District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

BGT 1

State of New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Page 1 of 22

Form C-144 Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office. For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

<u>Pit, Below-Grade Tank, or</u> Proposed Alternative Method Permit or Closure Plan Application

Type of action: \square Below grade tank registration

Permit of a pit or proposed alternative method

Closure of a pit, below-grade tank, or proposed alternative method

Modification to an existing permit/or registration

Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank,

or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, 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: Hilcorp Energy Company OGRID #: 372171
Address: 382 Road 3100 Aztec NM 87410
Facility or well name: DECKER JUNCTION CDP
API Number: OCD Permit Number
U/L or Qtr/Qtr <u>NESE Section 19 Township 32N Range 10W</u> County: <u>San Juan</u>
Center of Proposed Design: Latitude <u>36.96758</u> °N Longitude <u>-107.91811</u> °W NAD83
Surface Owner: 🔲 Federal 🔲 State 🗌 Private 🔲 Tribal Trust or Indian Allotment
Pit: Subsection F, G or J of 19.15.17.11 NMAC
Temporary: Drilling Workover
Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no
Lined Unlined Liner type: Thicknessmil ULDPE HDPE PVC Other
String-Reinforced
Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D
3.
Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: <u>Max 120</u> bbl Type of fluid: <u>Produced Water</u>
Tank Construction material: Metal
Secondary containment with leak detection 🛛 Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other
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: Thickness45mil HDPE PVC OtherLLDPE
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: Thickness45mil HDPE PVC OtherLLDPE 4.
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other
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 45 mil HDPE PVC Other LLDPE 4. Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. 5. 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,

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)

Screen D Netting Other_

Monthly inspections (If netting or screening is not physically feasible)

Signs: Subsection C of 19.15.17.11 NMAC

12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19.15.16.8 NMAC

Variances 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:

- Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.
- Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

^{9.} <u>Siting Criteria (regarding permitting)</u>: 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

General siting	
<u>Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.</u> - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ⊠ No ☐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
 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. (Does not apply to below grade tanks) Written confirmation or verification from the municipality; Written approval obtained from the municipality 	🗌 Yes 🗌 No
 Within the area overlying a subsurface mine. (Does not apply to below grade tanks) Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division 	🗌 Yes 🗌 No
 Within an unstable area. (Does not apply to below grade tanks) 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. (Does not apply to below grade tanks) - FEMA map	Yes No
Below Grade Tanks	
 Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🛛 No
 Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🛛 No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
 Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No
 Within 300 feet from a occupied 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 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.	🗌 Yes 🗌 No

NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

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 Within 100 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No							
Temporary Pit Non-low chloride drilling fluid								
 Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any 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 								
 Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No							
 Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No							
Permanent Pit or Multi-Well Fluid Management Pit								
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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 								
 10. Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 N Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the doc attached. Mydrogeologic 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 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19. and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number: 	cuments are NMAC 15.17.9 NMAC							
11. <u>Multi-Well Fluid Management Pit Checklist</u> : 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 doc attached.	.15.17.9 NMAC							
Previously Approved Design (attach copy of design) API Number: or Permit Number: _								

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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 a attached.	locuments are				
 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 					
 Quarty Control Quarty Assurance Construction and Instantation Fian 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					
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					
^{13.} <u>Proposed Closure</u> : 19.15.17.13 NMAC					
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.					
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well Fl	uid Management Pit				
Alternative	ulu Management I it				
Proposed Closure Method: X 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					
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be a 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 C 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 H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	attached to the				
15. <u>Siting Criteria (regarding on-site closure methods only)</u> : 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. P 19.15.17.10 NMAC for guidance.					
 Ground water is less than 25 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 25-50 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 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 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, 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 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application.	Yes No				
- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site					
Written confirmation or verification from the municipality; Written approval obtained from the municipality	🗌 Yes 🗌 No				
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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					

