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

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
<u>Propo</u>	sed 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,

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) Four foot height, four strands of barbed wire evenly spaced between one and four feet	hospital,
□ Alternate. Please specify Hogwire fencing as per Design Plan	
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)	
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 of consideration of approval. (Hogwire Fencing in Design Plan) Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.	priate district pproval.
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 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. (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 (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: 3004510775 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 (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)
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 ₂ S, Prevention Plan Climatological Federal Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Method - Confirmation sampling only - Protocols and Procedures included in attached Closure Plan 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)
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 G 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, a facilities are required.		
•	Disposal Facility Permit Number:	
	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		
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 NMAC I of 19.15.17.13 NMAC	С
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 Environmental demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for the same of the s	e administrative approval from the appropriate disti 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; 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 - 1WATERS 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 signlake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	nificant watercourse or lakebed, sınkhole, or playa	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church - Visual inspection (certification) of the proposed site; Aerial photo; Satellite		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less are the NM Office of the State Engineer - iWATERS database; Visual inspection (pring, in existence at the time of initial application.	☐ Yes ☐ No
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 approve	•	Yes No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visua	l 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 Society; Topographic map	Mineral Resources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplam 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 of Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Instruction/Design Plan of Temporary Pit (for in-place burial of a drying pictory Protocols and Procedures - based upon the appropriate requirements of 19.15 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and disposal Soil Cover Design - 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	urements of 19.15.17.10 NMAC Subsection F of 19.15.17.13 NMAC propriate requirements of 19.15.17.11 NMAC ad) - based upon the appropriate requirements of 19.15.17.13 NMAC urements of Subsection F of 19.15.17.13 NMAC Subsection F of 19.15.17.13 NMAC rill cuttings or in case on-site closure standards cannot of 19.15.17.13 NMAC I of 19.15.17.13 NMAC	15.17.11 NMAC

Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): LARRY SCHLOTTERBACK Title: ENVIRONMENTAL COORDINATOR
Signature: Date: AUGUST 13, 2008
e-mail address: larry.schlotterback@bp.com Telephone: (505) 326-9200
20. OCD Approval: Permit Application (including closure plan) Closure Plan (only) COD Conditions (see attachment)
OCD Representative Signature: Brand fell Approval Date: 8-27-08
Title: Envirologee OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date:
22.
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.
Disposal Facility Name: Disposal Facility Permit Number:
Disposal Facility Name: Disposal Facility Permit Number:
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below) No
Required for impacted areas which will not be used for future service and operations Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique
24. Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)
On-site Closure Location: Latitude Longitude NAD: 1927 1983
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:

BP AMERICA PRODUCTION COMPANY

San Juan Basin in Northwest New Mexico Below-Grade Tank Design and Construction Plan

Pursuant to Rule 19.15.17.11 NMAC, BP America Production Company (BP) shall construct a below-grade tank (BGT) with the following guidelines. Any deviations from this plan will be addressed with the submittal of the New Mexico Oil Conservation Division's (NMCOD) form C-144 at the time of the pit permit application.

- 1) The BGT will be constructed to contain liquids and prevent contamination of fresh water and protect public health and the environment.
- 2) Prior to constructing a BGT, top soil will be stripped for use as a final cover or fill at the time of closure.
- An upright sign, not less than 12" x 24" with lettering not less than 2" height will be placed on the fence surrounding the BGT. Alternatively, a well sign in compliance with 19.15.3.103 NMAC will be posted at the well site. The sign will give BP's name, location by quarter-quarter or unit letter, section, township, range, and emergency phone numbers.
- 4) BP will fence its BGTs (and possibly associated surface equipment, i.e. separator units, production tanks, etc.) utilizing 48" steel mesh field-fence (hogwire) with a ½ inch diameter metal top rail (sucker rod). Perimeter T-post will be installed roughly every 10 feet. Fences are not required if there is an adequate surrounding perimeter fence that prevents unauthorized access to the well site or facility, including a BGT.
- 5) BP will fence or enclose a BGT located within 1,000 feet of a permanent residence, school, hospital, institution or church with a chain link security fence, at least six (6) feet in height with at least two (2) strands of barbed wire at the top. BP will ensure that all gates associated with the fence are closed and locked when responsible personnel are not on-site.
- 6) It is understood that the NMOCD District III office may approve an alternative to this requirement if BP can demonstrate that an alternative provides equivalent or better protection. BP also recognizes that the NMOCD District III office may impose additional fencing requirements for protection of wildlife in particular areas.
- 7) The following requirements adhere to Subsection I of 19.15.17.11 NMAC.
 - a. BP will ensure that a BGT is constructed of materials resistant to the BGT's particular contents and resistant to damage from sunlight.
 - b. A BGT system shall have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.
 - c. The BGT will be constructed to prevent overflow and the collection of surface water run-on by using earthen berms and/or diversion dikes.
 - d. Construction and usage of a BGT that does not have double walls provided that the BGT's side walls are open for visual inspection for leaks, the BGT's bottom is elevated a minimum of six (6) inches above the underlying ground surface and the BGT is underlain with a geomembrane liner, which may be covered with gravel, to divert leaked liquid to a location that can be visually inspected. BP will equip BGTs designed in this manner with a properly operating automatic high-level shut-off control device and manual controls to prevent overflows. The geomembrane liner shall consist of 30-mil flexible PVC or 60-mil HDPE liner, or an equivalent liner material that the NMOCD District III office approves. The geomembrane liner shall have a hydraulic conductivity no greater than 1 x 10-9 cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility will comply with EPA SW-846 method 9090A..

