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

BGT1 Closure Report or proposed alternation	submit one application (Form C-144) p est does not relieve the operator of liability	t, or proposed alternation registration existing permitted of the remaining permitted of the remaining per individual pit, below should operations result	or non-permitted pit, below- v-grade tank or alternative red in pollution of surface water, gr	quest round water or the
operator: Simcoe, LLC		OGRID #: ³	329736	
Operator: Simcoe, LLC Address: 1199 Main Ave., Suite 101	, Durango, CO 81301			
Facility or well name: NEBU #239				
	OCD	Permit Number:		
API Number: 30-045-33213 U/L or Qtr/Qtr N Section	Township 31N	Range 6W	County: San Juan	
Center of Proposed Design: Latitude 3	6.91023138 Long	gitude -107.5074671	NAD	
Surface Owner: Federal State				
☐ Pit: Subsection F, G or J of 19.15. Temporary: ☐ Drilling ☐ Workover ☐ Permanent ☐ Emergency ☐ Cavita ☐ Lined ☐ Unlined Liner type: Th ☐ String-Reinforced ☐ Factory Liner Seams: ☐ Welded ☐ Factory 3. ☐ Below-grade tank: Subsection I or Volume: 80 _ bbl Tank Construction material: Steel ☐ Secondary containment with leak de ☐ Visible sidewalls and liner ☐ Visible Liner type: Liner type: Thickness	ation P&A Multi-Well Fluid Manickness mil LLDPE Other F19.15.17.11 NMAC Tank ID: Type of fluid: Produced Water etection Visible sidewalls, liner, 6-in ible sidewalls only Other	HDPE PVC C	Other x W	
Alternative Method: Submittal of an exception request is requ	uired. Exceptions must be submitted to	the Santa Fe Environm	ental Bureau office for consid	leration of approval.
Chain link, six feet in height, two strinstitution or church)	NMAC (Applies to permanent pits, temp rands of barbed wire at top (Required if lapted wire evenly spaced between one and	ocated within 1000 feet		hool, hospital,

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)	
7. Signs: Subsection C of 19.15.17.11 NMAC ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers ☐ Signed in compliance with 19.15.16.8 NMAC	
8. Variances and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
9. Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accematerial are provided below. Siting criteria does not apply to drying pads or above-grade tanks.	ptable 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
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. 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
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - 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. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
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	☐ Yes ☐ No

Form C-144
Released to Imaging: 7/26/2022 10:51:26 AM

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 N Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the doc 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 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. and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API 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 doc attached. Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC A List of wells with approved application for permit to drill associated with the pit. Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 and 19.15.17.13 NMAC Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC	

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 19.15.17.12 NMAC	
☐ Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan	
Emergency Response Plan	
☐ Oil Field Waste Stream Characterization ☐ Monitoring and Inspection Plan	
Erosion Control Plan	
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	
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 F	luid Management Pit
Proposed Closure Method: Waste Excavation and Removal	
Waste Removal (Closed-loop systems only)	
On-site Closure Method (Only for temporary pits and closed-loop systems)	
☐ In-place Burial ☐ On-site Trench Burial ☐ Alternative Closure Method	
14.	
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be	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 C of 19.15.17.13 NMAC	
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)	
Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
Site Rectamation Fian - based upon the appropriate requirements of Subsection Fi of 19.13.17.13 NWAC	
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	eco matorial aro
provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. F	
19.15.17.10 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	Yes No
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ NA
Ground water is more than 100 feet below the bottom of the buried waste.	Yes No
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	∐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa	☐ 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. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence	Yes No
at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	
Written confirmation or verification from the municipality; Written approval obtained from the municipality	No Da
	Yes No
Within 300 feet of a wetland. US Figh and Widdlife Wetland Identification man: Topographic man: Visual inspection (certification) of the proposed site.	
US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ 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
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plans 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 19.15.17.13 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 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot 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 Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	.11 NMAC 15.17.11 NMAC
17. Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and bel	
Name (Print): Title:	
Signature: Date:	
e-mail address: Telephone:	
18. Report OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature: <u>Jaclyn Burdine</u> Approval Date: <u>07/26</u>	/2022
Title: Environmental Specialist-A OCD Permit Number: BGT1	
19. Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: 4/7/2022	
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-le If different from approved plan, please explain.	oop systems only)

22.	
Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this clo	
belief. I also certify that the closure complies with all applicable closure red	
Name (Print): Sabre Beebe	Title: Field Environmental Coordinator
Signature: Sabre Beebe	Date: 5/3/2022
e-mail address: sabre.beebe@ikavenergy.com	Telephone: (970) 852-5172

SIMCOE, LLC SAN JUAN BASIN, NORTHWEST NEW MEXICO

Well Name: NEBU #239 Well API# 30-045-33213 Unit Letter N, Section 7, T31N, R6W

BELOW-GRADE TANK CLOSURE PLAN

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

General Closure Plan

1. SIMCOE, LLC shall notify the surface owner by certified mail that it plans to close a BGT. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records demonstrates compliance with this requirement.