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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 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 	
Within a 100-year floodplain.	Yes No
- FEMA map	Yes No
 16. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plate 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 E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17. Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC 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 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements 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 canned 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 H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC 	11 NMAC 15.17.11 NMAC
 17. 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 beli 	ief.
Name (Print): Amanda Walker Title: Operations/Regulatory Technician – Sr	
Signature: Output Date: O2/10/2021	
Signature: Date: Date: 02/10/2021	
Signature: Date: 02/10/2021 e-mail address: mwalker@hilcorp.com Telephone: 505-324-5122 18.	24, 2021
Signature: Date: 02/10/2021 e-mail address: mwalker@hilcorp.com Telephone:505-324-5122 18. OCD Approval: Image: Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	24, 2021
Signature: Date: 02/10/2021 e-mail address: mwalker@hilcorp.com Telephone: 505-324-5122 ^{18.} OCD Approval: Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Chuhitehead Approval Date: May 2	the closure report.
Signature: Date: 02/10/2021 e-mail address: mwalker@hilcorp.com Telephone: 505-324-5122 18. OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: CWhitehead Approval Date: May 2 Title: Environmental Specialist OCD Permit Number: BGT 1 19. Closure Report (required within 60 days of closure completion): 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 is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed.	the closure report.
Signature: Date: 02/10/2021 e-mail address: mwalker@hilcorp.com Telephone: _505-324-5122 18. OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature:	the closure report.

On-site Closure Location: Latitude

Longitude

NAD: 1927 1983

22. Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this closure reporties belief. I also certify that the closure complies with all applicable closure requirements	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

•

DECKER JUNCTION CDP (BELOW GRADE TANK)

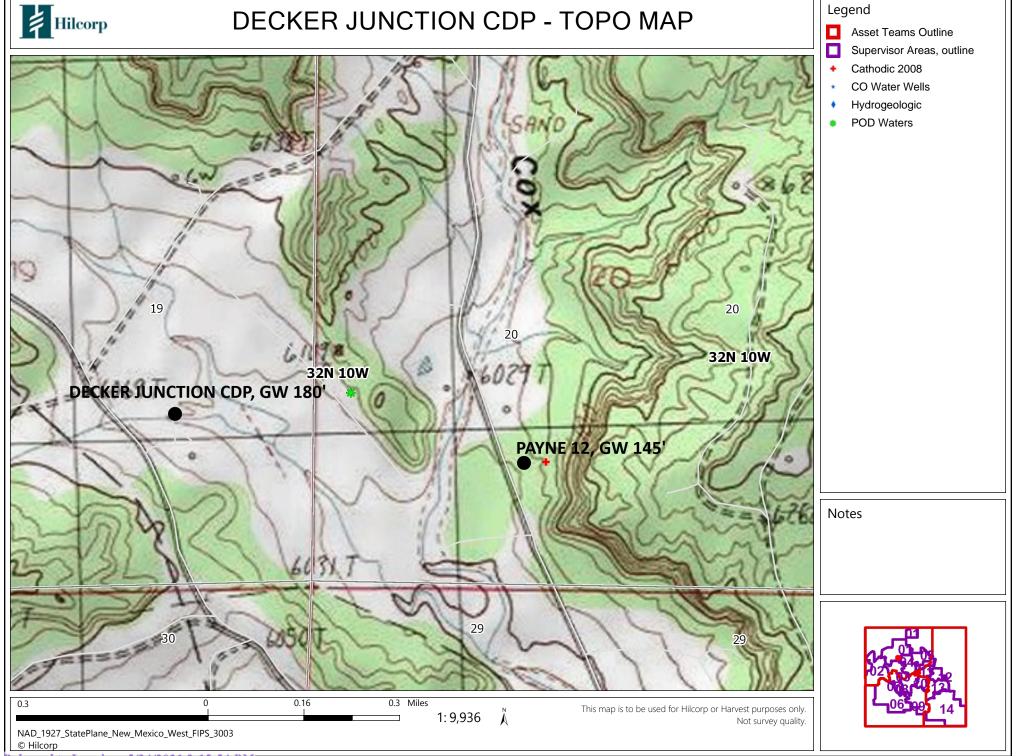
Hilcorp Energy Company requests a variance for the items listed below. The requested variance, per 19.15.17.15.A, provides equal or better protection of fresh water, public health & the environment.

- 1. Fencing
 - Fencing as described in Section 5 under Alternate, Hilcorp will construct all new fences around the below grade tank utilizing 48" steel mesh field-fence (hog-wire) on the bottom with a single strand of barbed wire or a welded railing on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Below grade tanks will be fenced, regardless of location.
- 2. <u>Geo-membrane Liner</u>
 - The geo-membrane liner consists of a 45-mil flexible LLDPE material manufactured by Brawler Industries, LLC as SuperScrim H45. SuperScrim H45 is manufactured with LLDPE and is 45 mil inch thickness and is reinforced with polyester scrim. The geomembrane liner has a hydraulic conductivity of less than 5 X 10⁻¹⁴ cm/s and is resistant to ultraviolet light, petroleum hydrocarbons, salts and acidic and alkaline solutions. The manufacturer specific sheet is attached.
- 3. Hilcorp will notify Public Entity Surface Owners by email in lieu of certified mail. Private Entity Surface Owners will still be notified via certified mail.