- e. Any other BGT, in which the side walls are not open for visible inspection for leaks shall be double walled with leak detection capability.
- f. It is understood BP may construct a BGT according to an alternative system that the NMOCD District III office approves based upon the demonstration that the alternative provides equivalent or better protection.
- g. BP's BGTs constructed and installed prior to June 16, 2008 that have the side walls open for visual inspection and are placed upon a geomembrane liner but does not meet all the requirements in Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC are not required to equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as the BGTs demonstrate integrity. If the existing BGTs do not demonstrate integrity, then BP will promptly remove those BGT and install a BGT that do comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- h. BP's BGTs constructed and installed prior to June 16, 2008 that do not comply with Paragraph (1) through (4) of Subsection I of 19.15.17.11 NMAC or do not comply with Paragraph (5) of Subsection I of 19.15.17.11 NMAC will equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, or close it, within five (5) years after June 16, 2008. If existing BGTs do not demonstrate integrity, BP will promptly remove those BGTs and install a BGT that do comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

BP AMERICA PRODUCTION COMPANY

San Juan Basin in Northwest New Mexico Below-Grade Tank General Operating and Maintenance Plan

Pursuant to Rule 19.15.17.12 NMAC, America Production Company (BP) shall maintain and operate a below-grade tank (BGT) with the following guidelines. Any deviations from this plan will be addressed with the submittal to the New Mexico Oil Conservation Division's (NMOCD) form C-144 at the time of the BGT permit application.

- 1) The BGT will be operated and maintained to contain liquids and prevent contamination of fresh water, protect public health and the environment.
- 2) The fluids contents will be re-used, recycled or disposed in a manner to protect fresh water, public health and the environment. Disposal is addressed in the "Closure Plan" for the site.
- 3) No hazardous waste will be discharged or stored in a BGT.
- 4) If any pit liner's integrity is compromised, or if any penetration of the liner occurs above the liquid's surface, then BP will notify the NMOCD's District III office within 48 hours of the discovery and repair the damage or replace the liner.
- 5) If a BGT develops a leak, or if any penetration of the pit liner or BGT occurs below the liquid's surface, then BP will remove all liquid above the damage or leak line within 48 hours, notify the NMOCD's District III office within 48 hours of the discovery and repair the damage or replace the pit liner and/or BGT.
- 6) BP will install a BGT to prevent the collection of surface water run-on.
- 7) The following requirements adhere to Subsection D of 19.15.17.12 NMAC.
 - a. BP will not allow its BGTs to overflow or allow surface water run-on to enter into its BGTs
 - b. BP will remove any visible or measurable layer of oil from the fluid surface of any of its BGTs.
 - c. BP will inspect BGTs at least monthly and maintain a written record of each inspection for five (5) years.
 - d. BP will maintain adequate freeboard to prevent overtopping of its BGT.

BP AMERICA PRODUCTION COMPANY

SAN JUAN BASIN, NORTHWEST NEW MEXICO

BELOW-GRADE TANK CLOSURE PLAN

As stipulated in Rule 19.15.17.13 NMAC, the following information adheres to the requirements established in closing below-grade tanks (BGTs) on BP America Production Company (BP) well sites. This plan will address the standard protocols and procedures for closure of below grade tanks. If deviations from this plan are necessary, any specific changes will be included with New Mexico Oil Conservation Division (NMOCD) form C-144.

BP shall close its existing BGTs that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five (5) years after June 16, 2008, if not retrofitted to comply with Paragraph (1) through (4) of Subsection I of 19.15.17.11 NMAC. BP shall close its permitted BGTs within 60 days of cessation of the BGTs operation or as required by the transitional provisions of Subsection B, D, or E of 19.15.17.17 NMAC in accordance with this closure plan after receiving NMOCD's division District III office approval.

The following outline addresses all requirements for closure of BP's BGTs;

- Notification to the surface owner by certified mail, with return receipt request, will be given prior to BP's
 intent on conducting, with NMOCD's pre-approval, confirmation sampling for closure. Evidence of
 mailing of the notice to the address of the surface owner shown in the county tax records is understood to
 demonstrate compliance with this requirement.
- 2. In addition, notification will also be given to the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice shall include the well name and number to be closed, legal description utilizing unit letter, section, township, range, and API number.
- 3. Remove liquids and sludge from the BGTs prior to implementing a closure method (confirmation sampling) and dispose of the liquids and sludge in a NMOCD's division-approved facility. A list of BP approved disposal facilities are included at the end of this document.
- Remove the BGTs and dispose of it in a NMOCD's division-approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD's division District III office approves.
- Remove any on-site equipment associated with a BGTs unless the equipment is required for some other purpose.
- 6. BP will test the soils beneath the BGTs to determine whether a release has occurred. At a minimum, a five (5) point composite sample and individual grab samples from any area that is wet, discolored or showing other evidence of a release will be analyzed for BTEX, TPH and chlorides. The testing methods and closure standards for those constituents are as follows:

Constituents	Testing Method	Closure Standards (mg/Kg)
Benzene	US EPA Method SW-846 8021B or 8260B	0.2
Total BTEX	US EPA Method SW-846 8021B or 8260B	50
TPH	US EPA Method SW-846 418.1	100
Chlorides	US EPA Method 300.0	250 or background

Notes:

mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons. Other EPA method that the division approves may be applied to all constituents listed. Chloride closure standards will be determined by which ever concentration level is greatest.

