

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

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

For State Use Only:

Form C-137
Revised August 1, 2011

Submit 1 Copy to Santa Fe Office

APPLICATION FOR SURFACE WASTE MANAGEMENT FACILITY

A meeting should be scheduled with the Division's Santa Fe office Environmental Bureau prior to pursuing an application for a surface waste management facility in order to determine if the proposed location is capable of satisfying the siting requirements of Subsections A and B of 19.15.36.13 NMAC for consideration of an application submittal.

1. Application: New Modification Renewal
2. Type: Evaporation Injection Treating Plant Landfill Landfarm Other
3. Facility Status: Commercial Centralized
4. Operator: Milestone Environmental Services LLC
Address: 15721 Park Row, Suite 150 Houston, Tx 77084
Contact Person: Wayne Price-Price LLC wayneprice@q.com Phone: 505-715-2809
5. Location: SE /4 NE /4 Section 25 Township 24s Range 34e
6. Is this an existing facility? Yes No If yes, provide permit number
7. Attach the names and addresses of the applicant and principal officers and owners of 25 percent or more of the applicant. Specify the office held by each officer and identify the individual(s) primary responsible for overseeing management of the facility.
8. Attach a plat and topographic map showing the surface waste management facility's location in relation to governmental surveys (quarter-quarter section, township and range); highways or roads giving access to the surface waste management facility site; watercourses; fresh water sources, including wells and springs; and inhabited buildings within one mile of the site's perimeter.
9. Attach the names and addresses of the surface owners of the real property on which the surface waste management facility is sited and surface owners of the real property within one mile of the site's perimeter.
10. Attach a description of the surface waste management facility with a diagram indicating the location of fences and cattle guards, and detailed construction/installation diagrams of pits, liners, dikes, piping, sprayers, tanks, roads, fences, gates, berms, pipelines crossing the surface waste management facility, buildings and chemical storage areas.
11. Attach engineering designs, certified by a registered professional engineer, including technical data on the design elements of each applicable treatment, remediation and disposal method and detailed designs of surface impoundments.
12. Attach a plan for management of approved oil field wastes that complies with the applicable requirements contained in 19.15.36.13, 19.15.36.14, 19.15.36.15 and 19.15.36.17 NMAC.
13. Attach an inspection and maintenance plan that complies with the requirements contained in Subsection L of 19.15.36.13 NMAC.
14. Attach a hydrogen sulfide prevention and contingency plan that complies with those provisions of 19.15.3.118 NMAC that apply to surface waste management facilities.

15. Attach a closure and post closure plan, including a responsible third party contractor's cost estimate, sufficient to close the surface waste management facility in a manner that will protect fresh water, public health, safety and the environment (the closure and post closure plan shall comply with the requirements contained in Subsection D of 19.15.36.18 NMAC).
16. Attach a contingency plan that complies with the requirements of Subsection N of 19.15.36.13 NMAC and with NMSA 1978, Sections 12-12-1 through 12-12-30, as amended (the Emergency Management Act).
17. Attach a plan to control run-on water onto the site and run-off water from the site that complies with the requirements of Subsection M of 19.15.36.13 NMAC.
18. In the case of an application to permit a new or expanded landfill, attach a leachate management plan that describes the anticipated amount of leachate that will be generated and the leachate's handling, storage, treatment and disposal, including final post closure options.
19. In the case of an application to permit a new or expanded landfill, attach a gas safety management plan that complies with the requirements of Subsection O of 19.15.36.13 NMAC
20. Attach a best management practice plan to ensure protection of fresh water, public health, safety and the environment.
21. Attach a demonstration of compliance with the siting requirements of Subsections A and B of 19.15.36.13 NMAC.
22. Attach geological/hydrological data including:
 - (a) a map showing names and location of streams, springs or other watercourses, and water wells within one mile of the site;
 - (b) laboratory analyses, performed by an independent commercial laboratory, for major cations and anions; benzene, toluene, ethyl benzene and xylenes (BTEX); RCRA metals; and total dissolved solids (TDS) of ground water samples of the shallowest fresh water aquifer beneath the proposed site;
 - (c) depth to, formation name, type and thickness of the shallowest fresh water aquifer;
 - (d) soil types beneath the proposed surface waste management facility, including a lithologic description of soil and rock members from ground surface down to the top of the shallowest fresh water aquifer;
 - (e) geologic cross-sections;
 - (f) potentiometric maps for the shallowest fresh water aquifer; and
 - (g) porosity, permeability, conductivity, compaction ratios and swelling characteristics for the sediments on which the contaminated soils will be placed.
23. In the case of an existing surface waste management facility applying for a minor modification, describe the proposed change and identify information that has changed from the last C-137 filing. **See Attached.**
24. The division may require additional information to demonstrate that the surface waste management facility's operation will not adversely impact fresh water, public health, safety or the environment and that the surface waste management facility will comply with division rules and orders-**See Attached & Noted.**

25. CERTIFICATION

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

Name: Wayne Price-Price LLC

Title: Consultant for Milestone

Signature: 

Date: June 13, 2019

E-mail Address: wayneprice@q.com

C-137 Attachments:

Introduction: Milestone Environmental Services LLC proposes to install and operate an EPA UIC Class II “Slurry Injection Well” with associated surface and below-grade ancillary equipment. Pursuant to the New Mexico Oil Conservation Division, the facility will be required to obtain an EPA-UIC Class II well injection permit and Surface Waste Management permit.

Anticipated Public Notice and Land Owner Notification are included in Appendix XI for OCD Review.

7. Attach the names and addresses of the applicant and principal officers and owners of 25 percent or more of the applicant. Specify the office held by each officer and identify the individual(s) primary responsible for overseeing management of the facility.

Response: See Attached *Appendix I-Item 7*.

8. Attach a plat and topographic map showing the surface waste management facility’s location in relation to governmental surveys (quarter-quarter section, township and range); highways or roads giving access to the surface waste management facility site; watercourses; fresh water sources, including wells and springs; and inhabited buildings within one mile of the site’s perimeter.

Response: The new facility will be located approximately 14 miles northwest of Jal, NM just west of the intersection of State highway 128 and Lea county road C-2. It will be located on the north side of State highway 128. Attached in *Appendix II-Item 8* is a generalized map of SENM, a USGS Topo map showing significant topographic and drainage features, noted fresh water wells, intermittent surface impoundments, and the location of the site.

The Physiographics of the site are best described as being located in the far southwestern part of the eastern Eunice Plain within the Delaware Basin, which is underlain by a hard caliche surface and is almost entirely covered by reddish-brown dune sand, which can vary in thickness from 2 to 20 feet in places. It has an eastern to southeastern minor slope of 50 ft per mile, i.e. relative flat terrain.

The site local topography is approximately 2 feet higher than the adjacent highway and remains relative flat. To the north of the site, approximately ¼ mile, is a small stormwater drainage gully. Local ranches have built small impoundments in this feature for cattle watering when water is available. Any drainage from the proposed site would not flow into these impoundments.

Also included in part 10 below, is a scaled plat of the 10-acre site depicting the layout of buildings, ingress/egress routes, pads, tanks, handling equipment and descriptions.

9. Attach the names and addresses of the surface owners of the real property on which the surface waste management facility is sited and surface owners of the real property within one mile of the site’s perimeter.

Response: Attached in *Appendix III-Item 9* is a one-mile AOR land status map. Milestone has hired the services of Elliot-Waldron Title search to determine ownership. Also included in the Appendix III-Item 9 is a list of all property owners within one mile of the site perimeter and the site landowner.

10. Attach a description of the surface waste management facility with a diagram indicating the location of fences and cattle guards, and detailed construction/installation diagrams of pits, liners, dikes, piping, sprayers, tanks, roads, fences, gates, berms, pipelines crossing the surface waste management facility, buildings and chemical storage areas.

Milestone Environmental Services works with North American E&P operators to securely and safely dispose of injectable oilfield waste streams. Our proprietary injection wells dispose of “liquid” waste more than a mile below the Earth's surface, below any water tables or environmentally sensitive formations.

Milestone does not dispose of any “Solid” waste on site. Solid waste generated is hauled off site and disposed of in permitted facilities either in Texas or New Mexico. Attached in *Appendix IV-Item 10* is a generic plat and a pictorial view of its operations. Please note Milestone has marked all information as “**Confidential**” and requests that OCD do not place these in the public file.

11. Attach engineering designs, certified by a registered professional engineer, including technical data on the design elements of each applicable treatment, remediation and disposal method and detailed designs of surface impoundments.

Appendix V-Item 11 contains “**Confidential**” detailed drawings, which were generated by a professional engineer.

Special Note: Milestone had met with the Environmental Bureau and the OCD Director concerning if this facility actually met the definition of being a Surface Waste Management facility pursuant to OCD rule 19.15.36 NMAC. It was pointed out by Mr. Griswold-Environmental Bureau Chief that when this rule was promulgated it did not differentiate or actually address such facilities like Milestone’s. Milestone repeatedly pointed out that such facilities like this one does not meet the general definition of a Solid Waste Facility, especially since there is no landfill, landfarm, or any other device that actually disposes of waste on the ground or in a pit, pond, etc.

Apparently, the below grade concrete unloading device was what OCD felt met the definition. Milestone disagreed.

Milestone hereby submits this C-137 application for administrative approval.

Exception and Waiver Request:

Milestone hereby respectfully requests an exception or waiver to the requirement that the below grade concrete unloading device be required to have a secondary leak detection. We make this request since the underlying groundwater is >140 feet below ground surface. (See **Appendix X-Item 22**).

The concrete will have an additive that resistant degradation from the products being handled and also reduces permeability.

12. Attach a plan for management of approved oil field wastes that complies with the applicable requirements contained in 19.15.36.13, 19.15.36.14, 19.15.36.15 and 19.15.36.17 NMAC.

Response: 19.15.36.13 Waste Acceptance and Handling:

- A. Milestone will not accept oil field wastes transported by motor vehicle at the surface waste management facility unless the transporter has a form C-133, authorization to move liquid waste, approved by OCD. **Due to the proximity to Texas, Milestone request a waiver for this requirement.**
- B. Milestone will accept only RCRA oilfield exempt or non-hazardous waste regulated by OCD, unless otherwise approved by OCD.
- C. Milestone will not accept RCRA hazardous waste; or wastes containing NORM unless otherwise approved by OCD.
- D. Waste acceptance will occur only when an attendant is on duty unless loads can be monitored or otherwise isolated for inspection before disposal.
- E. The surface waste management facility will be secured to prevent unauthorized disposal.
- F. Milestone will install a sign, readable from a distance of 50 feet and containing the operator's name; surface waste management facility permit or order number; surface waste management facility location by unit letter, section, township and range; and emergency telephone numbers.
- G. Milestone will comply with the spill reporting and corrective action provisions of 19.15.30 NMAC or 19.15.29 NMAC.
- H. To protect migratory birds, Milestone **hereby requests an alternative method.** Milestone will place flagging, reflectors, artificial predator birds, and have employees beware of migratory birds.
- I. Milestone will require the following documentation for accepting oil field wastes;

(1) Exempt oil field wastes. An OCD form C-138 or other form approved by OCD signed by the generator or the generator's authorized agent, that represents and warrants that the oil field wastes are generated from oil and gas exploration and production operations, are exempt waste and are not mixed with non-exempt waste. The operator shall have the option to accept such certifications on a monthly, weekly or per load basis. The operator shall maintain and shall make the certificates available for the division's inspection.

(2) Non-exempt, non-hazardous, oil field wastes. An OCD form C-138 or other form approved by OCD signed by the generator or its authorized agent. This form shall be accompanied by acceptable documentation to determine that the oil field waste is non-hazardous.

Attached in ***Appendix VI-Item 12*** is a copy of a C-138.

Milestone notes that 19.15.36.14 (Landfills) and 19.15.36.15 (Landfarms) is non-applicable to this application.

Response: Waste Disposal from Site: Any waste generated at the site will either be reused, recycled, reclaimed or sent off-site to an approved facility. Records will be maintained for all off-site disposal showing date, type, and quantity utilizing the OCD C-138 form.

Response: Waste Disposal On-Site: Only "Slurry" injection water will be disposed of on-site in a permitted Class II well. Milestone will maintain records pursuant to the injection well permit.

Response: Oil Products Generated On-site: Products will be sold to an approved oil buyer utilizing the C-104 process (request for allowable and authorization to transport oil and gas).

Attached in ***Appendix VI-Item 12*** is a copy of a C-104 for reference.

13. Attach an inspection and maintenance plan that complies with the requirements contained in Subsection L of 19.15.36.13 NMAC.

Response: Milestone will perform the following inspections and maintain records.

- (1) Routine inspections of general operations.
- (2) Quarterly inspection of the run-on/run-off berms, or after a major rainfall or windstorm, and maintenance of berms in such a manner as to prevent erosion. A log will be maintained.

Attached in *Appendix VII-Item 13* is an inspection sheet example.

14. Attach a hydrogen sulfide prevention and contingency plan that complies with those provisions of 19.15.3.118 NMAC that apply to surface waste management facilities.

Response: The OCD has adopted a new H2S rule 19.15.11. Milestone's operation will fall under 19.15.11.12 (PROTECTION FROM HYDROGEN SULFIDE AT OIL PUMP STATIONS, PRODUCING WELLS, TANK BATTERIES AND ASSOCIATED PRODUCTION FACILITIES, PIPELINES, REFINERIES, GAS PLANTS AND COMPRESSOR STATIONS:)

Milestone has extensive process knowledge concerning Hydrogen Sulfide Safety. There is no process at the facility that would create a "Potentially hazardous volume" as defined in 19.15.11. Milestone will install H2S warning signs at the facility entrance points, wind indications that can be see from outside and within the facility, and all employees will carry a personal H2S monitor.

