

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
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 Tank, or
Proposed Alternative Method Permit or Closure Plan Application**

RCVD SEP 12 '08
OIL CONS. DIV.

- Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method **DIST 3**
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☒ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

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.

1. Operator: **REDWOLF PRODUCTION INC.** OGRID #: **018973**
Address: **P.O. Box 5382, Farmington, NM 87499**
Facility or well name: **Sarah No. 4**
API Number: **30-045-34473** OCD Permit Number: _____
U/L or Qtr/Qtr **K** Section **28** Township **25N** Range **10W** County: **San Juan**
Center of Proposed Design: Latitude **36.37166** Longitude **107.90472** NAD: ☐ 1927 ☒ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2. ☒ **Pit:** Subsection F or G, of 19.15.17.11 NMAC NOTE: PIT CONSTRUCTED PRIOR TO JUNE 16, 2008 FOLLOWING APPROVED PLAN
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness **12** mil ☐ LLDPE ☐ HDPE ☒ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: **2,150** bbl Dimensions: L **82** x W **20** x D **10**

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 which require prior approval of a permit or notice of 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. ☐ **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 _____

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

6.

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 _____

7.

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

9.

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.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 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: _____ 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
- ☐ 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 H₂S, 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

14.

Proposed Closure: 19.15.17.13 NMAC **Method - Confirmation Sampling -- 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)

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.

- ☐ 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

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two 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 *will not* 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 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 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 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 Notification waiting plan approval

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - 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

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Bruce Delventhal Title: President

Signature: Bruce E. Delventhal Date: September 12, 2008

e-mail address: bdelventhal@qwest.net Telephone: (505) 326-4125

20.

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Brenda Bell Approval Date: 10/29/08

Title: Enviro/spec OCD Permit Number: _____

21.

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.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify 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

25.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

REDWOLF PRODUCTION INC.
SAN JUAN BASIN, NORTHWEST NEW MEXICO

TEMPORARY PIT GENERAL CLOSURE PLAN

As stipulated in Rule 19.15.17.13 NMAC, the following information adheres to the requirements established in closing temporary pits (drilling and workover pits) on Redwolf Production Inc. (Redwolf) well sites. This plan will address the standard protocols and procedures for closure of temporary pits. If deviations from this plan are necessary, any specific changes will be included with NMOCD Form C-144.

Redwolf shall close its temporary pit(s) within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the New Mexico Oil Conservation Division (NMOCD) requires because of imminent danger to fresh water, public health or the environment. Redwolf shall close any other permitted temporary pit within six months from the date that Redwolf releases the drilling or workover rig. The date of the drilling or workover rig's release will be noted on either form C-105 or C-103 upon well or workover completion. It is understood that the division District III office in Aztec, New Mexico may grant an extension not to exceed three months. All necessary documentation to achieve closure will be as directed on NMOCD's form C-144.

The following outline addresses all requirements for closure of Redwolf's temporary pits;

1. Removal of all liquids from the pit prior to closure and dispose of the liquids in a NMOCD division-approved facility or recycle, reuse or reclaim the liquids in a manner that the division District III office approves. A list of proposed, authorized and permitted disposal sites is included at the end of this plan.
2. Redwolf's first option for closure will be on-site burial. Redwolf shall demonstrate and comply with the siting requirements in Subsection C of 19.15.17.10 NMAC and the closure requirements and standards of Subsection F of 19.15.17.13 NMAC. If the site requirements dictate otherwise, waste excavation and removal (See item 7, below) will be implemented. Otherwise, an alternative method (presented to the environmental bureau in Santa Fe) may be presented to NMOCD for approval.
3. Notification to the surface owner by certified mail, with return receipt request, will be given prior to Redwolf's intent on conducting, with NMOCD's pre-approval, on-site 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.
4. 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.
5. Prior to in place closing an existing temporary pit, stabilization or solidification of its contents to a bearing capacity sufficient to support the pit's final cover will be completed. A mixture with soil or other material will not exceed a mixing ratio of 3:1, soil or other material to contents.
6. The pit content will be sampled by collecting, at a minimum, a five (5) point composite and adhering to 19.15.17.13F (2c or 2d). Based on the site criteria applied to the pit location, the following constituents will be analyzed by a qualified laboratory.

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	2,500
TPH	US EPA Method SW-846 8015M (GRO + DRO Combined Fraction)	500
Chlorides	US EPA Method 300.1	1,000 (gw >100')

Notes: mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons, gw = groundwater, 50-100 or >100 = depths (in feet) below the bottom of the buried waste.

It is understood that REDWOLF has the option to collect a 5 point composite sample prior to treatment or stabilization to demonstrate that the contents do not exceed the closure limits. If however the pit contents collected prior to treatment or stabilization exceed the specified

concentrations limits, then a second 5 point composite sample of the contents after treatment or stabilization will be collected to demonstrate that the contents do not exceed those limits.