Notice was provided and is attached.

2. SIMCOE, LLC shall notify the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice shall include the operator's name, and the location to be closed by unit letter, section, township, and range. If the BGT closure is associated with a particular well, then the notice shall also include the well's name, number, and API number.

Notice was provided and is attached.

- 3. SIMCOE, LLC shall remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. The facilities to be utilized are:
 - a. JFJ Land farm, Permit NM-01-010(B) (Solids and Sludge)
 - b. Basin Disposal, Permit NM-01-0005 (Liquids)
 - c. Envirotech Inc Soil Remediation Facility, Permit NM-01-0011 (Solids and Sludge)
 - d. Simcoe, LLC Operated 13 GCU SWD # 1, API 30-045-28601 (Liquids)
 - e. Simcoe, LLC Operated GCU 259 SWD, API 30-045-20006 (Liquids)
 - f. Simcoe, LLC Operated GCU 306 SWD, API30-045-24286 (Liquids)
 - g. Simcoe, LLC Operated GCU 307 SWD, API30-045-24248 (Liquids)
 - h. Simcoe, LLC Operated GCU 328 SWD, API 30-045-24735 (Liquids)
 - i. Simcoe, LLC Operated Pritchard SWD #1, API 30-045-28351 (Liquids)

All liquids and/or sludge within the BGT were removed and sent to one of the above NMOCD approved facilities for disposal.

4. Simcoe, LLC shall remove the BGT and dispose of it in a NMOCD approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD approves. If a liner is present and must be disposed of it will be cleaned by scraping any soils or other attached materials on the liner to a de minimus amount and disposed at a permitted solid waste facility, pursuant to Subparagraph (m) of Paragraph (1) of Subsection C of 19.15.35.8 NMAC. Documentation as to the final disposition of the removed BGT will be provided in the final closure report.

The BGT was transported for disposal.

5. Simcoe, LLC shall remove any on-site equipment associated with a BGT unless the equipment is required for well production.

The BGT was replaced and equipment remained on site.

6. Simcoe, LLC shall sample the soils beneath the BGT to determine whether a release has occurred. Simcoe, LLC shall collect at a minimum: a five (5) point composite sample and individual grab samples from any area that is wet, discolored or showing other evidence of a release and analyze for BTEX, TPH, and chlorides. The testing methods for those constituents are as follows.

Constituents	Testing Method	Closure Criteria (mg/kg)	5PC-TB@4'(80) Results (mg/kg)
Chloride	US EPA Method 300.0	20,000	ND
TPH	US EPA Method SW-846 418.1	2,500	ND
GRO + DRO	US EPA Method SW-846 8015M	1,000	ND
Total BTEX	US EPA Method SW-846 8021B or 8260B	50	ND
Benzene	US EPA Method SW-846 8021B or 8260B	10	ND

Notes: mg/kg- milligram per kilogram; GRO- gasoline range organics; DRO- diesel range organics; TPH- total petroleum hydrocarbons; BTEX- benzene, toluene, ethylbenzene, and total xylenes; ND- analyte not detected. Other EPA methods that the division approves may be applied to all constituents listed. Chloride closure standards will be determined by whichever concentration level is greatest.

Soils beneath the BGT were sampled for TPH, BTEX, and chloride per the above requirements. TPH, BTEX, and chloride were all non-detect based on laboratory analytical results.

- 7. Simcoe, LLC shall notify the division District III office of its results on form C-141. **Form C-141 is attached.**
- 8. If it is found that a release has occurred, then Simcoe, LLC will comply with 19.15.30 NMAC and 19.15.29 NMAC, as appropriate.

Sampling results and field observations reveal no evidence that a release had occurred.

9. If the sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then Simcoe, LLC shall backfill the excavation, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover, re-contour and re-vegetate the location. The location will be reclaimed if it is not with in the active process area.

No evidence of a release. The BGT was replaced.