- 7. BP will notify the division District III office of its results on form C-141. It is understood that the NMOCD may require additional delineation upon review of the results.
- 8. If it is determined that a release has occurred, then BP will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.
- 9. If the confirmation sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then BP will backfill the excavation, with NMOCD's preapproval, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site. The NMOCD prescribed soil cover, recontouring and re-vegetation requirements shall comply with Subsections G, H and I of 19.15.17.13 NMAC.

- 10. Within 60 days of closure completion, submittal of a closure report on NMOCD's form C-144, with necessary attachments to document all closure activities including sampling results; information required by 19.15.17 NMAC; a plot plan; and details on back-filling, capping and covering, where and if applicable, will be furnished. BP will certify that all information in the report and attachments is accurate, truthful, and compliant with all applicable closure requirements and conditions specified in the approved closure plan
- 11. Reclamation will follow 19.15.17.13G (1) and (2).
 - a. Once the BGT has been approved for closure by NMOCD, the BGT location and all areas associated with the BGT including associated access roads will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. It is understood that BP shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, recontour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC.
- 12. Soil cover will follow 19.15.17.13H (1) and (3).
 - a. The soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.
 - b. The soil cover will be constructed to the site's existing grade and all possible efforts will be conducted to prevent ponding of water and erosion of the cover material.
- 13. Revegetation will follow 19.15.17.13I (1), (2), (3), (4) and (5).
 - a. Revegetation of the pit location and any associated access road(s) will be attempted during the first growing season after closure of the pit with seeding or planting of the disturbed areas. Seeding will be accomplished by tilling/plowing on the contour whenever practical or by other division-approved methods. Vegetative cover will be, at a minimum, 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation), consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
 - b. Seeding or planting will be repeated until it successfully achieves the required vegetative cover.
 - c. When conditions are not favorable for the establishment of vegetation, such as periods of drought, it is understood that the division may allow sufficient time to delay seeding or planting until soil moisture conditions become favorable. In addition, the division may require BP to use additional cultural techniques such as mulching, fertilizing, irrigating, fencing or other practices.
 - d. Notification will be given to the division District III office when seeding or planting has been successfully achieved.

Proposed waste disposal sites:

BP Crouch Mesa Landfarm, Permit NM-02-003

JFJ Landfarm, Permit NM-01-010(B)

Basin Disposal, Permit NM-01-0005

BP Operated E.E. Elliott SWD #1, API 30-045-27799

BP Operated 13 GCU SWD #1, API 30-045-28601

BP Operated GCU 259 SWD, API 30-045-20006

BP Operated GCU 306 SWD, API 30-045-24286

BP Operated GCU 307 SWD, API 30-045-24248

BP Operated GCU 328 SWD, API 30-045-24735

BP Operated Pritchard SWD #1, API 30-045-28351

BLAGG ENGINEERING, INC.

P.O. Box 87, Bloomfield, New Mexico 87413 Phone: (505)632-1199 Fax: (505)632-3903

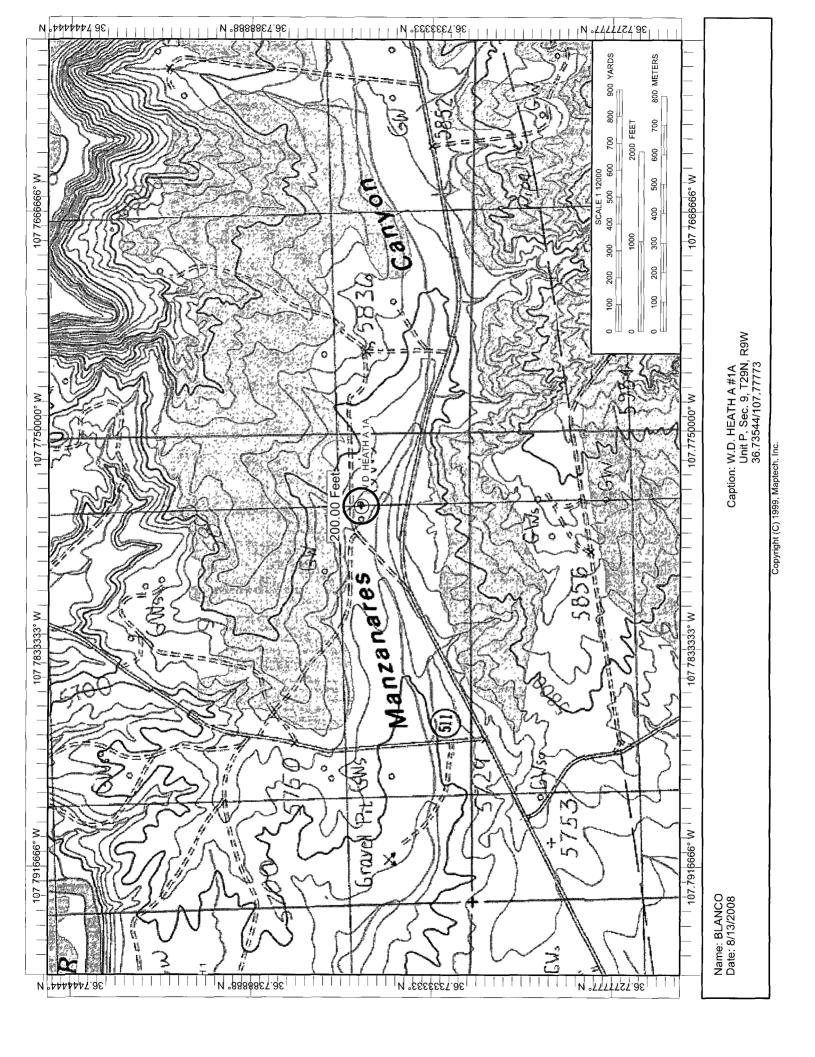
August 13, 2008

BP America Production Company W.D. Heath A #1A (P) Section 9 – T29N – R9W API #: 30-045-22663 San Juan County, New Mexico