7. If waste excavation and removal is performed, Redwolf will follow 19.15.17.13B (1). This will include (a) excavation of all pit contents and, if applicable, synthetic liners and transferring those materials to a NMOC approved facility, and (b) testing the soils below the temporary pit to determine whether a release has occurred. At a minimum, a 5 point composite soil sample will be collected and tested 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	2,500
TPH	US EPA Method SW-846 8015M (GRO + DRO Combined Fraction)	500
Chlorides	US EPA Method 300.1	1,000 (gw >100')

Notes: mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons, gw = groundwater, 50-100 or >100 = depths (in feet) below the bottom of the buried waste.

It is understood that REDWOLF has the option to collect a 5 point composite sample prior to treatment or stabilization to demonstrate that the contents do not exceed the closure limits. If however the pit contents collected prior to treatment or stabilization exceed the specified concentrations limits, then a second 5 point composite sample of the contents after treatment or stabilization will be collected to demonstrate that the contents do not exceed those limits.

8. Within 60 days of closure completion, submittal of a closure report on NMOC'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. Redwolf 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. Redwolf will also provide a plat of the pit location on form C-105 within 60 days of closing the pit.
9. Upon closure of a temporary pit, Redwolf shall cover the geomembrane lined, filled, temporary pit with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.
10. Reclamation will follow 19.15.17.13G (1) and (2).
 - a. Once closure has been achieved for the temporary pit, the pit location and any associated access road(s) will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. The impacted surface area will be substantially restored to the condition that existed prior to 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.
11. Soil cover will follow 19.15.17.13H (1), (2), and (3).
 - a. The soil cover for closures where the pit contents has been removed or remediated to the division'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 for burial-in-place shall consist of a minimum of four feet of compacted, non-waste containing, earthen material. The soil cover shall include either the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. In addition, 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.
12. 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.
- b. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
 - c. Seeding or planting will be repeated until it successfully achieves the required vegetative cover.
 - d. 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 Redwolf to use additional cultural techniques such as mulching, fertilizing, irrigating, fencing or other practices.
 - e. Notification will be given to the division District III office when seeding or planting has been successfully achieved.
13. The temporary pit will be located with a steel marker, no less than four (4) inches in diameter, cemented in a hole three (3) feet deep at the center of the on-site burial location at the time of abandonment of all wells on the well pad. The marker will be flush with the ground surface to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will include a welded steel 12-inch square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four (4) foot steel riser will be threaded into the top of the collar marker and welded around the base with Redwolf's name, well name and number, legal designation with unit letter, section, township range, and on-site burial label (i.e. temporary pit marker). The marker designation and label will be welded, stamped or otherwise permanently engraved into the metal of the steel marker. Permanent structures over the on-site burial will be prohibited without the division District III office's written approval. No person shall remove the on-site burial marker without the division's written permission.
- a. The exact location of the on-site burial will be reported on NMOCD's form C-105.
 - b. A deed notice identifying the exact location of the on-site burial will be filed with the county clerk, located in Aztec, NM.
 - c. Redwolf may request a modification to the marker, if, necessary activities and/or safety concerns develop in future efforts to increase production or during final plug and abandonment of the well itself. Redwolf will adhere to the requirements of such a request as specified within 19.15.17.15A (1) NMAC.

Proposed waste disposal sites:

Envirotech Inc. Landfarm #2, Permit NM1-11
JFJ Landfarm, Permit NM-01-010(B)
Basin Disposal, Permit NM-01-0005

BLAGG ENGINEERING, INC.

P.O. Box 87, Bloomfield, New Mexico 87413

Phone: (505)632-1199 Fax: (505)632-3903

September 12, 2008

Redwolf Production Company

Sarah No. 4

API 30-045-34473

(K) Section 28 – T25N – R10W

San Juan County, New Mexico

Surface Water and Groundwater Hydrogeologic Data, Soils, Geology, Topography and Ground Stability (Pursuant to NMAC 19.15.17.10, Subsection C)

1) Soils: Surface soils at the proposed pit site are comprised of a silty sand. The thickness of this sand is unknown but likely extends vertically to sandstone at an unknown depth (see Geology, below). Surrounding the site in all directions is a silty sand.

2) Topography: The proposed pit site is located on a flat portion on the south side of the well pad, found at an elevation of about 6,740 feet above sea level. Surface drainage from this area of the well pad is northwest, down a gently sloping plain with no apparent drainage channels in the immediate area.

3) Geology: Review of geologic maps published by the New Mexico Bureau of Geology and Mineral Resources, 2003, indicates the outcrop sandstone at the site is the Nacimiento Formation (Eocene). This source describes the formation is a dense interbedded sequence of crossbedded sandstones and shales, formed in a fluvial and lacustrine type environment, with a thickness that varies between 350 – 1,100 feet.