10. Simcoe, LLC shall reclaim the BGT location, and all areas associated with the BGT including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. Simcoe, LLC shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, recontour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC. 11. The

soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.

The BGT was replaced. No reclamation to be done at this time as former BGT location is located on well pad within area needed for production operations or subsequent drilling.

12. Simcoe, LLC shall seed the disturbed area the first growing season after closure of the BGT. Seeding will be conducted by drilling on the contour whenever practical or by other division-approved methods. Vegetative cover will be, at a minimum, 70% of the native perennial vegetative cover (un-affected by overgrazing, fire or other intrusion damaging to native vegetation), consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.

The BGT was replaced. No reclamation to be done at this time as former BGT location is located on well pad within area needed for production operations or subsequent drilling.

- 13. Simcoe, LLC shall seed, plant and re-seed pursuant to Paragraph (3) of Subsection I of 19.15.17.13 NMAC, until the location successfully achieves the required vegetative cover.

 The BGT was replaced. No reclamation to be done at this time as former BGT location is located on well pad within area needed for production operations or subsequent drilling.
- 14. Pursuant to Paragraph (5) of Subsection I of 19.15.17.13 NMAC, Simcoe, LLC shall notify the NMOCD when it has seeded or planted and when it successfully achieves revegetation.

 The BGT was replaced. No reclamation to be done at this time as former BGT location is located on well pad within area needed for production operations or subsequent drilling.
- 15. Within 60 days of closure completion, Simcoe, LLC shall submit a closure report on NMOCD's form C-144, and will include the following:
 - a. proof of closure notification (surface owner and NMOCD),
 - b. sampling analytical reports: information required by 19.15.17 NMAC,
 - c. disposal facility name and permit number,
 - d. details on back-filling, capping, covering; and, where applicable, re-vegetation application rates and seeding techniques; and,
 - e. site reclamation, photo documentation, disposal facility name, and permit number

Closure report on Form C-144 is included and contains a photo of the location.

16. Simcoe, LLC shall certify that all information in the report and attachments is accurate, truthful, and compliant with all applicable closure requirements and conditions specified in the approved closure plan.

Certification section of Form C-144 has been completed.

Page 10 of 27

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Well Name: NEBU Well Location: T31N / R6W / SEC 7 /

SESW /

County or Parish/State: SAN

JUAN / NM

Well Number: 239 Type of Well: CONVENTIONAL GAS

WELL

Allottee or Tribe Name:

Unit or CA Name: NORTHEAST

Unit or CA Number:

BLANCO UNIT-PC

NMNM78402B

US Well Number: 3004533213

Lease Number: NMSF078988

Well Status: Producing Gas Well

Operator: SIMCOE LLC

Subsequent Report

Sundry ID: 2661906

Type of Submission: Subsequent Report

Date Sundry Submitted: null

Date Operation Actually Began: null

Actual Procedure: null

Type of Action: Other

Time Sundry Submitted: null

Northeast Blanco Unit 239 API# 30-045-33213 BGT Closure map 36.910236, -107.507479 Scheduled for closure on 4/6/2022 @ 9:30 AM

Emma Millar

From: Sabre Beebe <sabre.beebe@ikavenergy.com>

Sent: April 1, 2022 6:07 AM

To: ocd.enviro@state.nm.us; victoria.venegas@state.nm.us

Cc: Julie Best; Jonathan Divine; Don Buller

Subject: Simcoe, LLC Northeast Blanco Unit 239 Below Grade Tank (BGT) Closure

SENT VIA E-MAIL

March 31, 2022

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

RE: Notice of Proposed Below-Grade Tank (BGT) Closure

Well Name: Northeast Blanco Unit 239 API# - 30-045-33213 N-07-31N-06W San Juan County, NM

To Whom It May Concern:

With regards to the captioned subject well and requirements of the NMOCD Pit Rule 19.15.17.13, this letter is notification that SIMCOE LLC is planning to close a 80 bbl BGT that will be replaced with a 95 bbl at the above well site. We anticipate this work to start on or around April 7, 2022 at 9:30 AM.

Should you have any questions, please feel free to contact SIMCOE LLC.