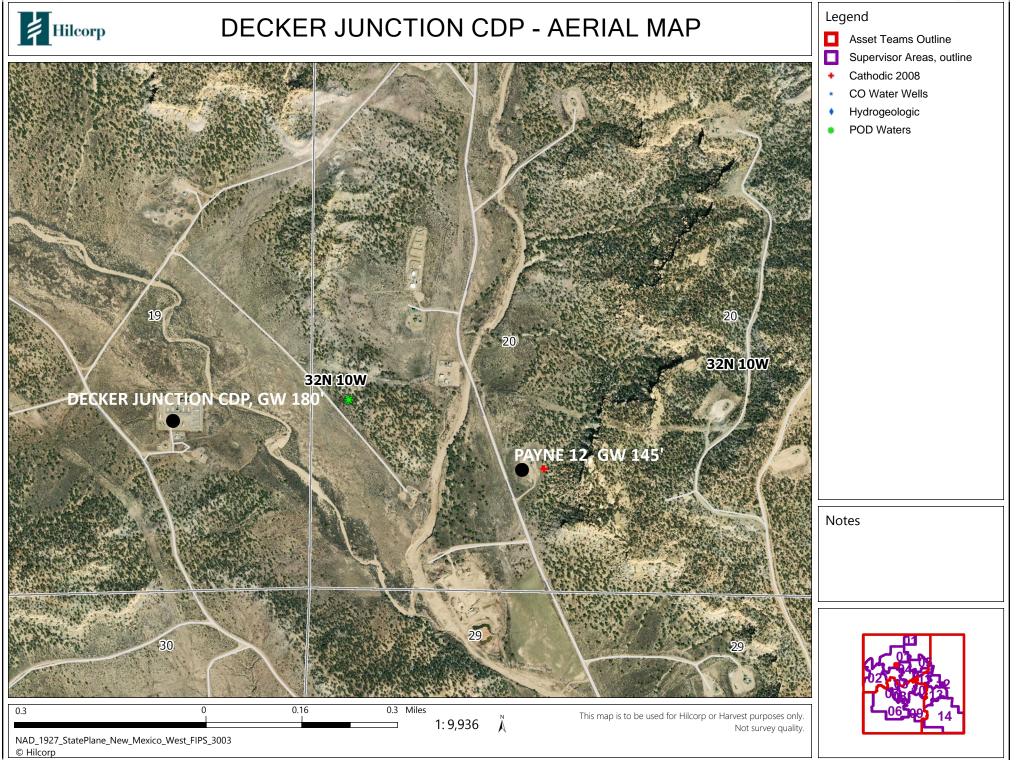
TIERRA CORROSION CONTROL, INC. DRILLING LOG

COMPANY: ConocoPhillipsDATE: March 27, 2008LOCATION: Payne 12LEGALS: S20 T32 R10WSTATE: NMDRILLER: Gilbert PeckBIT SIZE: 7 7/8"CASING SIZE/TYPE: 8" X 20' PVCLBS COKE BACKFILL: 2,600#VENT PIPE: 300'ANODE TYPE: 2" x 60" DurironANODE AMOUNT: 10			C	DEPTH: COKE T PERF P	YPE: Ast IPE: 140'					
DEDTU			DEDTU			1e				
DEPTH	DRILLER'S LOG	AMPS	DEPTH	DRILLER'S LOG	AMPS	J.	ANODE #	DEPTH	NO COKE	COKE
20	Casing		310			J.	1	290	1.3	2.3
25	Oracl	1.0	315			1	2	280 270	1.7 1.9	3.5 5.3
30 35	Sand	1.0	320 325			1	4	250	1.6	3.6
40	Gray Shale	2.5	330			1	5	240	1.5	3.9
45		2.6	335			1	6	230	1.4	4.4
50 55		2.6 3.4	340 345			1	7	220	2.1	5.3
60		3.4	350			1	8	210 200	2.4 2.8	5.8
65		4.0	355			1	9 10	200	2.8	5.9
70		3.9	360			1	11			
75 80		4.3	365 370			1	12			
85		4.2	375			1	13			
90		4.2	380			1	14			
95 100		4.6 3.8	385		_	1	15			
100		3.0	390 395			1	16			
110		3.6	400			1	17 18			
115		3.3	405			1	18			
120 125		3.1 2.7	410 415		_	1	20			
125		2.7	415			1	21			
135		2.4	425			1	22			
140		1.8	430			1	23			
145 150		1.3 1.4	435 440			1	24			
155		1.4	445			1	25			
160		1.4	450			1	26 27			
165		2.3	455			1	27			
170 175		2.7 3.1	460 465			1	29			
180		2.6	470			1	30			
185		2.6	475			1				
190 195		2.7 2.8	480 485							
200		2.6	403			IF.				
205		2.4	495			н.	WATER D		-	
210		2.2	500			н.	ISOLATIO			
215 220		2.1				н.	LOGING V			
225		1.4				н.			TO BATTER	Y
230		1.4				н.	TOTAL AN		/ ANCE: .89	
235		1.5				н.	REMARKS		ANCE09	
240 245		1.5 1.6			_	н.).		
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265	↓ ↓	2.0								
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Below Grade Tank (BGT) Siting Criteria and Compliance Demonstrations

