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.

Proposed Alternative Method Permit or Closure Plan Application

1 toposed Alternative Wethod Fermit of Closure Fian Application
Type of action: Below grade tank registration Permit of a pit or proposed alternative method Closure of a pit, below-grade tank, or proposed alternative method
BGT 1 Modification to an existing permit/or registration Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank,
or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the nvironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances
Operator: Hilcorp Energy Company OGRID #: 372171
Address: 382 Road 3100 Aztec, NM 87410
Facility or well name: Hammond WN Federal 1
API Number: <u>30-045-06224</u> OCD Permit Number:
U/L or Qtr/Qtr L Section 25 Township 27N Range 8W County: San Juan
Center of Proposed Design: Latitude 36.54166 Longitude -107.63987 NAD27
Surface Owner: M Federal M State M Private M Tribal Trust or Indian Allotment
2.
<u>Pit</u> : Subsection F, G or J of 19.15.17.11 NMAC
Temporary: Drilling Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management ☐ Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: Welded Factory Other Volume: bbl Dimensions: Lx Wx D
3.
⊠ Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume:bbl Type of fluid:Produced Water
Tank Construction material:Metal
☐ 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
4.
Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
5.
<u>Fencing:</u> 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

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	
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.	
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 accept material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.	otable source
General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - □ NM Office of the State Engineer - iWATERS database search; □ USGS; □ Data obtained from nearby wells	☐ Yes ☐ No ☑ NA
<u>Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.</u> NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☑ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks) - Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes No
Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
 Within an unstable area. (Does not apply to below grade tanks) Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ☐ No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
<u>Temporary Pit using Low Chloride Drilling Fluid</u> (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.	☐ Yes ☐ No
- 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. 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	☐ Yes ☐ No
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 Naturations: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docattached. 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 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. and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number:	NMAC 15.17.9 NMAC
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 docattached. 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	

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 description is the subsection of the following items must be attached to the application.	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 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 		
13. 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 Fl Alternative Proposed Closure Method: Waste Excavation and Removal	uid Management 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		
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be a closure plan. Please indicate, by a check mark in the box, that the documents are attached. □ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC □ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC □ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) □ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC □ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	attached to the	
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 sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Polis.17.10 NMAC for guidance.		
Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA	
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells Yes No NA		
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells Yes No 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). - Topographic map; Visual inspection (certification) of the proposed site		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image		
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - 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		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance		

lopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality Yes \[\text{No.} \] Yes \[\text{No.} \]			
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and	☐ Yes ☐ No		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Society; Topographic map	Mineral Resources; USGS; NM Geological		
Within a 100-year floodplain.		Yes No	
- FEMA map		☐ Yes ☐ No	
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 E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 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 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC 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			
17. Operator Application Certification:			
I hereby certify that the information submitted with this application is true, accurate ar			
Name (Print):	Title:		
Signature:	Date:		
e-mail address:	Telephone:		
18. OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (closure Plan)	nly)		
OCD Representative Signature:	Approval Date: Octo	ber 14, 2021	
F	D Permit Number: BGT 1		
Closure Report (required within 60 days of closure completion): 19.15.17.13 NM/ Instructions: Operators are required to obtain an approved closure plan prior to import to the closure report is required to be submitted to the division within 60 days of the consection of the form until an approved closure plan has been obtained and the closure	lementing any closure activities and submitting mpletion of the closure activities. Please do no		
20. Closure Method: ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative ☐ ☐ If different from approved plan, please explain. Permitted in Error	Closure Method Waste Removal (Closed-l	oop systems only)	
Closure Report Attachment Checklist: Instructions: Each of the following items in 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 for private land only) 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	nust be attached to the closure report. Please in	ndicate, by a check	
□ Soil Backfilling and Cover Installation □ Re-vegetation Application Rates and Seeding Technique □ Site Reclamation (Photo Documentation) On-site Closure Location: Latitude	NAD: □192	7 □ 1092	

22.			
Operator Closu	re Certification:		
I hereby certify t	hat the information and attachments submitted with	h this closure report is true, a	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):	Kandis Roland	Title:	Operations/Regulatory Technician – Sr
Signature:	Kandís Roland		Date:10/4/2021
e-mail address:	kroland@hilcorp.com	Telephone:(713)	757-5246

Form C-144
Released to Imaging: 10/14/2021 9:52:02 AM

Hammond WN Federal 1 30-045-06224

Upon review of the subject well's location and historical area images, it was found that a below ground tank was never installed on this location and it was permitted in error by ConocoPhillips.

Kandis Roland

From: Whitehead, Christopher , EMNRD < Chris.Whitehead@state.nm.us>

Sent: Monday, October 4, 2021 9:19 AM

To: Kandis Roland Cc: Mandi Walker

Subject: RE: [EXTERNAL] FW: Hammond WN Federal 1 - 3004506224 - Run 905

Kandis,

Based on our phone conversation on 10/1, this is sufficient to resolve this C-144LB registration submitted on 9/13 with application ID 48218. Note, this specific circumstance is applicable to this particular case and not a general policy of OCD for closure of BGTs.

I would also recommend including this email correspondence in the submittal to include in the historical record for this well site.

Christopher Whitehead • Environmental Specialist

Environmental Bureau • EMNRD - OCD

From: Kandis Roland kroland@hilcorp.com Sent: Monday, October 4, 2021 7:03 AM

To: Whitehead, Christopher, EMNRD < Chris. Whitehead@state.nm.us>

Cc: Kandis Roland kroland@hilcorp.com; Mandi Walker mwalker@hilcorp.com;

Subject: [EXTERNAL] FW: Hammond WN Federal 1 - 3004506224 - Run 905

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Chris,

This is the permit that we discussed Friday. I have filled out a C-144 BGT closure cover page and was planning on attached the below statement. Please let me know if any other attachments/photos are required to close out this BGT permit. If not, I will filed this closure in e-permitting today.

"Hammond WN Federal 1 30-045-06224

Upon review of the subject well's location and historical area images, it was found that a below ground tank was never installed on this location and it was permitted in error by ConocoPhillips."

Thanks,

Kandis Roland
HILCORP ENERGY
San Juan East/South Regulatory
713.757.5246
kroland@hilcorp.com

From: OCDOnline@state.nm.us < OCDOnline@state.nm.us >

Sent: Wednesday, September 22, 2021 4:16 PM **To:** Kandis Roland kroland@hilcorp.com

Subject: [EXTERNAL] The Oil Conservation Division (OCD) has approved the application, Application ID: 48218

To whom it may concern (c/o Kandis Roland for HILCORP ENERGY COMPANY),

The OCD has approved the submitted *Pit, Legacy BGT Requested Prior Documentation (Legacy Below Grade Tanks)* (C-144LB), for API number (30-#) 30-045-06224, with the following conditions:

 Registration accepted with condition that due to proximity to wetlands of less than 300 feet that BGT undergoes closure within 120 days.

The signed C-144LB can be found in the OCD Online: Imaging under the API number (30-#).

If you have any questions regarding this application, please contact me.

Thank you,
Christopher Whitehead
Environmental Specialist – Advanced
505–490–3894
Chris.Whitehead@state.nm.us

New Mexico Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, NM 87505

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While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

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 53630

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	53630
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	10/14/2021