Sincerely,

Sabre Beebe



Sabre Beebe Field Environmental Coordinator

Office: (970) 852-5172 Mobile: (970)-769-9523

E-Mail: sabre.beebe@ikavenergy.com

Confidentiality notice:

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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-141 Revised August 24, 2018 Submit to appropriate OCD District office

Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

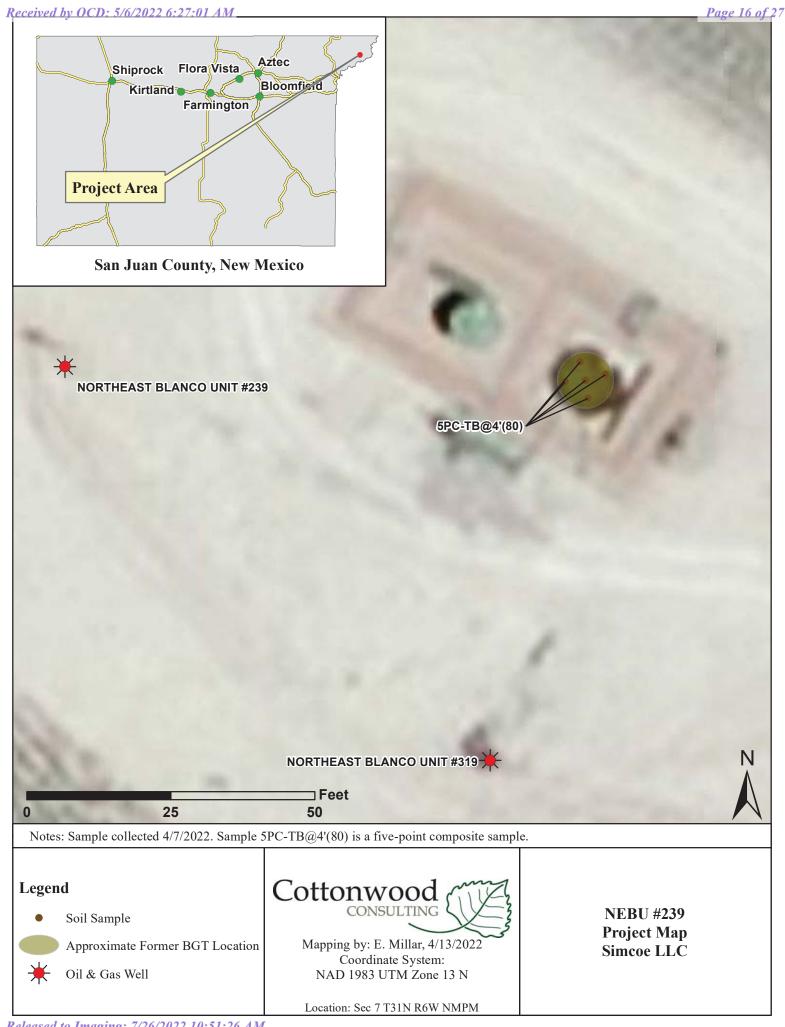
Responsible Party

Responsible Party SIMCOE, LLC			OGRID 3			
Contact Name Sabre Beebe				Contact Telephone (970) 852-5172		
		ebe@ikavener			(assigned by OCD)	
Contact mail:	ing address	1199 Main Ave	., Suite 101 Dur	ango, CO 813	01	
			Location (of Release S	ource	
atitude 36	.91023 ⁻	138		Longitude	-107.5074671	
			(NAD 83 in deci	mal degrees to 5 deci	nal places)	
Site Name NE	EBU #239			Site Type	Natural Gas Well	
Date Release		NA			plicable) 30-045-33213	
				l		
Unit Letter	Section	Township	Range	Cou	nty	
N	N 7 31N 6W San Juan		luan			
Crude Oil		l(s) Released (Select a Volume Release			igustification for the volumes provided Volume Recovered (bb	
Produced	Water	Volume Release			Volume Recovered (bb	
			tion of dissolved ch	loride in the	Yes No	,
Condensa	te	Volume Release			Volume Recovered (bb	ols)
Natural G	as	Volume Release	ed (Mcf)		Volume Recovered (M	cf)
Other (des	scribe)	Volume/Weight	Released (provide	units)	Volume/Weight Recov	rered (provide units)
Cause of Rele	IPH,		nloride non-det release has o		laboratory analytic	al results.