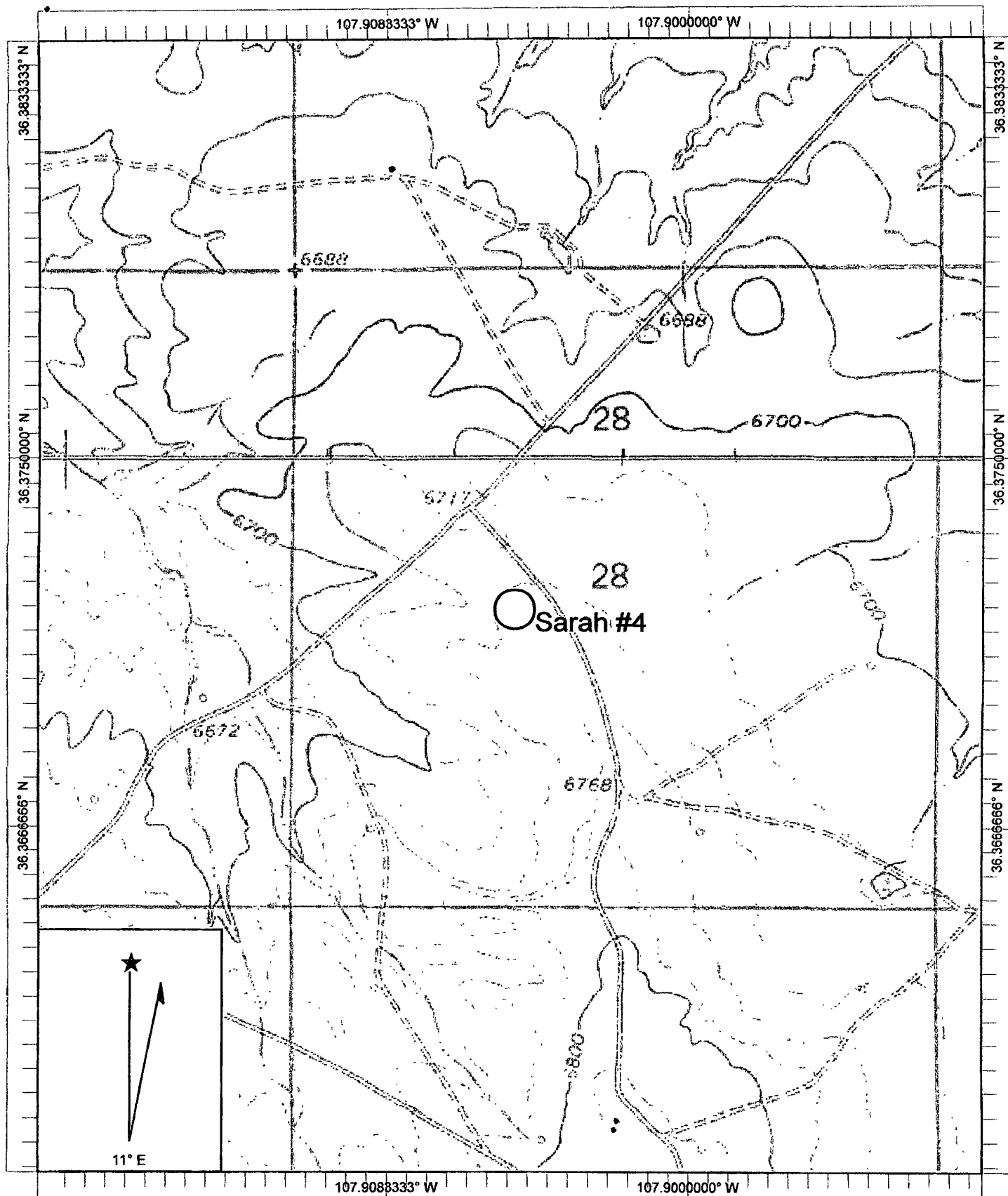
4) Surface Hydrology: Drainage from the proposed pit site is towards the northwest, based on surface topography. Visual inspection of the site did not present evidence that historical precipitation had made erosional channels that would harm the integrity of the pit closure site from future erosion. No surface drainages are known to exist within 1,000 feet of the site.

5) Groundwater Hydrology: As described above, the pit site is at an elevation of 6,740 feet. Inspection of data on file with the Office of State Engineer shows a distant water well, located about 1 mile northeast and at a surface elevation of about 6,600 feet, encountered groundwater at a depth of about 250 feet or an elevation of about 6,350 feet. Based on this source, the base of the proposed temporary pit is in excess of 400 feet from groundwater.

6) Ground Stability: The well pad and temporary pit site is located on silty sandy soils that do not appear to have been disturbed. Visual inspection of the site did not show any faulting, fracturing, sink holes or erosional features that would indicate an unstable area. The site appears to be stable.

