Form C-144 July 21, 2008

State of New Mexico
Energy Minerals and Natural Resources
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francie De Department
Oil Conservation Division
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503 OB

Department
Oil Conservation Division
1220 South St. Francis Dr.

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.										
Operator: SWEPI LP OGRID #: 250036										
Address: P.O. Bex 567, Houston, TX 77001 (Local contact: Shell Exploration & Production Co. 4582 S. Ulster St. Pkwy., Suite 1400, Denver, CO 80237).										
Facility or well name: Stovall 1-13 Terry & Parnela Stovall Partnership 13 #1										
API Number: 30-509-20022 OCD Permit Number: 01-03033										
U/L or Qtr/Qtr B Section 13 Township 8N Range 53E County: Curry .										
Center of Proposed Design: Latitude 34.920650 Longitude 103.184706 NAD: ☐1927 ☐ 1983										
Surface Owner: Federal State Private Tribal Trust or Indian Allotment										
2.										
New Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: ☐ Drilling ☒ Temporary Completions ☐ Workover CONFIDENTIAL										
Temporary: ☐ Drilling ☒ Temporary Completions ☐ Workover ☐										
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A										
☑ Lined ☐ Unlined Liner type: Thickness <u>20</u> mil ☐ LLDPE ☑ HDPE ☐ PVC ☐ Other										
⊠ String-Reinforced										
Liner Seams: Welded Factory Other Volume: 37,180 bbl Dimensions: L 225ft x W 110ft x D 14ft .										
3. 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: Thicknessmil 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: Thicknessmil										
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.

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 19.15.17.12 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 dd 19.15.17.13 NMAC											
Previously Approved Design (attach copy of design) API Number: or Permit Number:											
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.											
□ Geologic and Hydrogeologic Data (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:											
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 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 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 Closed-loop System Alternative Temporary Completions Proposed Closure Method: Waste Excavation and Removal (Temporary Completions Pit) 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)											
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 G of 19.15.17.13 NMAC ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC											

Operator Application Certification:	
I hereby certify that the information submitted with this application is true,	accurate and complete to the best of my knowledge and belief.
Name (Print): Michael L. Bergstrom	Title: Senior Regulatory Advisor .
Signature: Michael J Bliathron	Date: 3/4/2011
e-mail address: Michael.Bergstrom@shell.com	Telephone: (303) 222-6347
OCD Approval: Permit Application (including closure plan) Clos	sure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature:	Approval Date:
Title:	OCD Permit Number: P1-03023
21. Closure Report (required within 60 days of closure completion): Subset Instructions: Operators are required to obtain an approved closure plan parties the closure report is required to be submitted to the division within 60 days section of the form until an approved closure plan has been obtained and	prior to implementing any closure activities and submitting the closure report. ys of the completion of the closure activities. Please do not complete this
22. Closure Method: Waste Excavation and Removal ☐ On-Site Closure Method ☐ A If different from approved plan, please explain.	Alternative Closure Method Waste Removal (Closed-loop systems only)
two facilities were utilized. Disposal Facility Name: Disposal Facility Name: Were the closed-loop system operations and associated activities performed Yes (If yes, please demonstrate compliance to the items below) Required for impacted areas which will not be used for future service and of Site Reclamation (Photo Documentation)	Disposal Facility Permit Number: Disposal Facility Permit Number: Disposal Facility Permit Number: on or in areas that will not be used for future service and operations? No
☐ Soil Backfilling and Cover Installation ☐ Re-vegetation Application Rates and Seeding Technique	
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 closures) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)	sure) Longitude NAD: \[\begin{align*} 1927 \begin{align*} 1983 \\ \end{align*}
Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this clobelief. I also certify that the closure complies with all applicable closure rec	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telenhone

SWEPI, LP Stovall 1-13, Section 13; Twp 8N; Rng 35E, Curry County, NM Responses for FORM C-144 Section 10

