#### **Pat Sanchez**

From: Pat Sanchez

**Sent:** Friday, December 19, 2008 10:22 AM

To: 'charlie.perrin@state.nm.us'; 'brandon.powell@state.nm.us'

Cc: Vicki Donaghey; Kirt Snyder; Martin Cabrera; Charlie Donahue; Ed Hasely

Subject: Pit closures for Closed Loop flow Back tanks - remedial/work over type

Mr. Powell and Mr. Perrin;

We will be submitting several work over - flow back tank type closed loop permits for closure. The permits were approved by NMOCD from Mid summer until late fall of 2008. A miscommunication in our internal processing occurred and we did not submit closure reports.

The fluids are typically produced water with spent treatment fluid that have been pumped into the reservoir during operations and were disposed of in our own SWD's typically.

I will be out of the office from December 20th and back in on Monday January 5, 2009 - if you need to follow-up by phone please call my Supervisor Mr. Charlie Donahue at 505.324.4140.

They will be submitted as soon as possible.

**Thanks** 

Patricio W. Sanchez Energen Resources District Engineer- San Juan 2010 Afton Place Farmington, NM 87401 Telephone 505.324.4141 Cell 505.793.7605 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.

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# Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method

Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method					
Instructions: Please submit one application (Form C-144) per in	dividual pit, closed-loop system, below-grade tank or alternative request				
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.					
Operator:Energen Resources	OGRID #:16298				
Address:2010 Afton Place, Farmington, New Mexico 87401	KOVD OOL II VO				
Facility or well name:Carracas FR 105					
API Number:30-039-24725OCD Permit Number:DIST. 3					
U/L or Qtr/QtrISection22Township32NRange4WCounty:Rio Arriba					
Center of Proposed Design: Latitude36.9729 NLong	gitude107.234586W NAD: □1927 🔯 1983				
Surface Owner: Federal State Private Tribal Trust or Indian	Allotment				
Pit: Subsection F or G of 19.15.17.11 NMAC	☐ Closed-loop System: Subsection H of 19.15.17.11 NMAC				
Temporary: Drilling Workover	☐ Drying Pad ☐ Tanks ☐ Haul-off Bins ☐ Other				
☐ Permanent ☐ Emergency ☐ Cavitation ☐ Steel Pit	☐ Lined ☐ Unlined				
Lined Unlined	Liner type: Thicknessmil				
Liner type: Thicknessmil	Other				
Other String-Reinforced	Seams: Welded Factory Other				
Seams: Welded Factory Other	Volume:yd <sup>3</sup>				
Volume: bbl Dimensions: L x W x D	Dimensions: Length_20 ft x Width12 ft_				
Below-grade tank: Subsection I of 19.15.17.11 NMAC	Fencing: Subsection D of 19.15.17.11 NMAC				
Volume:bbl	☐ Chain link, six feet in height, two strands of barbed wire at top				
Type of fluid:	Four foot height, four strands of barbed wire evenly spaced between one and				
Tank Construction material:	four feet				
Secondary containment with leak detection	Netting: Subsection E of 19.15.17.11 NMAC				
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Screen Netting Other				
☐ Visible sidewalls and liner	☐ Monthly inspections				
☐ Visible sidewalls only	Signs: Subsection C of 19.15.17.11 NMAC				
Other	12'x24', 2' lettering, providing Operator's name, site location, and				
Liner type: Thicknessmil	emergency telephone numbers				
Other	☑ Signed in compliance with 19.15.3.103 NMAC				
Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration	Administrative Approvals and Exceptions:  Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.				
of approval.  RECEIVED  DEC 2008  OF APPROVAL ASSOCIATION OF APPROVALED ASSOCIATION OF APPROVAL ASSOCIATION OF APPROVAL ASSOCIATION OF APPROVAL ASSOCI	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				
0 UEC 2008 25	Environmental Bureau office for consideration of approval.				

Oil Conservation Division

Page 1 of 4

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					
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site					
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No				
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					
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					
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					
Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division					
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map					
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 Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the de 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.  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC  Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	ocuments are				
Previously Approved Design (attach copy of design) API Number: or Permit Number:					
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC  Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9  Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC  Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  Previously Approved Design (attach copy of design) API Number:					
Previously Approved Design (attach copy of design) API Number:					

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC					
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are					
attached.  Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment					
Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC  Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC  Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC					
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC  Quality Control/Quality Assurance Construction and Installation Plan  Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC					
<ul> <li>□ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC</li> <li>□ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>□ Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan</li> </ul>					
□ Ruisance of Hazardous Odors, including H <sub>2</sub> s, Prevention Plan □ Emergency Response Plan □ Oil Field Waste Stream Characterization					
Monitoring and Inspection Plan Erosion Control Plan					
Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC					
Proposed Closure: 19.15.17.13 NMAC  Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☒ Closed-loop System ☐	] Alternative				
Proposed Closure Method:   Waste Excavation and Removal	_				
<ul> <li>☐ Waste Removal (Closed-loop systems only)</li> <li>☐ On-site Closure Method (Only for temporary pits and closed-loop systems)</li> </ul>					
☐ In-place Burial ☐ On-site Trench Burial	:dametiam\				
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Burcau for cor Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC	isideration)				
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					
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					
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					
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site					
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image					
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.  - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site					
Within incorporated municipal boundaries or within a defined municipal fresh water 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					
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map					
Within a 100-year floodplain FEMA map					