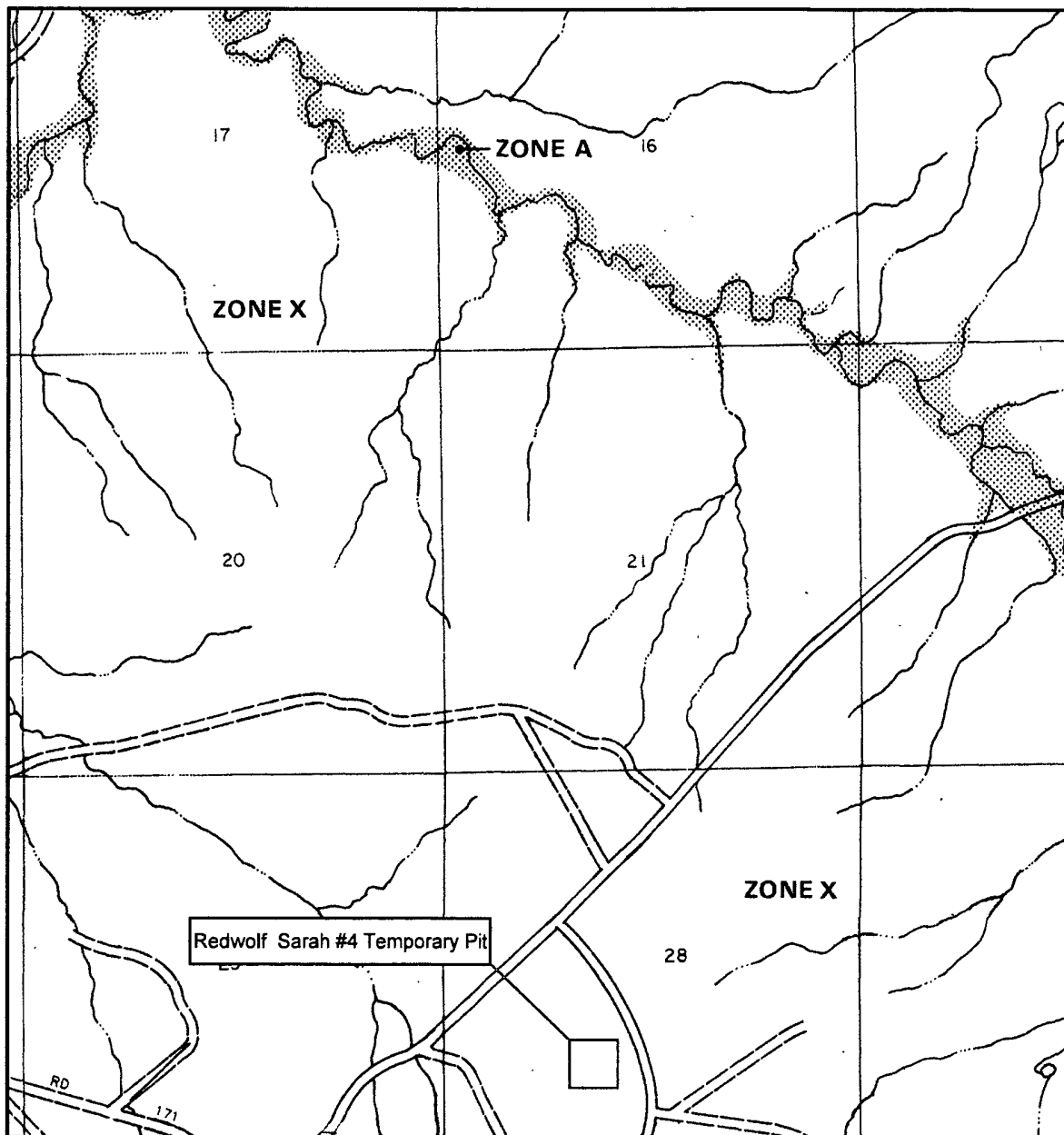
7) Wetlands, FEMA Flood Zones, Mines: U. S. Fish and Wildlife Wetlands Maps, FEMA FIRM Flood Zone Maps and New Mexico Office of Mines, Mines and Quarry maps were reviewed to identify any such zones in the area of the proposed temporary pit. No such wetlands, flood zones or mines/quarry's were identified within the NMOCD stipulated distances from the site. Maps of the FEMA flood zone data search are attached.

8) 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 1 mile of the site.

