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

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 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

| BGT1 or proposed altern Instructions: Please Please be advised that approval of this requivironment. Nor does approval relieve the second control of the | native method e submit one application (Form C-144) uest does not relieve the operator of liabil | nk, or proposed alternal mit/or registration an existing permitted of the proposed alternal permitted of the proposed alternal permitted of the proposed alternation and proposed alternation alternation and proposed alternation alternation alternation alternation alternation alternation alternation alternation alternatio | or non-permitted pit, below-grade tank, | | |
|--|--|--|--|--|--|
| | Operator: Simcoe, LLC OGRID #: 329736 | | | | |
| Address: 1199 Main Ave, Suite | | | | | |
| Facility or well name: Northeast E | | | | | |
| API Number: 30-045-31291 | 00 | CD Permit Number: | Con luon | | |
| U/L or Qtr/Qtr D Sect | Township 31N | Range UOVV | County: San Juan | | |
| • | 36.891393 _L | - | <u>6</u> NAD83 | | |
| Surface Owner: ✓ Federal ☐ State ☐ | Private Tribal Trust or Indian Allo | otment | | | |
| ☐ Lined ☐ Unlined Liner type: T☐ String-Reinforced | r itation P&A Multi-Well Fluid I Thicknessmil LLDPE | ☐ HDPE ☐ PVC ☐ (| Low Chloride Drilling Fluid yes no Other bbl Dimensions: L x W x D | | |
| ✓ Below-grade tank: Subsection I Volume: 80 bbl Tank Construction material: Steel ☐ Secondary containment with leak ✓ Visible sidewalls and liner ✓ V | of 19.15.17.11 NMAC I Type of fluid: Produced water detection Visible sidewalls, liner, of isible sidewalls only Other mil HDPE PVC | 6-inch lift and automatic | | | |
| 4. Alternative Method: Submittal of an exception request is re | quired. Exceptions must be submitted | to the Santa Fe Environn | nental Bureau office for consideration of approval. | | |
| ☐ Chain link, six feet in height, two s institution or church) ☐ Four foot height, four strands of ba | I NMAC (Applies to permanent pits, tentrands of barbed wire at top (Required at the property of the property o | if located within 1000 fee | et 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 Netting Other | |
| ✓ Monthly inspections (If netting or screening is not physically feasible) | |
| 7. | |
| 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 | |
| | |
| 8. 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. | |
| 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 acceptance of the compliance of the complianc | otable source |
| material are provided below. Siting criteria does not apply to drying pads or above-grade tanks. | |
| | |
| General siting | |
| Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. | ☐ Yes ☑ No |
| - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | □ NA □ |
| Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. | ☐ Yes ☐ No |
| NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | M NA |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | ☐ Yes ☐ No |
| 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 | |
| Within the area overlying a subsurface mine. (Does not apply to below grade tanks) | ☐ Yes ☐ No |
| - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | |
| 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 | ☐ Yes ☐ No |
| Society; Topographic map | |
| Within a 100-year floodplain. (Does not apply to below grade tanks) | ☐ Yes ☐ No |
| - FEMA map | |
| 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). | ☐ Yes ☑ No |
| - Topographic map; Visual inspection (certification) of the proposed site | |
| Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. | ☐ Yes ☑ No |
| - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | |
| 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.) | ☐ Yes ☐ No |
| - Topographic map; Visual inspection (certification) of the proposed site | |
| Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial | ☐ Yes ☐ No |
| application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | |
| | |
| 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 | _ _ |

