RECEIVED SEP 25 2009

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

30-015-35260

Release Notification and Corrective Action

nMLB0926841742

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company – Corkran Energy 243452	Contact – Dennis Corkran
Address – 300 Beardsley Lane C204 Austin, TX 78746	Telephone No. – 512-329-6140
Facility Name – Orleans 25 #1	Facility Type – Drilling Pit

Surface Owner – Private	Mineral Owner –	Lease No. 30-015-35260

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	25	18S	26E					Eddy

Latitude 32° 43.444' N **Longitude** 104° 19.923' W

NATURE OF RELEASE

Type of Release – Drilling Pit Contents	Volume of Release – N/A	Volume Recovered – N/A
Source of Release – Drilling Pit	Date and Hour of Occurrence NA	Date and Hour of Discovery 9-24-09
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Drilling pit contents leaked into underlying soil.

Describe Area Affected and Cleanup Action Taken.* Pit bottoms were tested and delineated to NMOCD standards. Attached is the initial plat map and field analytical of the delineation. Confirmation samples were sent to a third party lab. Remediation plan is to excavate all impacted soil at the following areas: TP1, TP2, TP3 and TP4 will be excavated to 10' bgs and TP5 will be excavated to 20' bgs. The impacted soil will be excavated and hauled to Lea Land Disposal. The site will be backfilled and seeded per the original pit closure plan. A final report will be sent with the Final C-144 once the pit closure is complete.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:

Printed Name: Logan Anderson

Title: Consultant

E-mail Address: la_elkeenv@yahoo.com

Date: 9-24-09 Phone: 432-366-0043

OIL CONSERVATION DIVISION

Approved by District Supervisor: Signed By Mike Bratcher

Approval Date: SEP 25 2009 Expiration Date:

Conditions of Approval: Attached ☐

REMEDIATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: N/A Plan is on C-141

2RP-343

* Attach Additional Sheets If Necessary

pMAS0927249013

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Corkran Energy **Analyst** Jason Jessup