Received by OCD: 5/6/2022 6:27:01 AM Form C-141 State of New Mexico Page 2 Oil Conservation Division

	Page 14 of 2	27
Incident ID		
District RP		
Facility ID		
A multipostion ID		

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☐ No	If YES, for what reason(s) does the respon	sible party consider this a major release?
If VEC was immediate a	ation aireas to the OCD? Dr. whom? To wh	om? When and by what means (about a small sta)?
Not required.	once given to the OCD? By whom? To wh	om? When and by what means (phone, email, etc)?
rtot roquirou.		
	Initial Re	esponse
The responsible	party must undertake the following actions immediately	unless they could create a safety hazard that would result in injury
The source of the rele	ease has been stopped.	
	as been secured to protect human health and	the environment.
Released materials ha	ave been contained via the use of berms or d	ikes, absorbent pads, or other containment devices.
☐ All free liquids and re	ecoverable materials have been removed and	l managed appropriately.
If all the actions described	d above have <u>not</u> been undertaken, explain v	vhy:
has begun, please attach	a narrative of actions to date. If remedial	emediation immediately after discovery of a release. If remediation efforts have been successfully completed or if the release occurred lease attach all information needed for closure evaluation.
regulations all operators are public health or the environi failed to adequately investig	required to report and/or file certain release notified ment. The acceptance of a C-141 report by the Oate and remediate contamination that pose a threat	best of my knowledge and understand that pursuant to OCD rules and fications and perform corrective actions for releases which may endanger CD does not relieve the operator of liability should their operations have at to groundwater, surface water, human health or the environment. In responsibility for compliance with any other federal, state, or local laws
Printed Name: Sabre Be	eebe	Title: Field Environmental Coordinator
Signature: Sabra		Date: 5/3/2022
	avenergy.com	Telephone: (970) 852-5172
OCD Only		
Received by:		Date: <u>5/3/2022</u>





75 Suttle Street Durango, CO 81303 970.247.4220 Phone 970.247.4227 Fax www.greenanalytical.com

20 April 2022

Kyle Siesser Cottonwood Consulting PO Box 1653 Durango, CO 81302

RE: BTEX/TPH, CI

Enclosed are the results of analyses for samples received by the laboratory on 04/07/22 16:15. The data to follow was performed, in whole or in part, by Green Analytical Laboratories. Any data that was performed by a subcontract laboratory is included within the GAL report, or with an additional report attached.

If you need any further assistance, please feel free to contact me.

Sincerely,

Debbie Zufelt

Reports Manager

Deldie Zufett

All accredited analytes contained in this report are denoted by an asterisk (*). For a complete list of accredited analytes please do not hesitate to contact us via any of the contact information contained in this report. All of our certifications can be viewed at http://greenanalytical.com/certifications/

Green Analytical Laboratories is NELAP accredited through the Texas Commission on Environmental Quality. Accreditation applies to drinking water and non-potable water matrices for trace metals and a variety of inorganic parameters. Green Analytical Laboratories is also accredited through the Colorado Department of Public Health and Environment and EPA region 8 for trace metals, Cyanide, Fluoride, Nitrate, and Nitrite in drinking water. TNI Certificate Number: T104704514-22-14

Our affiliate laboratory, Cardinal Laboratories, is also NELAP accredited through the Texas Commission on Environmental Quality for a variety of organic constituents in drinking water, non-potable water and solid matrices. Cardinal is also accredited for regulated VOCs, TTHM, and HAA-5 in drinking water through the Colorado Department of Public Health and Environment and EPA region 8. TNI Certificate Number: T104704398-21-14



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Cottonwood Consulting PO Box 1653

Durango CO, 81302

Project: BTEX/TPH, Cl
Project Name / Number: NEBU #239

Project Manager: Kyle Siesser

Reported: 04/20/22 16:40

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received	Notes
5PC-TB@4'(80)	2204091-01	Solid	04/07/22 12:05	04/07/22 16:15	

Green Analytical Laboratories

Debbie Zufelt, Reports Manager

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety. In no event shall Green Analytical Laboratories be liable for incidental or consequential damages. GALs liability, and clients exclusive remedy for any claim arising, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever, shall be deemed waived unless made in writing and received within thirty days after completion of the applicable service.