In addition, stairways to tanks will have appropriate signs and chains installed. The facility will be fenced with locking gates for security.

15. Attach a closure and post closure plan, including a responsible third party contractor's cost estimate, sufficient to close the surface waste management facility in a manner that will protect fresh water, public health, safety and the environment (the closure and post closure plan shall comply with the requirements contained in Subsection D of 19.15.36.18 NMAC).

Appendix VIII-Item 15 Closure Cost Estimate.

16. Attach a contingency plan that complies with the requirements of Subsection N of 19.15.36.13 NMAC and with NMSA 1978, Sections 12-12-1 through 12-12-30, as amended (the Emergency Management Act).

Response: Attached in *Appendix IX-Item 16* is a draft Contingency Plan. Once the facility is operational then the draft plan will be created for this site-specific facility.

17. Attach a plan to control run-on water onto the site and run-off water from the site that complies with the requirements of Subsection M of 19.15.36.13 NMAC.

Response: The entire site will have run-on and run-off berms and will be inspected on a routine basis.

18. In the case of an application to permit a new or expanded landfill, attach a leachate management plan that describes the anticipated amount of leachate that will be generated and the leachate's handling, storage, treatment and disposal, including final post closure options.

Response: Non-Applicable for this application.

19. In the case of an application to permit a new or expanded landfill, attach a gas safety management plan that complies with the requirements of Subsection O of 19.15.36.13 NMAC.

Response: Non-Applicable for this application.

20. Attach a best management practice plan to ensure protection of fresh water, public health, safety and the environment.

Response: The operational part of the facility will be placed upon steel reinforced concrete areas designed and approved by a professional engineer. All unloading areas will be designed to prevent run-on and run-off, the above ground tanks will be installed within concrete lined floors with sidewalls, staging areas will be concrete lined, and any below-grade containment will have an integral coating.

21. Attach a demonstration of compliance with the siting requirements of Subsections A and B of 19.15.36.13 NMAC.

A. Depth to ground water.

(1) No landfill shall be located where ground water is less than 100 feet below the lowest elevation of the design depth at which the operator will place oil field waste.

Response: Non-Applicable.

(2) No landfarm that accepts soil or drill cuttings with a chloride concentration that exceeds 500 mg/kg shall be located where ground water is less than 100 feet below the lowest elevation at which the operator will place oil field waste. See Subsection A of 19.15.36.15 NMAC for oil field waste acceptance criteria.

Response: Non-Applicable.

(3) No landfarm that accepts soil or drill cuttings with a chloride concentration that is 500 mg/kg or less shall be located where ground water is less than 50 feet below the lowest elevation at which the operator will place oil field waste.

Response: Non-Applicable.

(4) No small landfarm shall be located where ground water is less than 50 feet below the lowest elevation at which the operator will place oil field waste.

Response: Non-Applicable.

(5) No other surface waste management facility shall be located where ground water is less than 50 feet below the lowest elevation at which the operator will place oil field waste.

Response: The groundwater below the site is greater than 100 ft. See Item 22.

B. No surface waste management facility shall be located:

- (1) *within 200 feet of a watercourse, lakebed, sinkhole or playa lake;*
 - (2) *within an existing wellhead protection area or 100-year floodplain;*
 - (3) *within, or within 500 feet of, a wetland;*
 - (4) *within the area overlying a subsurface mine;*
 - (5) *within 500 feet from the nearest permanent residence, school, hospital, institution or church in existence at the time of initial application; or*
- (3) within an unstable area, unless the operator demonstrates that engineering measures have been incorporated into the surface waste management facility design to ensure that the surface waste management facility's integrity will not be compromised.

Response: Milestone's Environmental Consultant (Price LLC) has conducted an on-site audit and proximity survey, reviewed well records, Topo maps, discussed local water conditions with Landowners and hereby certifies that Milestone meets the above listed siting requirements.

22. Attach geological/hydrological data including:

- (a) *a map showing names and location of streams, springs or other watercourses, and water wells within one mile of the site;*

Response: There are no streams or springs within one mile of the site. There is a small drainage-feature located to the north of the site as shown on the attached Topo map and described in Section 8 above.

Milestone performed a field survey and reviewed water well records from the NM State Engineer's office. (NMOSE) The only fresh-water well found in a one-mile area of review of the proposed site, was the Medera Ranch water well identified by the OSE as CP-839 located in UL N-Sec-30- Ts24-Rg 35e. The depth to the water is reported at 140 feet below ground level (plate 2 ref.) and 155 feet per the actual drillers report.

Attached In **Appendix X- Item 22** is an AOR Map, OSE Records for a one-mile radius around the propose site, and the OSE Driller report.

- (b) *laboratory analyses, performed by an independent commercial laboratory, for major cations and anions; benzene, toluene, ethyl benzene and xylenes (BTEX); RCRA metals; and total dissolved solids (TDS) of ground water samples of the shallowest fresh water aquifer beneath the proposed site;*

Response: Attached in **Appendix X-Item 22** is a water analysis from the Medera Well. Note: The water was observed to be clean, clear and had no olfactory odors. Once the permit is approved, Milestone will resample this well and have RCRA metals and BTEX analyzed and report to OCD.

- (c) *depth to, formation name, type and thickness of the shallowest fresh water aquifer;*

Response: The Santa Rosa Sandstone of the Dockum Group is the principle aquifer in this area. It contains relative low TDS water in places, and is considered protectable. According to Nicholson-Clebsch (Groundwater Map of Southern NM-Plate 2) The Madera Ranch Water well identified in the AOR is producing out of this formation. The depth to water was noted to be 140 feet below the surface and thickness is approximately 200 feet. The actual drillers report show the depth to water was encountered at 155 feet and the depth of the well is 170 feet. See **Appendix X-Item 22** which shows the NMOSE Driller's report.

The shallow Cenozoic alluvium at the proposed site does not contain saturated conditions. This was confirmed by discussing the shallow water conditions with local landowners and the fact there are no current shallow water wells in the area.

The Ogallala Formation appears to exist intermittently east and north of the site with saturated conditions. The NMOSE does not show any of these wells as most have probably gone dry. Site inspection did not reveal any shallow wells within a mile of the site.

Attached in *Appendix X-Item 22* is a USGS Plate #4 showing the extent of the Santa Rosa Water aquifer and the proposed site in proximity to the Capitan Reef Complex.

(d) soil types beneath the proposed surface waste management facility, including a lithologic description of soil and rock members from ground surface down to the top of the shallowest fresh water aquifer;

Response: The underlying soils and rocks can be generalized as sand, caliche, sand, silt, clay gravel conglomerates, Triassic rocks, and the Santa Rosa sandstone of the Dockum group. A water well log was not available for the site. In some places the Santa Rosa aquifer is noted to be confined.

(e) geologic cross-sections;

Response: ***Significant formation tops are as follows:***

Surface-0 ft

Santa Rosa Sandstone- 140 ft (Aquifer)

Triassic Red Beds- 340 ft-estimated

Rustler- 915 ft

Salado Salt - 1385 ft

Castille Salt- 3775 ft

Lamar Limestone 5341 ft-estimated

Bell Canyon- 5441 ft

Cherry Canyon- 6435 ft

Brush Canyon- 8120 ft

Bone Spring- 9285 ft

(f) potentiometric maps for the shallowest fresh water aquifer; and

Response: *Attached in Appendix X-Item 22* is a copy of the groundwater contours at the site.

(g) porosity, permeability, conductivity, compaction ratios and swelling characteristics for the sediments on which the contaminated soils will be placed.

Response: Non-Applicable.

23. In the case of an existing surface waste management facility applying for a minor modification, describe the proposed change and identify information that has changed from the last C-137 filing.

Response: Non-Applicable.

24. The division may require additional information to demonstrate that the surface waste management facility's operation will not adversely impact fresh water, public health, safety or the environment and that the surface waste management facility will comply with division rules and orders.

Response: Noted.

Appendix I-Item 7

- Officers of Company List & Duties
- Secretary of State New Mexico Business ID

Milestone Environmental Services LLC is a Limited Liability Corporation.

The main office location and senior officers are listed:

Milestone Environmental Services LLC
15721 Park Row Blvd., Suite 150
Houston, Texas 77084
[O] 832-739-6700
[F] 832-739-6699

Gabriel J. Rio
President & Chief Executive Officer

Frank Schageman
Executive Vice President, Chief Financial Officer



OFFICE OF THE SECRETARY OF STATE
NEW MEXICO

October 24, 2018

CSC
251 LITTLE FALLS DRIVE
WILMINGTON, DE 19808

RE: Milestone Environmental Services, LLC
Business ID #: 5766060

The Office of the Secretary of State has approved and filed the Application for Registration for the above captioned organization effective October 23, 2018. The enclosed Certificate of Registration is evidence of filing, and should become a permanent document of the organization's records.

Please be advised that although the Certificate of Registration has been approved, you must also comply with all other federal or state laws applicable to your organization. This includes, but is not limited to state licensing requirements. It is the organization's sole responsibility to obtain such compliance with all legal requirements applicable thereto prior to engaging in the business for which it has obtained approval of the referenced document.

If you have any questions, please contact the Corporations Bureau at (505) 827-3600 or toll free at 1-800-477-3632 for assistance.

Corporations Bureau

OFFICE OF THE SECRETARY OF STATE

NEW MEXICO

Certificate of Registration

OF

Milestone Environmental Services, LLC

5766060

Delaware

The Office of the Secretary of State certifies that the Application for Certificate of Registration, duly signed and verified pursuant to the provisions of the

Limited Liability Company Act

53-19-1 to 53-19-74 NMSA 1978

have been received and are found to conform to law. Accordingly, by virtue of the authority vested in it by law the Office of the Secretary of State issues this Certificate of Registration and attaches hereto a duplicate of the Application for Certificate of Registration.

Dated: **October 23, 2018**

In testimony whereof, the Office of the Secretary of State has caused this certificate to be signed on this day in the City of Santa Fe, and the seal of said office to be affixed hereto.



Maggie Toulouse Oliver

Maggie Toulouse Oliver
Secretary of State

SUBMIT ORIGINAL AND A COPY
TYPE OR PRINT LEGIBLY

Foreign Limited Liability Company
APPLICATION FOR REGISTRATION

The undersigned limited liability company, in order to apply for a Certificate of Registration to transact business in New Mexico under the Limited Liability Company Act, submits the following statement to the Secretary of State:

1. The name of the limited liability company is: Milestone Environmental Services, LLC

2. If it proposes to transact business in New Mexico under a different name, the name it elects for use in New Mexico is:

N/A

3. It is organized under the laws of:

Delaware

4. The date of organization in its domestic state is:

September 12, 2014

5. If so required by the laws of the domestic state, the address of the office required to be maintained in the domestic state is:

251 Little Falls Drive, Wilmington, DE 19808

6. If the laws of the domestic state do not require an address to be maintained in that state, then the address of the principal office of the limited liability company is:

N/A

7. The street address of the registered office in New Mexico is:

123 East Marcy Street, Suite 101, Santa Fe, NM 87501

(P.O. Box is not acceptable. Provide a description of the geographical location if a street address does not exist)

The name of the registered agent at the address of the New Mexico registered office is:

Corporation Service Company

8. The names of the persons in whom management of the limited liability company is vested are:

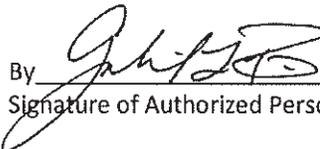
IC ADS Holdings, LLC

The company is a foreign limited liability company as defined in Section 2 of the New Mexico Limited Liability Company Act. The Secretary of State is appointed the agent of the foreign limited liability company for service of process if, upon resignation of the appointed registered agent no agent has been appointed, or, if appointed, the agent's authority has been revoked or the agent cannot be found or served in the exercise of reasonable diligence.

Dated: Oct. 17, 2018

Milestone Environmental Services, LLC

Name of Limited Liability Company

By  Name: GABRIEL J. RIO
Authorized Person of IC ADS Holdings, LLC, member

Signature of Authorized Person

THIS APPLICATION MUST BE ACCOMPANIED BY A CERTIFICATE OF GOOD STANDING / EXISTENCE, ISSUED BY THE APPROPRIATE OFFICIAL CUSTODIAN OF LIMITED LIABILITY COMPANY RECORDS FOR THE STATE OR COUNTRY UNDER THE LAWS OF WHICH THE COMPANY IS ORGANIZED. THIS CERTIFICATE MUST BE ORIGINAL OR ELECTRONICALLY ISSUED, AND MUST BE CURRENT WITHIN THIRTY DAYS OR HAS NOT EXPIRED, UPON SUBMISSION TO THE SECRETARY OF STATE.

Form FLLC
(revised 06/13)

RECEIVED
SOS
Corporation Bureau

OCT 23 2018

STATEMENT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT

I, Gary Sherman, hereby
acknowledge that the undersigned individual or corporation accepts the appointment as Initial

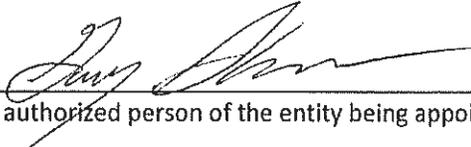
Registered Agent of Milestone Environmental Services, LLC, the limited liability
company which is named in the annexed Application for Registration of Foreign Limited Liability
Company.