Well Name:

DECKER JUNCTION CDP

- <u>Depth to groundwater (should not be less than 25 feet</u>): The nearest recorded well with available water-depth information is the Payne 12 with groundwater @ 145' as indicated in the Cathodic Data Sheet attached. The subject well is 47' more in elevation making depth to groundwater at 180'.
- Distance to watercourse (should not be within 100 feet of a continuously flowing watercourse, other significant watercourse, lakebed, sinkhole, wetland or playa lake [measured from the ordinary high-water mark]):

Aerial map attached indicates that there are **no** lakebeds, sinkholes, playa lakes, or watercourses within 100 feet of the proposed Below Grade Tank.

3. <u>Distance to springs or wells (should not be within 200 feet of a spring or a fresh water</u> well used for public or livestock consumption):

Aerial map attached indicates that the Below Grade Tank will **not** be within 200 feet of any recorded well or spring.

Hydrogeological Report for DECKER JUNCTION CDP

<u>Regional Geological context</u>:

The Nacimiento Formation is of Paleocene age (Baltz, 1967, p. 35). It crops out in a broad band inside the southern and western margins of the central basin and in a narrow band along the west face of the Nacimiento Uplift. The Nacimiento is a nonresistant unit and typically erodes to low, rounded hills or forms badland topography.

The Nacimiento Formation occurs in approximately only the southern two-thirds of the San Juan Basin where it conformably overlies and intertongues with the Ojo Alamo Sandstone (Fassett, 1974, p. 229). The Nacimiento Formation grades laterally into the main part of the Animas Formation (Fassett and Hinds, 1971, p. 34); thus, in this area, the two formations occupy the same stratigraphic interval.

Strata of the Nacimiento Formation were deposited in lakebeds in the central basin area with lesser deposition in stream channels (Brimhall, 1973, p. 201). In general, the Nacimiento consists of drab, interbedded black and gray shale with discontinuous, white, medium- to very coarse grained arkosic sandstone (Stone e al., 1983, p.30). Stone et al. indicated that the formation may contain more sandstone than commonly reported because some investigators assume the slope-forming strata in the unit area shales, whereas in many places the strata actually are poorly consolidated sandstones. Total thickness of the Nacimiento Formation ranges from about 500 to 1,300 feet. The unit generally thickens from the basin margins toward the basin center (Steven et al., 1974). The sandstone deposits within the Nacimiento Formation are much thinner than the total thickness of the formation because their environment of deposition was localized stream channels (Brimhall, 1973, p. 201). The thickness of the combined San Jose, Animas, and Nacimiento Formations ranges from 500 to more than 3.500 feet.

Hydraulic Properties:

Reported well yields for 53 wells completed in either the Animas or Nacimiento Formations range from 2 to 90 gallons per minute and the median yield is 7.5 gallons per minute. The primary use of water from Nacimiento and Animas Formations is domestic and livestock supplies. There are no known aquifer tests for the Animas or Nacimiento Formations, but specific capacities reported for six wells range from 0.24 to 2.30 gallons per minute per foot of drawdown (Levings et al., 1990).

The Animas and Nacimiento Formations are in many ways hydrologically similar to the San Jose Formation because sands in both units produce approximately the same quantities of water. However, the greater percentage of fine materials in the Animas and Nacimiento Formations may restrict downward vertical leakage to the Ojo Alamo Sandstone or Kirtland Shale. The poorly cemented fine material is highly erodible, forms a badland terrain, and supports only spotty vegetation. These conditions are more conductive to runoff than retention of precipitation.