Page 2 of 7 2204091 GAL FINAL 04 20 22 1640 04/20/22 16:40:15

seldie Zufett



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Cottonwood Consulting PO Box 1653

Durango CO, 81302

Project: BTEX/TPH, Cl
Project Name / Number: NEBU #239
Project Manager: Kyle Siesser

Reported: 04/20/22 16:40

5PC-TB@4'(80)

2204091-01 (Soil)

Analyte	Result	RL	MDL	Units	Dilution	Analyzed	Method	Notes	Analyst
General Chemistry									
% Dry Solids	81.2			%	1	04/08/22 15:40	EPA160.3/1684		VJW
Soluble (DI Water Extraction)									
Chloride	<12.3	12.3	0.374	mg/kg dry	10	04/18/22 14:01	EPA300.0		AES
Subcontracted Cardina	l Laboratories 1	01 East N	<u>Marland</u>	Hobbs, I	NM 882	240			
Volatile Organic Compounds by EPA	Method 8021								
Benzene*	< 0.050	0.050	0.004	mg/kg	50	04/15/22 12:40	8021B		MS\
Toluene*	< 0.050	0.050	0.006	mg/kg	50	04/15/22 12:40	8021B		MS\
Ethylbenzene*	< 0.050	0.050	0.006	mg/kg	50	04/15/22 12:40	8021B		MS\
Total Xylenes*	< 0.150	0.150	0.014	mg/kg	50	04/15/22 12:40	8021B		MS\
Total BTEX	< 0.300	0.300	0.030	mg/kg	50	04/15/22 12:40	8021B		MS\
Surrogate: 4-Bromofluorobenzene (PID)			105 %	69.9-140		04/15/22 12:40	8021B		MS\
Petroleum Hydrocarbons by GC FIL)								
GRO C6-C10*	<10.0	10.0	6.25	mg/kg	1	04/14/22 17:49	8015B		MS
DRO >C10-C28*	<10.0	10.0	4.26	mg/kg	1	04/14/22 17:49	8015B		MS
EXT DRO >C28-C36	<10.0	10.0	4.26	mg/kg	1	04/14/22 17:49	8015B		MS
Surrogate: 1-Chlorooctane			132 %	66.9-136		04/14/22 17:49	8015B		MS
Surrogate: 1-Chlorooctadecane			140 %	59.5-142		04/14/22 17:49	8015B		MS

Green Analytical Laboratories

Deldie Zufett



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Cottonwood Consulting PO Box 1653 Project: BTEX/TPH, Cl
Project Name / Number: NEBU #239
Project Manager: Kyle Siesser

Reported: 04/20/22 16:40

Durango CO, 81302

General Chemistry - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch B220879 - General Prep - Wet Chem	Kesuit	Limit	Offits	Level	Result	/0KEC	Lillits	KrD	LIIIII	ivotes
Duplicate (B220879-DUP1)	Sou	rce: 2204016	-01 Prep	ared & Anal	lyzed: 04/0	8/22				
% Dry Solids	80.8		%		81.1			0.354	20	
	Soluble	(DI Water	Extraction	on) - Qua	lity Cont	rol				
Aughte	Dogult	Reporting	Linita	Spike	Source	0/DEC	%REC	DDD	RPD	Natas
Batch B220945 - IC- Ion Chromatograph	Result	Limit	Units	Level	Result	%REC	Limits	RPD	Limit	Notes
Blank (B220945-BLK1)			Prep	ared: 04/13/	22 Analyz	ed: 04/18/2	2			
Chloride	ND	10.0	mg/kg wet							
LCS (B220945-BS1)			Prep	ared: 04/13/	22 Analyz	ed: 04/18/2	2			
Chloride	233	10.0	mg/kg wet	250		93.3	85-115			
LCS Dup (B220945-BSD1)			Prep	ared: 04/13/	22 Analyz	ed: 04/18/2	2			
Chloride	235	10.0	mg/kg wet	250		94.1	85-115	0.798	20	

Green Analytical Laboratories

Deldie Zufett



Durango CO, 81302

dzufelt@greenanalytical.com p: 970.247.4220 f: 970.247.4227 75 Suttle Street Durango, CO 81303

Source

www.GreenAnalytical.com

%REC

Cottonwood Consulting
PO Box 1653
Proje

Project Name / Number: NEBU #239
Project Manager: Kyle Siesser

Reporting

Reported:

04/20/22 16:40

RPD

Volatile Organic Compounds by EPA Method 8021 - Quality Control

Project: BTEX/TPH, Cl

Spike

Analyte	Result	Limit	Units	Level	Result	%REC	Limits	RPD	Limit	Notes
Batch 2041338 - Volatiles										
Blank (2041338-BLK1)			Prep	ared: 04/13/2	22 Analyze	ed: 04/15/2	22			
Surrogate: 4-Bromofluorobenzene (PID)	0.0519		mg/kg	0.0500		104	69.9-140			
Benzene	ND	0.050	mg/kg							
Ethylbenzene	ND	0.050	mg/kg							
Toluene	ND	0.050	mg/kg							
Total BTEX	ND	0.300	mg/kg							
Total Xylenes	ND	0.150	mg/kg							
LCS (2041338-BS1)			Prep	ared: 04/13/2	22 Analyze	ed: 04/15/2	.2			
Surrogate: 4-Bromofluorobenzene (PID)	0.0505		mg/kg	0.0500		101	69.9-140			
Benzene	2.08	0.050	mg/kg	2.00		104	83.4-122			
Ethylbenzene	2.04	0.050	mg/kg	2.00		102	84.2-121			
m,p-Xylene	4.27	0.100	mg/kg	4.00		107	89.9-126			
o-Xylene	2.04	0.050	mg/kg	2.00		102	84.3-123			
Toluene	2.07	0.050	mg/kg	2.00		104	84.2-126			
Total Xylenes	6.31	0.150	mg/kg	6.00		105	89.1-124			
LCS Dup (2041338-BSD1)			Prep	ared: 04/13/2	22 Analyze	ed: 04/15/2	.2			
Surrogate: 4-Bromofluorobenzene (PID)	0.0503		mg/kg	0.0500		101	69.9-140			
Benzene	2.06	0.050	mg/kg	2.00		103	83.4-122	0.932	12.6	
Ethylbenzene	2.03	0.050	mg/kg	2.00		102	84.2-121	0.298	13.9	
m,p-Xylene	4.26	0.100	mg/kg	4.00		107	89.9-126	0.139	13.6	
o-Xylene	2.01	0.050	mg/kg	2.00		101	84.3-123	1.27	14.1	
Toluene	2.05	0.050	mg/kg	2.00		103	84.2-126	1.06	13.3	
Total Xylenes	6.28	0.150	mg/kg	6.00		105	89.1-124	0.503	13.4	

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Cottonwood Consulting PO Box 1653

Durango CO, 81302

Project: BTEX/TPH, Cl
Project Name / Number: NEBU #239
Project Manager: Kyle Siesser

Reporting

Reported: 04/20/22 16:40

RPD

%REC

Petroleum Hydrocarbons by GC FID - Quality Control

Analyte	Result	Limit	Units	Level	Result	%REC	Limits	RPD	Limit	Notes
Batch 2041319 - General Prep - Organics	8									
Blank (2041319-BLK1)			Prep	ared: 04/13/	22 Analyz	ed: 04/14/2	2			
Surrogate: 1-Chlorooctadecane	47.3		mg/kg	50.0		94.5	59.5-142			
Surrogate: 1-Chlorooctane	47.0		mg/kg	50.0		94.0	66.9-136			
DRO >C10-C28	ND	10.0	mg/kg							
EXT DRO >C28-C36	ND	10.0	mg/kg							
GRO C6-C10	ND	10.0	mg/kg							
LCS (2041319-BS1)			Prep	ared: 04/13/	22 Analyz	ed: 04/14/2	2			
Surrogate: 1-Chlorooctadecane	53.8		mg/kg	50.0		108	59.5-142			
Surrogate: 1-Chlorooctane	50.3		mg/kg	50.0		101	66.9-136			
DRO >C10-C28	188	10.0	mg/kg	200		93.8	75.8-135			
GRO C6-C10	200	10.0	mg/kg	200		100	78.5-128			
Total TPH C6-C28	388	10.0	mg/kg	400		97.0	81.5-127			
LCS Dup (2041319-BSD1)			Prep	ared: 04/13/	22 Analyz	ed: 04/14/2	2			
Surrogate: 1-Chlorooctadecane	51.6		mg/kg	50.0		103	59.5-142			
Surrogate: 1-Chlorooctane	48.3		mg/kg	50.0		96.6	66.9-136			
DRO >C10-C28	184	10.0	mg/kg	200		92.1	75.8-135	1.85	17.9	
GRO C6-C10	196	10.0	mg/kg	200		98.1	78.5-128	1.96	21.4	
Total TPH C6-C28	380	10.0	mg/kg	400		95.1	81.5-127	1.91	17.6	

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis *Results reported on as received basis unless designated as dry.
RPD	Relative Percent Difference
LCS	Laboratory Control Sample (Blank Spike)
RL	Report Limit

Green Analytical Laboratories

DET

MDL

Deldie Zufett

Method Detection Limit

Analyte DETECTED

† GAL cannot always accept verbal changes. Please fax or email written change requests.
* Chain of Custody must be signed in "Reliquished By:" as an acceptance of services and all applicable charges.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Analytical
Laboratories