(Sign on this line if the registered agent named in the application is an individual.
If this line is signed, the two lines below do not apply and must be left blank.)

(If the following lines are used, the signature line above does not apply and must be left blank)

Corporation Service Company

(If the registered agent named in the application is a corporation, limited liability Company, or
partnership, type or print the name of that entity here.)

By  Gary Sherman, ASST. SECRETARY
(An authorized person of the entity being appointed as registered agent must sign here)

Form FLLC-STMNT
(revised 06/13)

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SOS
Corporation Bureau

OCT 23 2018

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "MILESTONE ENVIRONMENTAL SERVICES, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SECOND DAY OF OCTOBER, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "MILESTONE ENVIRONMENTAL SERVICES, LLC" WAS FORMED ON THE TWELFTH DAY OF SEPTEMBER, A.D. 2014.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5602884 8300

SR# 20187243477

You may verify this certificate online at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State

Authentication: 203651857

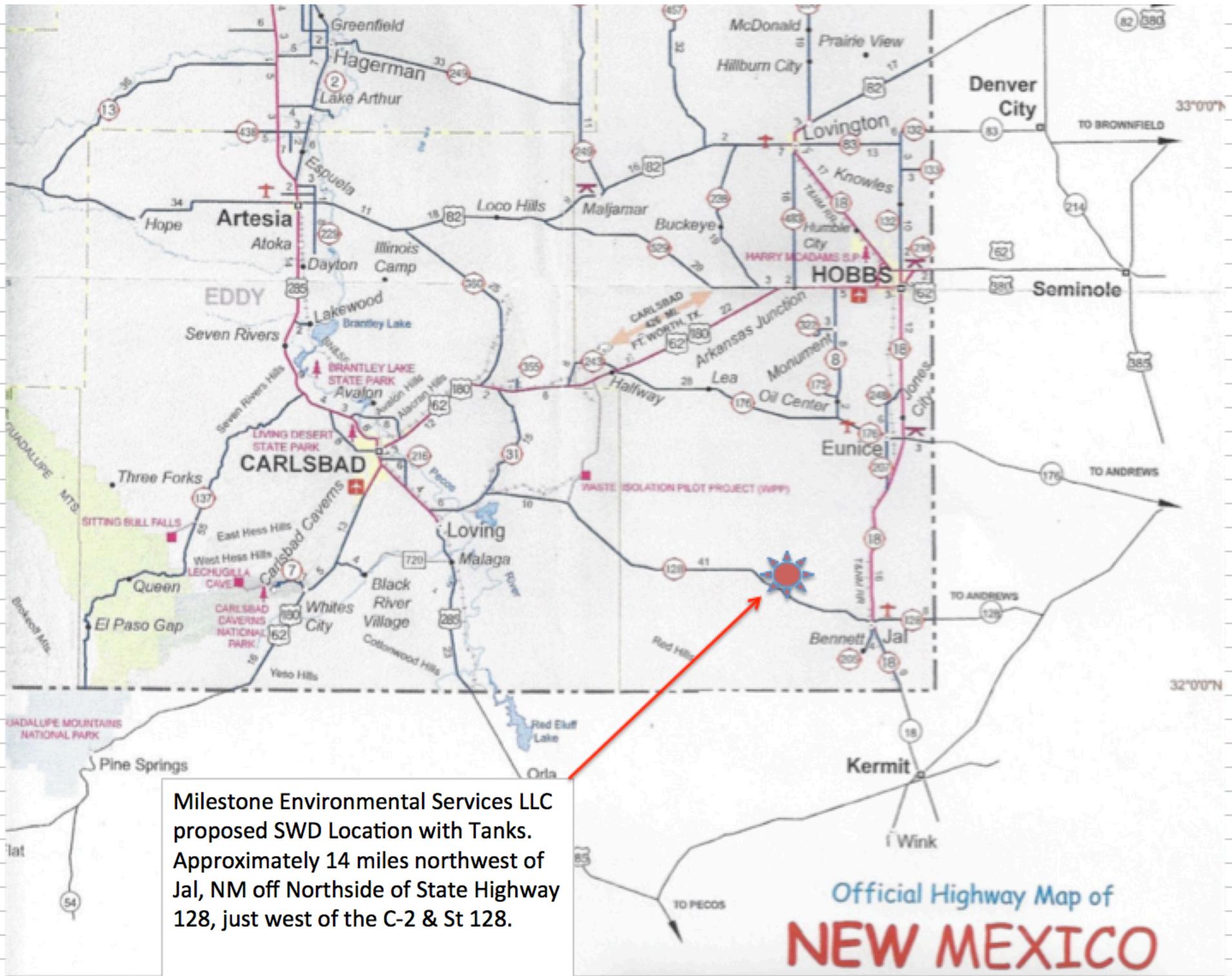
Date: 10-22-18

RECEIVED
SOS
Corporation Bureau

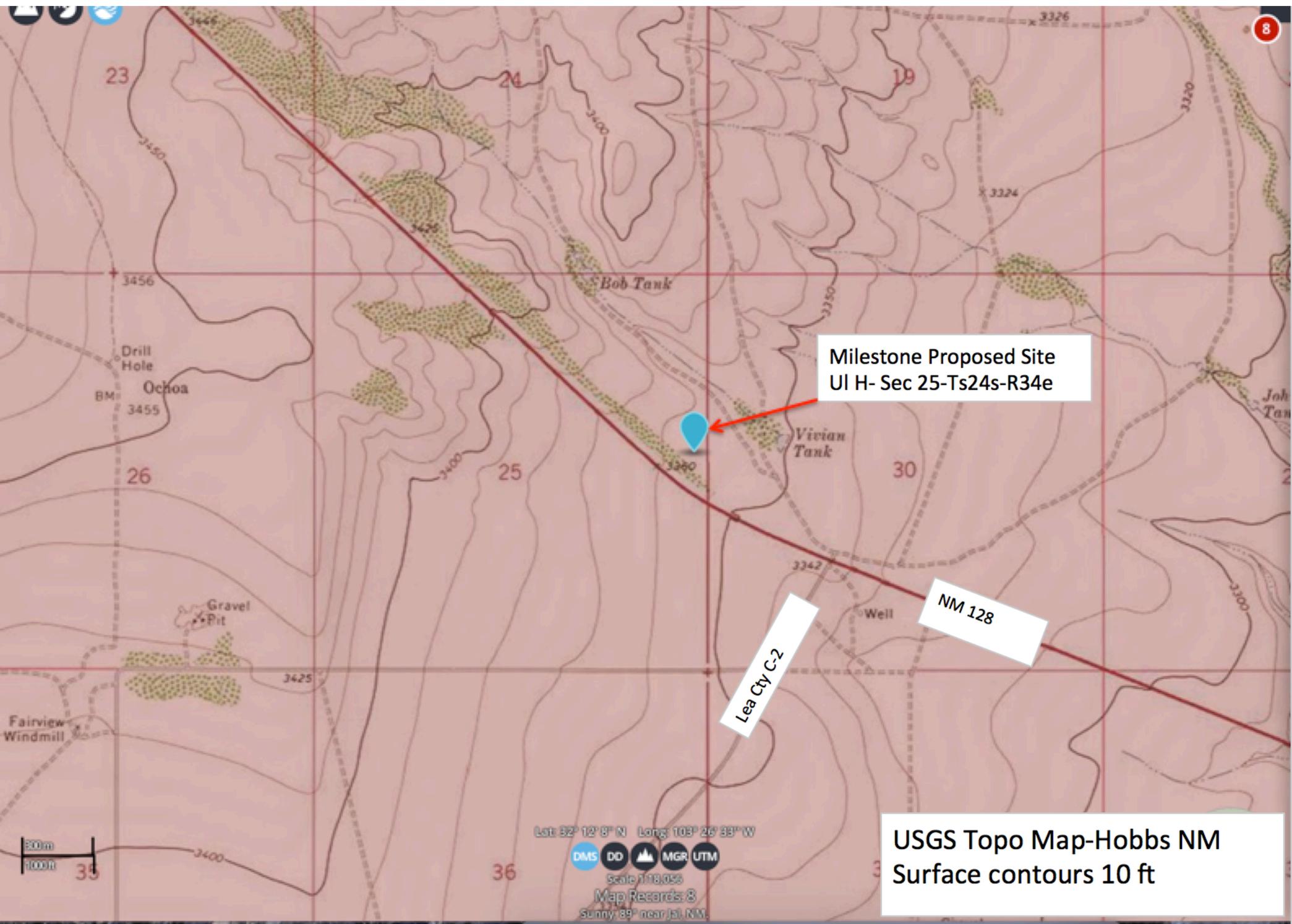
OCT 23 2018

Appendix II-Item 8

- Generalized map of SENM
- USGS Topo Map



Milestone Environmental Services LLC proposed SWD Location with Tanks. Approximately 14 miles northwest of Jal, NM off Northside of State Highway 128, just west of the C-2 & St 128.



Milestone Proposed Site
UI H- Sec 25-Ts24s-R34e

Lea Cty C-2

NM 128

USGS Topo Map-Hobbs NM
Surface contours 10 ft

Appendix II-Item 9

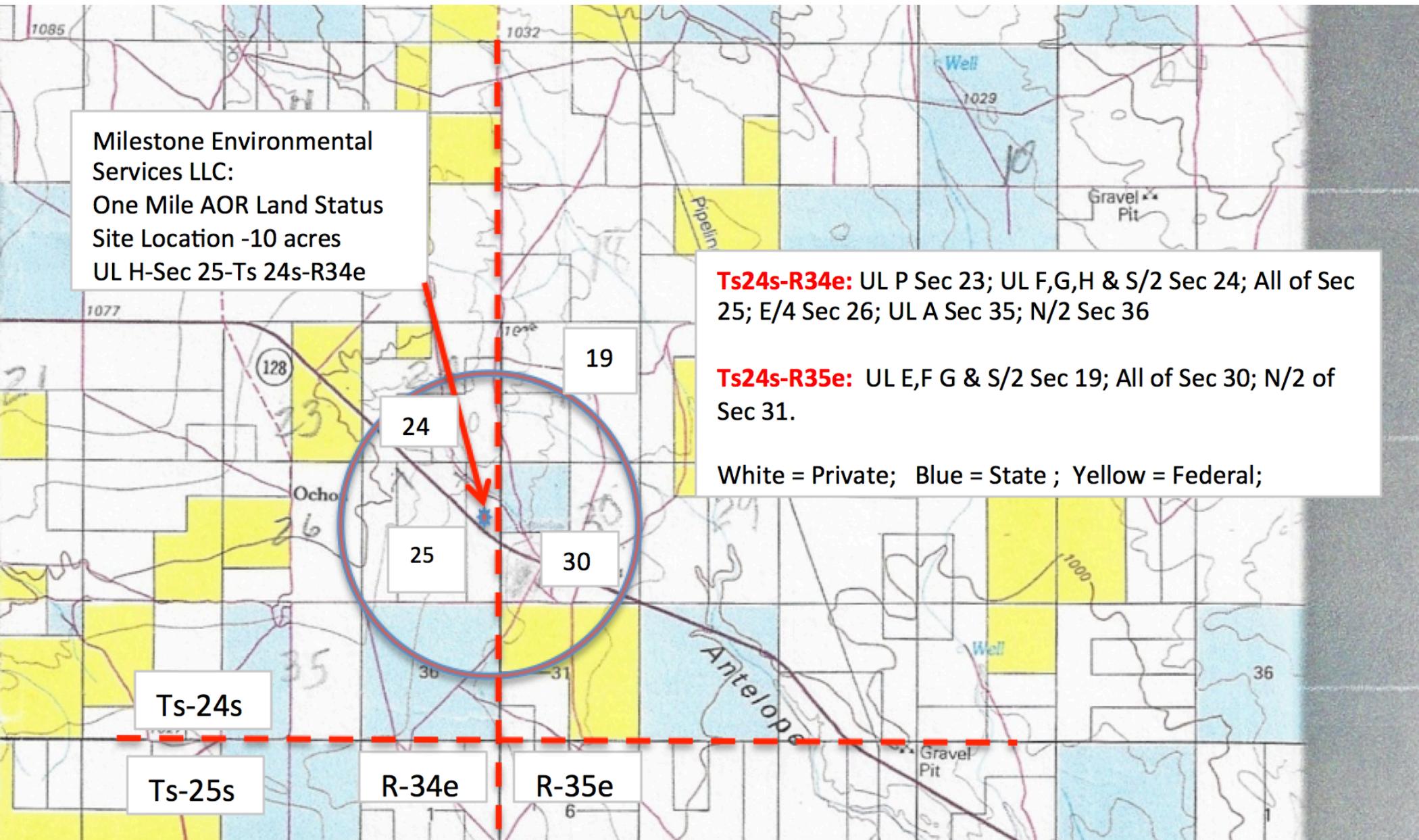
- One-mile AOR land status map.
- List of all property owners within one mile of the site perimeter and the site landowner.
- Title search plat with $\frac{1}{2}$ mile radius for landowner notification.
- List of Landowners to be notified within $\frac{1}{2}$ mile of site.

