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 Dr , Santa Fe, NM 87505

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

Form C-144
June 16, 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 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
Mod ☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Modification to existing permit

Instructions: ***Please submit one application (Form C-144) per individual pit, closed-loop system, 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 pollution of surface water, ground water or the environment Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator Energen Resources Corporation OGRID # 162928
Address 2010 Afton Place, Farmington, New Mexico 87401
Facility or well name C J Holder #501 S
API Number 30-045-34492 OCD Permit Number
U/L or Qtr/Qtr NENE Section 31 Township 29N Range 13W County San Juan
Center of Proposed Design Latitude 36 68748° N Longitude 108 24101° W NAD ☐1927 ☒ 1983
Surface Owner ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

RCVD JUL 2 '08
OIL CONS. DIV.
DIST. 3

☐ **Pit** Subsection F or G of 19 15 17 11 NMAC
Temporary ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation
☐ Lined ☐ Unlined
Liner type Thickness ____ mil ☐ LLDPE ☐ HDPE ☐ PVC
☐ Other ☐ String-Reinforced
Seams ☐ Welded ☐ Factory ☐ Other
Volume ____ bbl Dimensions L__ x W____ x D____

☒ **Closed-loop System:** Subsection H of 19 15 17 11 NMAC
☐ Drying Pad ☒ Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined
Liner type Thickness ____ mil ☐ LLDPE ☐ HDPE ☐ PVC
☐ Other
Seams ☐ Welded ☐ Factory ☐ Other
Volume 265 bbl 165 yd³
Dimensions Length 40 x Width 12

☐ **Below-grade tank** Subsection I of 19 15 17 11 NMAC
Volume ____ bbl
Type of fluid
Tank Construction material
☐ Secondary containment with leak detection
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner
☐ Visible sidewalls only
☐ Other
Liner type Thickness ____ mil ☐ HDPE ☐ PVC
☐ Other

Fencing Subsection D of 19 15 17 11 NMAC
☐ Chain link, six feet in height, two strands of barbed wire at top
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
Netting. Subsection E of 19 15 17 11 NMAC
☐ Screen ☐ Netting ☐ Other
☐ Monthly inspections
Signs Subsection C of 19.15.17 11 NMAC
☐ 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19 15 3 103 NMAC

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

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

RECEIVED
AUG 2008
Form C-144 OIL CONS. DIV. DIST. 3

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 - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ 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)* - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ 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 - NM Office of the State Engineer - iWATERS database search, 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

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 11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC
- ☐ Closure Plan - 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 _____

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 (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19 15 17 9
- ☐ Siting Criteria Compliance Demonstrations (required 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 - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC

NMAC

☐ Previously Approved Design (attach copy of design) API Number _____

Permanent Pits Permit Application Checklist: Subsection B of 19 15 17 9 NMAC

Instructions. Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19 15 17 9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17 10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC

Proposed Closure: 19 15 17 13 NMAC

Type ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☒ Closed-loop System ☐ Alternative

Proposed Closure Method ☒ Waste Excavation and Removal

☐ 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)

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 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. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.***	
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 watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ☐ No
Within 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

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.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ *Soil Backfill and Cover Design Specifications* - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only. (19 15 17 13 D NMAC) ***Instructions Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.***

Disposal Facility Name Envirotech, Agua Moss (Pretty Lady #1) Disposal Facility Permit Number NM-01-0011, API #30-048-30922

On-Site 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.***

- ☐ 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 and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC
- ☐ Waste 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 cannot be achieved)
- ☐ 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

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) Nathan Smith Title Drilling Engineer

Signature Nathan Smith Date 7/2/08

e-mail address nsmith@energen com Telephone 505-324-4151

OCD Approval: ☑ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature Brandon Powell **Approval Date:** 7/2/08

Title: Envirol Spec. **OCD Permit Number**

Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC

☐ **Closure Completion Date**

Closure Method

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method

☐ If different from approved plan, please explain

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
- ☐ Proof of Deed Notice (if applicable)
- ☐ Plot Plan
- ☐ Confirmation Sampling Analytical Results
- ☐ Waste Material Sampling Analytical Results
- ☐ 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

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

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name

[4] Property Code	[5] Property Name	[6] Well Number
	C.J. HOLDER	# 501S

[7] OGRID No.	[8] Operator Name	[9] Elevation
	ENERGEN RESOURCES CORPORATION	5801'