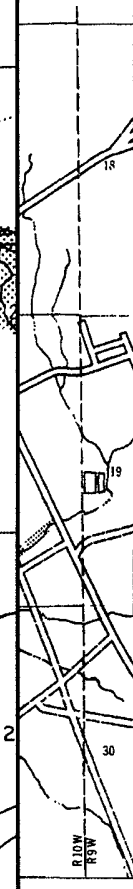
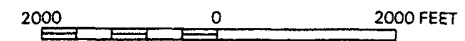


Name: HUERFANO TRADING POST SW
 Date: 9/11/2008
 Scale: 1 inch equals 1000 feet

Location: 036.3716356° N 107.9049243° W
 Caption: Redwolf Prod. Company
 Sarah #4
 (K) Sec 28 - T25N - R10W



APPROXIMATE SCALE



NATIONAL FLOOD INSURANCE PROGRAM

FIRM FLOOD INSURANCE RATE MAP

**SAN JUAN COUNTY,
NEW MEXICO
UNINCORPORATED AREAS**

PANEL 900 OF 1450
(SEE MAP INDEX FOR PANELS NOT PRINTED)



PANEL LOCATION

COMMUNITY-PANEL NUMBER
350064 0900

EFFECTIVE DATE:
AUGUST 4, 1988

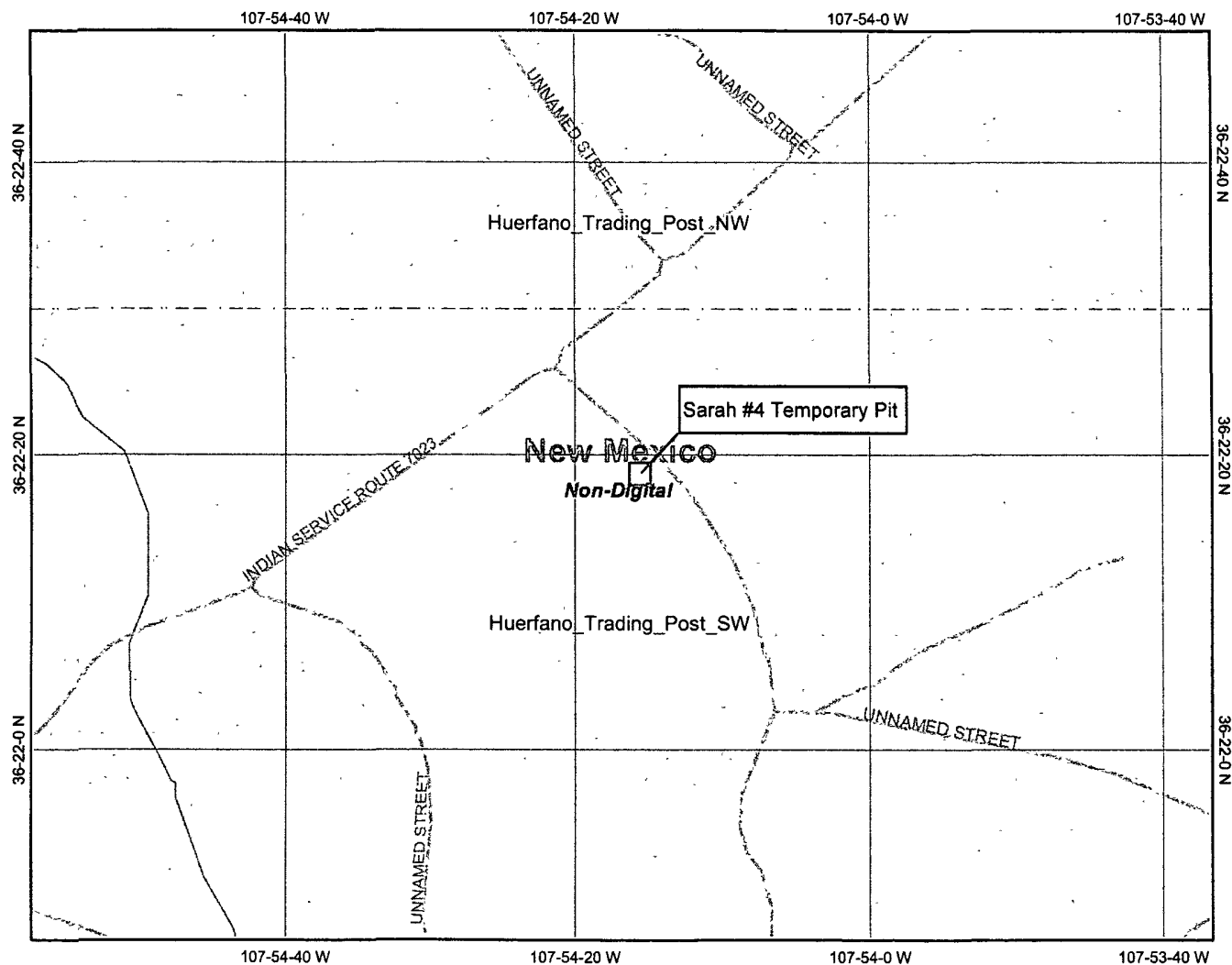


Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

Redwolf Sarah #4

Wetlands Map from US Fish & Wildlife



Legend

Ohio_wet_scan

- 0
- 1
- Out of range
- Interstate
- Major Roads
- Other Road
- Interstate
- State highway
- US highway
- Roads
- Cities
- USGS Quad Index 24K
- Lower 48 Wetland Polygons
- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- Lake
- Other
- Riverine
- Lower 48 Available Wetland Data
- Non-Digital
- Digital
- No Data
- Scan
- NHD Streams
- Counties 100K
- States 100K
- South America
- North America