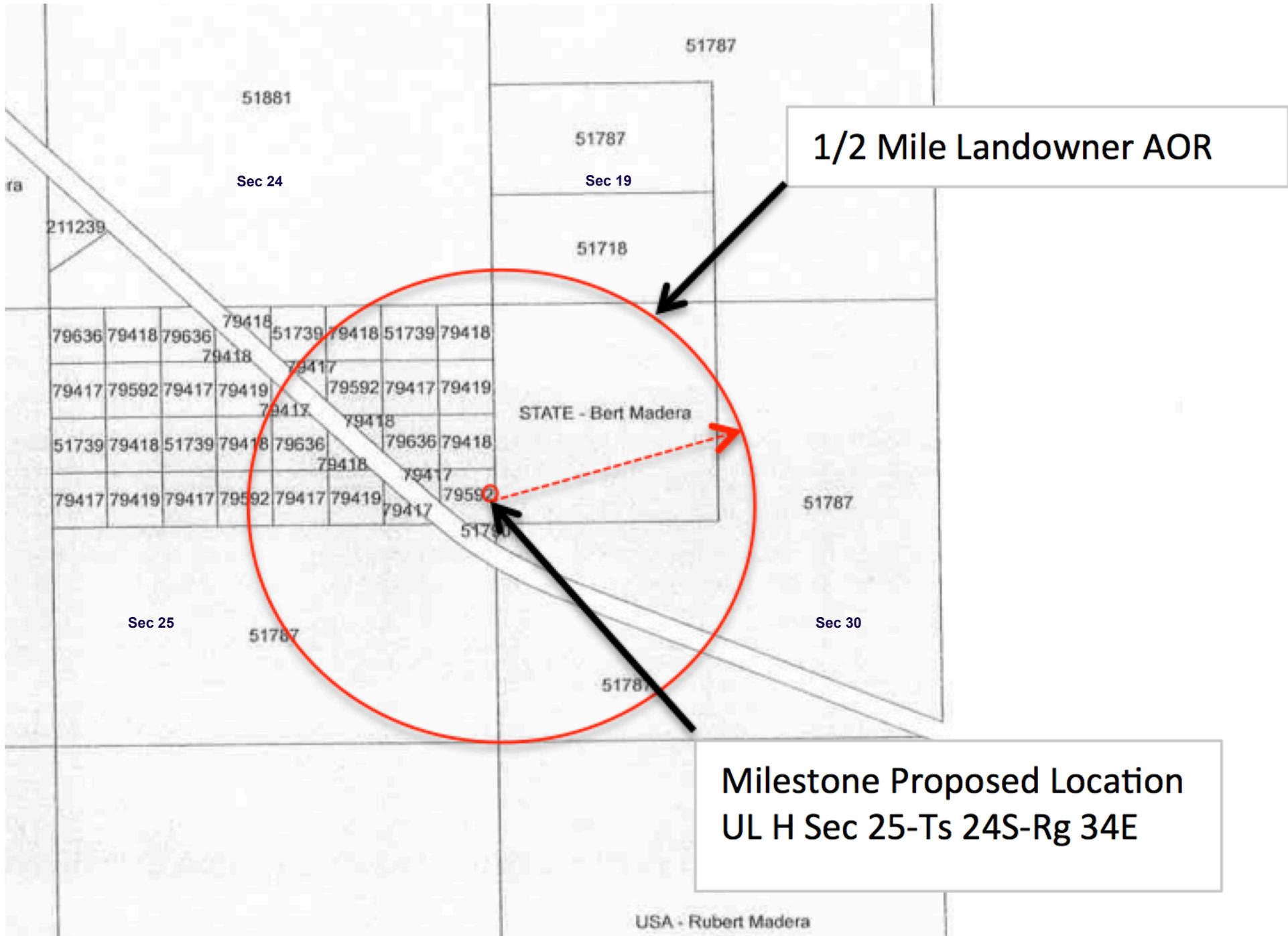
Milestone Environmental
Services LLC:
One Mile AOR Land Status
Site Location -10 acres
UL H-Sec 25-Ts 24s-R34e

Ts24s-R34e: UL P Sec 23; UL F,G,H & S/2 Sec 24; All of Sec 25; E/4 Sec 26; UL A Sec 35; N/2 Sec 36

Ts24s-R35e: UL E,F G & S/2 Sec 19; All of Sec 30; N/2 of Sec 31.

White = Private; Blue = State ; Yellow = Federal;





Landowners within 1/2 mile							
Estate	Name	Address	City	St	Zip	Parcel-Lot	
	Weldon, Tara Marie ET Al	Sara L Strand	160 7th Ave SE	Millaca	MN	56353	79417
	Polly J Crook	% Duane R Daley	2407 E Inverness	Mesa	AZ	85204	79418
	High Roller Enterprises LLC	High Roller Enterprises LLC	1008 Southview Cir	Center	TX	75935	79419
	Daniel Baeza	Daniel Baeza	7225 N Mockingbird LN	Hobbs	NM	88242	79592
	Rex L Harelson	Rex L Harelson	636 W Manhatton Dr	Tempe	AZ	85282	51739
	James H Moomaw	James H Moomaw	PO Box 341	Tremonton	UT	84337	79636
COG	Quail Ranch LLC	Quail Ranch LLC	600 W Illinois Ave	Midland	TX	79701	51790
	AE&J Royalties LLC	AE&J Royalties LLC	PO 1693	Taos	NM	87571	51881
	Bert Madera-Lease	NMSLO-4222	P.O. Box 1148	Santa Fe, NM	NM	87504	4222

Appendix IV-Item 10

- Facility Plat and Deed.
- Site Diagram Pictorial Views.
- Detailed Drawings.

25
-

DEED

The Property Tax Division of the Taxation and Revenue Department of the State of New Mexico, pursuant to # 7-38-70, NMSA 1978, hereby grants and conveys to :

BAEZA DANIEL

PO BOX 690

JAL

NM 88252-0

all of the former owner's interest in the following described real property, in **LEA** COUNTY, that interest being as of the date the state's lien for property taxes arose, pursuant to the Property Tax Code, that date being **January 1, 1995** , Tax Delinquent Account Number = **6-835-1995** and that interest being subject only to perfected interests in the real property existing before the date the property tax lien arose :

SECTION-25, TOWNSHIP-24, RANGE-34 40.00 AC SE4NW4NW4, SE4NW4NE4, SE4SE4NW4, SE4SE4NE4



WITNESS the execution hereof by the grantor this day of : **5/6/ 1999**
and seal affixed this date.

PROPERTY TAX DIVISION



Delegate

ORIGINAL

THIS IS A BOUNDARY SURVEY PLAT OF AN EXISTING TRACT, IT IS NOT A LAND DIVISION OR A SUBDIVISION, AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT.

BOUNDARY SURVEY

A SURVEY OF THE SWNWNW, THE SESENW, THE SENWNE, AND THE SESENE; ALL LYING IN SECTION 25, TOWNSHIP 24 SOUTH, RANGE 34 EAST N.M.P.M., LEA COUNTY, NEW MEXICO; CONTAINING ±39.98 ACRES, MORE OR LESS.

THE PROPERTY DESCRIBED ON THIS PLAT LIES WITHIN THE PLATTING JURISDICTION OF:

LEA COUNTY



Scale 1" = 500'

NOTES AND OBSERVATIONS:

1. NO WATER, SEWER, GAS, AND ELECTRICITY ARE PRESENT ON THE EAST SIDE OF N.M. HWY. 128.
2. NO WATER, SEWER, AND GAS ARE PRESENT ON THE WEST SIDE OF N.M. HWY. 128. ELECTRICITY IS PRESENT HOWEVER.
3. N.M. HIGHWAY 128 HAS NO CURB OR GUTTER, AND THERE IS ASPHALT IN THE ROADWAY.
4. THE SUBJECT PROPERTY LIES IN LEA COUNTY.

LEGEND

- ◊ CORNER FOUND AS NOTED
- SET #4 REBAR CAP 20251
- ⊕ SECTION CORNER
- ⊕ QUARTER CORNER
- OE — OVERHEAD ELECTRIC LINE

STATE OF NEW MEXICO, COUNTY OF LEA, I HERE BY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR RECORD ON

THIS 8th DAY OF February, 2016 A.D.

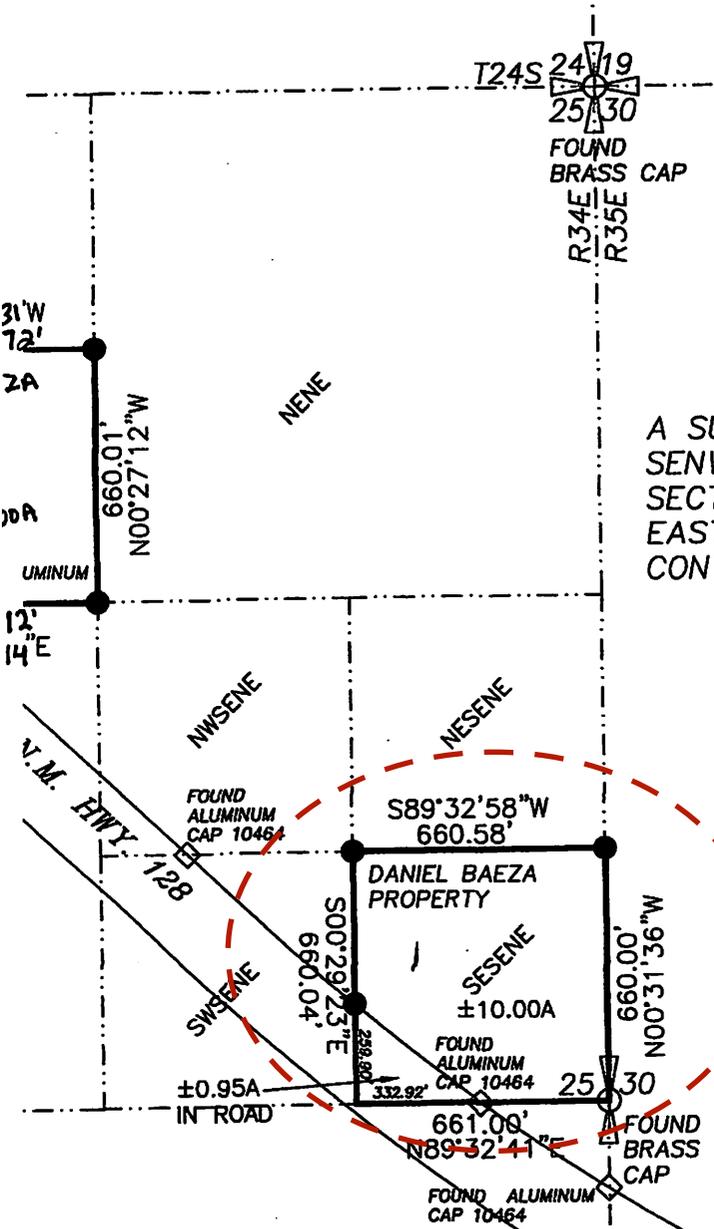
AT 2:20 O'CLOCK P.M.

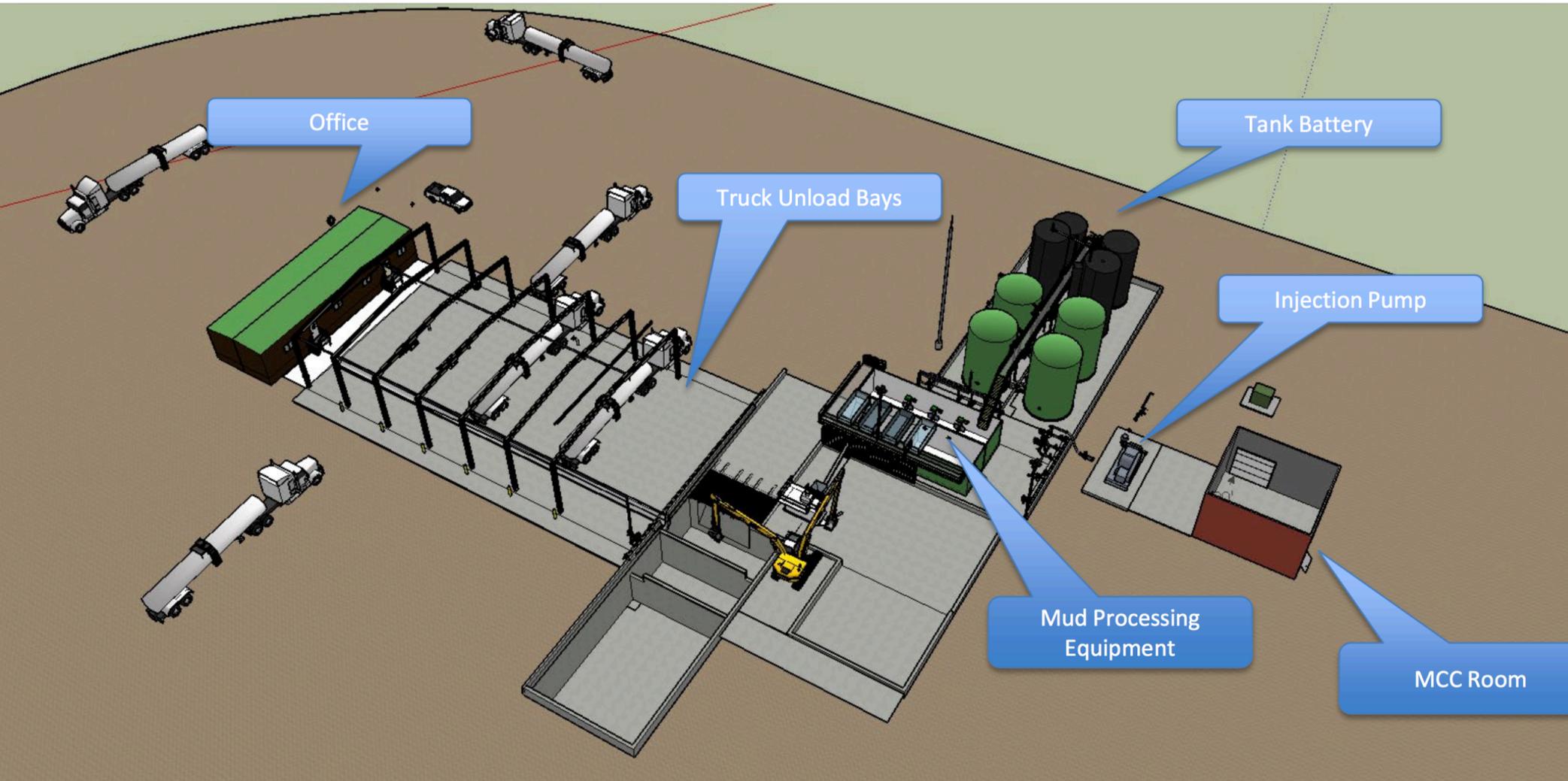
BOOK 2 PAGE 369
Pat Chappella - COUNTY CLERK

BY 3W DEPUTY

R&R SURVEYING LLC A LAND SURVEYING COMPANY			
INDEXING INFO. FOR CO. CLERK			
SEC. 25	T24S	R34E	N.M.P.M.
SUBDIVISION: NONE			
OWNER: DANIEL BAEZA			
CITY: JAL			
COUNTY: LEA			
STATE: NEW MEXICO			
DATE: JANUARY 25, 2016			
ACCESS: YES			
AREA: ±39.98 ACRES			

0905H





Office

Truck Unload Bays

Tank Battery

Injection Pump

Mud Processing
Equipment

MCC Room

Appendix V-Item 11

- Facility Engineering Drawings

See Appendix IV for all Drawings.