| 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 | ☐ Yes ☐ No | | | |
| Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC ☐ Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number: | | | | |
| 11. Multi-Well Fluid Management Pit 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 do attached. 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 A List of wells with approved application for permit to drill associated with the pit. 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 Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC | | | | |
| Previously Approved Design (attach copy of design) API Number: or Permit 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 d | locuments are |
| attached. ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC | |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC | |
| Climatological Factors Assessment | |
| ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC | |
| Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC | |
| ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC | |
| Quality Control/Quality Assurance Construction and Installation Plan | |
| ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC | |
| ☐ Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan | |
| 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 | |
| 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 Flu | uid Management Pit |
| ☐ 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 | |
| 14. | |
| 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. | ttached to the |
| ☑ 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 | |
| 15. 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 | ce material are |
| provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Pl | lease refer to |
| 19.15.17.10 NMAC for guidance. | |
| Ground water is less than 25 feet below the bottom of the buried waste. | ☐ Yes ☐ No |
| - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | □ NA |
| Ground water is between 25-50 feet below the bottom of the buried waste | Yes No |
| - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ∐ NA |
| Ground water is more than 100 feet below the bottom of the buried waste. | Yes No |
| - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ∐ NA |
| 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). | ☐ Yes ☐ No |
| - 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. | ☐ Yes ☐ No |
| - 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 | ☐ Yes ☐ No |
| at the time of initial application. - 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 | ☐ 168 ☐ 100 |
| whith incorporated municipal obundances of 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 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 | ☐ Yes ☐ No | | |
| Within a 100-year floodplain FEMA map | ☐ Yes ☐ No | | |
| | 105 110 | | |
| On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan 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 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 can 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 | .11 NMAC 15.17.11 NMAC | | |
| Operator Application Certification: | | | |
| I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and bel | ief. | | |
| Name (Print): Sabre Beebe Title: Environmental Coordinator | | | |
| Signature: Sabra Beebe Date: October 26, 2022 | · | | |
| e-mail address: sabre.beebe@ikavenergy.com Telephone: 970-852-5172 | | | |
| 18. OCD Approval: X Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) | | | |
| OCD Representative Signature: Jaclyn Burdine Approval Date: 10/26/ | 2022 | | |
| Title: Environmental Specialist-A OCD Permit Number: BGT1 | | | |
| 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 no section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: | | | |
| 20. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-l | oon systems only) | | |
| If different from approved plan, please explain. | oop systems omy) | | |
| 21. Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please in | | | |

| 22. 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: | | | |

Simcoe, LLC will be removing the current BGT per NMAC 19.15.17.12.D.(6) The operator of a below-grade tank who equips or retrofits the existing tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC shall visually inspect the area beneath the below-grade tank during the retrofit and document any areas that are wet, discolored or showing other evidence of a release on form C-141. The operator 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 the operator shall proceed with the closure requirements of 19.15.17.13 NMAC prior to initiating the retrofit or replacement.

Current tank is a double/double steel tank that will be re-installed as a single/double steel tank. Re-install will include a liner, culvert, sidewalls exposed and high level device.

Form C-144

Released to Imaging: 10/26/2022 1:27:36 PM

Hydrogeological Report for the NEBU 241 & 327

Geology:

The stratigraphic sequence of Paleocene and Eocene rocks in the eastern part of the San Juan basin is the Nacimiento and Animas formation overlain by the San Jose Formation. The San Jose Formation of Eocene age was defined by Simpson (1948a, b). It occurs in New Mexico and Colorado and its outcrop forms the land surface over much of the central basin area. It over lies the Nacimiento Formation in the area generally south of the State line (Fassett, 1974. P229). The Basal contact of the San Jose varies with location in the basin. This contact is a disconformity along the basin margins, and it is an angular unconformity along the Nacimiento uplift; the contact is conformable in the central basin. The Nacimiento is a sequence of varicolored beds of sandstone and mudrock that attains a thickness of as much as 120 m thick (Baltz, 1967).

The Animas Formation occupies a stratigraghic position similar to that of the OJO Alamo and Nacimiento Formations. The Animas strata comprise a general fining upward sequence of volcaniclastic conglomerates and sandstones, with arkosic conglomerates and sandstones near the top. The upper member of the Animas has been shown to interfinger with the Nacimiento in its eastern (Dane, 1946) and western (Barnes et al., 1954) ourcrop belts. Subsurface correlation of these formations has not been carried out in any detail because of the difficulty of recognizing their contact on Electric logs (Fasset and Hinds, 1971:33).

The nature of the contact between the lower Eocene San Jose Formation and the Nacimiento formation north of latitude 36 degrees 45'N has been described as conformable (Barnes et al., 1954, Stone et al., 1983 25-26), Whereas at latitude 36 it has been shown to be unconformable (Baltz, 1967; Lucas et al., 1981) Contact relationships between the San Jose and Animas Formations in the northernmost San Juan Basin have been shown to be intertounguing (Smith, 1988). The San Jose formation was deposited in various fluvial type environments. In general the unit consists of an interbeded sequence of sandstone siltstone and variegated shale, the sandstones are buff to yellow and rusty-colored crossbedded very fine to coarse grained arkose, which are locally conglomeratic and contain abundant silicified wood. The thickness of the San Jose Nacimiento and Animas Formations is ranges from zero to more than 3,500 feet in the east central part of the structural basin. The bottom of the Nacimiento and Animas Formations decreases from a maximum altitude of more than 8 000 feet above sea level along the northeastern basin rim to less than 4,000 feet above sea level in the east central part of the basin.

