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 Di., Santa Fe, NM 87505

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

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and

provide a copy to the appropriate NMOCD District Office. 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 hability 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. OGRID#: Facility or well name: 111PMO 4 5+ #2 API Number: 30-025-36452 OCD Permit Number: Range 35E County: Lea Township 7 Center of Proposed Design: Latitude N32'25'34.0 Longitude W103'22'17.9 Surface Owner: Federal X State Private Tribal Trust or Indian Allotment Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: X Drilling Workover Permanent Emergency Cavitation P&A X String-Reinforced Volume: 12,000 bbl Dimensions: L140'x W140'x D 6' Liner Seams: X Welded X Factory Other ___ 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 Lincd Unlined Liner type: Thickness _____mil LLDPE HDPE PVC Other 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 Alternative Method:

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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	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 of church) X Four foot height, four strands of barbed wire evenly spaced between one and four feet		
	Alternate. Please specify		
L			
	Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)		
l	Screen Netting & Other N/A (Temp Pit No Netting Required)		
	Monthly inspections (If netting or screening is not physically feasible)		
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	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		
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	9. Administrative Approvals and Exceptions:		
1	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.	office for	
	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		
١	Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept	otable source	
	material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approx	priate district	
-	office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry	<i>pproval.</i> ing pads or	
ļ	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	☐ Yes 🛣 No	
	lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site		
	Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes No	
İ	(Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	X NA	
	Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes X No	
	(Applies to permanent pits)	X NA	
	- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image		
	Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.	☐ Yes 📈 No	
	- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site		
	Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	Yes No	
	adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality		
	 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.	□ v. 17 1 x.	
	- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	Yes X No	
	Within an unstable area.	Yes No	
	 Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 		
	Within a 100-year floodplain.	Ver NO N	
	- FEMA map	Yes 🔀 No	
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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			
### 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			
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:			
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)			
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 H₂S, 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 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			

Waste Removal Closure For Closed-loop Systems That Utilize Above Groun Instructions: Please indentify the facility or facilities for the disposal of liquid facilities are required.	nd Steel Tanks or Haul-off Bins Only: (19.15.17.13.18), drilling fluids and drill cuttings. Use attachment if n	O NMAC) nore than two		
Disposal Facility Name:	Disposal Facility Permit Number:			
Disposal Facility Name:				
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 G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17.13 NMAC				
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; E	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; D	Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Ground water is more than 400 feet below the bottom of the buried waste. - NM Office of the State Engineer - 1WATERS database search; USGS, E	Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	significant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No		
Within 300 feet from a permanent residence, school, hospital, institution, or chu - Visual inspection (certification) of the proposed site; Aerial photo; Satel		☐ Yes ☐ No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that watering purposes, or within 1000 horizontal feet of any other fresh water well of NM Office of the State Engineer - iWATERS database; Visual inspection	or spring, in existence at the time of initial application.	☐ Yes ☐ No		
Within incorporated municipal boundaries or within a defined municipal fresh wadopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approximation	•	Yes No		
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Vi	isual 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-Min	ing and Mineral Division	☐ Yes ☐ No		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geol Society; Topographic map	ogy & Mineral Resources; USGS; NM Geological	☐ 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. Sting 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 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 19.15.17.13 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

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Operator Application Certification: Thereby certify that the information submitted with this application is to	
I hereby certify that the information submitted with this application is true.	ie, accurate and complete to the best of my knowledge and belief.
Name (Print). DE PORTIGUEZ Signature.	Title: Super V/Soy
Signature. Joefform	Date.
e-mail address: JOE V VOOL Q yohoo, Com	Telephone: <u>575-441-8058</u>
OCD Approval: Permit Application (including closure plan)	losure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: The Row de Ring	Approval Date: 02/03/09
Title: Environmental Engineer	Approval Date: 02 63 09 OCD Permit Number: P1-DD896
21. Closure Report (required within 60 days of closure completion): Sub- Instructions: Operators are required to obtain an approved closure pla. The closure report is required to be submitted to the division within 60 d section of the form until an approved closure plan has been obtained an	n prior to implementing any closure activities and submitting the closure report. days of the completion of the closure activities. Please do not complete this
22.	
11 different from approved plan, please explain.	Alternative Closure Method
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 liqu	ids, drilling fluids and drill cuttings were disposed. Use attachment if more than
two facilities were utilized. Disposal Facility Name:	Proceed Parks 14 Parks 14
Disposal Facility Name: Disposal Facility Name:	
Were the closed-loop system operations and associated activities perform Yes (If yes, please demonstrate compliance to the items below)	ned on or in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service and Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	d operations.
24	
Closure Report Attachment Checklist: Instructions: Each of the followark in the box, that the documents are attached.	owing items must be attached to the closure report. Please indicate, by a check
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 of Disposal Facility Name and Permit Number	closure)
Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
Site Reclamation (Photo Documentation) On-site Closure Location: Latitude	Longitude NAD:
25.	
Operator Closure Certification:	
belief. I also certify that the information and attachments submitted with this obelief. I also certify that the closure complies with all applicable closure	closure report is true, accurate and complete to the best of my knowledge and requirements and conditions specified in the approved closure plan.
Name (Print):	Title:
1	
Signature:	Date:

Closure Procedure For Temporary Drilling Pits

- 1. De-water pit within 30 days of rig release.
- 2. Weekly inspection of fluid level in drilling pit after rig release date until fluids are removed. Weekly levels will be recorded in a log to be submitted to the appropriate OCD district office at time of pit closure.
- 3. All removed pit fluids will be disposed of in an OCD approved manner at one of the listed OCD approved disposal facilities.