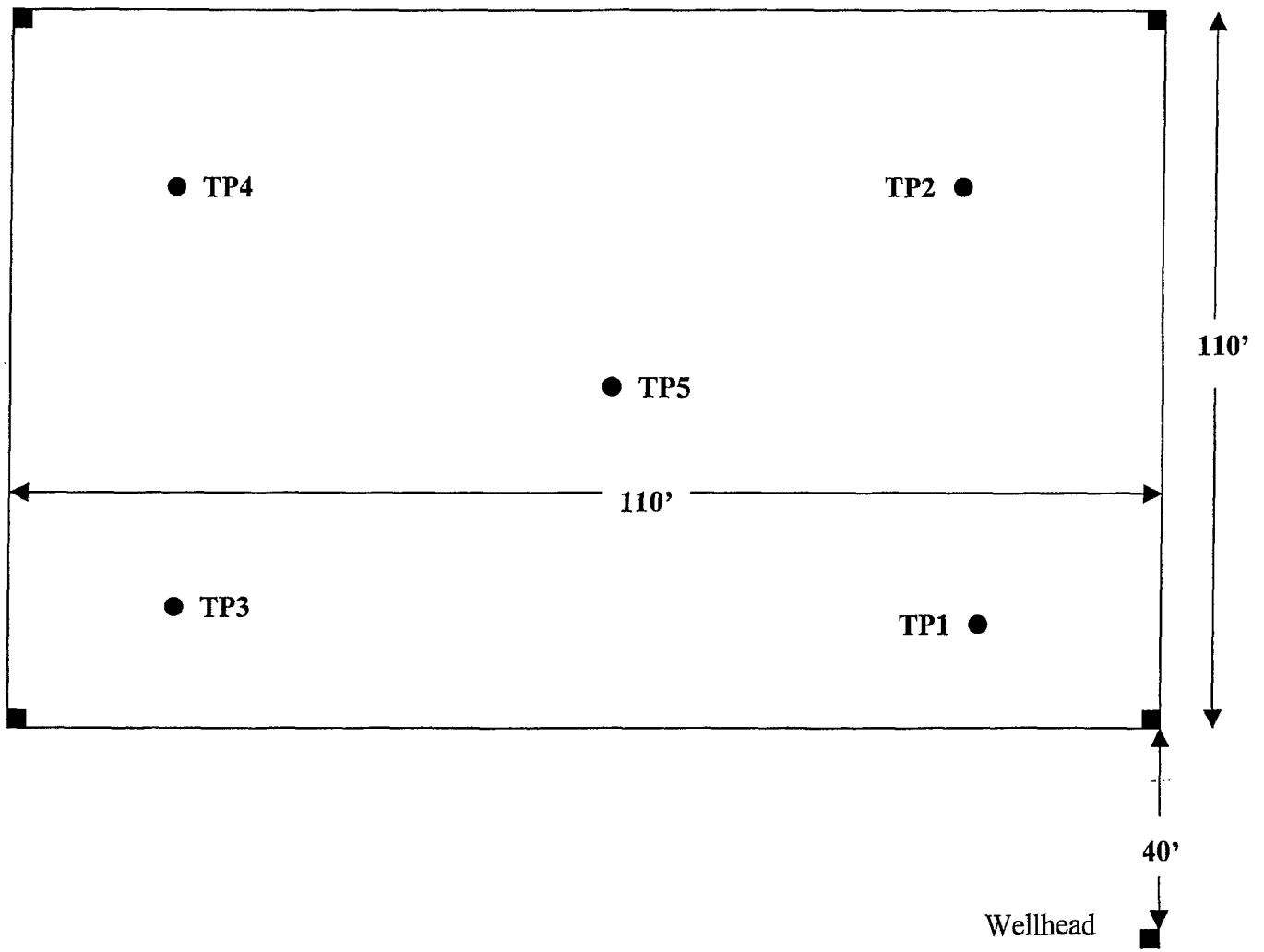
Site Orleans 25 #1

Sample ID	Date	Depth	TPH / PPM	Cl / PPM	PID / PPM	GPS
TP1	9-24-09	8'		2,889		32° 43.444' N 104° 19.923' W
TP1	9-24-09	10'		591		32° 43.444' N 104° 19.923' W
TP1	9-24-09	12'		271		32° 43.444' N 104° 19.923' W
TP1	9-24-09	14'	75	208	1.8	32° 43.444' N 104° 19.923' W
TP2	9-24-09	8'		439		32° 43.428' N 104° 19.921' W
TP2	9-24-09	10'	62	119	1.4	32° 43.428' N 104° 19.921' W
TP3	9-24-09	8'		948		32° 43.443' N 104° 19.906' W
TP3	9-24-09	10'		710		32° 43.443' N 104° 19.906' W
TP3	9-24-09	12'	40	120	0.6	32° 43.443' N 104° 19.906' W
TP4	9-24-09	8'		988		32° 43.430' N 104° 19.905' W
TP4	9-24-09	10'	54	149	2.1	32° 43.430' N 104° 19.905' W
TP5	9-24-09	8'		11,282		32° 43.437' N 104° 19.916' W
TP5	9-24-09	10'		10,362		32° 43.437' N 104° 19.916' W
TP5	9-24-09	12'		9,617		32° 43.437' N 104° 19.916' W
TP5	9-24-09	14'		5,711		32° 43.437' N 104° 19.916' W
TP5	9-24-09	16'		2,482		32° 43.437' N 104° 19.916' W
TP5	9-24-09	18'		942		32° 43.437' N 104° 19.916' W
TP5	9-24-09	20'	45	215	1.4	32° 43.437' N 104° 19.916' W

N

Corkran Energy – Orleans 25 #1
UL 'B' Sec. 25 T18S R26E Eddy County

Plat Map



Bratcher, Mike, EMNRD

From: Logan Anderson [la_elkeenv@yahoo.com]
Sent: Friday, September 25, 2009 9:35 AM
To: Bratcher, Mike, EMNRD
Subject: Corkran Energy - Orleans 25 #1 Revised Remediation Plan
Attachments: Remediation Plan.pdf

Mike,

Attached is the revised remediation plan for the underlying soil at the drilling pit. Any questions feel free to call me.

Thanks,
Logan Anderson

Project Manager
Elke Environmental, Inc.
off 432-366-0043
cell 432-664-1269
fax 432-366-0884

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Thursday, September 24, 2009 4:06 PM
To: 'Logan Anderson'
Subject: RE: Corkran Energy - Orleans 25 #1

Logan,

The proposal to bury impacted materials on site is not approved. With ground water potentially existing at less than 50' bgs, any material exhibiting, at a minimum, 1000 mg/kg (chloride) will be required to be excavated and hauled to a disposal. At TP5, I would suggest removal of material to below the 18' level, TP1 to the 10' level, TP3 to the 10' level, and TP4 to between the 8' and 10' level.