Hydraulic Properties:

The San Jose, Nacimienito, and Animas Formations are a source of water for public-supply, commercial, private-domestic, and livestock use in areas where drilling depths and pumping levels are economically feasible and where water quality is suitable. Water in the San Jose Nacimiento and Animas Formations occurs under both water table and

artesian conditions. Recharge to the aquifer is from infiltration of precipitation and stream flow on outcrops and from vertical upward leakage of water from underlying units. Transmissivity data for the San Jose Nacimiento and Animas Formations are minimal-Values of 40 and 120 feet squared per day were determined from two aquifer tests (Stone and others 1983 table 5). The reported or measured discharge from 79 water wells completed in the San Jose, Nacimiento, and Animas Formations ranges from 1 to 61 gallons per minute and the median is 6 gallons per minute. The specific capacity of 12 of these wells ranges from 0.03 to 2.30 gallons per minute per foot of drawdown and the median is 0.23 gallon per minute per foot of drawdown. Water quality data described in this section are from the NWIS data base and were collected during 1938. 84 Well records were checked to assure to the extent possible that a particular sample represents water only from the San Jose Nacimiento and Animas Formations and not a mixture of water from other aquifers. Locally however these formations may have substantial differences in the concentration of some water quality constituents due in part to differences in rock characteristics as described in the Geology section.

Reference:

USGS Hydrologic investigations atlas HA-720-A plate 1,2 Lucas, Spencer G and Smith, Larry N. 1991, Stratigraphy, Sedimentology and Paleontology of the Lower Eocene San Jose Formation in the central portion of the San Juan basin, Northwestern New Mexico, New Mexico Bureau of Mines & Mineral Resources Bulletin 126. 6-7p.

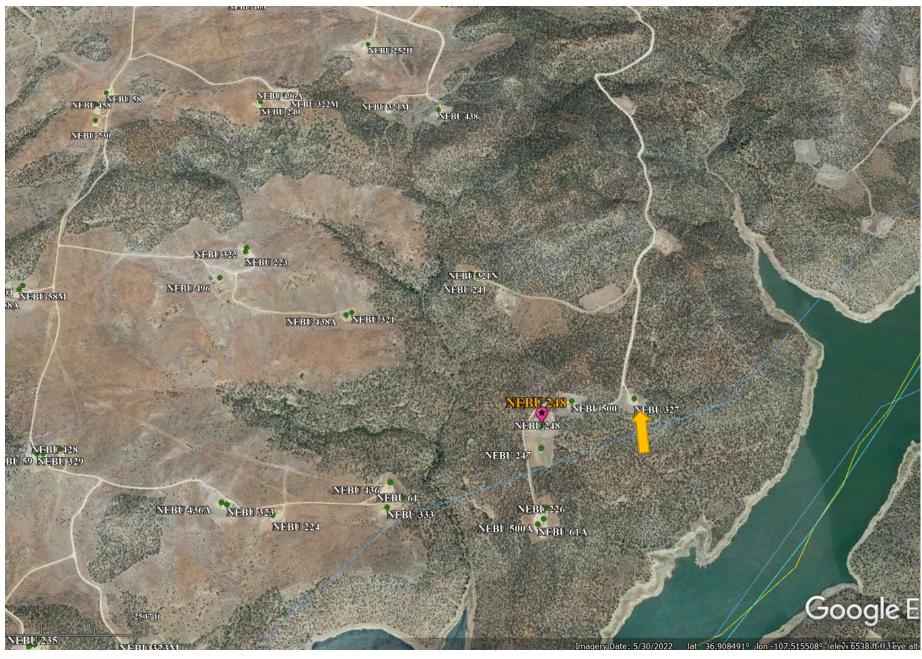
New Mexico Office of the State Engineer POD Reports and Downloads

Township: 31N Range: 07W Sections: 18,7,12,13,24,19,20 Zone: NAD27 X: Y: Search Radius: County: Basin: Number: Suffix: Owner Name: (First) ○ Non-Domestic ○ Domestic (Last) All POD / Surface Data Report Avg Depth to Water Report Water Column Report Help Clear Form iWATERS Menu