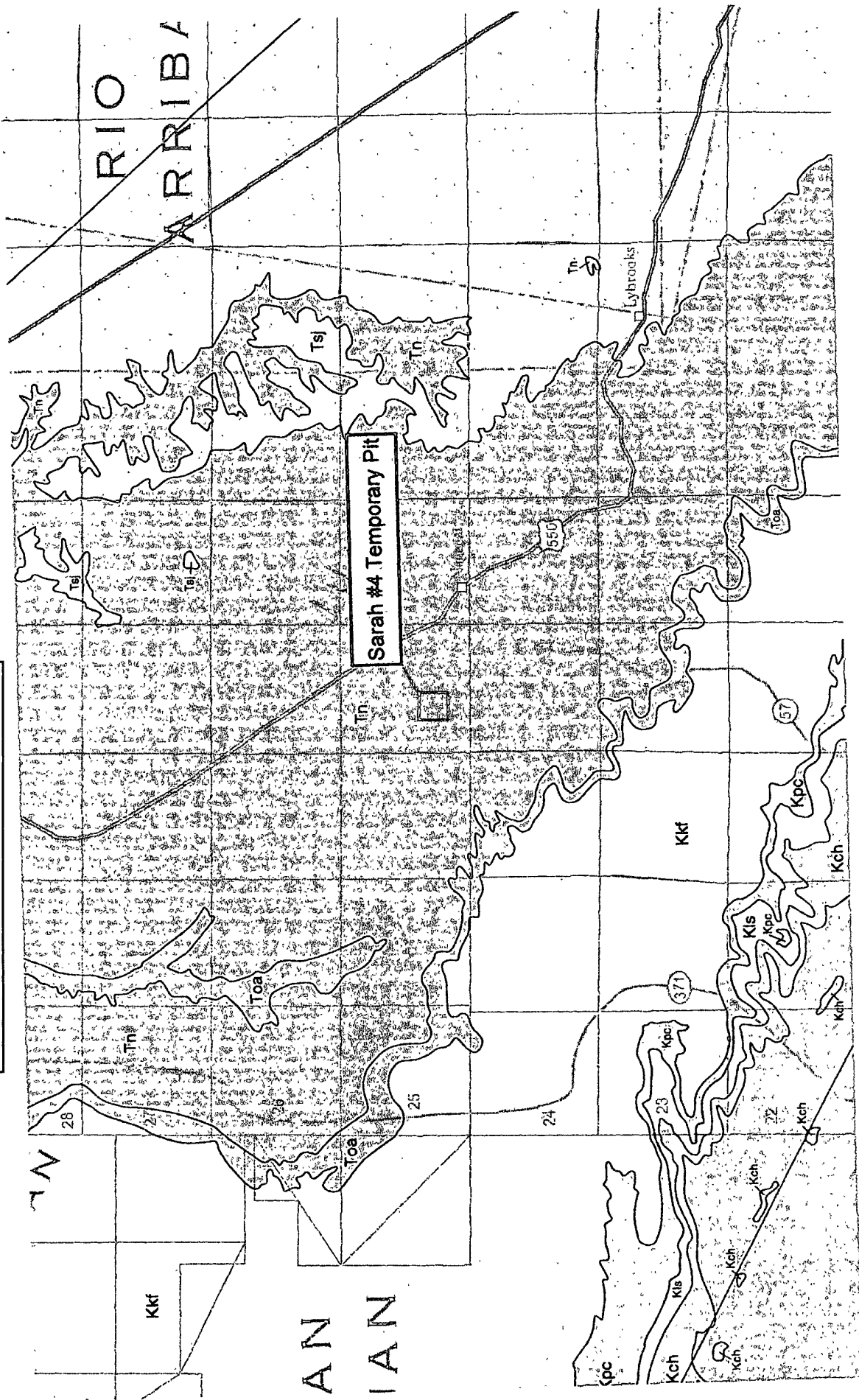
Scale: 1:13,437

Map center: 36° 22' 18" N, 107° 54' 17" W

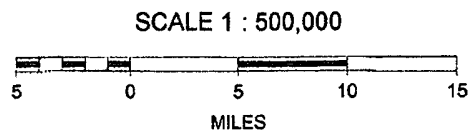