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				
or facilities for the disposal of liquids, drilling fluids and drill cuttings.  Disposal Facility Name: _Envirotech,; Carracas SWD #1 Disposal Facility Permit Number:NM-01-0011; API 30-039-24278				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC  Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC  Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.13 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				
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):Pat Sanchez Title:District Engineer  Signature: Date: Date:				
e-mail address:psanchez@energen.comTelephone:505.324.4141				
OCD Approval: Permit Application (including closure plan) Closure Plan (only)				
OCD Representative Signature: Branch Bell ) 1/1/2/2/// Approval Date: 7-11-08				
OCD Representative Signature: 7-11-08 Approval Date: 7-11-08				
OCD Representative Signature: Drud Dell Dell Approval Date: 7-11-08  Title:				
Title:				
Title:				
Title: Ensite   Spec OCD Permit Number:  Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC  Closure Method:  Waste Excavation and Removal On-Site Closure Method				
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC  Closure Method:  Waste Excavation and Removal On-Site Closure Method Alternative Closure Method  If different from approved plan, please explain.  Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.  Proof of Closure Notice  Proof of Deed Notice (if applicable)  Plot Plan  Ma Confirmation Sampling Analytical Results  Disposal Facility Name and Permit Number  WA Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  Site Reclamation (Photo Documentation)				
Closure Report (required within 60 days of closure completion):  Closure Method:  Waste Excavation and Removal On-Site Closure Method Alternative Closure Method  If different from approved plan, please explain.  Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.  My Proof of Closure Notice  My Proof of Deed Notice (if applicable)  Hy Proof of Deed Notice (if applicable)  Hy Proof of Deed Notice (if applicable)  Hy Disposal Facility Name and Permit Number  NA Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  NA Site Reclamation (Photo Documentation)  On-site Closure Location: Latitude Longitude NAD: 1927 1983				
Closure Report (required within 60 days of closure completion):  Closure Method:  Waste Excavation and Removal   On-Site Closure Method   Alternative Closure Method   If different from approved plan, please explain.  Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.  Proof of Closure Notice  Proof of Deed Notice (if applicable)  Proof of Deed Notice (if applicable)  Plot Plan  Confirmation Sampling Analytical Results  Disposal Facility Name and Permit Number  Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  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				
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC  Closure Method:  Waste Excavation and Removal  On-Site Closure Method  Alternative Closure Method  If different from approved plan, please explain.  Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.  Proof of Closure Notice  Proof of Closure Notice (if applicable)  Proof of Deed Notice (if applicable)  Proof of Deed Notice (if applicable)  Confirmation Sampling Analytical Results  Disposal Facility Name and Permit Number  Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  Considered 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.				

#### Closed-loop Design Plan:

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

- 1) Fencing is not required for an above ground closed-loop system.
- 2) It will be signed in compliance with 19.15.3.103 NMAC.
- 3) A frac tank will be on location to store fresh water.

### **Closed-loop Operating and Maintenance Plan:**

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

- The liquids will be vaccumed out and disposed of at the Carracas SWD#1 facility (Disposal API Number 30-039-30168). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM-01-0011) on a periodic basis to prevent over topping.
- 2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank.
- 3) The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately.
- 4) All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.

#### **Closed-loop Closure Plan:**

The closed loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit Number NM-01-0011) following rig operations. All remaining liquids will be transported and disposed of in the Carracas SWD#1 facility (Disposal API number 30-039-30168). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.

District I

1625 N. French Dr., Hobbs, NM 88240 District II

1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico Energy, Minerals & Natural Resources

Form C-102 Revised June 10, 2003

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

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THE MAY 23 HE 2 HH X AMENDED REPORT

		WI	ELL LOCA	ATION A	ND ACREA	GE DEDICA	ATION PLA	T	
<sup>1</sup> API Number				<sup>2</sup> Pool Code		Pool Name			
30-039-24725				71629		676 F. Basin Fruitland Coal			
4 Property Code				<sup>5</sup> Property Name				<sup>6</sup> Well Number	
				Carracas FR				#105	
<sup>7</sup> OGRID №.				<sup>8</sup> Operator Name				<sup>9</sup> Elevation	
162928				Energen Resources				6715'	
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	32N	4W		1830	South	880	East	Rio Arriba
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. ldn	Feet from the	North/South Ime	Feet from the	East/West line	County
0	22	32N	4W		760	South	2300	East	Rio Arriba
12 Dedicated Acr	es 13 Jo	int or Infill	14 Consolidation	Code 15 Or	der No.				
S/2									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