[10] Surface Location

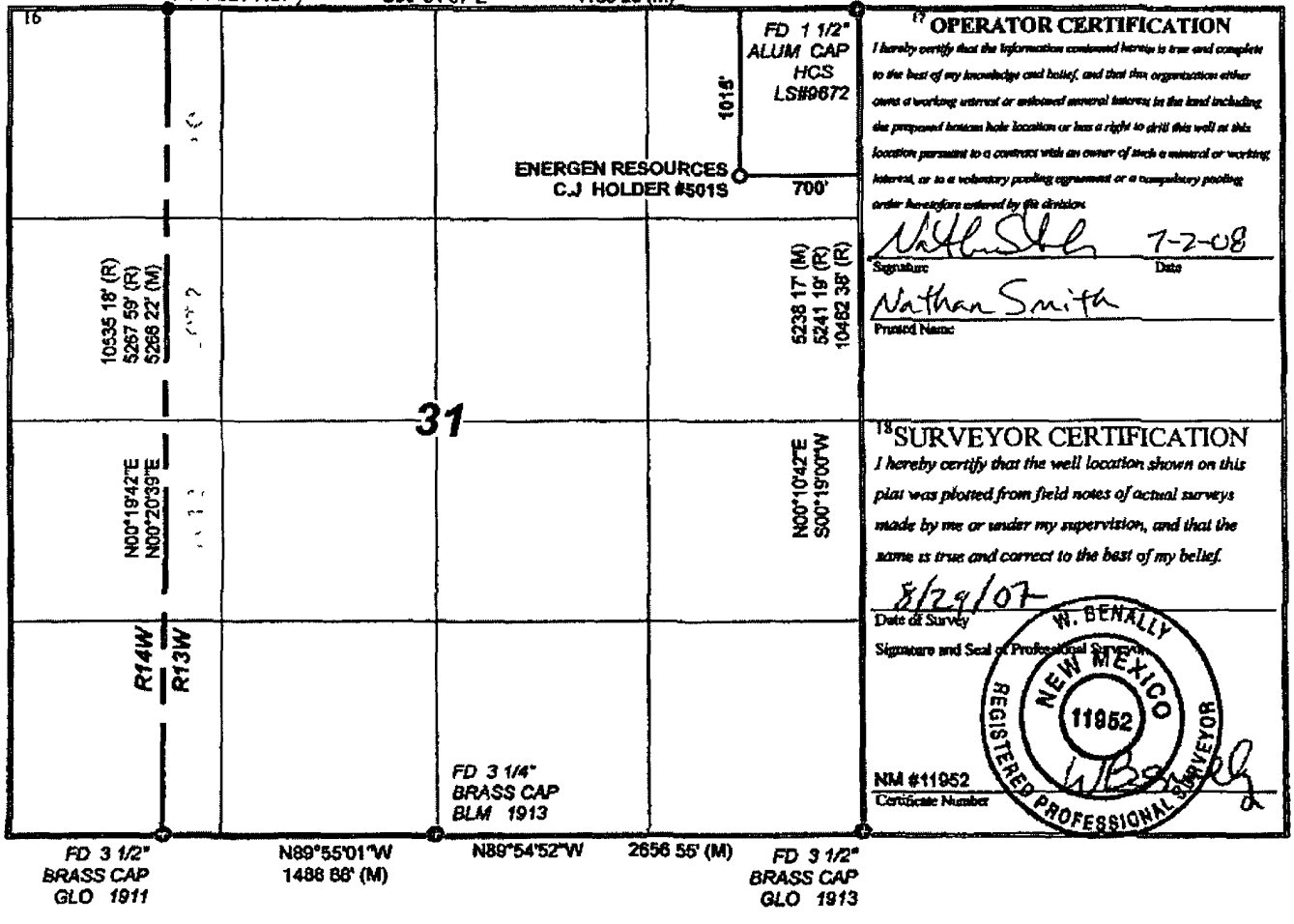
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	29N	13W		1015	NORTH	700	EAST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 7-2-08

Nathan Smith
Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

8/29/07
Date of Survey

Signature and Seal of Professional Surveyor

W. BENALLY
NEW MEXICO
11952
REGISTERED PROFESSIONAL SURVEYOR

NM #11952
Certificate Number

Closed-loop Design Plan:

Our closed loop system will not entail a drying pad, temporary pit, below grade tank or sump It will entail an above ground tank suitable for holding the cuttings and fluids for rig operations The tank will be of sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations

1) Fencing is not required for an above ground closed-loop system

2) It will be signed in compliance with 19 15 3 103 NMAC

3) A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

The closed-loop tank will be operated and maintained, to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment To attain this goal the following steps will be followed

1) The liquids will be vaccumed out and disposed of at the Agua Moss Pretty Lady #1 facility (Disposal API Number 30-048-30922) Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM-01-0011) on a periodic basis to prevent over topping
2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank
3) The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank Upon the discovery of the compromised tank, repairs will be enacted immediately
4) All of the above operations will be inspected and a log will be signed and dated During rig operations the inspection will be daily

Closed-loop Closure Plan:

The closed loop tank will be closed in accordance with 19 15 17 13 This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit Number NM-01-0011) immediately following rig operations All remaining liquids will be transported and disposed of in the Agua Moss Pretty Lady #1 facility (Disposal API number 30-048-30922) The tanks will be removed from the location as part of the rig move At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible

Closed-loop Completion:

A closed loop tank will be set on location once drilling operations have ceased. The closed loop tank will measure 20 ft height by 12 ft diameter (400 BBL) or 20 ft height by 10 ft 6 in diameter (300 BBL). It will be designed, operated, maintained and closed according to the attached Closed-loop Design Plan, Closed-loop Operating and Maintenance Plan, and Closed-loop Closure Plan.

8/16/2008

Kirt Snyder Energen Resources, District Engineer