AVERAGE DEPTH OF WATER REPORT 09/05/2008

(Depth Water in Feet)
Bsn Tws Rng Sec Zone X Y Wells Min Max Avg

No Records found, try again





FIGURE

Aerial Map

1

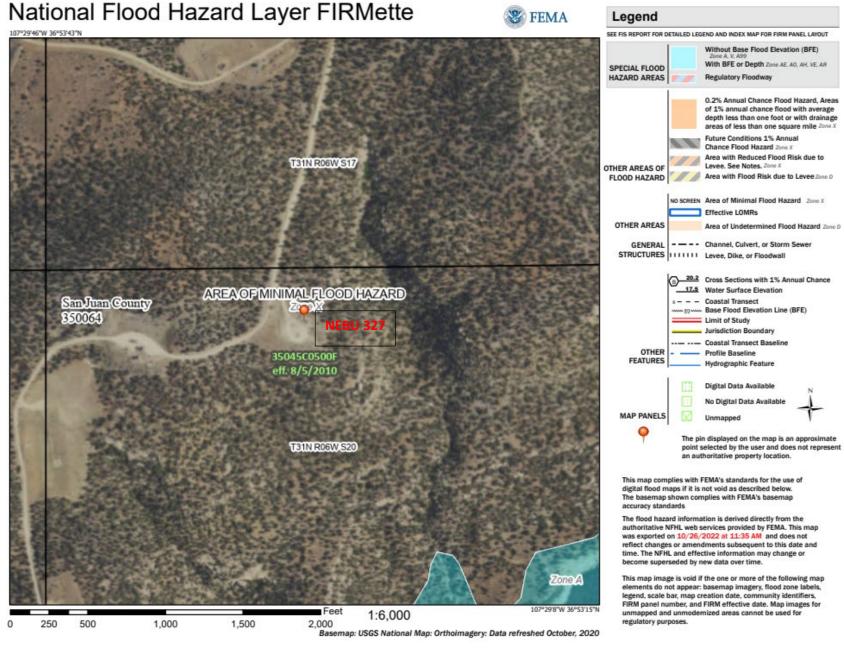


| IKAV |
|-------|
| IIIVA |

FIGURE

Topographic map

1





FIGURE

FEMA Flood Zone Map

1

OSE POD Locations Map



Esri, HERE, GeoTechnologies, Inc., Esri, HERE, Garmin, GeoTechnologies, Inc., U.S. Department of Energy Office of Legacy Management, Maxar

> Web Generated Map Map is generated by web users.