Hydrogeology Report (Pursuant to NMAC 19.15.17.9, Subsection B, Paragraph 4)

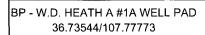
- 1) <u>Topography</u>: The well site is located along the north bank of Manzanares Canyon wash and approximately 3½ miles northeast of Blanco, New Mexico. The proposed below-grade tank (BGT) is located on a flat portion of the northeast sector of the well pad. The site surroundings consist of exposed sandstone underlying a coarse grained sand with varying size gravel.
- 2) <u>Soils</u>: Surface soils at the proposed BGT site are comprised of a coarse grained sand with imported crushed gravel (road based). The thickness of this sand to silty sand at the site is unknown. Based upon the surrounding bedrock exposure, soils at the site inevitably overlie a dense sandstone surface that outcrops throughout the region (see Geology, below).
- 3) <u>Geology</u>: Review of geologic maps published by the New Mexico Bureau of Geology and Mineral Resources, 2003, indicates the outcrop at the site is the Nacimiento Formation of Paleocene age. This formation is described as a gray and brown shale and tan, medium grained and conglomeratic sandstone with a thickness as much as 240 meters. Its origin developed from fluvial and lacustrine type environments.
- 4) <u>Groundwater Hydrology</u>: Information researched in the New Mexico State Engineer's well database did not report any water wells within one quarter (½) mile of the site. Based on topographic data, it appears that groundwater is in excess of 50 feet below surface grade.
- 5) <u>Surface Hydrology</u>: Surface run-off at the center of the well pad is towards the south. Visual inspection of the site did not present evidence that historical precipitation had made erosional channels that would harm the integrity of the BGT site should a storm event occur while the BGT is in use. No new manmade ponds, ditches, or any other surface depressions for surface water accumulation purposes were observed in the immediate vicinity. In addition, topographic or visual inspection of the site did not present evidence that any continuously flowing watercourse or a significant watercourse or lakebed, sinkhole or playa lake were within 200 lateral feet from the proposed BGT location.
- 6) Private residences, wells, springs, schools, hospitals, institutions, churches: The site was inspected for evidences of buildings, wells, etc. and no such structures were evident within one half (½) mile of the site. The NM Office of State Engineer records were reviewed for well data. No such data was found within one half (½) mile of the site (records search attached).

- 7) Wetlands, FEMA Flood Zones, and Mines: U.S. Fish and Wildlife Wetlands, FEMA FIRM Flood Zone, and New Mexico Office of Mines, Mills and Quarries maps were reviewed to identify any such zones in the area of the proposed BGT. All of the specified areas exceed the required distances cited in 19.15.17.10 NMAC relative to the proposed BGT location. Maps of the data search are attached.
- 8) <u>Ground Stability</u>: The BGT is positioned on a flat grade of the well pad. Visual inspection of the site did not show any faulting, fracturing, sink holes or erosional features that would indicate an unstable area.



Live Search Maps

Page 1 of 1





New Mexico Office of the State Engineer POD Reports and Downloads

Township: 29N	Range: 09W	Sections: 3,4,5,8,9,1	0,15,16,17	
NAD27 X:	Y:	Zone:	Search Radius:	
County:	Basin:		Number:	Suffix:
Owner Name: (First)	(La	st) All	Non-Domestic	O Domestic
POD-/~Su		Avg Depth	to Water Report	
1	Clear-Form.	iWATERS Menu	Help	

AVERAGE DEPTH OF WATER REPORT 08/13/2008

								(Depth	Water in	Feet)
Bsn	Tws	Rng	Sec	Zone	x	Y	Wells	Min	Max	Avg
SJ	29N	09W	03				10	2	40	11
SJ	29N	09W	04				2	5	20	13
SJ	29N	09W	05				3	16	20	18
SJ	29N	09W	08				3	24	100	65
SJ	29N	09W	09				2	5	6	6
SJ	29N	09W	16				2	87	100	94