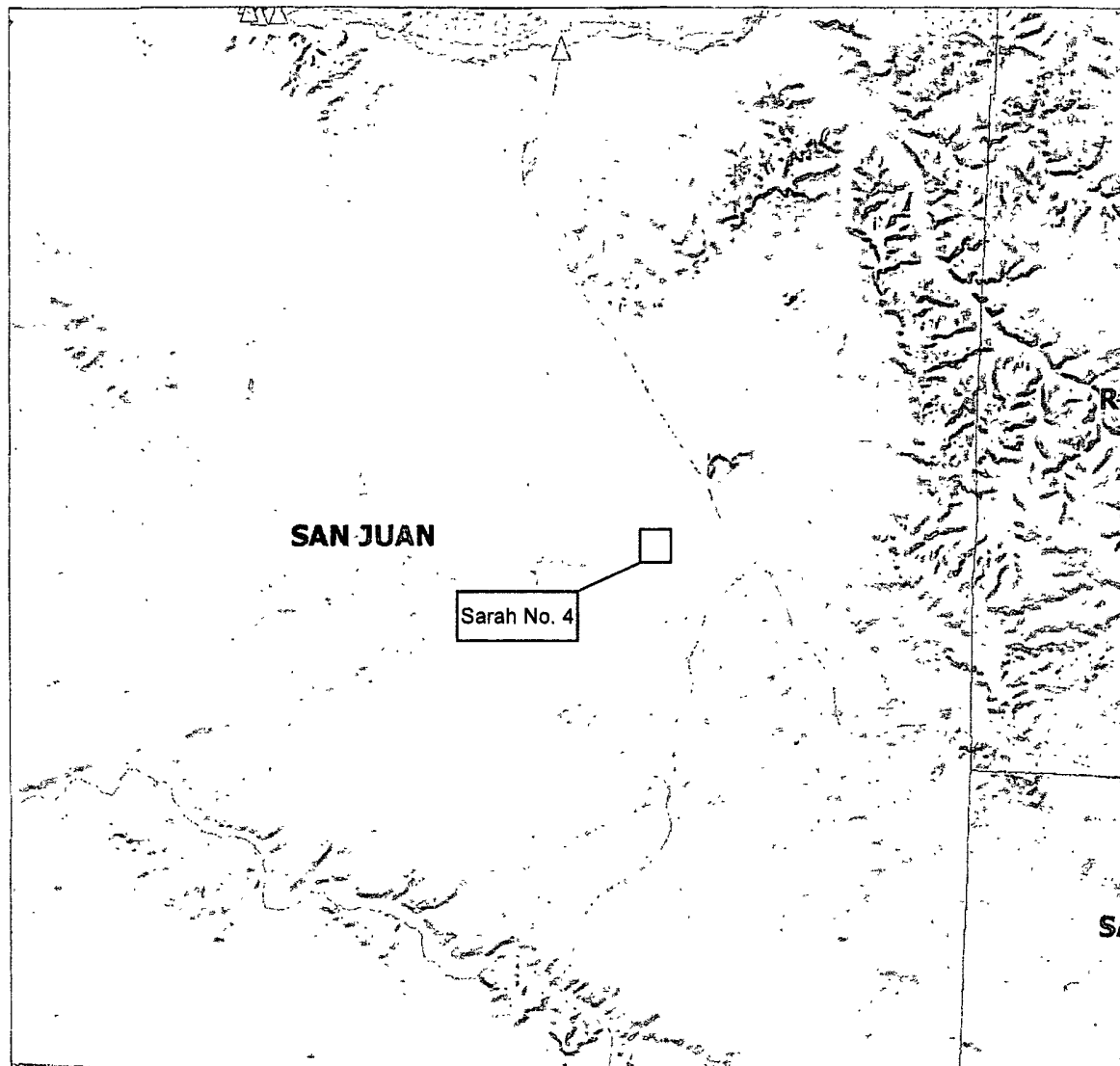
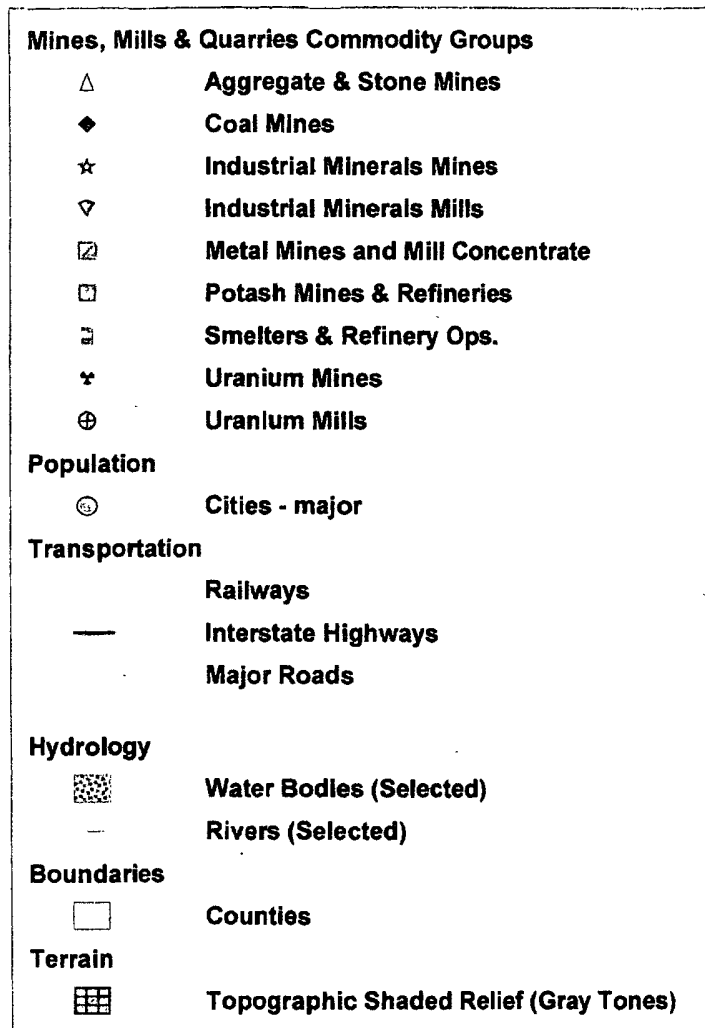
This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Notes. Wetlands Search