Disposal Facility: Sundance Services, Inc.

Disposal Facility Permit Number: NM-01-0003

- 4. If fluids are reclaimed the appropriate OCD district office will be contacted beforehand for approval to do so.
- 5. Within 6 months of the rig release date and after the removal of all free liquids from the temporary drilling pit, the surface owner will e notified by certified mail, return receipt requested that the operator will close the pit. OCD division office will be notified verbally that waste excavation and removal will begin.
- 6. All impacted contents of the temporary drilling pit will be stabilized by mixing of dry non-waste containing earthen material so that such material will pass a paint filter test.
- 7. All stabilized pit contents, including the synthetic pit liner will be loaded into trucks and transferred to the division-approved facility listed below for proper disposal.

Disposal Facility: Sundance Services, Inc.

Disposal Facility Permit Number: NM-01-0003

8. Once all visually impacted materials have been removed from the temporary drilling pit, testing and analyzing of the soils beneath the pit will be conducted in accordance with 19.15.17.13, B., 1 (b) (I) or (ii) whichever is appropriate to determine if a release has occurred during utilization of the pit.

- 9. When analysis indicates that the soils within the pit area are within the recommended actions levels backfilling will begin.
- 10. Backfill material will consist of non-waste containing earthen material. The cleaned out drilling pit will be filled with such material to a level which shall allow space for the addition of topsoil which will be equal to the thickness of the background topsoil or one foot whichever is greater as directed in 19.15.17.13, H (1) NMAC
- 11. The topsoil cover will be placed on to thirdly pit area in a manner of existing grade and will prevent ponding of water and erosion of the cover material.
- 12. Within 60 days of closure completion a closure report on form C-144 will be submitted to the appropriate district office. The report will contain detailed information on the backfilling, capping. The closure report will also include a plat of the closed pit location on a form C-105.
- 13. Within the first growing season after the approved pit closure seeding of th pit area shall occur. The seeding will be performed in accordance with 19.1517.13, I, (2) (3) (4) (5).

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Nearburg Producing Co. Drilling Operations Requirements for Temporary Reserve Pit.

While the drilling rig is onsite, Operator's representative will inspect the temporary pit daily to ensure that the liner is intact, and tat no releases are occurring.

Thereafter, the operator shall inspect at least once weekly as long as liquids remain in the temporary pit.

Operator will maintain a log of such inspections and make the log available to the appropriate NMOCD District office upon request.

A copy of the inspection log shall be filed with the NMOCD when operator closes the pit.

Operator must notify NMOCD if liner is damaged, and must repair or replace the damaged liner. Operator has 48 hours to notify NMOCD and make repairs

NO HOLES in pit liners- not even in the part of the liner that is not in the reserve pit.

All drilling fluids to be removed from temporary pit within 30 days of rig release date

Hydrocarbon based drilling fluids will be stored in steed pits.

Liner- will be 20mil., string reinforced with welded seams.

Fluids to be added to pit through a header, diverter, or other hardware that prevents damage to ling by erosion, fluid jets, or impacts from installations and removal of hoses or pipes.

Operator shall have onsite an oil absorbent boom or other device to contain and remove oil from a pits surface.

Operator mast maintain a freeboard of at least two feet for a temporary pit.

Pit will be bermed to prevent run on of water into the pit.

Safety:

With the use of a temporary pit operator is better able to conduct flammable and Dangerous fluids further away from rig personnel and will bore.

Nearburg Producing Co. Design Requirements For Temporary Reserve Pit

Sign posted on site / location or on the fence of reserve pit identifying the operator, listing their phone #, location of site by 1/4 / 1/4 or unit letter, and S-T-R.

Pit must be fenced to prevent unauthorized access. Fence must remain in good repair. The fence to be barbed wire, space at 1 foot intervals from 1' to 4' off ground. Pit will be fenced on 3 sides during drilling; the 4th side will be fenced upon removal of drilling rig.

Slope of the pit walls is no greater than two horizontal feet to one vertical foot.

Welded liner seams must run up & down the banks of the pit, not horizontally across them.

Field seams must be welded.

Edges of the liner must be anchored in trenches at least 18 inches deep. Edge of liner will protrude from the outside edge of the trench.

Pit shall be designed to prevent to run on of surface water.