Appendix VI-Item 12

- C-138 Waste Acceptance Form
- C-104 Authorization to Transport

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

Form C-138
Revised August 1, 2011

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

*Surface Waste Management Facility Operator
and Generator shall maintain and make this
documentation available for Division inspection.

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. Generator Name and Address:
2. Originating Site:
3. Location of Material (Street Address, City, State or ULSTR):
4. Source and Description of Waste:
Estimated Volume _____ yd ³ / bbls Known Volume (to be entered by the operator at the end of the haul) _____ yd ³ / bbls
5. GENERATOR CERTIFICATION STATEMENT OF WASTE STATUS
I, _____, representative or authorized agent for _____ do hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is: (Check the appropriate classification)
<input type="checkbox"/> RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste. <i>Operator Use Only: Waste Acceptance Frequency</i> <input type="checkbox"/> Monthly <input type="checkbox"/> Weekly <input type="checkbox"/> Per Load
<input type="checkbox"/> RCRA Non-Exempt: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFR 261.21-261.24, or listed hazardous waste as defined in 40 CFR, part 261, subpart D, as amended. The following documentation is attached to demonstrate the above-described waste is non-hazardous. (Check the appropriate items)
<input type="checkbox"/> MSDS Information <input type="checkbox"/> RCRA Hazardous Waste Analysis <input type="checkbox"/> Process Knowledge <input type="checkbox"/> Other (Provide description in Box 4)
GENERATOR 19.15.36.15 WASTE TESTING CERTIFICATION STATEMENT FOR LANDFARMS
I, _____, representative for _____ do hereby certify that representative samples of the oil field waste have been subjected to the paint filter test and tested for chloride content and that the samples have been found to conform to the specific requirements applicable to landfarms pursuant to Section 15 of 19.15.36 NMAC. The results of the representative samples are attached to demonstrate the above-described waste conform to the requirements of Section 15 of 19.15.36 NMAC.
5. Transporter:

OCD Permitted Surface Waste Management Facility

Name and Facility Permit #:

Address of Facility:

Method of Treatment and/or Disposal:

Evaporation Injection Treating Plant Landfarm Landfill Other

Waste Acceptance Status:

APPROVED

DENIED (Must Be Maintained As Permanent Record)

PRINT NAME: _____

TITLE: _____

DATE: _____

SIGNATURE: _____
Surface Waste Management Facility Authorized Agent

TELEPHONE NO.: _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

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

Submit one copy to appropriate District Office

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address		² OGRID Number	
		³ Reason for Filing Code/ Effective Date	
⁴ API Number 30 - 0	⁵ Pool Name		⁶ Pool Code
⁷ Property Code	⁸ Property Name		⁹ Well Number

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W

IV. Well Completion Data

²¹ Spud Date	²² Ready Date	²³ TD	²⁴ PBTD	²⁵ Perforations	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas	⁴¹ Test Method	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: Printed name: Title: E-mail Address: Date:	OIL CONSERVATION DIVISION	
	Approved by:	
	Title:	
	Approval Date:	
	Phone:	

Appendix VII-Item 12

- Inspection Sheet Form

Appendix VIII-Item 15

- Closure Cost Estimate

PIT VOLUME CALCULATIONS									
Area	Length	Width	Height	Triang. Area	Volume (CF)	Volume (Gal)	Volume (BBLs)	Comments	
Main Pit	85.83	34.67	13.50		40,170	300,472	7,154		
Truck Dump area	19.83	7.83	7.83	0.5	608	4,551	108	support wall subtracted from length	
Truck Dump above wall	19.83	1.17	7.83		181	1,356	32	support wall subtracted from length	
Sump1	4.00	4.00	1.00		16	120	3		
Sump 2	4.00	4.00	1.00		16	120	3		
Deductions									
Weir Wall 1	29.67	1.00	13.50		401	2,996	71		
	5.00	1.00	11.00		55	411	10		
Weir Wall 2	29.67	1.00	13.50		401	2,996	71		
	5.00	1.00	11.00		55	411	10		
Weir Wall 3	32.67	1.00	13.50		441	3,299	79		
	2.00	1.00	12.00		24	180	4		
Total Operating Volume					40,081	299,804	<u>7,055</u>		
FREEBOARD VOLUME CALCULATIONS									
Area	Length	Width	height	Triang. Area	Volume (CF)	Volume (Gal)	Volume (BBLs)	Comments	
Total Pit	85.83	34.67	2.00		5,951	44,514	1,060		
Truck Dump	19.83	9.83	9.83	0.5	350	2,621	62	Operating Volume above subtracted	
Truck Dump above wall	19.83	1.17	2.00		46	346	8	support wall subtracted from length	
Unloading Trench					169	1,263	30		
Deductions									
Weir Wall 1	29.67	1.00	2.00		59	444	11		
	5.00	1.00	0.00		0	0	0		
Weir Wall 2	29.67	1.00	2.00		59	444	11		
	5.00	1.00	0.00		0	0	0		
Weir Wall 3	32.67	1.00	2.00		65	489	12		
	2.00	1.00	0.00		0	0	0		
Total Freeboard Volume					6,398	47,811	<u>1,138</u>		
Grand Total Volume					46,479	347,615	<u>8,194</u>		

DRYING SLAB CALCULATIONS									
Area	Length	Width	height	Triang. Area	Volume (CF)	Volume (Gal)	Volume (BBLs)	Comments	
AREA 1 (Small area)	38.67	39.67	2.00		3,068	22,945	546		
AREA 2	63.00	28.92	2.00		3,643	27,253	649		
Grand Total Volume BBLs							1,195	BBLs	
Grand Total Volume (CY)							249	CY	

CLOSURE COST ESTIMATE

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
1.0 Engineering					
1.1	Modify Closure Plan/Bid Out	1	LS	\$ 6,500.00	\$ 6,500
1.2	Prepare Closure Bid Documents	1	LS	\$ 4,500.00	\$ 4,500
1.3	Bidding and Procurement of Contractor	1	LS	\$ 6,000.00	\$ 6,000
1.4	Construction Phase Engineering	1	LS	\$ 6,000.00	\$ 6,000
1.5	On-site Observation during closure	1	LS	\$ 25,000.00	\$ 25,000
1.6	Soils Compaction Testing	1	LS	\$ 2,500.00	\$ 2,500
1.7	Final Closure Report	1	LS	\$ 4,500.00	\$ 4,500
1.0 SUBTOTAL					\$ 55,000
2.0 Disposal Well					
2.1	Remove and salvage piping and equipment	1	LS	\$ 5,800.00	\$ 5,800
2.0 SUBTOTAL					\$ 5,800
3.0 Unloading Bays					
3.1	Clean/wash infrastructure	115	BBLs	\$ 8.40	\$ 966
3.2	Haul cleaning water to offsite injection well	115	BBLs	\$ 2.75	\$ 316
3.3	Remove and salvage equipment, canopy structure	1	LS	\$ 10,000.00	\$ 10,000
3.4	Demolish concrete paving, trenches and aprons	254	CY	\$ 40.00	\$ 10,144
3.5	Dispose of concrete rubble at offsite facility	254	CY	\$ 68.00	\$ 17,245
3.6	Level area and haul/backfill trench	375	CY	\$ 10.00	\$ 3,750
3.0 SUBTOTAL					\$ 42,421
4.0 Truck Dump & Wash Area					
4.1	Clean/Wash infrastructure	40	BBLs	\$ 8.40	\$ 336
4.2	Haul cleaning water to offsite injection well	40	BBLs	\$ 2.75	\$ 110
4.3	Remove and salvage equipment	1	LS	\$ 5,000.00	\$ 5,000
4.4	Demolish concrete paving, trenches and aprons	40	CY	\$ 40.00	\$ 1,612
4.5	Dispose of concrete rubble at offsite facility	40	CY	\$ 68.00	\$ 2,740
4.6	Backfill/level area with imported fill	220	CY	\$ 10.00	\$ 2,200
4.0 SUBTOTAL					\$ 11,998
5.0 Receiving Pit					
5.1	Remove liquids/haul to offsite injection well	5,997	BBLs	\$ 2.75	\$ 16,492
5.2	Remove solids/haul to offsite disposal facility	187	CY	\$ 68.00	\$ 12,721
5.3	Clean/Wash infrastructure	120	BBLs	\$ 8.40	\$ 1,008
5.4	Haul cleaning water to offsite injection well	120	BBLs	\$ 2.75	\$ 330
5.5	Remove and salvage piping, equipment, etc.	1	LS	\$ 600.00	\$ 600
5.6	Demolish concrete collection pit structure	415	CY	\$ 60.00	\$ 24,905
5.7	Dispose of concrete rubble at offsite facility	415	CY	\$ 68.00	\$ 28,226
5.8	Backfill/level area with imported fill	2,480	CY	\$ 10.00	\$ 24,796
5.0 SUBTOTAL					\$ 109,078

CLOSURE COST ESTIMATE

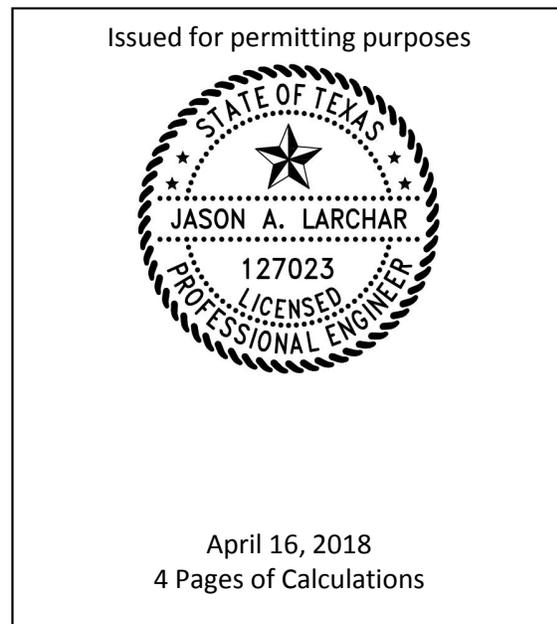
ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
6.0	Mixing Tanks				
6.1	Remove liquids/haul to offsite injection well	1500	BBLs	\$ 2.75	\$ 4,125
6.2	Clean/Wash infrastructure	26	BBLs	\$ 8.40	\$ 218
6.3	Haul cleaning water to offsite injection well	26	BBLs	\$ 2.75	\$ 72
6.4	Remove/salvage tanks, piping, equipment, etc.	2	LS	\$ 750.00	\$ 1,500
6.5	Demolish concrete containment structure	60	CY	\$ 40.00	\$ 2,414
6.6	Dispose of concrete rubble at offsite facility	60	CY	\$ 68.00	\$ 4,103
6.7	Backfill/level area with imported fill	59	CY	\$ 10.00	\$ 590
	6.0 SUBTOTAL				\$ 13,021
7.0	Tank Farm				
7.1	Remove/salvage pumps, stairs, walkways, etc.	1	LS	\$ 1,000.00	\$ 1,000
7.2	Remove liquids from salt water tanks and dispose	4,700	BBLs	\$ 2.75	\$ 12,925
7.3	Remove and dispose of oil in oil storage tanks	1,000	BBLs	\$ -	\$ -
7.4	Clean concrete containment structure	50	BBLs	\$ 8.40	\$ 420
7.5	Haul cleaning water to offsite injection well	50	BBLs	\$ 2.75	\$ 138
7.6	Demolish/salvage storage tanks and equipment	1	LS	\$ 8,000.00	\$ 8,000
7.7	Demolish concrete containment structure	202	CY	\$ 60.00	\$ 12,142
7.8	Dispose of concrete rubble at offsite facility	202	CY	\$ 68.00	\$ 13,761
7.9	Backfill/level area with imported fill	200	CY	\$ 10.00	\$ 2,000
	7.0 SUBTOTAL				\$ 50,385
8.0	Injection Pump Pad & Equipment				
8.1	Remove/salvage pumps, equip., canopy, etc.	1	LS	\$ 1,000.00	\$ 1,000
8.2	Demolish concrete foundation	68	CY	\$ 60.00	\$ 4,068
8.3	Dispose of concrete rubble at offsite facility	68	CY	\$ 68.00	\$ 4,611
8.4	Backfill/level area with imported fill	16	CY	\$ 10.00	\$ 160
	8.0 SUBTOTAL				\$ 9,839
9.0	Equipment/ Pump Pad				
9.1	Remove/salvage pumps, equip., etc.	1	LS	\$ 1,000.00	\$ 1,000
9.2	Clean/wash concrete concrete	5	BBLs	\$ 8.40	\$ 42
9.3	Haul cleaning water to offsite injection well	5	BBLs	\$ 2.75	\$ 14
9.4	Demolish concrete foundation	25	CY	\$ 40.00	\$ 1,013
9.5	Dispose of concrete rubble at offsite facility	25	CY	\$ 68.00	\$ 1,722
9.6	Backfill/level area with imported fill	39	CY	\$ 10.00	\$ 390
	9.0 SUBTOTAL				\$ 4,180