GROUNDWATER

A search was conducted for recorded wells, in Twp 8N; Rng 35E, Curry County, NM, in the iWATERS on-line data base maintained by the New Mexico Office of the State Engineer. Six wells were identified in the search area but none of them are located in Section 13 and the nearest recorded well is located approximately 1.3 miles to the southeast. Well records from iWATERS indicate that each of these wells is screened in excess of 150 feet below ground level. Groundwater is, therefore, at least 150 feet below the bottom of the proposed temporary completion pit. In addition, a field reconnaissance conducted by Mr. David Janney of AMEC on February 14, 2011, identified three residences located between 1,700 and 4,000 feet of the proposed Stovall 1-13 gas exploration well. While water wells at these residences are not recorded in iWATERS, there are to be unrecorded stock and/or domestic wells at each of these locations. The construction details of these likely wells are not known. A copy of the iWATERS search results for Twp 8N; Rng 35E is included as Attachment 1.0.

SURFACE WATER

A review was conducted of the USGS 7.5 minute topographic quadrangle maps for Gato to assess the distance to the nearest continuously flowing stream. None were identified from the review. Buffalo Lake, however is an ephemeral playa, the center of which is located approximately 3,000 feet northwest of the proposed gas well location. In addition, a field reconnaissance was conducted by Mr. David Janney of AMEC on February 14, 2011. No continuously flowing streams we identified with 300 feet of the proposed well location. A copy of the topographic map showing Buffalo Lake and verification certificate of siting are included as Attachments 2.0 and 2.1.

RESIDENCES OR INSTITUTIONS

A review was conducted on a Google Earth aerial photographic image of the area to assess the distance to the nearest residence. No residences were identified within 300 feet of the proposed drilling location. A copy of the Google Earth image showing the area within 1,700 feet of the proposed well location is included as Attachment 3.0.

MUNICIPAL BOUNDARIES

A review was conducted on a Google Earth aerial photographic image of the area to assess the distance to the nearest municipal boundary or municipal fresh water well field. The nearest unincorporated municipality is Grady, New Mexico which is located approximately 10 miles to the southwest. In addition, a field reconnaissance was conducted by Mr. David Janney of AMEC on February 14, 2011. No municipalities were identified within more than 10 miles of the proposed well location. A copy of the verification certificate is included as Attachment 2.1.

WETLANDS

A search was conducted of the US Fish and Wildlife Wetland Identification Map on-line system. No wetlands were identified within 500 feet of the proposed drill location. In addition, a field reconnaissance was conducted by Mr. David Janney of AMEC on February 14, 2011. No wetlands we identified with 500 feet of the proposed drill location. A copy of the US Fish and Wildlife wetlands search page and the verification certificate are included as Attachments 4.0 and 2.1.



New Mexico Office of the State Engineer

Point of Diversion by Location (with Owner Information)

		(ac	ere ft per an	num)				(quarters are 1=					(NAD83 UTM	in meters)	
	Sub							11.00	9 9	q				14 11 12	
WR File Nbr	basin	Use	Diversion	Owner	County	POD Number	Grant	Source	6416	4 Sec	Tws	Rng	X	Y	
CC 01212		STK	0	HARRY D. COOPER	CU	CC 01212			4 4	4 34	08N	35E	663130	3859604*	
CC 01490		STK	3	ROY FORD	CU	CC 01490		Shallow	1 1	3 23	08N	35E	663281	3863436*	
CC 01890		STK	3	STAN FURY	CU	CC 01890		Shallow	4 2	2 21	08N	35E	661558	3863965	
CC 02108		STK	3	C J BLACKBURN	CU	CC 02108 POD1		Shallow	4 4	2 11	08N	35E	664683	3866801	
CC 02151		STK	3	BEVERLY NITZ	CU	CC 02151 POD1		Shallow	2 4	2 24	08N	35E	666333	3863835	
CC 02167		STK	3	KELLY BONEY	CU	CC 02167 POD1			3 3	3 03	08N	35E	661620	3867584	