<u>References</u>:

Baltz, E.H., 1967, Stratigraphy and regional tectonic implications of part of Upper Cretaceous rocks, east-central San Juan Basin, New Mexico: USGS Professional Paper 552, 101 p.

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Below Grade Tank Design and Construction

In accordance with NMAC 19.15.17 the following information describes the design and construction of below-grade tanks on Hilcorp Energy Company, hereinafter known as HEC, locations. This is HEC's standard procedure for all below grade tanks (BGT). A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- 1. HEC will design and construct a properly sized and approved BGT which will contain liquids and should prevent contamination of fresh water to protect the public health and environment.
- 2. HEC signage will comply with 19.15.17.11.C NMAC.
- 3. HEC is requesting approval of an alternative fencing to be used on BGT tank locations. HEC requests to utilize 48" steel mesh field-fence (hog-wire) on the bottom with a single strand of barbed wire or a welded railing on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. BGTs will be fenced, regardless of location.
 - a. If the BGT is located within 1000' of an occupied permanent residence, school, hospital, institution or church, HEC will construct A 6' chain link fence with two strands of barbed wire or a welded railing on top. The operator shall ensure that all gates associated with the fence are closed and locked when responsible personnel are not onsite.
- 4. HEC will construct a screened, expanded metal covering, on the top of the BGT.
- 5. HEC will ensure that a BGT is constructed of materials resistant to the BGT's particular contents and resistant to damage from sunlight as shown on design drawing and specification sheet.
- 6. The HEC BGT system will 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 as shown on design drawing.
- 7. HEC shall operate and install the BGT to prevent the collection of surface water run-on. HEC has built in shut off devices that do not allow a BGT to overflow. HEC constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the BGT as shown on the design plan.
- 8. If HEC needs to modify/retrofit the existing BGT it will meet the below specifications.
- 9. HEC will construct and use a BGT that does not have double walls. The BGT's side walls will be open for visual inspection for leaks, the BGT's bottom is elevated a minimum of six inches above the underlying ground surface and the BGT is underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
- 10. HEC will equip below grade tanks with a properly functioning, automatic high-level shut off control device, as well as manual controls, to prevent overflows.
- 11. HEC will utilize a geomembrane liner manufactured by Brawler Industries, LLC as SuperScrim H45. SuperScrim H45 is manufactured with LLDPE and is 45 mil inch thickness and is reinforced with polyester scrim. The geomembrane liner has a hydraulic conductivity of less than 5 X 10⁻¹⁴ cm/s and is resistant to ultraviolet light, petroleum hydrocarbons, salts and acidic and alkaline solutions. The manufacturer specific sheet is attached.
- 12. The general specification for design and construction are attached

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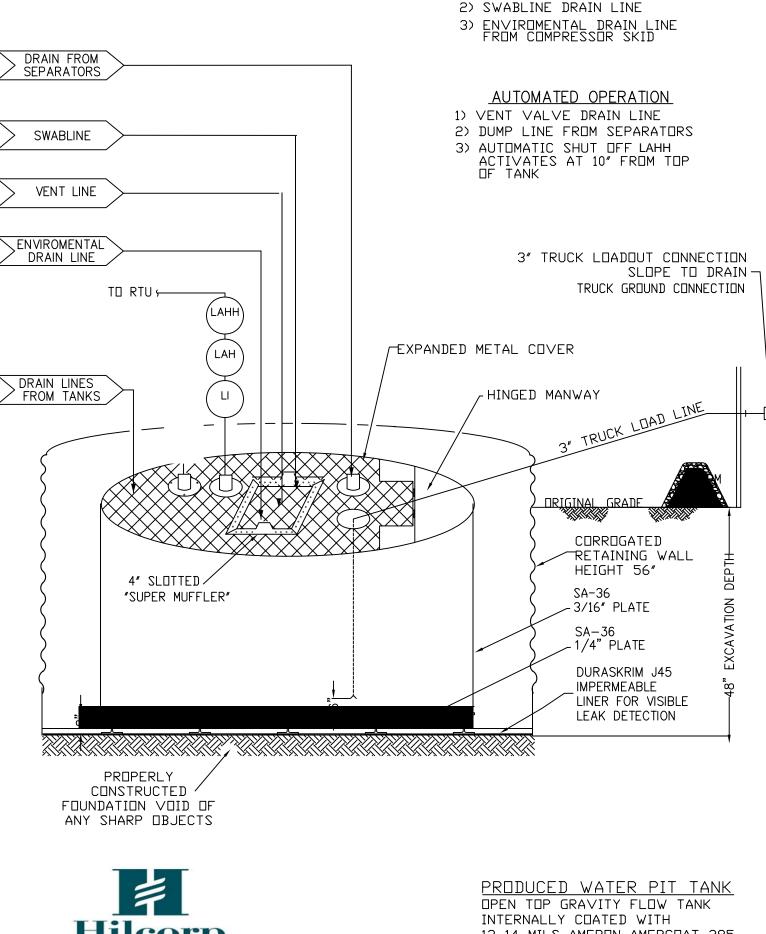
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12-14 MILS AMERON AMERCOAT 385