CLOSURE COST ESTIMATE

ITEM DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
10.0 Drying Slab				
10.1 Remove solids/haul to offsite disposal facility	277	CY	\$ 68.00	\$ 18,836
10.2 Clean/wash concrete containment structure	60	BBLs	\$ 8.40	\$ 504
10.3 Haul cleaning water to offsite injection well	60	BBLs	\$ 2.75	\$ 165
10.4 Demolish concrete handling area structure	122	CY	\$ 40.00	\$ 4,862
10.5 Dispose of concrete rubble at offsite facility	122	CY	\$ 68.00	\$ 8,266
10.6 Backfill/level area with imported fill	149	CY	\$ 10.00	\$ 1,490
10.0 SUBTOTAL				\$ 34,124
11.0 Misc Facility Structures, Paving & Utilities				
11.1 Remove and salvage diesel storage tank	1	LS	\$ 100.00	\$ 100
11.2 Vegetation/Seeding/Watering	13	Acre	\$ 400.00	\$ 5,200
11.0 SUBTOTAL				\$ 5,300
CONTINGENCY 10%				\$ 34,115
TOTAL ESTIMATED CLOSURE COSTS				\$ 375,260

Common Cost Elements - April 2018 in ORLA

Cleaning/Washing Tank or concrete	1	BBL	\$ 8.40
Offsite Injection Disposal (includes hauling costs)	1	BBL	\$ 2.75
Offsite fill material (includes placing and compacting)	1	CY	\$ 10.00
Vegetation/Seeding/Watering	1	Acre	\$ 400.00
Demolish/Load Concrete Structures	1	CY	\$ 40.00
Demolish/Load Heavily Reinforced Concrete Structures	1	CY	\$ 60.00
Haul/Dispose of Solid Waste at Offsite Facility	1	CY	\$ 68.00



Appendix IX-Item 16

- Draft Contingency Plan

Jal Emergency Action Plan

Date Created: 5/20/2019

Author: Jason Boothe

Review Date: XX/XX/2019

1.0 PURPOSE

This form shall provide direction to employees when an emergency requires employees at this facility to report an emergency, evacuate the facility or work area to a designated assembly point, and to comply with OSHA 29 CFR 1910.38(a), where applicable. This plan shall be kept at the facility and shall be readily available for review.

FACILITY	Jal, New Mexico
ADDRESS	14 miles NW of Jal, NM on State Highway 128
COORDINATES	
EFFECTIVE DATE	XX/XX/2019

2.0 EMERGENCY ESCAPE PROCEDURES AND ESCAPE ROUTE ASSIGNMENTS

The need to evacuate will be indicated by:

Air Horn Blast and Verbal Announcement

(describe how employees are notified, i.e., verbal announcement, alarm horn, siren etc.)

When evacuation is necessary, all employees must immediately go to the assembly point(s) designated below:

ASSEMBLY/MUSTER POINT	Facility Entrance, cement pad and Exit
-----------------------	---

Floor plans or maps must be included as an attachment to this plan and marked as needed to clearly indicate exit and assembly point locations. The following elements are attached and included as part of this plan:

Building floor plan (indicate which plans are available in the space below):

Site plan

Jal Emergency Action Plan

Date Created: 5/20/2019

Author: Jason Boothe

Review Date: XX/XX/2019

CRITICAL OPERATIONS: The facility manager or supervisor shall determine whether all employees shall be required to evacuate immediately or if certain employees are to remain and perform certain critical operations (i.e., shutdown of critical systems; monitoring of critical processes which cannot be shut down for every emergency alarm; systems where employees must be present for safe shutdown) prior to evacuating.

Employees who are designated to perform certain critical operations prior to that employee's evacuation must immediately evacuate after completing those operations.

The facility manager or supervisor shall complete the following table by checking either section A or B, as applicable, and if section B is selected by identifying the job title(s) that must perform certain critical operations prior to evacuation:

<input checked="" type="checkbox"/>	A. No operations require employees to remain behind. All employees must evacuate immediately.
<input type="checkbox"/>	B. All employees must evacuate immediately, EXCEPT for the employees who are assigned to the following job positions. The employees in the job positions listed below are required to perform the critical operation(s) listed below prior to evacuation. Employees who are designated to perform certain critical operations prior to that employee's evacuation <u>must immediately evacuate after completing those operations.</u>
JOB TITLE	CRITICAL OPERATION

3.0 ACCOUNTING FOR PERSONNEL

The facility manager or supervisor(s) are responsible for accounting for all employees (including contractors and visitors) who are on site at the time of the event. Manager or Supervisor(s) arriving at the assembly point will be responsible for conducting an employee count. If supervisors are not present during the emergency, it becomes the responsibility of each employee to make a safe evacuation and help account for all employees in the assembly area.

4.0 REPORTING INJURIES AND ILLNESSES

In the event of a serious injury or illness of an employee, contractor or visitor at the facility where the person cannot be moved:

1. Remain Calm. Call 911 or other local emergency numbers, as applicable. Provide the following information:
 - Your name, the company name and phone number
 - Location of emergency, including directions and cross streets as necessary
 - Nature of the injury or illness
 - **STAY ON THE TELEPHONE UNTIL THE EMERGENCY OPERATOR TELLS YOU TO HANG UP OR IF IT IS UNSAFE TO STAY IN THE AREA**
2. DO NOT move the injured or ill person unless it is necessary to avoid further injury.
3. Contact the local manager or supervisor.
4. Call HSE.
5. Call Axiom Medical Consulting 24 hours a day, 7 days a week at 281-419-7063.
6. If possible, have someone meet the emergency response unit at the facility entrance and guide them to the site.
7. Unless otherwise designated, Company employees perform no rescue or emergency care duties at this facility.

In the event of any other injuries or illnesses where the person can be moved, contact the local manager or supervisor, HSE, and Axiom Medical Consulting immediately 24 hours a day, 7 days a week at 281-419-7063 for assistance.

5.0 MEDICAL FACILITIES

The medical facilities below have been pre-identified below. If no medical facilities have been pre-identified, Axiom Medical Consulting will provide a designated medical facility once the injury is reported to them.

MEDICAL FACILITY	ADDRESS	PHONE NO.
Jal Clinic	805 W Kansas Ave, Jal, NM 88252	(575) 395-3400
Lea Regional Medical Center (Hobbs)	5419 N. Lovington Hwy, Hobbs, NM 88240	(575) 492-5000
Aero Care (Life Flight) Life Threatening		(800)627-2376
XtremeMD Medical Clinic (non- life threatening issues)	4536 US Hwy 285, Orla, TX 79770	(337) 205-9309

6.0 REPORTING FIRE AND OTHER EMERGENCIES

In the event of a fire or other emergency remain calm and take the following steps:

1. If you smell smoke, call your manager or supervisor and investigate with caution.
2. If you see smoke, fire or other evidence of an emergency, activate any alarm systems or otherwise alert other employees.
3. If safe to do so from your current location dial 911 and/or any other local emergency numbers listed below. Otherwise, evacuate to the designated assembly point before making the notifications.
4. Evacuate the facility as necessary until it is safe to return to the facility as discussed in the following section.

AGENCY	PHONE NO.
City of Jal, NM (Fire, EMS, Police) NON-EMERGENCY	(575) 395-3340
Lea County Sheriff NON-EMERGENCY	(575) 396-3611
IMMEDIATE EMERGENCY	911

7.0 EVACUATION PROCEDURES

When the evacuation alarm sounds, or you are instructed to evacuate, you should:

1. Remain Calm.
2. Follow instructions from your manager or supervisor, emergency services, police, etc.
3. Close doors (but do not lock) as you exit in the event of a fire. In case of a bomb threat, leave doors standing open and unlocked.
4. Evacuate using designated escape routes (see attached site plans and/or area maps showing evacuation routes)
5. Report to designated assembly point (see first page of this plan). Manager or supervisors are required to account for all facility employees.
6. DO NOT return to the facility or work area, as applicable, until local authorities have determined it is safe to do so.

8.0 FACILITY MANAGER OR SUPERVISOR RESPONSIBILITIES AND CONTACT INFORMATION

Unless otherwise specified below, the local manger or supervisor is responsible for:

- Completing, posting and updating the plan, as necessary
- Identifying and updating assembly points, contact information, support documents, etc. as needed
- Conducting or arranging for training and/or review of the plan, as applicable, with each employee when necessary.
- Conducting annual review of the plan and updating the plan as necessary
- Conducting annual evacuation drills and documenting drills on a roster.

The Facility Supervisor or his designee can be contacted for further information or explanation of duties under this plan as follows:

TITLE	NAME	CONTACT NO.
OPERATION MANAGER	Julio Ibarra	915-494-8084
REGONIAL MANAGER	Shannon Oliver	817-475-7441
HSE DIRECTOR	Randy Foster	210-753-2831
V.P. of OPS & HSE	Kevin Matte	337-288-7536

9.0 PLAN TRAINING AND EMPLOYEE REVIEW

Facility employees who are designated to assist in the safe and orderly emergency evacuation of facility employees shall be trained on the provisions of this plan and their responsibilities under the plan.

Training must be completed when the plan is initially developed, whenever the employee's responsibilities or designated actions under the plan change, and whenever the plan changes.

The plan shall be reviewed with each employee upon initial assignment those parts of the plan which the employee must know to protect the employee in the event of an emergency, when the plan is initially developed, whenever the employee's responsibilities or designated actions under the plan change, and whenever the plan changes.

10.0 DOCUMENTATION OF TRAINING

Employees working in this location shall be trained on the provisions of this plan and their responsibilities under the plan. Training should be completed when the plan is initially developed and at least annually thereafter, whenever there are changes to the plan, when there are changes in employee responsibilities under the plan, and when deficiencies in understanding or performance are identified. Training shall be documented in the Company training database.

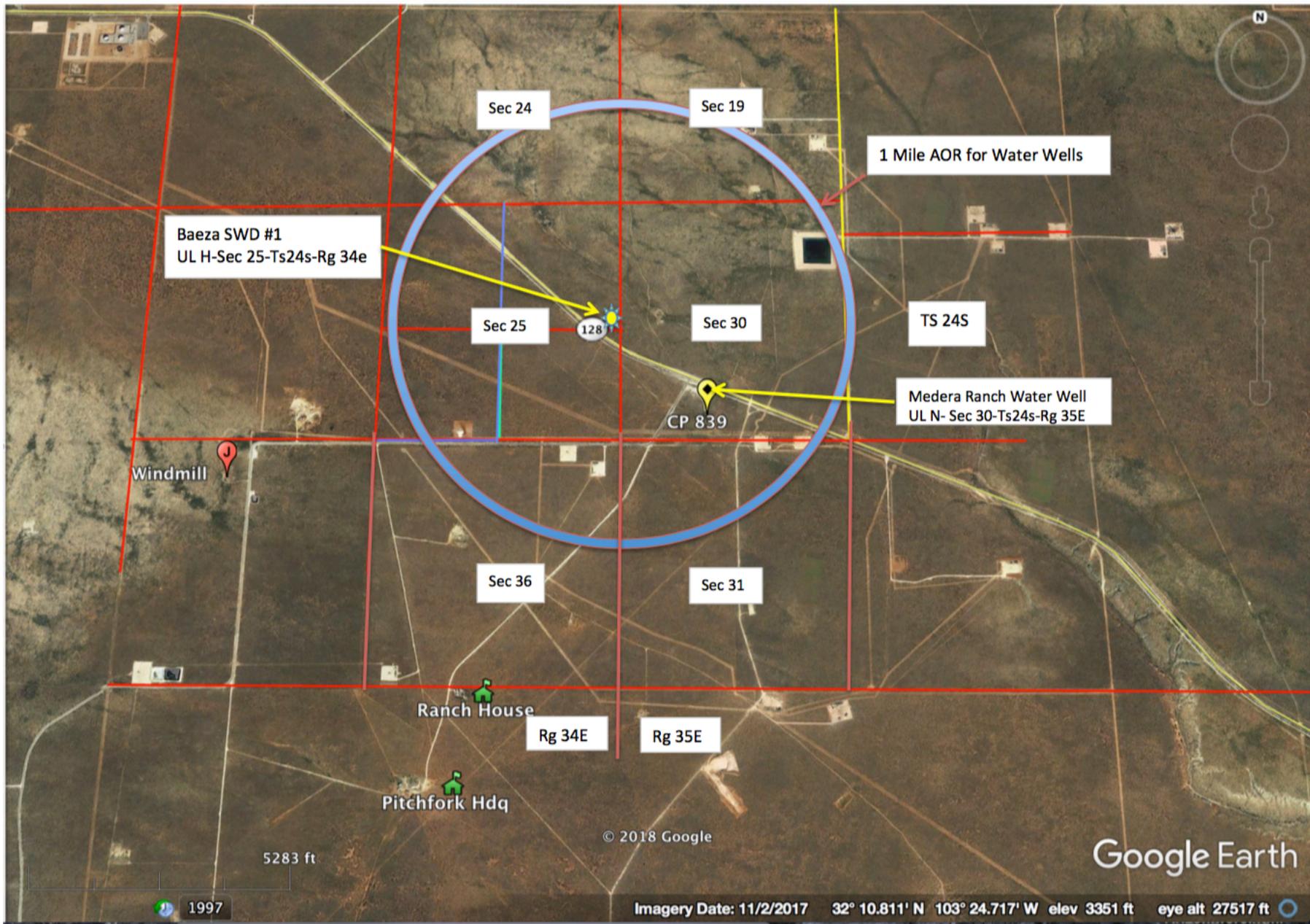
11.0 EMERGENCY ACTION PLAN (EAP) ADMINISTRATION

This Emergency Action Plan (EAP) was developed and is reviewed, as required, by Company HSE and if applicable, in compliance with 29 CFR 1910.38(a). All matters regarding the EAP such as plan development, adequacy, training, etc., should be coordinated with HSE.

