Form C-144 July 21, 2008

District L
1625 N French Dr., Hobbs, NM 88240
District II.
1301 W Grand Avenue, Artesia, NM 88210
District III.
1000 Rio Brazos Road, Aztec, NM 87410
District IV.
1220 S. St Francis 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

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

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application Type of action: | Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances Nearburg Producing Company Operator ____ Address: 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705 Facility or well name. Morris Boyd 26 Fee Com #2H API Number: _30-015-39428 OCD Permit Number U/L or Qtr/Qtr 0 Section 26 Township 19S Range 25E County. Eddy Center of Proposed Design: Latitude _____ ___ Longitude ____ NAD·□1927 □1983 Surface Owner. Federal State Private Tribal Trust or Indian Allotment Pit: Subsection F or G of 19.15.17.11 NMAC SEP 21 2011 Temporary: Drilling Workover Permanent Emergency Cavitation P&A **NMOCD ARTESIA** Lined Unlined Line type: Thickness ______mil LLDPE HDPE PVC Oth ☐ String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D X Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A X Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit of notice of Drying Pad Above Ground Steel Tanks Haul-off Bins Other ___ Lined Unlined Liner type: Thickness _____ mil LLDPE HDPE PVC Other _____ Below-grade tank: Subsection I of 19 15.17 11 NMAC __ bbl Type of fluid: _____ Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off ☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other ___ mil LLDPE HDPE PVC Other Liner type: Thickness Alternative Method:

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

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)			
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital,			
institution or church)			
Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate Please specify			
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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)			
Signs: Subsection C of 19.15 17.11 NMAC			
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers			
☐ Signed in compliance with 19.15.3.103 NMAC			
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Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.			
Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bur consideration of approval.	eau office for		
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	7000		
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 acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.			
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	☐ Yes ☐ No		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa 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. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA		
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; 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 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	· Yes No		
Within the area overlying a subsurface mine. - 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		

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Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC			
Previously Approved Design (attach copy of design) API Number: or Per	nit Number		
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15 17 9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15 17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15 17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15 17 9 NMAC and 19.15.17.13 NMAC			
Previously Approved Design (attach copy of design) API Number:			
Previously Approved Operating and Maintenance Plan API Number: above ground steel tanks or haul-off bins and propose to implement waste removal for closure)	(Applies only to closed-loop system that use		
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 Quality Control/Quality Assurance Construction and Installation Plan the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H2S, Prevention Plan Emergency Response Plan Onl Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19 15.17.9 NMAC and 19 15 17.13 NMAC			
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)			
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation-Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17 13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC			

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions Please indentify the faculity or facilities for the disposal of liquids, drilling fluids and drill cultings. Use attachment if more than two			
ilities are required. Disposal Facility Name: CRI Disposal Facility Permit Number: R-9166			
Disposal Facility Name:	Disposal Facility Permit Number:		
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and			
operations? Yes (If yes, please provide the information below) No			
Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17 13 NMAC			
Siting Criteria (regarding on-site closure methods only 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.			
Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - 1WATERS database search; USGS	s; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA	
Ground water is between 50 and 100 feet below the bottom of the buried waster - NM Office of the State Engineer - iWATERS database search; USGS		Yes No	
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS	; Data obtained from nearby wells	Yes No	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed significant of the proposed significant or the propos		☐ Yes ☐ No	
Within 300 feet from a permanent residence, school, hospital, institution, or ch Visual inspection (certification) of the proposed site; Aerial photo; So		☐ Yes ☐ No	
Within 500 horizontal feet of a private, domestic fresh water well or spring the watering purposes, or within 1000 horizontal feet of any other fresh water well - NM Office of the State Engineer - IWATERS database; Visual inspec	l or spring, in existence at the time of initial application.	Yes No	
Within incorporated municipal boundaries or within a defined municipal fresh adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written a		Ycs 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	
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-N	Mining and Mineral Division	☐ Yes ☐No	
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of G Society; Topographic map	eology & Mineral Resources; USGS; NM Geological	☐ 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 plan Please indicate, by a check mark in the box, that the documents are attached.			
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC			

Operator Application Certification: I hereby certify that the information submitted with this application is true, accura	te and complete to the best of my knowledge and belief	
Name (Print): Terri Stathem	Title: Regulatory Analyst	
Signature: INDIANT	Date9/21/11	
e-mail address tstathem@nearburg.com	Telephone. <u>432/818-2950</u>	
OCD Approval: Permit Application (including closure plan)		
OCD Representative Signature:	Approval Date: 09/27/2011	
Title: DIST DEPONISTE 0	CD Permit Number: 211 979	
Closure Report (required within 60 days of closure completion): Subsection K of 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. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date:		
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative If different from approved plan, please explain.	e Closure Method	
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized. Disposal Facility Permit Number		
Disposal Facility Name:D	sposal Facility Permit Number.	
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below)		
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ons: -	
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report Please indicate, by a check mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Longitude NAD: 1983		
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Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan		
Name (Print)	Title:	
Signature: Date:		
e-mail address:	Telephone:	

I Design Plan

Above ground steel tanks will be used for the management of all fluids

II Operations and Maintenance Plan

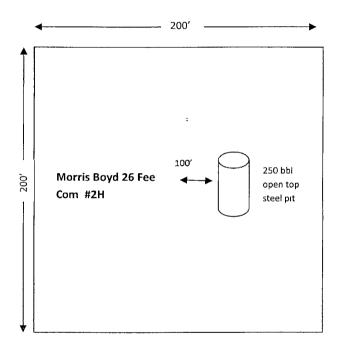
Nearburg Producing Company will operate and maintain all of the above ground steel tanks in a prudent manner to prevent any spills. Should a leak develop, the appropriate NMOCD Division Office will be notified within 48 hours and the leak will be addressed immediately. During an upset the source of the leak will be isolated and addressed as soon as it is discovered. Free liquids will be removed and loose topsoil will be used to stabilize the spill. The contaminated soil will either be remediated in-situ or be excavated and taken to an approved facility.

III Closure Plan

All fluids will go to an above ground steel tank and will be hauled to an approved facility. Impacted areas which will not be used for future service or operations will be reclaimed as per approved methods.



Morris Boyd 26 Fee com #2H Eddy County, NM



All distances approximate. Not to scale