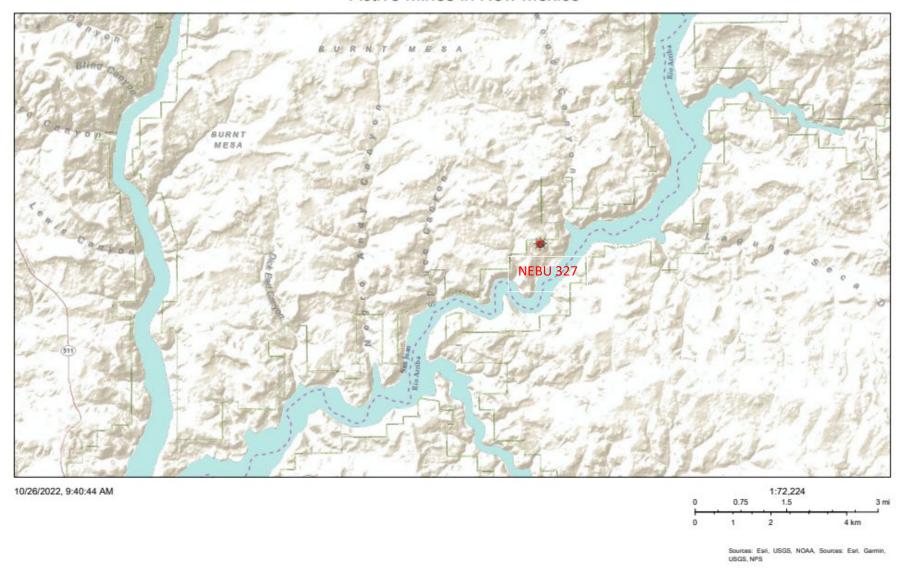


Northeast Blanco Unit 327 30-045-31291 BGT retrofit Maps **FIGURE**

Ground water map

1

Active Mines in New Mexico



EMNRD MMD GIS Coordinator

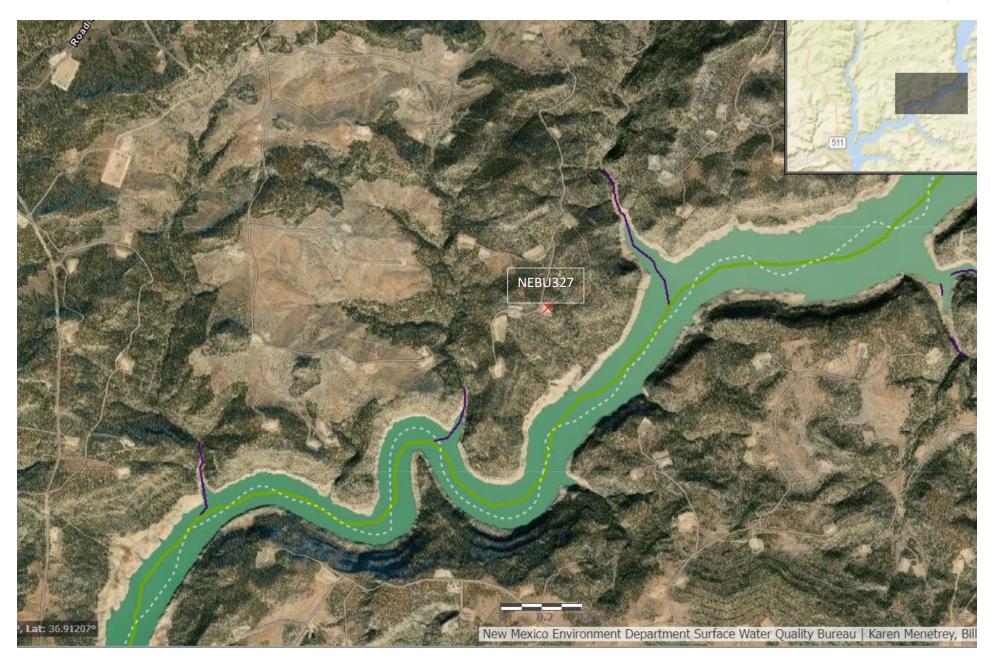
#Emergy, Minerals and Natural Resources Department (http://imm-emmd.maps.arcgis.com/apps/webappv/ewer/index.html?id=1b5e577974664d689b47790897ca2795)



Northeast Blanco Unit 327 30-045-31291 BGT retrofit Maps **FIGURE**

1

Mines, Mills & Quarries Map





FIGURE

Wetlands map

1

SIMCOE LLC

SAN JUAN BASIN, NORTHWEST NEW MEXICO

BELOW-GRADE TANK DESIGN AND CONSTRUCTION PLAN

Pursuant to Rule 19.15.17.11 NMAC, SIMCOE LLC (SIMCOE) shall construct a below-grade tank (BGT) or modify an existing permitted BGT according to the following plan. Any deviations from this plan will be addressed on the New Mexico Oil Conservation Division's (NMOCD) form C-144 at the time of submittal.

Design and Construction Plan

- 1. SIMCOE will design and construct a BGT which will be constructed to contain liquids and prevent contamination of fresh water and protect public health and the environment.
- 2. SIMCOE as the well operator shall install and maintain a well sign that adheres to 19.15.16.8 NMAC. The sign will be posted at the well site to address, at a minimum;
 - a. Well Number
 - b. Property name
 - c. Operators name
 - d. Location by footage, quarter-quarter section, township and range (or unit letter)
 - e. API number
 - f. Emergency contact information
- 3. SIMCOE will fence or enclose its BGTs in a manner that prevents unauthorized access and shall maintain its fence in good repair.
- 4. SIMCOE will fence or enclose a BGT located within 1,000 feet of a permanent residence, school, hospital, institution or church with, at a minimum a chain link security fence at least six (6) feet in height with at least two (2) strands of barbed wire at the top. SIMCOE will ensure that all gates associated with the fence are closed and locked when responsible personnel are not on-site.
- 5. SIMCOE is requesting NMOCD's approval for an alternative fence design that provides, at a minimum, equivalent protection to the design specified in Paragraph 3 of Subsection D of 19.15.17.11 NMAC for BGTs beyond the stated distance in paragraph 4 of this document. SIMCOE's proposed design for its BGTs will utilize 48" steel mesh field-fence (hog wire) with a metal or steel top rail. Perimeter T-post will be installed roughly every 10 feet.
- 6. SIMCOE will construct an expanded metal covering that completely covers the top of the BGT. The covering will be constructed such that it will prevent hazardous conditions to wildlife, including migratory birds
- 7. SIMCOE shall construct the BGT of materials that are resistant to produced water, any contained liquids, and damage from sunlight. SIMCOE's BGTs will be constructed of fiberglass or carbon steel that meets the requirements of ASTM A36.
- 8. SIMCOE's BGTs shall have a properly constructed earthen foundation consisting of a level base free of rocks, debris, sharp edges, or irregularities as to prevent punctures, cracks or indentations to the tank bottom as demonstrated on the design drawing.
- 9. SIMCOE will construct and operate the BGT to prevent surface water run-on by using both earthen berms and leaving a portion of the BGT above the original grade as demonstrated on the design drawing.
- 10. SIMCOE will construct and operate the BGT to prevent overflow and overfilling of the BGT. Overflow will be prevented by use of either a manual shut off valve or an electronic high fluid level detector that will automatically engage an electronic shut-off valve when a one (1) foot freeboard is reached. The high-level automatic alarm notifies well optimizers when liquid level has reached within a pre-set distance to the top of the BGT. The high-level alarm will trigger the automatic shutdown valve which will close in the well until the liquid level can be lowered.