DRAFT

Appendix X-Item 22

- Water well one-mile AOR Map.
- NMOSE Records and Driller's Report.
- Water analysis from the Medera Well.
- USGS Plate #4 showing the extent of the Santa Rosa Water aquifer and the proposed site in proximity to the Capitan Reef Complex.
- Groundwater contours at the site.





New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,

O=orphaned,

C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	DepthWell	DepthWater	Water Column
CP 00839 POD1		CP	LE	4	3	30		24S	35E	650017	3561833*		175	

Average Depth to Water: --

Minimum Depth: --

Maximum Depth: --

Record Count: 1

Basin/County Search:

Basin: Capitan

PLSS Search:

Section(s): 19, 30, 31 **Township:** 24S **Range:** 35E

*UTM location was derived from PLSS - see Help

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



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

Basin/County Search:

Basin: Capitan

PLSS Search:

Section(s): 24, 25, 36 **Township:** 24S **Range:** 34E

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

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WATER COLUMN/ AVERAGE
DEPTH TO WATER

51277

Revised May 1993

IMPORTANT - READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM.

Declaration of Owner of Underground Water Right

Capitan
~~XXXXXXXX~~ Water Basin
BASIN NAME

Declaration No. CP-839 Date received March 21, 1994

STATEMENT

1. Name of Declarant Rubert Madera
Mailing Address Box 1224, Jal, N.M. 88252
County of Lea, State of New Mexico

2. Source of water supply shallow water aquifer
(artesian or shallow water aquifer)

3. Describe well location under one of the following subheadings:

a. $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 30 Twp. 24 S Rge. 35 E N.M.P.M., in P21

b. Tract No. _____ of Map No. _____ of the _____

c. X = _____ feet, Y = _____ feet, N.M. Coordinate System _____ Zone _____ in the _____ Grant.

On land owned by Rubert Madera

4. Description of well: date drilled 1963 driller Otis Fruit depth 175 feet.

outside diameter of casing 6 inches; original capacity 9 gal. per min.; present capacity 9

gal. per min.; pumping lift 165 feet; static water level 155 feet (above) (below) land surface;

make and type of pump Electric under water pump

make, type, horsepower, etc., of power plant one third horsepower electric

Fractional or percentage interest claimed in well all

5. Quantity of water appropriated and beneficially used 3 (acre feet per acre) (acre feet per annum) for two houses and livestock watering purposes.

6. Acreage actually irrigated na acres, located and described as follows (describe only lands actually irrigated):

Subdivision	Sec.	Twp.	Range	Acres Irrigated	Owner

(Note: location of well and acreage actually irrigated must be shown on plat on reverse side.)

Water was first applied to beneficial use May 1963 and since that time has been used fully and continuously on all of the above described lands or for the above described purposes except as follows: _____

8. Additional statements or explanations The Cox place well is known as the Cox well

I, Rubert Madera being first duly sworn upon my oath, depose and say that the above is a full and complete statement prepared in accordance with the instructions on the reverse side of this form and submitted in evidence of ownership of a valid underground water right, that I have carefully read each and all of the items contained therein and that the same are true to the best of my knowledge and belief.

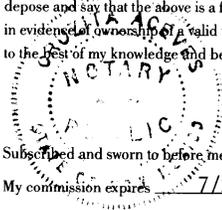
Rubert Madera, declarant.
by: _____

Subscribed and sworn to before me this 22nd day of February, A.D. 19 94

My commission expires 7/25/94 Cruzita Acéves Notary Public

POD Renumbered

From: CP-839
To: CP-839 (old)



FILED
UNDER NEW MEXICO LAW A DECLARATION IS ONLY A STATEMENT OF DECLARANT'S CLAIM. ACCEPTANCE FOR FILING DOES NOT CONSTITUTE APPROVAL OR REJECTION OF THE CLAIM.

550681

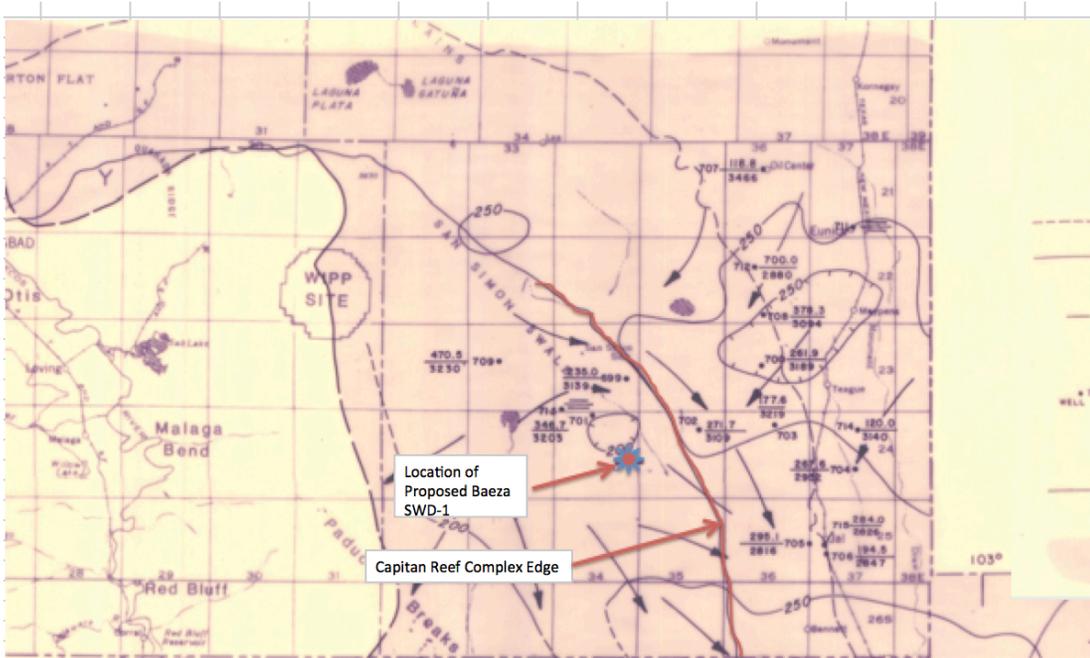
Analytical ReportLab Order **1809B39**Date Reported: **10/11/2018****Hall Environmental Analysis Laboratory, Inc.****CLIENT:** Milestone Environmental Services LLC**Client Sample ID:** WW-CP-839**Project:** 128 Slurry Disposal**Collection Date:** 9/14/2018 10:55:00 AM**Lab ID:** 1809B39-001**Matrix:** AQUEOUS**Received Date:** 9/18/2018 12:25:00 PM

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed	Batch
SPECIFIC GRAVITY							Analyst: JRR
Specific Gravity	0.9943	0			1	9/20/2018 1:32:00 PM	R54288
EPA METHOD 300.0: ANIONS							Analyst: MRA
Fluoride	2.2	0.10		mg/L	1	10/1/2018 10:21:08 PM	R54566
Chloride	24	10		mg/L	20	10/1/2018 10:34:00 PM	R54566
Nitrogen, Nitrite (As N)	ND	0.10	H	mg/L	1	10/1/2018 10:21:08 PM	R54566
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SM2540C MOD: TOTAL DISSOLVED SOLIDS							Analyst: KS
Total Dissolved Solids	384	20.0		mg/L	1	9/23/2018 4:30:00 PM	40479
SM4500-H+B / 9040C: PH							Analyst: JRR
pH	8.16		H	pH units	1	9/25/2018 11:14:51 AM	R54446
SM 2540D: TSS							Analyst: KS
Suspended Solids	20	4.0		mg/L	1	9/23/2018 5:18:00 PM	40504
EPA METHOD 200.7: METALS							Analyst: pmf
Calcium	42	1.0		mg/L	1	10/3/2018 1:34:38 AM	40563
Magnesium	28	1.0		mg/L	1	10/3/2018 1:34:38 AM	40563
Potassium	3.7	1.0		mg/L	1	10/3/2018 1:34:38 AM	40563
Sodium	59	5.0		mg/L	5	10/4/2018 10:13:01 PM	40563

PLATE 4
 DELAWARE BASIN, TEXAS AND NEW MEXICO
 WATER-RESOURCES INVESTIGATIONS REPORT 84-4077

EXPLANATION

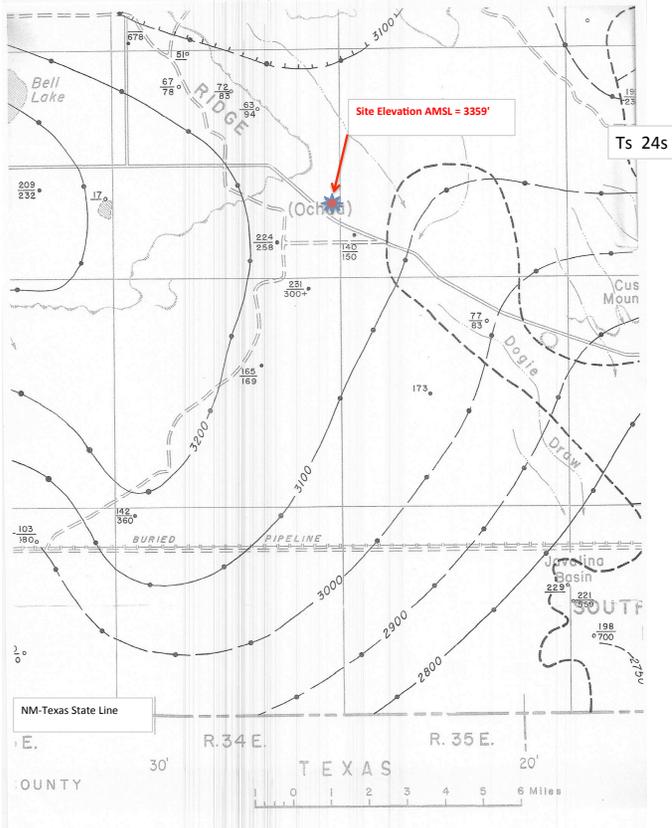
- APPROXIMATE POSITION OF EXTREME SHELFWARD EDGE OF CAPITAN REEF COMPLEX.
- - - - BASINAL EDGE OF CAPITAN REEF COMPLEX--Dashed where approximately located.
- 250 - LINE OF EQUAL THICKNESS OF SANTA ROSA SANDSTONE--Dashed where approximately located. Interval 50 feet.
- * 707 118.8
3466 WELL AND IDENTIFICATION NUMBER--Upper number is water level below land surface, in feet. Lower number is altitude of water level, in feet. R indicates reported measurement. Datum is sea level.
- GENERAL DIRECTION OF GROUND-WATER FLOW IN THE SANTA ROSA SANDSTONE--Arrows represent regional interpretations and do not necessarily fit individual control points.
- APPROXIMATE AREA OF THE SANTA ROSA SANDSTONE.