Record Count: 6

PLSS Search:

Township: 08N Range: 35E

Sorted by: File Number

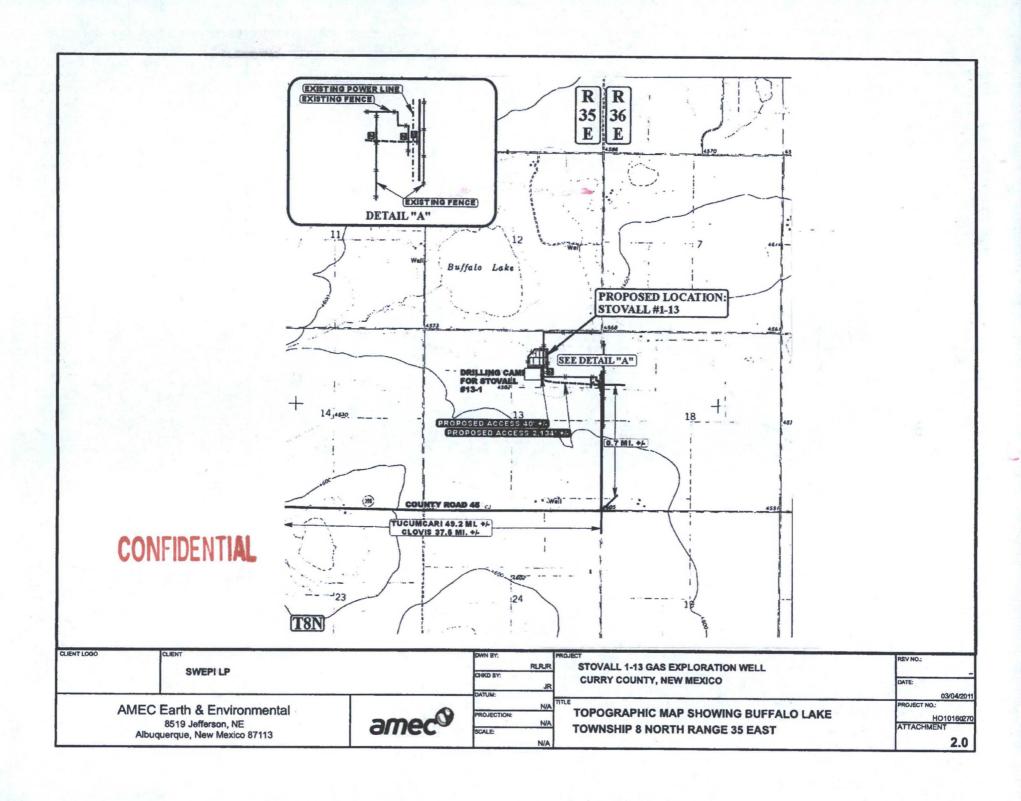
*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness reliability, usability, or suitability for any particular purpose of the data.

3/4/11 12:35 PM

DOINT OF DIVERSION BY LOCATION

a a second	CON	-IDENTIAL	PERMITTE		
CLIENT LOGO	SWEPI LP		DWN BY:	RLRJR STOVALL 1-13 GAS EXPLORATION WELL CURRY COUNTY, NEW MEXICO	REV HO.: DATE: 03/04/20
AM	MEC Earth & Environmental 8519 Jefferson, NE Albuquerque, New Mexico 87113	amec [©]	PROJECTION: SCALE:	IWATERS DATA BASE SEARCH TOWNSHIP 8 NORTH RANGE 35 EAST	PROJECT NO: HO101602: ATTACHMENT 1.0



ATTACHEMENT 2.1

Certification of Siting Criteria, Stovall 1-13 Gas Well, Sec 13; Twp 8N; Rng 35E, Curry County, New Mexico