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MANUAL OPERATION 1) PRODUCTION TANKS DRAINLINE





SuperScrim[™] H Product Specifications

This product meets GRI GM 25 Specifications

This product meets and am zo operinations								
Properties	Derties Test Method Frequency		Minimu	Minimum Average Values				
	H30	H36	H45					
Thickness,			30	36	45			
Nominal (mils)	ASTM D5199	Per roll	27	32	40			
Min. Ave. (mils)								
Weight		Dentell	110	100	010			
Nominal (lb/1000, ft ²)	ASTM D5261	Per roll	140	168	210			
Min. Ave. (lb/1000, ft ²)			125	151	189			
Grab Tensile	ASTM D7004	00.000 lb	200	010	200			
Strength (lb), min. ave.	(each direction) (each direction)	30,000 lb	300 25	310 25	320 25			
Elongation (%), min. ave.	ASTM D5884		20	20	20			
Tongue Tear (lb), min. ave.	(each direction)	30,000 lb	130	130	130			
Index Puncture (lb), min. ave.	ASTM D4833	30,000 lb	85	103	105			
Ply Adhesion (lb), min. ave. (1)	ASTM D6636	30,000 lb	20	25	25			
Oxidative Induction Time (OIT) (2) (a) Standard OIT Or	ASTM D3895	Formulation	>100	>100	>100			
(b) High Pressure OIT	ASTM D5885		>1000	>1000	>1000			
Standard Roll Dimensions								
Roll Width (3), ft			11.83	11.83	11.83			
Roll Length (3), ft	1500	1230	1000					
Roll Area, ft ²			17,745	14,551	11,830			

⁽¹⁾Alternatively, an acceptable ply adhesion is to have a film tearing bond occur within the sheet material. ⁽²⁾The Manufacturer has the option to select either one of the OIT methods listed to evaluate the

antioxidant effectiveness in the geomembrane.

⁽³⁾Roll widths and lengths have a tolerance of $\pm 1\%$

*Custom material thicknesses also available

This data is provided for informational purposes only. Brawler Industries, LLC makes no warranties as to the suitability of the fitness for a specific use or merchantability of products referred to, no guarantee of satisfactory results upon contained information or recommendations and disclaims all liability from resulting loss or damage. This information is subject to change without notice, please check with Brawler Industries, LLC for current updates.

This is a preliminary data sheet based upon laboratory testing of initial manufacturing lots and may be changed without notice as additional product testing data becomes available.



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SuperScrim[™] WC Product Specifications

Properties	Test Method	Minimum Average Values								
		9 mil	12 mil	16 mil	20 mil	24 mil	30 mil			
Weight	D5261	5.4 oz/yd ²	5.7 oz/yd ²	7.2 oz/yd ²	9.6 oz/yd ²	11.5 oz/yd ²	13.4 oz/yd ²			
Thickness		9 mil	12 mil	16 mil	20 mil	24 mil	30 mil			
Grab Tensile (lbs.)	D751	MD 200 CD 135	MD 210 CD 176	MD 230 CD 210	MD 330 CD 286	MD 352 CD 300	MD 352 CD 300			
Mullen Burst	D6241	300 psi	350 psi	400 psi	600 psi	680 psi	780 psi			
Accelerated UV Weathering	Accelerated UV Weathering D4355		>90% after 2000 hrs exposure							
		Standard	Roll Dimension	ns		-				
Roll Length ⁽²⁾ , Ft		3,000	3,000	4,000	3,000	2,250	2,250			
Roll Width ⁽²⁾ , Ft		12	12	12	12	12	12			
Roll Area, Ft ²		36,000	36,000	48,000	36,000	27,000	27,000			

 $^{(1)}$ 9 of 10 views shall be Category 1 or 2. No more than 1 view from Category 3. $^{(2)}$ Roll widths and lengths have a tolerance of \pm 1%