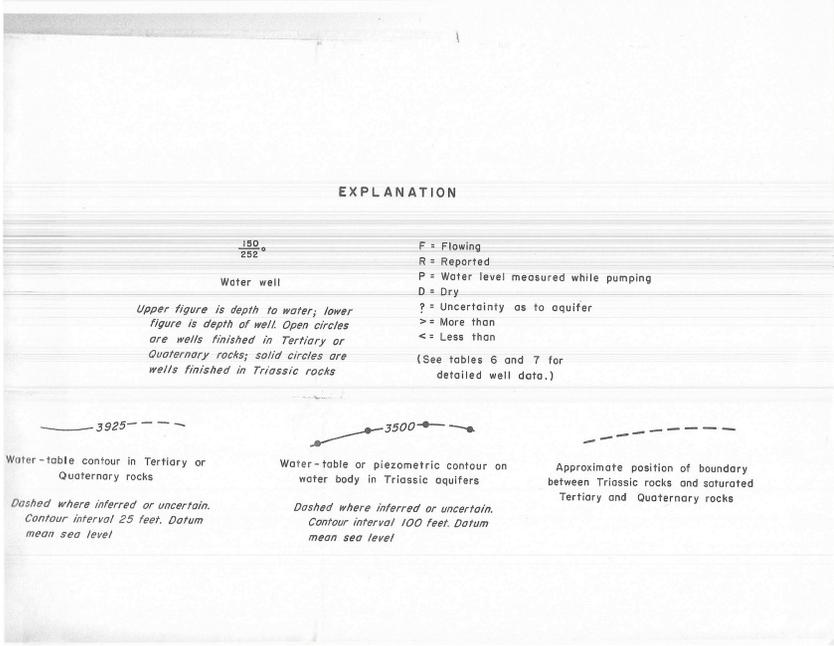
Location of Proposed Baeza SWD-1

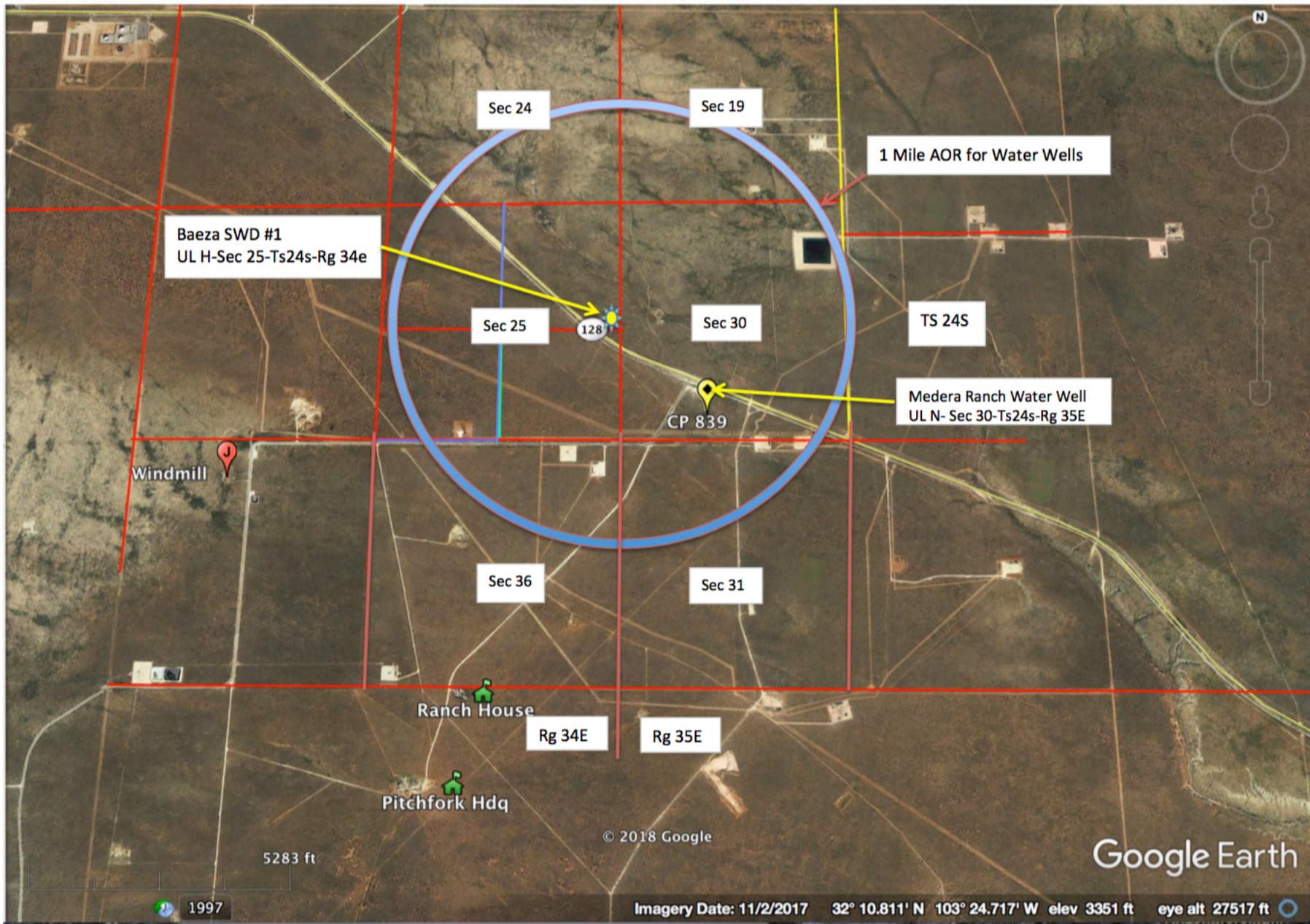
Capitan Reef Complex Edge

Groundwater Contours taken from Plate 2. Ground-Water Map of Southern Lea County, NM- Alfred Clebsch, Jr. 1960



Ts 24s







New Mexico Office of the State Engineer

Water Column/Average Depth to Water

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WATER COLUMN/ AVERAGE DEPTH TO WATER



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
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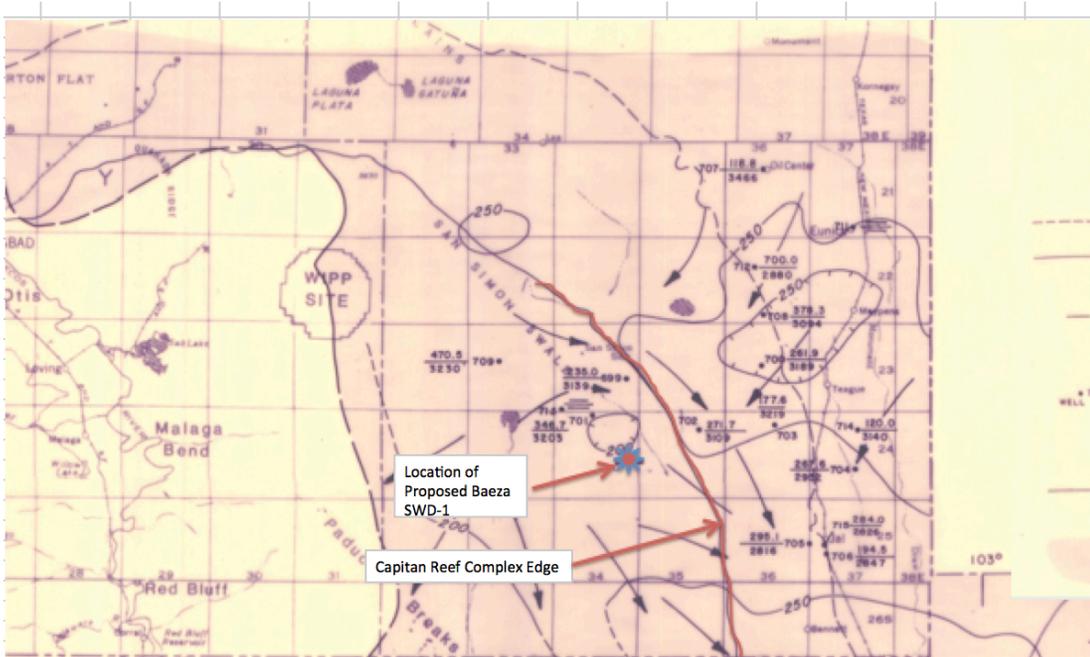
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DEPTH TO WATER

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EXPLANATION

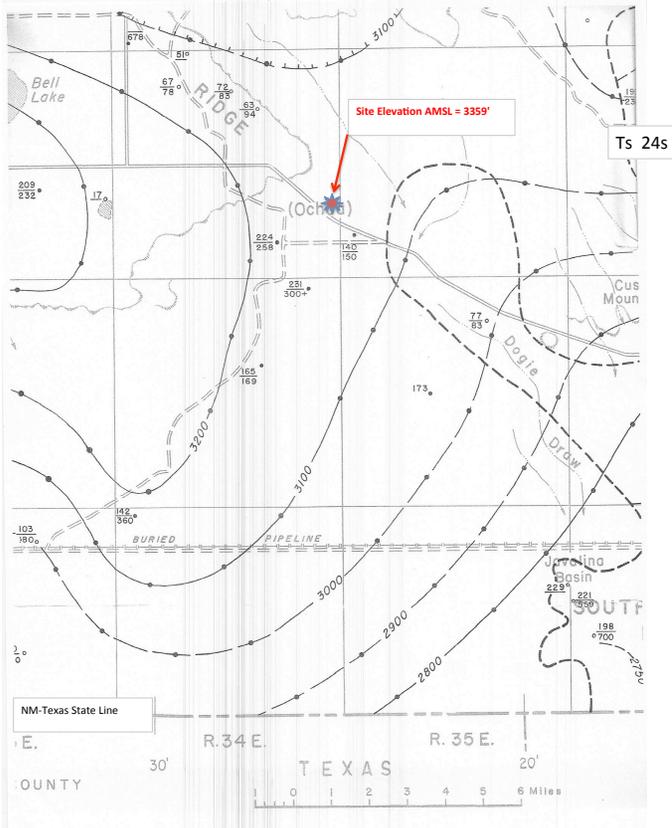
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Location of Proposed Baeza SWD-1

Capitan Reef Complex Edge

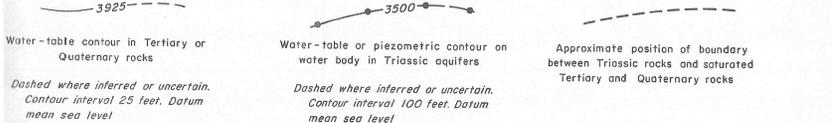
Groundwater Contours taken from Plate 2. Ground-Water Map of Southern Lea County, NM- Alfred Clebsch, Jr. 1960



Ts 24s

EXPLANATION

- 150°
- 252°
- Water well
- Upper figure is depth to water; lower figure is depth of well. Open circles are wells finished in Tertiary or Quaternary rocks; solid circles are wells finished in Triassic rocks
- F = Flowing
- R = Reported
- P = Water level measured while pumping
- D = Dry
- ? = Uncertainty as to aquifer
- > = More than
- < = Less than
- (See tables 6 and 7 for detailed well data.)



Appendix XI-Public Notices

- Public Notice for Newspaper in Lea County
- Notice to Landowners within $\frac{1}{2}$ mile of the facility.

Public Notice for the Lovington Leader.

Milestone Environmental Services LLC, 15721 Park Row, Suite 150 Houston, TX 77084, filed a form C-137 (Application for Surface Waste Management Facility) with the New Mexico Oil Conservation Division (NMOCD).

The NMOCD has issued a tentative administrative approval and can be reviewed by contacting the Division Clerk, Florene Davidson, at 505-476-3440 or visiting their web site at <http://www.emnrd.state.nm.us/ocd/>.

The proposed 10-acre site will be located on private land in Unit Letter H, Section 25, Township 24s-Range 34e, Lea County, New Mexico. The facility will be approximately 14 miles northwest of Jal, NM off State highway 128.

The facility will consist of an office, maintenance facilities, unloading and storage facilities all on concrete containment. There will be one below-grade device that will have an extra secondary liner and with leak detection for the protection of groundwater. Groundwater in the area is found at a depth of 155 feet below surface with a TDS concentration of 384 mg/l.

The permit is for authorization to temporary handle oilfield exempt waste generated from oil and gas drilling, completion and production operations. The only waste disposed of at the site will be liquids that will be injected in a permitted deep disposal well.

The permit spells out conditions, if any, and if any alternatives or variances will be allowed.

If any person has an objection to the application or wishes to file for a hearing on this matter, shall submit in writing and state specifically the reasons why a hearing should be held and filed within 90 days of this notice. Send inquires to Division Clerk, Florene Davidson, NMOCD, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

If you would like a copy of the application or have questions about it, you can also contact Steve Bills at 832-739-6708 or E-mail stevebills@milestone-es.com.

DRAFT

Certified/Return Receipt

Date: XXXXXXXXXX

To: Surface Owner within ½ mile of a Proposed Surface Waste Management Facility.

Ladies and Gentlemen:

Milestone Environmental Services LLC, 15721 Park Row, Suite 150 Houston, TX 77084, filed a form C-137 (Application for Surface Waste Management Facility) with the New Mexico Oil Conservation Division (NMOCD).

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If you would like a copy of the application or have questions about it, you can also contact Steve Bills at 832-739-6708 or E-mail stevebills@milestone-es.com.

Sincerely,

Steve Bills
Business Development



Milestone Environmental Services LLC
15721 Park Row Ste. 150
Houston, Texas 77084-7208
832-739-6700 [F] 832-739.6699

Distribution List:

See Attachment below

Landowners within 1/2 mile							
Estate	Name	Address	City	St	Zip	Parcel-Lot	
	Weldon, Tara Marie ET Al	Sara L Strand	160 7th Ave SE	Milaca	MN	56353	79417
	Polly J Crook	% Duane R Daley	2407 E Inverness	Mesa	AZ	85204	79418
	High Roller Enterprises LLC	High Roller Enterprises LLC	1008 Southview Cir	Center	TX	75935	79419
	Daniel Baeza	Daniel Baeza	7225 N Mockingbird LN	Hobbs	NM	88242	79592
	Rex L Harelson	Rex L Harelson	636 W Manhattan Dr	Tempe	AZ	85282	51739
	James H Moomaw	James H Moomaw	PO Box 341	Tremonton	UT	84337	79636
COG	Quail Ranch LLC	Quail Ranch LLC	600 W Illinois Ave	Midland	TX	79701	51790
	AE&J Royalties LLC	AE&J Royalties LLC	PO 1693	Taos	NM	87571	51881
	Bert Madera-Lease	NMSLO-4222	P.O. Box 1148	Santa Fe, NM	NM	87504	4222