- 11. SIMCOE will construct and install a double-walled tank design per Subparagraph (b) of Paragraph (4) of Subsection I of19.15.17.11 NMAC with a two (2) inch diameter leak detection port. The floor supports located in the annular space of the tank bottom will be channeled to allow outward movement of liquid between the walls. Leak detection will be monitored per SIMCOE's Operating and Maintenance Plan. The walls of the BGT will be constructed of fiberglass or carbon steel that meets the ASTM A36 standard. SIMCOE's BGT design will ensure containment of tank contents and protect underlying groundwater. The production equipment line drain is manual or automated drain that allows water level in production equipment (generally the separator) to be maintained within the equipment's operating parameters. The environmental drain is a manually operated drain that is used to drain liquids off of equipment. The tank drain is a manually operated drain, typically in the closed position that is used to rid the condensate tank of any water accumulation. The vent drain is a manually operated drain off the discharge of production equipment (usually the separator) and is used to blowdown the wellsite. The swab drain line is a manually operated drain originating between the wellhead and separator and is used during well workovers when large amounts of liquid are removed from the well and sent straight to the BGT.
- 12. SIMCOE owned and operated single walled BGTs constructed and installed prior to June 16, 2008 that has the side walls open for visual inspection and that does not meet all the requirements in Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC is not required to equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as it demonstrates integrity. If the existing BGT does not demonstrate integrity, SIMCOE shall promptly drain the BGT and remove it from service and comply with the closure requirements of 19.15.17.13 NMAC.
- 13. SIMCOE owned and operated single walled BGTs constructed and installed prior to June 16, 2008 and where any portion of the tank sidewall is below the ground surface and not visible shall equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, or close it, by June 16, 2013. If the existing BGT does not demonstrate integrity, SIMCOE shall promptly drain the BGT, remove it from service and comply with the closure requirements of 19.15.17.13 NMAC.
- 14. SIMCOE owned and operated double walled BGTs constructed and installed prior to June 16, 2008 and which does not meet all the requirements in Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC is not required to equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as it demonstrates integrity. If the existing BGT does not demonstrate integrity, SIMCOE shall promptly drain the BGT, remove it from service and comply with the closure requirements of 19.15.17.13 NMAC.
- 15. The general specifications for the design and construction of the BGT have been provided in the attached SIMCOE design and construction schematic.



Technical Data Sheet

HDPE Series, 60 mil Black, Smooth

| PROPERTY | TEST METHOD | FREQUENCY(1) | UNIT Imperial | 1054428 |
|---|---|--|------------------------------|--|
| SPECIFICATIONS | | | | |
| Thickness (min. avg.) Thickness (min.) | ASTM D5199 ASTM D5199 | Every roll Every roll | mils mils | 60.0 54.0 |
| Resin Density Melt Index - 190/2.16 (max.) | ASTM D1505 ASTM D1238 | 1/Batch 1/Batch | g/cc g/10 min | > 0.932 1.0 |
| Sheet Density Carbon Black Content Carbon Black Dispersion OIT - standard (avg.) | ASTM D792 ASTM D4218 ASTM D5596 ASTM D3895 | Every 10 rolls Every 2 rolls Every 10 rolls 1/Batch | g/cc % Category min | ≥ 0.940 2.0 - 3.0 Cat. 1 & Cat. 2 100 |
| Tensile Properties (min. avg) (2) Strength at Yield Elongation at Yield Strength at Break Elongation at Break | ASTM D6693 | Every 2 rolls | ppi % ppi % | 132 13 243 700 |
| Tear Resistance (min. avg.) Puncture Resistance (min. avg.) | ASTM D1004 ASTM D4833 | Every 5 rolls Every 5 rolls | lbf lbf | 42 120 |
| Dimensional Stability Stress Crack Resistance (SP-NCTL) Oven Aging - % retained after 90 days | ASTM D1204 ASTM D5397 ASTM D5721 | Certified 1/Batch Per formulation | % hr | ± 2 500 |
| HP OIT (min. avg.) UV Res % retained after 1600 hr HP-OIT (min. avg.) Low Temperature Brittleness | ASTM D5885 ASTM D7238 ASTM D5885 ASTM D746 | Per formulation Certified | % % °F | 80 50 - 106 |
| SUPPLY SPECIFICATIONS(Roll dime | | - | • | |
| Roll Dimension - Width | - | | ft | 22.3 |
| Roll Dimension - Length | - | | ft | 520 |
| Area (Surface/Roll) | - | | ft² | 11596 |

NOTES

- 1. Testing frequency based on standard roll dimensions and one batch is approximately 180,000 lbs (or one railcar).
- 2. Machine Direction (MD) and Cross Machine Direction (XMD or TD) average values should be on the basis of 5 specimens each direction.