Custom material thicknesses also available

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Hilcorp Energy Company San Juan Basin Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of a below-grade tank (BGT) on a Hilcorp Energy Company (HEC) location. This is HEC's standard procedure for all BGT's. A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- 1. HEC will operator and maintain a BGT to contain liquids and solids and maintain the integrity of the liner, liner system and secondary containment system to prevent contamination of fresh water and protect public health and the environmental. HEC will perform an inspection on a monthly basis, install cathodic protection and automatic overflow shutoff devices as seen on the design plan.
- 2. HEC will not discharge into or store any hazardous waste in the BGT.
- 3. HEC shall operator and install the BGT to prevent the collection of surface water run-on. HEC has built in shut-off devices that do not all ow a BGT to overflow. HEC constructs berms and corrugated retained walls at least 6" above grade to keep surface water run-on from entering the BGT as shown on the design plan.
- 4. As per 19.15.17.12.D(3), HEC will inspect the BGT for leakage and damage at least monthly. The operator will document the integrity of each tank at least annually and maintain a written record for 5 years. Inspections may include 1) containment berms adequate and no oil present, 2) tanks had no visible leaks or sign of corrosion, 3) tank valves, flanges, and hatches had no visible leaks and 4) no evidence of significant spillage of produced liquids. HEC shall remove any visible or measurable layer of oil from the fluid surface of the BGT in an effort to prevent significant accumulation of oil overtime.
- 5. HEC shall maintain adequate freeboard to prevent overtopping of the BGT.
- 6. If a BGT develops a leak, then HEC shall removal all liquid above the damage or leak within 48 hours of discovery, notify the appropriate division office pursuant to 19.15.29 NMAC and repair the damage or replace BGT as applicable.
- 7. If HEC discovers a BGT designed in accordance with 19.15.17.11.I(5) has lost integrity the BGT will promptly be drained and removed from service and HEC will follow the approved closure plan. If HEC discovers a retrofitted BGT designed in accordance with 19.15.17.11.I(4)(a-c), does not demonstrate integrity or that the BGT develops any of the conditions identified in Paragraph (5) of Subsection A of 19.15.17.12 NMAC shall repair the damage or close the existing BGT pursuant to the closure requirements of 19.15.17.13 NMAC.
- 8. If HEC equips or retrofits the existing BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, HEC shall visually inspect the area beneath the BGT during the retrofit and document any areas that are wet, discolored or showing other evidence of a release on form C-141. HEC shall measure and report to the division the concentration of contaminants in the wet or discolored soil with respect to the standards set forth in Table I of 19.15.17.13 NMAC. If there is no wet or discolored soil or if the concentration of contaminants in the wet or discolored soil is less than the standard set forth in Table I of 19.15.17.13 NMAC, then HEC will proceed with the closure requirements of 19.15.17.13 NMAC prior to initiating the retrofit or replacement.

Hilcorp Energy Company San Juan Asset Production BGT Closure Plan

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general closure requirements of a below-grade tank (BGT) on any Hilcorp Energy Company (HEC) location in the San Juan Asset. This is HEC's standard closure procedure for all BGT's regulated under Rule 19.15.17 NMAC and operated by HEC. For those closures which do not conform to this standard closure plan, a separate BGT specific closure plan will be developed and utilized.

Closure Conditions and Timing for BGT:

- Within 60 days of cessation of operation HEC will:
 - Remove all liquids and sludge and dispose in a division approved manner.
- Within 72 hours or 1 week prior to closure HEC will:
 - Give notice to surface owners by certified mail. For public entities by email as specified on the variance page.
 - Give notice to Division District Office verbal or in writing/email.
- Within 6 months of cessation of operation HEC will:
 - Remove BGT and dispose, recycle, reuse, or reclaim in a division approved manner.
 - Remove unused onsite equipment associated with the BGT.
- Within 60 days of closure HEC will:
 - \circ Send the Division District Office a Closure Report per 19.15.17.13.F (1).