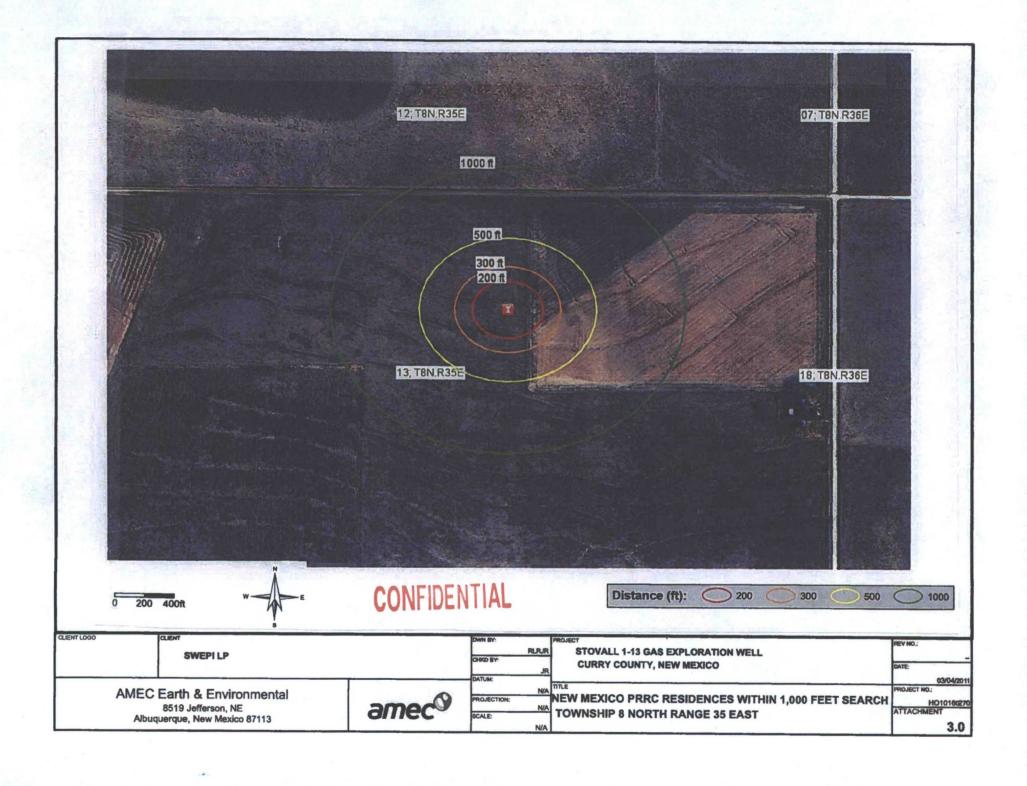
I, David Janney, have performed a site visit and visual inspection to look for the presence of continuously flowing watercourses, lakebeds, playa lakes, sink holes, residences, schools, hospitals, churches, evidence of underground mines, water wells, institutions, and incorporated municipal boundaries within the specified distances (listed below) of the proposed gas well location in Section 13, Township 8 North, Range 35 East, Curry County, New Mexico. I did not observe any of these features within the proposed well area or within the distances indicated in the items listed below (items i. through v.). Drilling will not take place within any of the restricted distances.

<u>David Janney</u> David Janney Senior Geologist



2-14-2011 Date

- Date
- i. Within 200 feet of a continuously flowing watercourse, lakebed, sinkhole, or playa lake;
- ii. Within 500 feet of a private domestic fresh water well or spring;
- iii. Within, or within 500 feet of, a wetland;
- iv. Within the area overlying a subsurface mine;
- v. Within 300 feet from the nearest permanent residence, school, hospital, institution or church; or.
- vi. Within an incorporated municipality or municipal fresh water well field.