Record Count: 22

New Mexico Office of the State Engineer POD Reports and Downloads

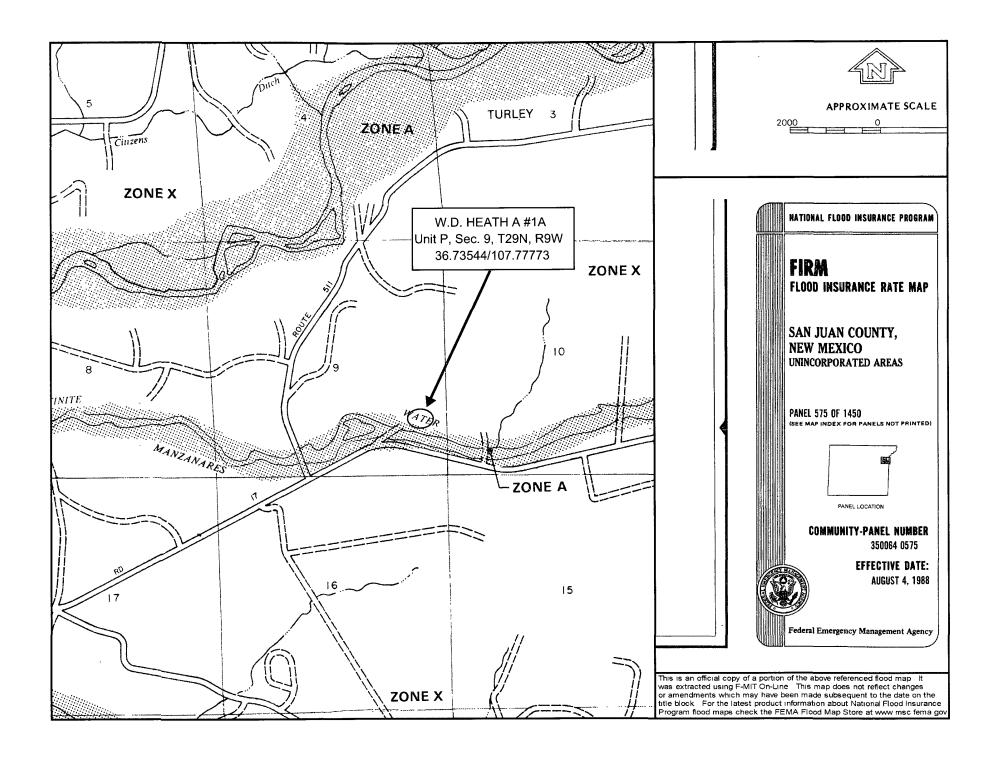
Township:	29N Range: 09W	Sections: 3,4,	5,8,9,10,15,16,17		
	Y:	Zone:	Search Radio	us:	
County:	Basin:		Number:	Suffix:	ļ
Owner Name: (First)	(Last)		O Non-Domestic	e ① Domestic	All
POD//Surface Data	ı₌Report Avg	_s Depth _s to _s Water	Report Wa	ter Column Repor	t)
	Clear Form	iWATERS Mer	nu Help		

WATER COLUMN REPORT 08/13/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)

	(quarter	s are	big	ges	t to	smallest)			Depth	Depth	Water	(in feet)
POD Number	Tws	Rng :	Sec	q q	q	Zone	X	Y	Well	Water	Column	
SJ 02376	29N	09W (0.3	1 2	4				13	10	3	
SJ 02369 CLW	29N	09W	03	1 2	4				13	10	3	
SJ 02369	29N	09W	03	1 2	4				23			
SJ 02103	29N	09W	03	1 3					21	4	17	
SJ 01494	29N	09W (03	2 2					12	5	7	
SJ 03300	29N	09W	03	2 2	2				21	4	17	
SJ 03362 POD2	29N	09W (03	2 2	4				21	6	15	
SJ 03362	29N	09W (03	2 2	4				38	12	26	
SJ 02567	29N	09W	03	2 4	1				14	2	12	
SJ 03200	29N	09W (03	3 1	1				28	13	15	
SJ 02946	29N	09W (03	4 2	1				95	40	55	
SJ 03491	29N	09W (04	1 1	3				70			
SJ 03490	29N	09W (04	1 1	3				42	20	22	
SJ 03566	29N	09W	04	1 3	4				30			
SJ 03531	29N	09W	04	1 4	1				30			
SJ 03530	29N	09W	04	1 4	1			,	30			
SJ 03466	29N	09W	04	2 1	3				40			
SJ 02554	29N	09W	04	2 1	4				13	5	8	
SJ 03118	29N	09W	05	2 2	3				250			
SJ 03182	29N	09W	05	4 1	1				42	18	24	
SJ 03092	29N	09W	05	4 1	1				40	16	24	
SJ 03599	29N	09W	05	4 1	1				42	20	22	
SJ 01176	29N	09W	80	1 1					150	70	80	
SJ 02822	29N	09W	80	1 1					100			
SJ 00436	29N	09W	08	1 3					150	100	50	
SJ 03534	29N	09W	80	3 1	3				41	24	17	
SJ 02279	29N	09W		1 1	4				30	6	24	
SJ 00102	29N	09W		1 2	_				20	5	15	
SJ 02883	29N	09W	16	2 3	3				123	87	36	
SJ 03185	29N	09W	16	3 4	4				220	100	120	

Record Count: 30



Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

ZONE	DESCRIPTION
B, C, and X	Areas outside the 1-percent annual chance floodplain, areas of 1% annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1% annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones.

High Risk Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION	
А	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage Because detailed analyses are not performed for such areas, no depths or base flood elevations are shown within these zones.	
AE, A1-A30	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. In most instances, base flood elevations derived from detailed analyses are shown at selected intervals within these zones.	
АН	Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth rangir from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.	
АО	River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usua in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.	
AR	Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.	
A99	Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones	