(970) 247-4220 service@greenanalytical.com or dzufelt@greenanalytical.com
Fax: (970) 247-4227 75 Suttle St Durango, CO 81303

	To come or parallely occurred
Company Name: Cottonwood Consulting LLC	Bill to (if different): ANALYSIS REQUEST
Project Manager: Kyle Siesser	P.O. #:
Address: PO Box 1653	Company:
City: Durango State: CO Zip: 81302	Attn:
Phone #: 970-764-7356 Email: ksiesser@cottonwoodconsulting.com	Address:
Additional Report To:	
Project Name: NEBV #339	State: Zip:
	#
Sampler Name (Print): 500000 Millor	Fax or Email:
	k one) # of containers
Lab I.D. Sample Name or Location	GROUNDWATER SURFACEWATER WASTEWATER PRODUCEDWATER SOIL DTHER: to preservation (general)
9	C S V V V V S C C C C C C C C C
by GAL within 30 days after complete, in a construction of the analysis of the construction of the constru	by GAL within 30 days after completes in stall GAL be islable for model and consequent control and the design and any other cause whatsoever shall be deemed waived unless made in writing and receiver. You can be a supported to the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and receiver. You can be a supported to the support of the above stated reasons or otherwise.
Relinquished By: Date: 015 Received By: Date: 015 Received By:	ADDITIONAL REMARKS: Report to State? (Circle) Yes No
Time:	
Relinquished By: Date: Received By: Time:	
Delivered By: (Circle One) Temp	Temperature at reciept: CHECKED BY: O 900 ALV ASer#7



NEBU #239 Photographic Log Simcoe LLC

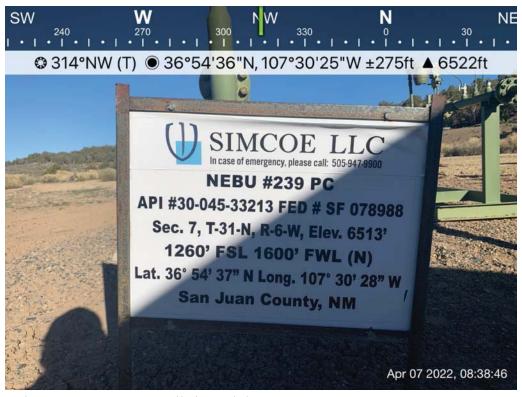


Photo 1: NEBU #239 well sign, 4/7/2022.

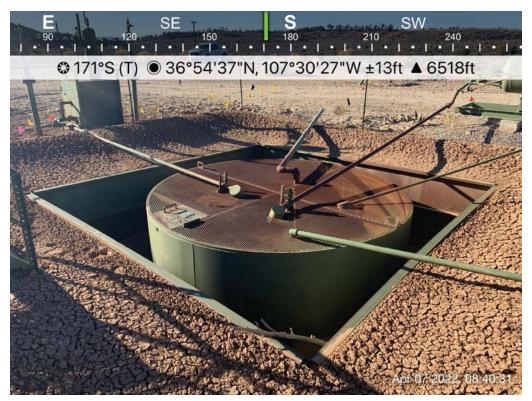


Photo 2: 80 bbls steel tank prior to removal, 4/7/2022.



NEBU #239 Photographic Log Simcoe LLC

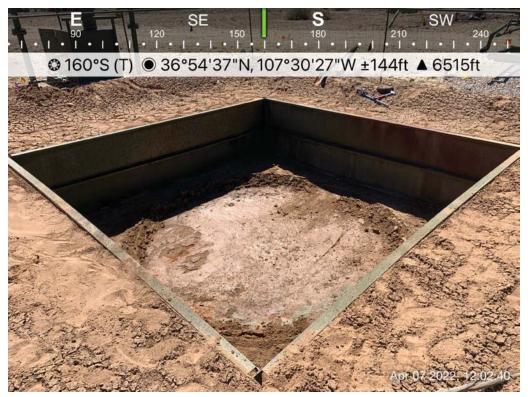


Photo 3: Former location of BGT following removal, 4/7/2022.



Photo 4: Bottom of BGT following removal, 4/7/2022.



NEBU #239 Photographic Log Simcoe LLC



Photo 5: BGT following replacement, 4/7/2022.

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 104798

CONDITIONS

Operator:	OGRID:
SIMCOE LLC	329736
1199 Main Ave., Suite 101	Action Number:
Durango, CO 81301	104798
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By		Condition Date
jburdine	None	7/26/2022