Solmax is not a design professional and has not performed any design services to determine if Solmax's goods comply with any project plans or specifications, or with the application or use of Solmax's goods to any particular system, project, purpose, installation or specification.

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Revision date:

31-May-2018

^{*} All values are nominal test results, except when specified as minimum or maximum.

^{*} The information contained herein is provided for reference purposes only and is not intended as a warranty of guarantee. Final determination of suitability for use contemplated is the sole responsibility of the user. SOLMAX assumes no liability in connection with the use of this information.

SIMCOE LLC

SAN JUAN BASIN, NORTHWEST NEW MEXICO

BELOW-GRADE TANK OPERATING AND MAINTENANCE PLAN

Pursuant to Rule 19.15.17.12 NMAC, SIMCOE LLC (SIMCOE) shall maintain and operate a below-grade tank (BGT) by following the plan shown below. Deviations from this plan will be addressed with a submittal to the New Mexico Oil Conservation Division (NMOCD) using form C-144 at the time of the BGT registration or modification to an existing BGT registration.

Operating and Maintenance Plan

- 1. SIMCOE's BGTs will be operated to contain liquids and solids. SIMCOE will maintain the integrity of the BGT and secondary containment system as to prevent impacts to fresh water and to protect public health and the environment. SIMCOE will use automated high fluid level alarms and automated shut-off valves to ensure that liquids are contained within the vessel and that the vessel does not overflow. These alarms and shut-off valves will be consistent with those demonstrated in the design plan.
- 2. SIMCOE will not knowingly discharge to or store any hazardous waste in a BGT.
- 3. If a BGT develops a leak below the liquid surface, SIMCOE shall remove 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 the BGT as applicable.
- 4. SIMCOE will adhere to Subsection D of 19.15.17.12 NMAC. The requirements are as follows;
 - a. SIMCOE shall not allow a below-grade tank to overflow or allow surface water run-on to enter the BGT.
 - b. SIMCOE shall remove any measurable layer of oil from the fluid surface of a BGT.
 - c. SIMCOE shall inspect the BGT for leakage and damage at least monthly and will document the integrity of each tank at least annually and maintain record of the integrity for five years.
 - d. SIMCOE shall maintain adequate freeboard to prevent overtopping of the below-grade tank.
 - e. If SIMCOE discovers that the BGT tank 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, SIMCOE shall repair the damage or close the existing BGT pursuant to the closure requirements of 19.15.17.13 NMAC.
 - f. If any of SIMCOE's BGTs are equipped or retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, then SIMCOE 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. SIMCOE will attempt to 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 SIMCOE shall proceed with the closure requirements of 19.15.17.13 NMAC prior to initiating the retrofit or replacement.

SIMCOE LLC (Previously BP America) SAN JUAN BASIN, NORTHWEST NEW MEXICO

Below-Grade Tank Closure Plan

This plan will address the standard protocols and procedures for closure of below-grade tanks (BGTs) on this SIMCOE, LLC well sites. As stipulated in Paragraph A of 19.15.17.13 NMAC, SIMCOE, LLC shall close a BGT 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, safety, or the environment. If deviations from this plan are necessary, any specific changes will be included on form C-144 and approved by the NMOCD. SIMCOE, LLC shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofit with a BGT that complies with the SIMCOE, LLC NMOCD approved BGT design attached to the SIMCOE, LLC Design and Construction Plan. SIMCOE, LLC shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, if not previously retrofitted to comply with the SIMCOE, LLC NMOCD approve BGT Design attached to the SIMCOE, LLC Design and Construction Plan, prior to any sale or change in operator pursuant to 19.15.9.9 NMAC. SIMCOE, LLC shall close the permitted BGT within 60 days of cessation of the BGTs operation or as required by the transitional provisions of Subsection B, D, or E of 19.15.17.17 NMAC.