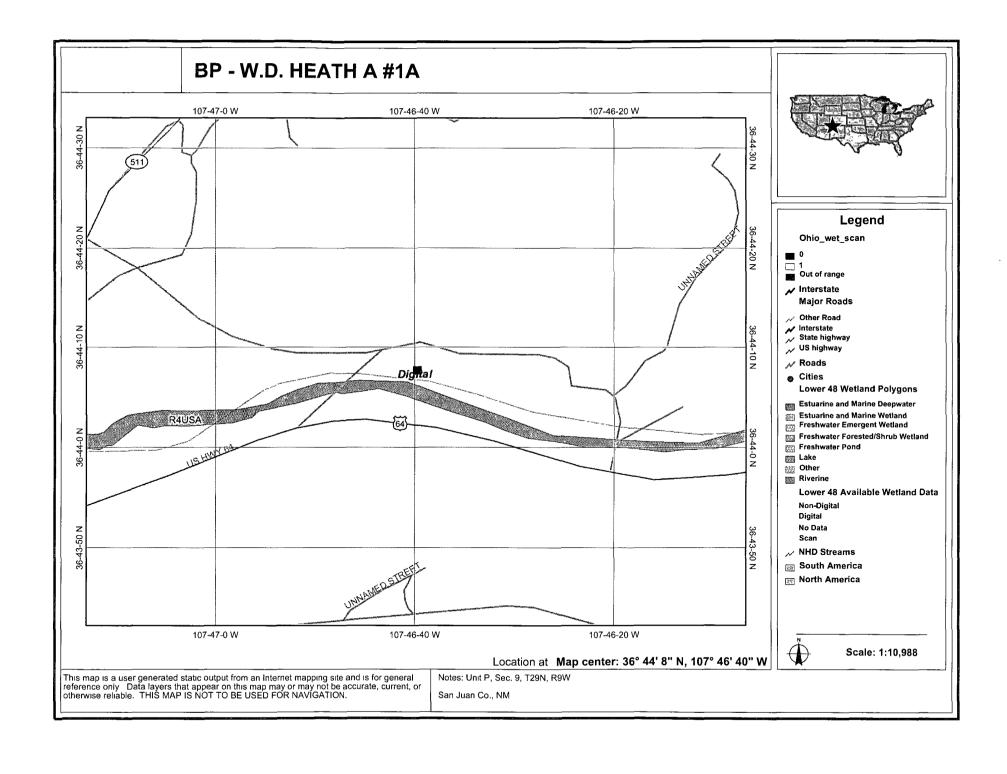
High Risk - Coastal Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION	
v	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones.	
VE, V1 - 30	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones	

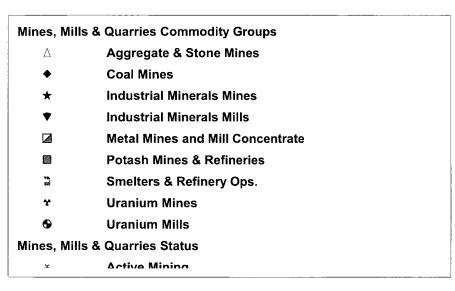
Undetermined Risk Areas

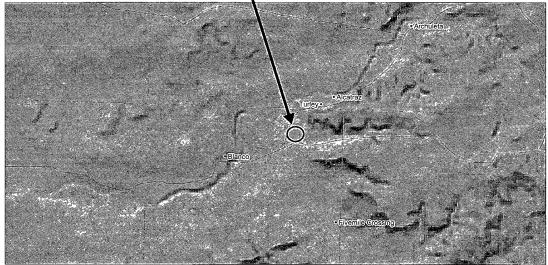
ZONE	DESCRIPTION
D	Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.



BP - W.D. Heath A #1A Mines, Mills, Quarries Web Map

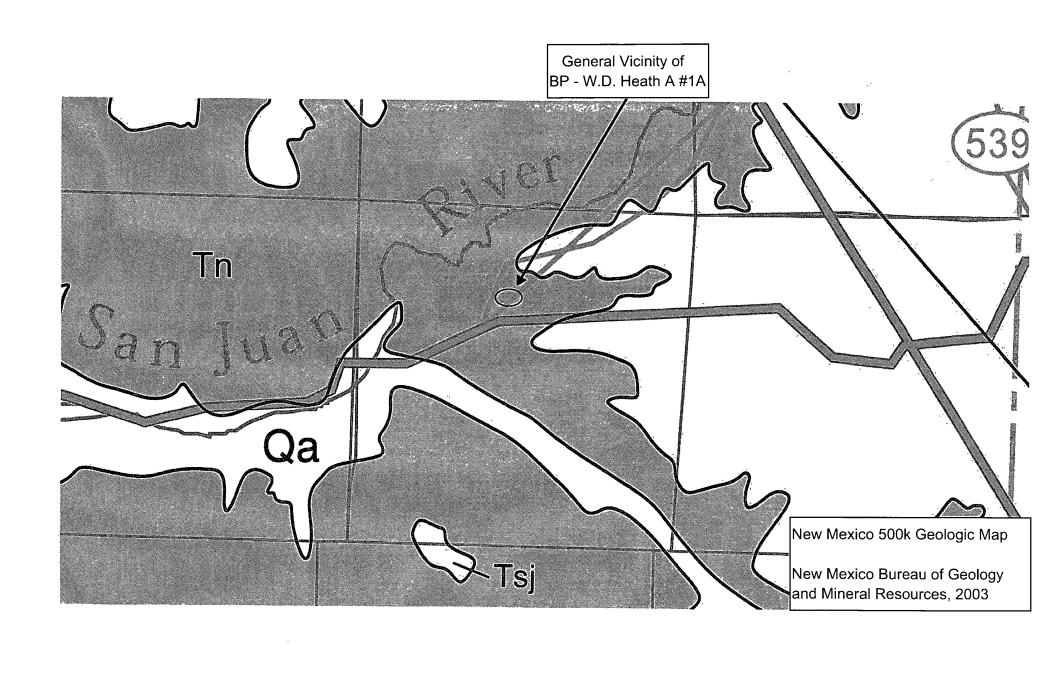
General Vicinity of BP - W.D. Heath A #1A