General Plan Requirements:

- 1. Prior to initiating any BGT closure, except in the case of an emergency, HEC will notify the surface owner of the intent to close the BGT by certified mail no later than 72 hours or 1 week before closure and a copy of this notification will be included in the closure report. In the case of an emergency, the surface owner will be notified as soon as practical.
- 2. Notice of closure will be given to the Division District office between 72 hours and 1 week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name
 - b. Well Name and API Number
 - c. Location
- 3. All liquids will be removed from the BGT following cessation of operation. Produced water will be disposed of at one of HEC's approved Salt Water Disposal facilities or at a Division District Office approved facility.
- 4. Solids and sludge's will be shoveled and/or vacuumed out for disposal at one of the Division District Office approved facilities, depending on the proximity of the BGT site: Envirotech Land Farm (Permit #NM-01-011), Industrial Ecosystems Inc. JFJ Land Farm (Permit #NM-01-0010B), and Basin Disposal (Permit #NM-01-005).
- 5. HEC will obtain prior approval from the Division District Office to dispose, recycle, reuse, or reclaim the BGT and provide documentation of the disposition of the BGT in the closure report. Steel materials will be recycled or reused as approved by the Division District Office. Fiberglass tanks will be empty, cut up or shredded, and EPA cleaned for disposal as solid waste. Liner materials will be cleaned without soils or contaminated material for disposal as solid waste. Fiberglass tanks and liner materials will meet the conditions of 19.15.35 NMAC. Disposal will be at a licensed disposal facility, presently San Juan County Landfill operated by Waste Management under NMED Permit SWM-052426.
- 6. Any equipment associated with the BGT that is no longer required for some other purpose, following the closure, will be removed.

Revised 3/15/2016

- 7. Following removal of the tank and any liner material, HEC will test the soils beneath the BGT as follows:
 - a. At a minimum, a five-point composite sample will be taken to include any obvious stained or wet soils or any other evidence of contamination.
 - b. The laboratory sample shall be analyzed for the constituents listed in Table I of 19.15.17.13.

Table I									
Closure Criteria for Soils Beneath Below-Grade Tanks, Drying Pads Associated with Closed-Loop Systems and Pits									
	where C	ontents are Removed							
Depth below bottom of pit to Constituent Method* Limit**									
groundwater less than 10,000									
mg/I TDS									
	Chloride	EPA 300.0	600 mg/kg						
≤50 feet	TPH	EPA SW-846 Method 418.1	100 mg/kg						
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg						
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg						
	Chloride	EPA 300.0	10,000 mg/kg						
51 feet-100 feet	ТРН	EPA SW-846 Method 418.1	2,500 mg/kg						
F	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg						
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg						
-	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg						
	Chloride	EPA 300.0	20,000 mg/kg						
> 100 feet	TPH	EPA SW-846 Method 418.1	2,500 mg/kg						
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg						
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg						
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg						

*Or other test methods approved by the division

**Numerical limits or natural background level, whichever is greater

(19.15.17.13 NMAC-Ro, 19.15.17.13 NMAC 3/28/2013)

- 8. If the Division District Office and/or HEC determine there is a release, HEC will comply with 19.15.17.13.C.3b.
- 9. Upon completion of the tank removal, pursuant to 19.15.17.13.C.3c, if all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, the excavation will be backfilled with non-waste containing earthen material compacted and covered with a minimum of one foot top soil, or background thickness of top soil, whichever is greater. The surface will then be re-contoured to match the native grade, prevent ponding of water, and prevent erosion of cover material.
- 10. For those portions of the former BGT area no longer required for production activities, HEC will seed the disturbed area in the first favorable growing season following the closure of the BGT. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division District Office approved methods. HEC will notify the Division District Office when reclamation and re-vegetation is complete.

Reclamation of the BGT shall be considered complete when:

- Established vegetative cover reflects a life form ratio of +/- 50% of pre disturbance levels.
- Total plant cover is at least 70% of pre-disturbance levels (Excluding noxious weeds) OR
- Pursuant to 19.15.17.13.H.5d HEC will comply with obligations imposed by other applicable federal or tribal agencies in which there re-vegetation and reclamation requirements provide equal or better protection of fresh water, human health and the environment.

Revised 3/15/2016

11. For those portions of the former BGT area required for production activities, reseeding will be done at well abandonment, and following the procedure noted above.

Closure Report:

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the BGT closure on a Closure Report using Division District Office Form C-144. The Report will include the following:

- Proof of Closure Notice (surface owner and Division District Office)
- Backfilling & cover installation
- Confirmation Sampling Analytical Results
- Application Rate & Seeding techniques
- Photo Documentation of Reclamation

Revised 3/15/2016

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District II

District IV

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District III 1000 Rio Brazos Rd., Aztec, NM 87410 CONDITIONS

Action 17725

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

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:
HILCORP ENERGY COMPANY	1111 Travis Street	Houston, TX77002		372171	17725	C-144B
OCD Reviewer			Condition			
cwhitehead			None			