The current pit rule requires that once the pit contents and liner have been removed, at a minimum, a five point composite sample is to be obtained and the following analyses run:

- BTEX by Method 8021B or 8260B
- TPH by Method 418.1
- GRO/DRO by Method 8015M
- Chlorides by Method 300.1 (or other method as approved by the Division)

The rules sets out specific limits for each constituent, which if exceeded, requires reporting on a Form C-141. There are different limits for sites where ground water is 50'-100' and sites where ground water is over 100'. Under the current rule, pits may not be permitted in areas where ground water is less than 50' below the bottom of the pit. This site will require a C-141 to be submitted. The closure process may continue, as approved, without waiting for the processing of the C-141, but it is required to be submitted. The analytical data showing the limits have been exceeded, is required to be reported on the C-141 and also attached to the Final Closure C-144.

The material removal depths listed here are suggestions only. The operator is responsible to insure that sites are remediated in such a manner as will be protective of ground water, surface water, human health and the environment.

If there are any questions or concerns, please contact me.

Mike Bratcher
NMOCD District 2
575-748-1283 Ext.108

From: Logan Anderson [mailto:la_elkeenv@yahoo.com]
Sent: Thursday, September 24, 2009 2:39 PM
To: Bratcher, Mike, EMNRD
Subject: Corkran Energy - Orleans 25 #1

Mike,

Enclosed is the initial plat map and analytical for the Orleans 25 #1 Drilling pit. Groundwater is shown between 25' and 50' in the area. Corkran Energy proposes to excavate all chloride impacted soil at TP1, TP2, TP3 and TP4 above 250 ppm chloride; and place the impacted soil in the inside horseshoe (TP5) and cap with a 20 mil poly liner at 4' bgs. Clean native soil will be backfilled to grade and the site will be re-seeded per the pit closure plan.

Thanks,
Logan Anderson

Project Manager
Elke Environmental, Inc.
off 432-366-0043
cell 432-664-1269
fax 432-366-0884

Bratcher, Mike, EMNRD

From: Logan Anderson [la_elkeenv@yahoo.com]
Sent: Thursday, September 24, 2009 2:39 PM
To: Bratcher, Mike, EMNRD
Subject: Corkran Energy - Orleans 25 #1
Attachments: Initial Plat Map and Analytical.pdf; OCD Approved Initial C-144.TIF

Mike,

Enclosed is the initial plat map and analytical for the Orleans 25 #1 Drilling pit. Groundwater is shown between 25' and 50' in the area. Corkran Energy proposes to excavate all chloride impacted soil at TP1, TP2, TP3 and TP4 above 250 ppm chloride; and place the impacted soil in the inside horseshoe (TP5) and cap with a 20 mil poly liner at 4' bgs. Clean native soil will be backfilled to grade and the site will be re-seeded per the pit closure plan.