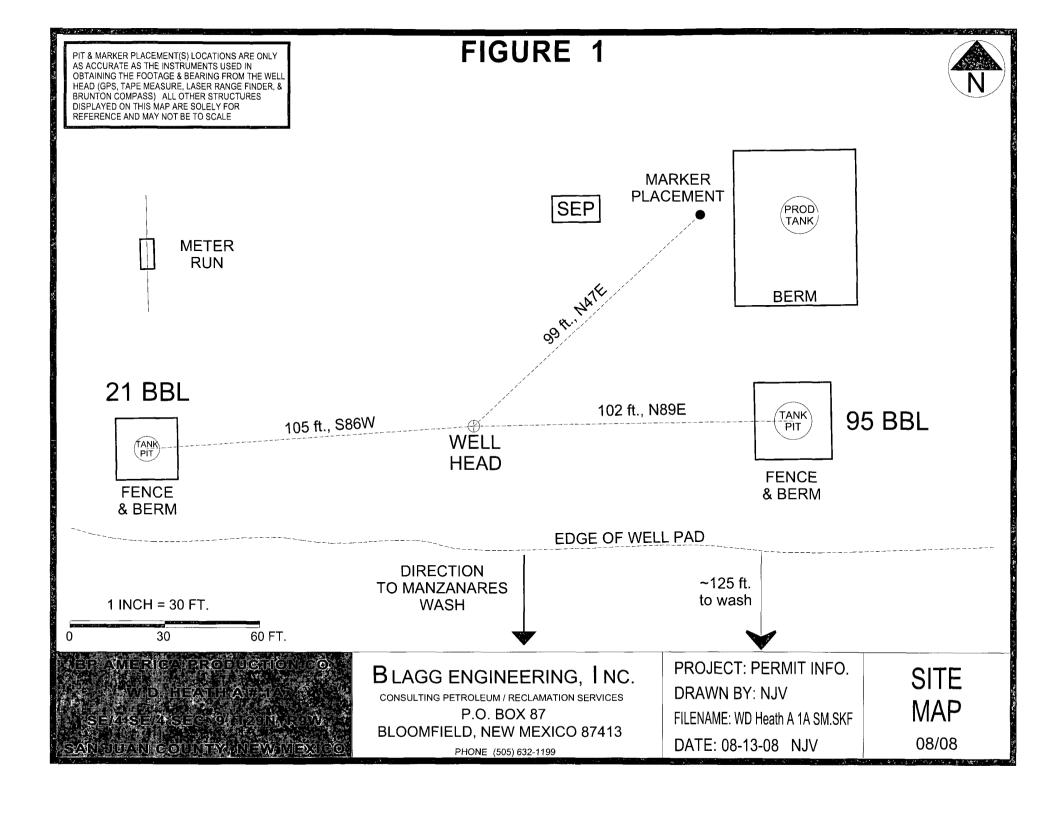




FIGURE 1

PROPOSED
BGT LOC.
~ 99 FT., N47E

72.404016 FT.

RECORDED

X = 107.77755 DEG.

Y = 36.73564 DEG.

CALCULATED

X = 107.77753 DEG.

Y = 36.73563 DEG.

1 DEGREES = 364.567.20 FEET

0.0001 DEG.

X/Y DEG.

36 45672 FT

KNOWN FT.

X INCREASES TO LEFT
Y DECREASES TO BOTTOM

SIN Θ = OPPOSITE/HYPOTHENUSE

COS Θ = ADJACENT/HYPOTHENUSE

TAN ⊕ = OPPOSITE/ADJACENT

H A

PIT & MARKER PLACEMENT(S) LOCATIONS ARE ONLY AS ACCURATE AS THE INSTRUMENTS USED IN OBTAINING THE FOOTAGE & BEARING FROM THE WELL HEAD (GPS, TAPE MEASURE, LASER RANGE FINDER, & BRUNTON COMPASS) ALL OTHER STRUCTURES DISPLAYED ON THIS MAP ARE SOLELY FOR REFERENCE AND MAY NOT BE TO SCALE.

HEAD

WELL

RECORDED

X = 107.77773 DEG.

Y = 36.73544 DEG.

NMOCD DATA

X = 107.77777 DEG.

Y = 36.73541 DEG.

1 INCH = 30 FT.

30

60 FT.

BLAGG ENGINEERING, INC.

CONSULTING PETROLEUM / RECLAMATION SERVICES

P.O. BOX 87

BLOOMFIELD, NEW MEXICO 87413

PHONE (505) 632-1199

PROJECT: PERMIT INFO.

67 517838 FT

DRAWN BY: NJV

FILENAME: WD Heath A 1A GPS & D-B.SKF

DATE: 08-13-08 NJV

SITE MAP

08/08



BP-W.D. HEATH A #1A

Section Schematic gas well / water well locations

T29N, R9W	5 X	x 4	x
	x 8	X 9	10
	17	16 ×	15

NOTES: 9 - SECTION NUMBER

X - WELL SITE LOCATION

- WATER WELL LOCATION

- Water well locations estimated from N. M. Office of the State Engineer's POD Reports & Downloads.