U.S. Fish and Wildlife Service

National Wetlands Inventory

WETLANDS NEAR SOVALL 1-13

Mar 4, 2011



Wetlands

Freshwater Emergent
Freshwater Forested/Shrub
Estuarine and Marine Deepwater
Estuarine and Marine
Freshwater Pond
Lake
Riverine
Other

User Remarks:

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

CONFIDENTIAL

		SWEPI LP		RLRJR CHKD BY: JR	STOVALL 1-13 GAS EXPLORATION WELL CURRY COUNTY, NEW MEXICO	DATE: 03/04/2011
The State of the	1	Earth & Environmental 8519 Jefferson, NE uerque, New Mexico 87113	amec	PROJECTION: N/A SCALE: N/A	US FISH AND WILDLIFE WETLANDS SEARCH RESULTS TOWNSHIP 8 NORTH RANGE 35 EAST	PROJECT NO.: HO10160270 ATTACHMENT 4.0

RE Subsurface Mines Check.txt

Tompson, Mike, EMNRD [Mike.Tompson@state.nm.us] Friday, March 04, 2011 9:13 AM From: Sent:

Janney, David To:

Subject: RE: Subsurface Mines Check

David,

We haven't started the Cerrillos project yet. We are dealing with some contractual issues. Hope to get through that soon.

The Abandoned Mine Land Program knows of no abandoned mines in the section you described.

Hope all is well with you as well.

Mike Tompson

From: Janney, David [mailto:david.janney@amec.com] Sent: Thursday, March 03, 2011 6:04 PM To: Tompson, Mike, EMNRD

Subject: RE: Subsurface Mines Check

Greetings Mike:

I hope you are doing well.

Is the Cerrillos project about to kickoff?

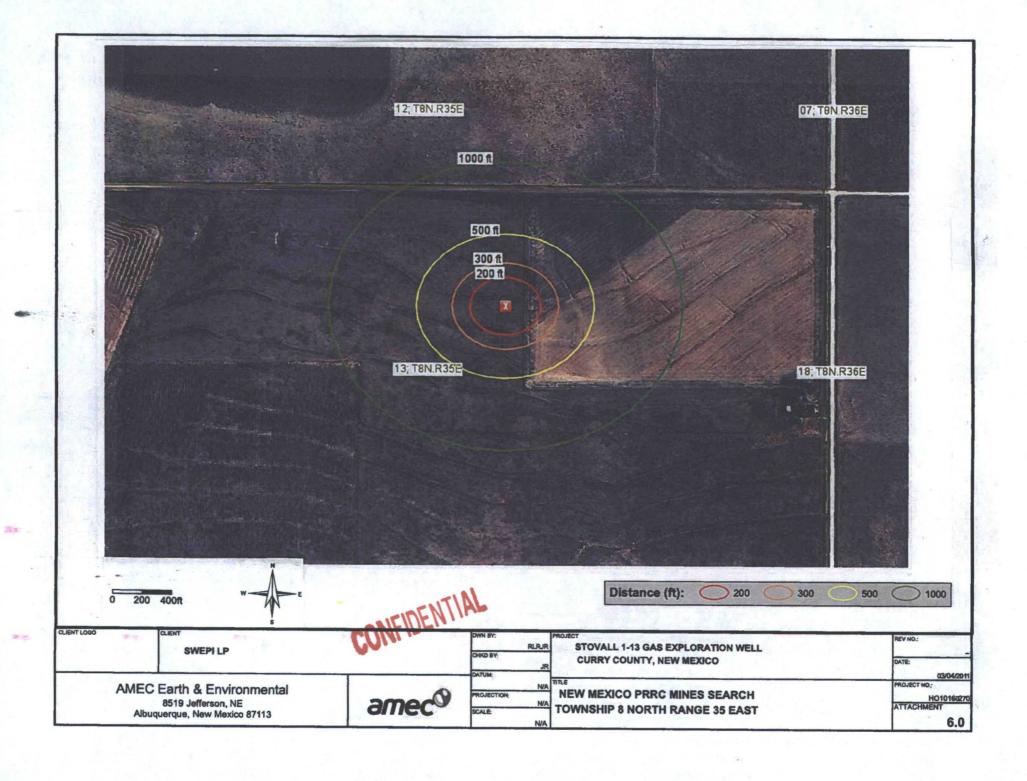
I need a favor from you if you have the time. If not, can you please direct me to someone who can help me?