General Closure Plan

- SIMCOE, LLC shall notify the surface owner by certified mail that it plans to close a BGT. Evidence
 of mailing of the notice to the address of the surface owner shown in the county tax records
 demonstrates compliance with this requirement.
- 2. SIMCOE, LLC shall notify 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 operator's name, and the location to be closed by unit letter, section, township, and range. If the BGT closure is associated with a particular well, then the notice shall also include the well's name, number, and API number.
- 3. SIMCOE, LLC shall remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. The facilities to be utilized are:
 - a. JFJ Land farm, Permit NM-01-010(B) (Solids and Sludge)
 - b. Basin Disposal, Permit NM-01-0005 (Liquids)
 - c. Envirotech Inc Soil Remediation Facility, Permit NM-01-0011 (Solids and Sludge)
 - d. Simcoe, LLC Operated 13 GCU SWD # 1, API 30-045-28601 (Liquids)
 - e. Simcoe, LLC Operated GCU 259 SWD, API 30-045-20006(Liquids)
 - f. Simcoe, LLC Operated GCU 306 SWD, API30-045-24286 (Liquids)
 - g. Simcoe, LLC Operated GCU 307 SWD, API30-045-24248 (Liquids)
 - h. Simcoe, LLC Operated GCU 328 SWD, API 30-045-24735(Liquids)
 - i. Simcoe, LLC Operated Pritchard SWD #1, API 30-045-28351 (Liquids)

- 4. Simcoe, LLC shall remove the BGT and dispose of it in a NMOCD approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD approves. If a liner is present and must be disposed of it will be cleaned by scraping any soils or other attached materials on the liner to a de minimus amount and disposed at a permitted solid waste facility, pursuant to Subparagraph (m) of Paragraph (1) of Subsection C of 19.15.35.8 NMAC. Documentation as to the final disposition of the removed BGT will be provided in the final closure report.
- 5. Simcoe, LLC shall remove any on-site equipment associated with a BGT unless the equipment is required for well production.
- 6. Simcoe, LLC shall sample the soils beneath the BGT to determine whether a release has occurred. Simcoe, LLC shall collect at a minimum: a five (5) point composite sample and analyze for BTEX, TPH and chlorides. The testing methods for those constituents are as follows.

| Table 1 Closure Criteria for Soils Beneath Below-Grade Tanks | | | | |
|--|-------------|-------------------------------------|--------------|--|
| Depth below bottom of pit to groundwater less than 10,000 mg/l TDS | Constituent | Method* | Limit** | |
| | Chloride | EPA 300.0 | 600 mg/kg | |
| ≤50 feet | ТРН | 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 | |
| | 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 | |

Notes:

mg/Kg = milligram per kilogram

BTEX = benzene, toluene, ethylbenzene, and total xylenes

TPH = totalpetroleum hydrocarbons

TDS = total dissolved solids.

- * Or other test methods approved by the division
- ** Numerical limits or natural background level, whichever is greater
- 7. Simcoe, LLC shall notify the division District III office of its results on form C-141.

- 8. If it is found that a release has occurred, then Simcoe, LLC will comply with 19.15.30 NMAC and 19.15.29 NMAC, as appropriate.
- 9. If the sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then BP shall backfill the excavation, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover, re-contour and revegetate the location. The location will be reclaimed if it is not with in the active process area.
- 10. Simcoe, LLC shall reclaim the BGT location, and all areas associated with the BGT including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. Simcoe, LLC shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and revegetate according to Subsection I of 19.15.17.13 NMAC. 11. The soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.
- 12. Simcoe, LLC shall seed the disturbed area the first growing season after closure of the BGT. Seeding will be conducted by drilling 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-affected by overgrazing, fire or other intrusion damaging to native vegetation), consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
- 13. Simcoe, LLC shall seed, plant and re-seed pursuant to Paragraph (3) of Subsection I of 19.15.17.13 NMAC, until the location successfully achieves the required vegetative cover.
- 14. Pursuant to Paragraph (5) of Subsection I of 19.15.17.13 NMAC, Simcoe, LLC shall notify the NMOCD when it has seeded or planted and when it successfully achieves revegetation.
- 15. Within 60 days of closure completion, Simcoe, LLC shall submit a closure report on NMOCD's form C-144, and will include the following:
 - a. proof of closure notification (surface owner and NMOCD)
 - b. sampling analytical reports: information required by 19.15.17 NMAC.
 - c. disposal facility name and permit number
 - d. details on back-filling, capping, covering, and where applicable re-vegetation application rates and seeding techniques and
 - e. site reclamation, photo documentation. Disposal Facility Name and Permit Number
- 16. Simcoe, LLC shall 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.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 153879

CONDITIONS

| Operator: | OGRID: |
|---------------------------|--|
| SIMCOE LLC | 329736 |
| 1199 Main Ave., Suite 101 | Action Number: |
| Durango, CO 81301 | 153879 |
| | Action Type: |
| | [C-144] Below Grade Tank Plan (C-144B) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| jburdine | None | 10/26/2022 |