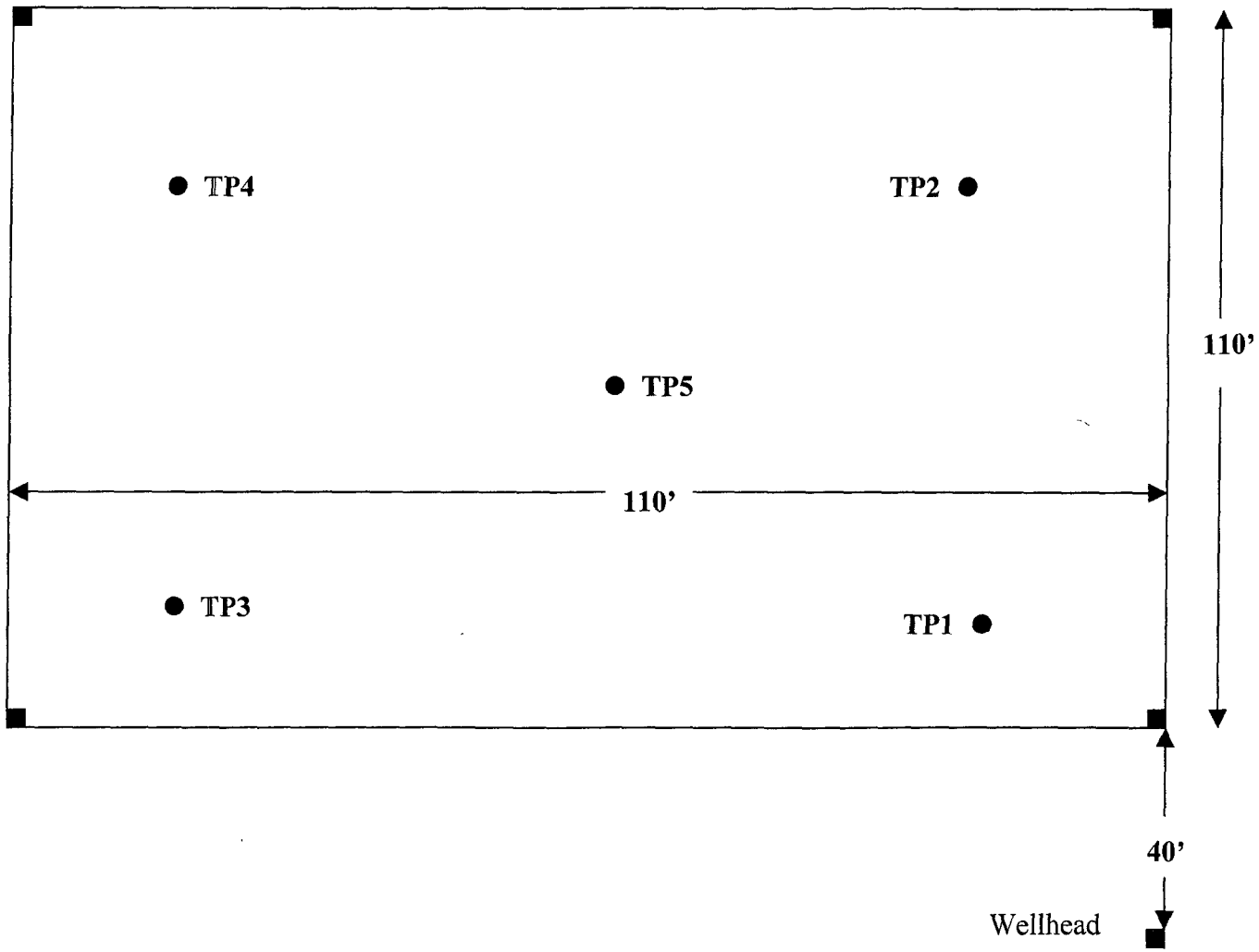
Thanks,
Logan Anderson

Project Manager
Elke Environmental, Inc.
off 432-366-0043
cell 432-664-1269
fax 432-366-0884

N

Corkran Energy – Orleans 25 #1
UL 'B' Sec. 25 T18S R26E Eddy County

Plat Map



Elke Environmental, Inc.
P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Corkran Energy **Analyst** Jason Jessup

Site Orleans 25 #1

Sample ID	Date	Depth	TPH / PPM	Cl / PPM	PID / PPM	GPS
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Copy

SEP 10 2009

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

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

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

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

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

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Corkran Energy, LP OGRID #:
Address: 300 Beardsley Lane C204, Austin Texas , 78746
Facility or well name: Orleans 25 #1
API Number: 30-015-35260 OCD Permit Number:
U/L or Qtr/Qtr Section 25 Township 18S Range 26E County: Eddy County
Center of Proposed Design: Latitude Longitude NAD: ☐1927 ☐ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 12 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other Volume: bbl Dimensions: L 150 x W 120 x D 9

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams: ☐ Welded ☐ Factory ☐ Other

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

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

Rule 50 Permitted

6.

Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☐ Alternate. Please specify_____

7.

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

☐ Screen ☐ Netting ☐ Other_____

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

8.

Signs: Subsection C of 19.15.17.11 NMAC

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

☐ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

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

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map, Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19 15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15 17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method. ☒ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search, USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

18.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:

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

Name (Print): Dennis Corkran Title: President, Hummingbird Investments LLC

Signature: [signature] Date: 9/2/2009

e-mail address: D.Corkran@corkranenergy.com Telephone: 512-329-6140

20.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☒ OCD Conditions (see attachment)

OCD Representative Signature: Signed By [signature] **Approval Date:** SEP 14 2009

Title: ENV - Spec **OCD Permit Number:** N/A

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:**

22.
Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐1927 ☐ 1983

25.
Operator Closure Certification:

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

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

C-144—Supplemental Details

Removal Details
Drilling fluids will be hauled offsite to facilities listed below. Digging will commence and cease when dirt appears "dry". All dirt/cuttings will be disposed at listed facilities.

Pit Backfill
Pit will be backfilled with clean soil brought on from offsite sources. Pit soil contents will be 4' clean dirt with 1' top soil at surface.

Re-Vegetation/Seeding
Reclaimed area will be reseeded/re-vegetated as per BLM requirements.

Testing
As required by BLM/NMOCD

Disposal Facilities
Controlled Recovery Inc --- permit #R9166
Lee Land Inc --- permit #WM-1-035

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

Conditions of approval for closure of a drilling or work over pit

Notify OCD District 2 office 48 hours prior to commencement of closure activities.

Notify OCD District 2 office 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Sampling requirements are listed in 19.15.17.13 [NMAC] (Pit Rule)

Final closure report is to be submitted to OCD not later than 60 days after completion of closure.

Surface restoration per OCD/BLM requirements.