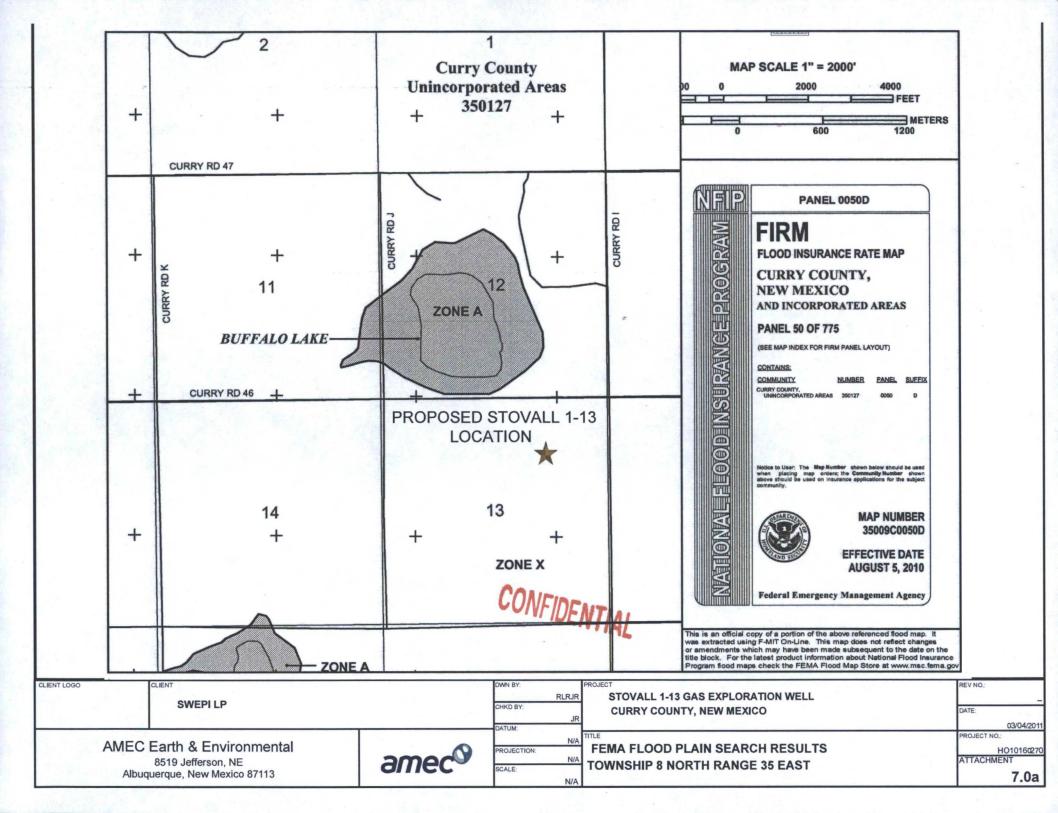
I need to confirm that there are no subsurface mines in Sec 13, Twp 8N, Range 35E in Curry County, just northeast of Grady. I did the search on the PRRC data base and none appeared in the Section. Can you please confirm that your records also indicate there are no mines in the Section? I have attached the figure I downloaded from the PRRC database.

Sincerely.

David Janney

CLENT CLENT		repair steep to	DWN BY: RLRJR	PROJECT STOVALL 1-13 GAS EXPLORATION WELL	REV NO.:
	SWEPI LP		CHIXD BY: JR DATUM:	CURRY COUNTY, NEW MEXICO	DATE: 03/04/2011
AME	Earth & Environmental 8519 Jefferson, NE	amec®	N/A	EMNRD NO SUBSURFACE ABANDONED MINE CONFIRMATION TOWNSHIP 8 NORTH RANGE 35 EAST	PROJECT NO: HO10160270 ATTACHMENT
Alb	uquerque, New Mexico 87113	Office	SCALE: N/A	TOTAL OF THE PARTY	5.0





LEGEND



SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V, and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.