SURFACE GEOLOGY (Source: NM Bureau of Geology)



Redwolf: Sarah #4 - Surface/Underground Mines



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

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

POD / SURFACE DATA REPORT 09/11/2008

DB File Nbr	(acre ft per annum)	Use	Diversion	Owner
<u>SJ 01715</u>		STK	15	U.S. DEPT. OF INTERIOR

POD Number
SJ 01715

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

(quarters are biggest to smallest)

Source	Tws	Rng	Sec	q	q	q	Zc
Shallow	25N	10W	22	4	4		

Record Count: 1

IMPORTANT — READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM.

HC-107868

Declaration of Owner of Underground Water Right

232060

SAN JUAN UNDERGROUND WATER BASIN
BASIN NAME

Declaration No. SI-1715 Date received April 29, 1983

STATEMENT

- Name of Declarant U. S. Dept. of the Interior, Bureau of Land Management
Mailing Address P. O. Box 568, Farmington, New Mexico 87499-0568
County of San Juan State of New Mexico
- Source of water supply Nacimiento Formation
(artesian or shallow water aquifer)
- Describe well location under one of the following subheadings:
a. 1/4 SR 1/4 SR 22 Twp. 25 N. Rge. 10 W. N.M.P.M., in
San Juan County.
b. Tract No. _____ of Map No. _____ of the _____
c. X = _____ feet, Y = _____ feet, N. M. Coordinate System _____ Zone _____
in the _____ Grant.
On land owned by Bureau of Land Management (see address above)
- Description of well: date drilled 7/13/63-1/30/64 driller _____ depth 637 feet.
outside diameter of casing 6 5/8 inches; original capacity 30 gal. per min.; present capacity 30
gal. per min.; pumping lift 315 feet; static water level 250 feet (MSL) (below) land surface;
make and type of pump 1 7/8 inch cylinder (plunger type)
make, type, horsepower, etc., of power plant 14 foot diameter aeromotor windmill
Fractional or percentage interest claimed in well 100% (all)
- Quantity of water appropriated and beneficially used 15
(acre feet per acre) (acre feet per annum)
for livestock and wildlife purposes.
- Acreage actually irrigated n/a acres, located and described as follows (describe only lands actually irrigated):

Subdivision	Sec.	Twp.	Range	Acres Irrigated	Owner

(Note: location of well and acreage actually irrigated must be shown on plot on reverse side.)

- Water was first applied to beneficial use 1 30 1964 and since that time
month day year
has been used fully and continuously on all of the above described lands or for the above described purposes except
as follows: n/a

- Additional statements or explanations Huerfano Well (see Log of Well and Project Completion Report)

I, Farmington Resource Area Manager, being first duly sworn upon my oath, depose and say that the above is a full and complete statement prepared in accordance with the instructions on the reverse side of this form and submitted in evidence of ownership of a valid underground water right, that I have carefully read each and all of the items contained therein and that the same are true to the best of my knowledge and belief.

Quin Lino declarant.
by: _____

Subscribed and sworn to before me this 25 day of April, A.D. 19 83
My commission expires April 13, 1987 Shirley A. Dwyer Notary Public

FILED
UNDER NEW MEXICO LAW A DECLARATION IS ONLY A STATEMENT OF DECLARANT'S CLAIM.
ACCEPTANCE FOR FILING DOES NOT CONSTITUTE APPROVAL OR REJECTION OF THE CLAIM.

Log in location file

APR 29 1983
BLM
FARMINGTON
NEW MEXICO