	19.15.17.10 SITING REQUIREMENTS:
	A. Except as otherwise provided in 19.15.17 NMAC.
	(1) An operator shall not locate a temporary pit or below-grade tank:
$\sqrt{}$	(a) where ground water is less than 50 feet below the bottom of the temporary pit or below-grade tank, unless the operator is using a pit solely to cavitate a coal bed methane well and the appropriate division district office finds based upon the operator's demonstration that the operator's proposed operation will protect ground water during the temporary pit's use;
	(b) within 300 feet of a continuously flowing watercourse, or 200 feet of any other
$\sqrt{}$	significant watercourse or lakebed, sinkhole or playa lake (measured from the ordinary high-water mark), unless the appropriate division district office approves an alternative distance based upon the operator's demonstration that surface and ground water will be protected;
	(c) within 300 feet from a permanent residence, school, hospital, institution or
$ \vee $	church in existence at the time of initial application;
	(d) within 500 feet of a private, domestic fresh water well or spring used by less
$\sqrt{}$	than five households for domestic or stock watering purposes, or within 1000 feet of any other fresh wate well or spring, in existence at the time of initial application;
	(e) 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, unless the municipality specifically approves;
<u>ن</u>	(f) within 500 feet of a wetland;
$\sqrt{}$	(g) within the area overlying a subsurface mine, unless the appropriate division district office specifically approves the proposed location based upon the operator's demonstration that
	the temporary pit's or below-grade tank's construction and use will not compromise the subsurface
	integrity;
$\sqrt{}$	(h) within an unstable area, unless the operator demonstrates that it has incorporated engineering measures into the design to ensure that the temporary pit's or below-grade tank's integrity is
	not compromised; or
$\sqrt{}$	(i) within a 100-year floodplain.

Wetlands and Deepwater Habitats Classification National Wetlands Inventory Mapping Code Description

Wetlands Mapper / Download Wetlands Data / NWI Homepage

Enter Code here: 'R4 (case sensitive; ex. E2AB) short Length of descriptions: long none none	List plant species? Yes O No No
---	----------------------------------

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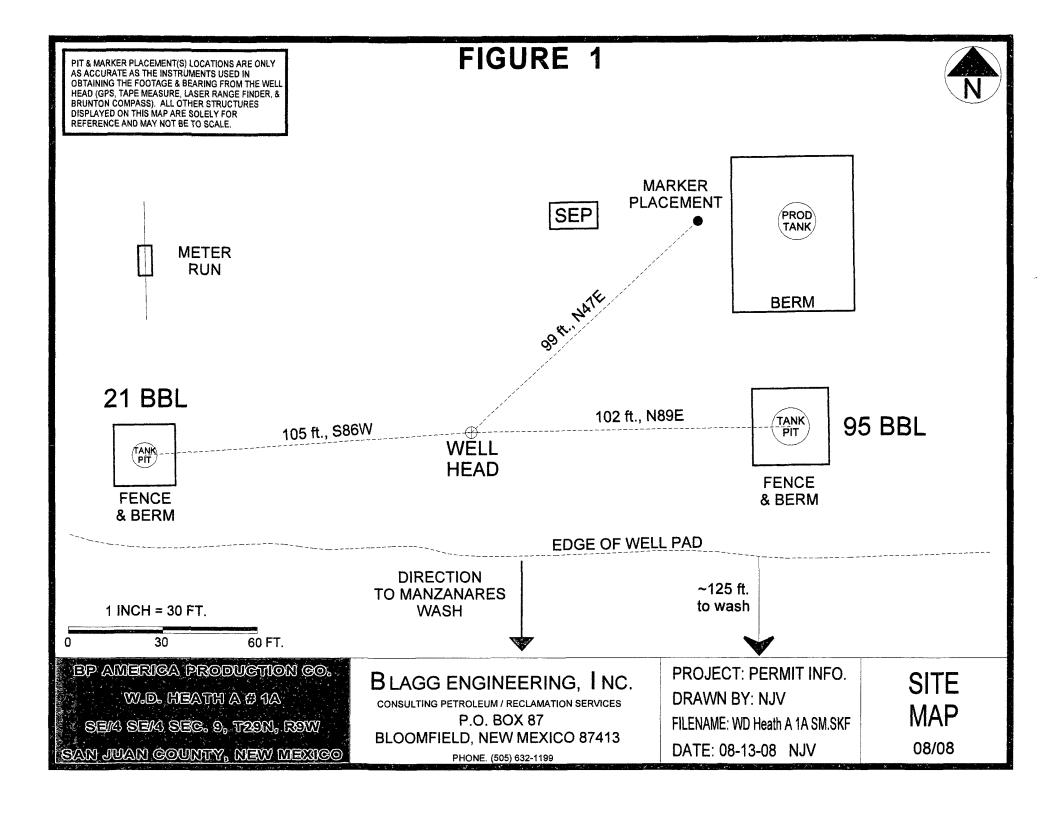
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R4: R4

[R] Riverine, [4] Intermittent

- [R] Riverine The Riverine System includes all wetlands and deepwater habitats contained in natural or artificial channels periodically or continuously containing flowing water or which forms a connecting link between the two bodies of standing water. Upland islands or Palustrine wetlands may occur in the channel, but they are not part of the Riverine System.
- (4) Intermittent This Subsystem includes channels that contain flowing water only part of the year, but may contain isolated pools when the flow stops.

File: images.dat





BP America Production Company

200 Energy Court Farmington, NM 87401 Phone: (505) 326-9200

CERTIFIED MAIL RECEIPT_

7007 1490 005 0858 7605

August 21, 2008

Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401

RE:

Notice of Proposed Below Grade Tank Construction

W D Heath A 001A

Unit P, Section 9, Township 29N, Range 9W

Dear Mr. Mark Kelly:

In regards to the captioned subject and requirements of the new NMOCD pit rule, this letter is notification that BP America Production Company is planning to install a Below Grade Tank (BGT) that will be used for daily operations on this location.

Should you have any questions, please feel free to contact me at 326-9425 in our Farmington office.

Sincerely,

Larry Schlotterback

Field Environmental Coordinator