ZONE A No Base Flood Elevations determined. ZONE AE Base Flood Elevations determined.

Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood ZONE AH Elevations determined.

Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); ZONE AO average depths determined. For areas of alluvial fan flooding, velocities also determined.

Special Flood Hazard Area formerly protected from the 1% annual ZONE AR chance flood by a flood control system that was subsequently decertified. Zone AR indicates that the former flood control system is being restored to provide protection from the 1% annual chance or greater flood.

ZONE A99 Area to be protected from 1% annual chance flood by a Federal flood protection system under construction; no Base Flood Elevations determined.

Coastal flood zone with velocity hazard (wave action); no Base Flood Elevations ZONE V determined.

Coastal flood zone with velocity hazard (wave action); Base Flood Elevations ZONE VE determined.



FLOODWAY AREAS IN ZONE AE

The floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.

OTHER FLOOD AREAS

ZONE X

Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.

OTHER AREAS

Areas determined to be outside the 0.2% annual chance floodplain. ZONE X Areas in which flood hazards are undetermined, but possible. ZONE D

COASTAL BARRIER RESOURCES SYSTEM (CBRS) AREAS

	OTHER A	REAS	-
ZONE X	All the second second	ermined to be outside the 0.2% annual chance floodplain. which flood hazards are undetermined, but possible.	
	COASTAL	BARRIER RESOURCES SYSTEM (CBRS) AREAS	
1111	OTHERW	/ISE PROTECTED AREAS (OPAs)	
CBRS areas	and OPAs an	e normally located within or adjacent to Special Flood Hazard	Areas.
		1% annual chance floodplain boundary	
		0.2% annual chance floodplain boundary	
		Floodway boundary	
		Zone D Boundary	
•••••	•••••	CBRS and OPA Boundary	
	-	Boundary dividing Special Flood Hazard Areas of diff Base Flood Elevations, flood depths or flood ve	
~~~ 51 (EL S	3 ~~	Base Flood Elevation line and value; elevation in feet* Base Flood Elevation value where uniform within zone; elevation in feet*	
*Referenced	to the North	American Vertical Datum of 1988	
(A)—	—(A)	Cross section line	
23	23	Transect line	
97° 07' 30",	32° 22' 30"	Geographic coordinates referenced to the North American Datum of 1983 (NAD 83)	
² 76°	^{00m} E	1000-meter Universal Transverse Mercator grid values, zone	13
6000	00 FT	5000-foot grid ticks: New Mexico State Plane coordinate sys East Zone (FIPSZONE 3001), Transverse Mercator projection	
DX5	510×	Bench mark (see explanation in Notes to Users section of thi FIRM panel)	S
• 1	11.5	River Mile	
THE		MAP REPOSITORIES	
MTIAL		Refer to Map Repositories list on Map Index.	
		EFFECTIVE DATE OF COUNTYWIDE FLOOD INSURANCE RATE MAP	

AUGUST 5, 2010

EFFECTIVE DATE(S) OF REVISION(S) TO THIS PANEL

CLIENT LOGO	SWEPI LP	DWN BY:		PROJECT STOVALL 1-13 GAS EXPLORATION WELL	REV NO.:
SWEPILP			CHKD BY:  JR  DATUM:	CURRY COUNTY, NEW MEXICO	DATE: 03/04/201
	Earth & Environmental 8519 Jefferson, NE Iquerque, New Mexico 87113	amec®	N/A PROJECTION: N/A SCALE: N/A	FEMA FLOOD PLAIN SEARCH RESULTS TOWNSHIP 8 NORTH RANGE 35 EAST	PROJECT NO.:  HO1016@70  ATTACHMENT  7.0b