steel Galvanized Fiberglass Tank Configuration: Double Wall Single Wall (Buried or Exposed) Visible Walls: Y N Contents: Produced Water Condensate Recycled Oll
•	Serial #: DOM: bbl o If N/A - Dimensions: Diameter
•	Serial #: DOM: Size bbl o If N/A - Dimensions: Diameter Height Material: Steel Galvanized Fiberglass Tank Configuration: Double Wall Single Wall (Buried or Exposed) Visible Walls: Y N Contents: Produced Water Condensate Recycled Oll Tank Top Covering: Solid/Cone-top Netting (Solid Fiber_) Secondary Containment: Yes No
•	Serial #:
•	Serial #:
•	Serial #:
•	Serial #: DOM: Size bbl o If N/A – Dimensions: Diameter Height Material: Steel Galvanized Fiberglass
•	Serial #: DOM: Size bbl o If N/A - Dimensions: Diameter Height Height 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 Oli Tank Top Covering: Solid/Cone-top Netting (Solid
•	Serial #: DOM: Size bbl o If N/A - Dimensions: Diameter Height Material: Steel Galvanized Fiberglass Tank Configuration: Double Wall Single Wall (Burled_ or Exposed_) Visible Walls: Y N Leak Defection: Y N Visible Walls: Y N Leak Defection: Y N Contents: Produced Water Condensate Recycled Oll Tank Top Covering: Solid/Cone-top Netting (Solid Fiber Secondary Containment: Yes No o Fence Type: Cattle Panel Field Fence Barbwire o Fence Type: Cattle Panel Field Fence Barbwire Size



BELOW GRADE TANK (BGT) CLOSURE PLAN

SITE NAME:

RINCON LARGO FEDERAL 24-1 UNIT LETTER L, SECTION 24, TOWNSHIP 24N, RANGE 7W RIO ARRIBA COUNTY, NEW MEXICO LATITUDE 36.297075 LONGITUDE -107.534817

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 RINCON LARGO FEDERAL 24-1 RIO ARRIBA COUNTY, NEW MEXICO

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Below Grade Tank (BGT) Closure Plan Elm Ridge Exploration Rincon Largo Federal 24-1 Page 1

INTRODUCTION

Elm Ridge Exploration would like to submit a closure plan for the below grade tank (BGT) at the Rincon Largo Federal 24-1 well site located in the NW ¼ SW ¼ of Section 24, Township 24N, Range 7W, 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 Rincon Largo Federal 24-1 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.
- 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 Rincon Largo Federal 24-1 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

Below Grade Tank (BGT) Closure Plan Elm Ridge Exploration Rincon Largo Federal 24-1 Page 3

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.
- 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.

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- 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:

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- 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.

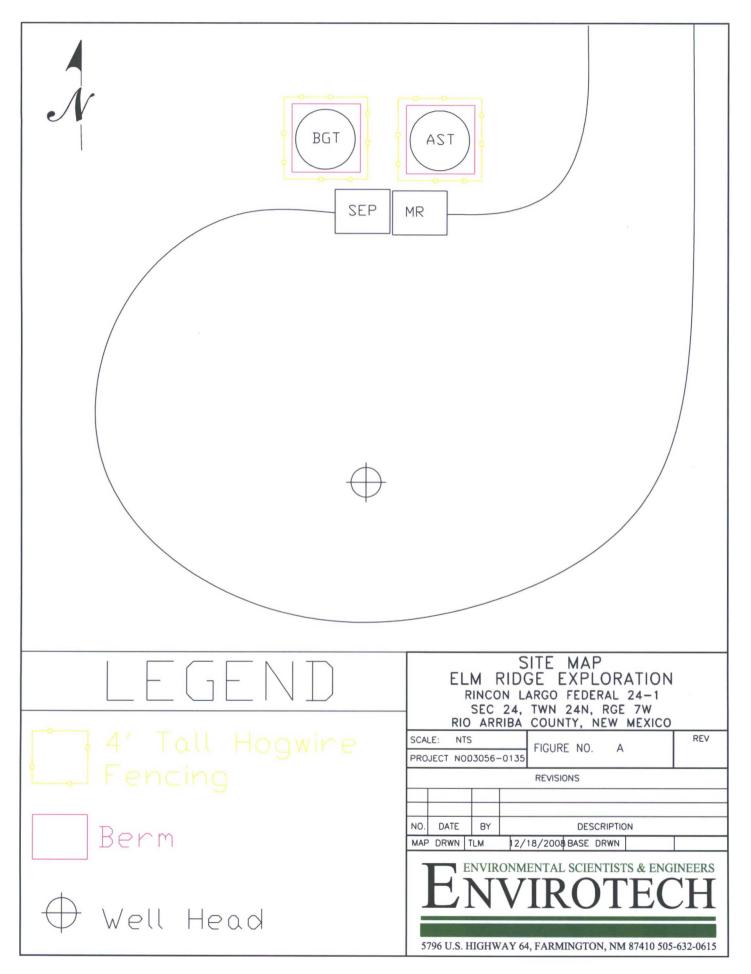
- 7. Elm Ridge Exploration will not discharge into or store any hazardous wastes in the BGT.
- 8. If Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, determines that a BGT has developed a leak below the liquid's surface, then Elm Ridge Exploration, or a contractor representing 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

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Attachment 1, Monthly BGT Inspection Form





	J	Elm Rid	ge Exp	loratio	on, LI	.C		
	Mo	nthly Below	w Grade (Fank Ins	pection	Form		
Inspect	ion Performed I	By:		Date:				
	Well Site	e Name:						
Unit:	Section:	Townshi	p:	Range: County:				
	Quarter	r Footage:						
	Latitude:		L	ongitude:				
Below Grade	<u>l'ank</u>							
Construction Mate	rial of BGT (cir	cle one): St	eel Fiberg	lass Galv	vanized	Other:		
Tank Capacity (Bl	3LS):							
Status of Tank (cir	rcle one): 1	NA poor	r fair	good	exce	ellent		
Leaks Detected (c	ircle one):	Yes	No	Unknown	L			
Liquid level in tan	k from the top:							
Recent overflow d	etected (circle o	ne): Ye	s No	Unkno	wn			
BGT Cover preser	ıt: Yes	No N	A					
Cover Type (circle	e one): wir	e mesh s	teel mesh	fibrous	netting	other:		
Berm Present (circ	le one):	Yes	No					
Secondary Co	<u>ntainment</u>							
Type of secondary	containment:							
Status of secondar	y containment (circle one):	NA	poor	fair	good	excellent	
Fencing								
Fencing Present (c	ircle one):	Yes No)					
Describe Fencing:								
Status of Fencing	(circle one):	NA po	oor fai	r good	d ex	cellent		

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*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

Requirements: (Application Marked Closure Plan Only

Registration Date: <u>VF</u> CS