

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

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

Form C-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

- Type of action: Below grade tank registration
 Permit of a pit or proposed alternative method
 Closure of a pit, below-grade tank, or proposed alternative method
 Modification to an existing permit/or registration
 Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Coleman Oil & Gas In. OGRID #: 4838
Address: P.O Drawer 3337 Farmington, NM 87499
Facility or well name: Taliaferro #005
API Number: 30-045-10354 OCD Permit Number: _____
U/L or Qtr/Qtr H Section 30 Township 31N Range 12W County: San Juan
Center of Proposed Design: Latitude 36.8729324 Longitude -108.1329498 NAD83
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Pit: Subsection F, G or J of 19.15.17.11 NMAC
Temporary: Drilling Workover
 Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no
 Lined Unlined Liner type: Thickness _____ mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____
***Changed DTW to 51-99 Due to Cathodic Well At TaliaFerro #4E**

3.
 Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: 120 bbl Type of fluid: produced water
Tank Construction material: fiberglass
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other _____
Liner type: Thickness _____ mil HDPE PVC Other _____

4.
 Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
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 _____

6.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- Screen Netting Other _____
- Monthly inspections (If netting or screening is not physically feasible)

7.

Signs: Subsection C of 19.15.17.11 NMAC

- 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- Signed in compliance with 19.15.16.8 NMAC

8.

Variations and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.
- Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

General siting

Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

- Yes No
- NA

Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

- Yes No
- NA

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)**

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

- Yes No

Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)**

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

- Yes No

Within an unstable area. **(Does not apply to below grade tanks)**

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

- Yes No

Within a 100-year floodplain. **(Does not apply to below grade tanks)**

- FEMA map

- Yes No

Below Grade Tanks

Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

- Yes No

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

- Yes No

Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)

Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.)

- Topographic map; Visual inspection (certification) of the proposed site

- Yes No

Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

- Yes No

Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

- Yes No

| | |
|--|--|
| <p>Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p><u>Temporary Pit Non-low chloride drilling fluid</u></p> | |
| <p>Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p><u>Permanent Pit or Multi-Well Fluid Management Pit</u></p> | |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

10. **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 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11. **Multi-Well Fluid Management Pit Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 A List of wells with approved application for permit to drill associated with the pit.
 Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12. **Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Climatological Factors Assessment
- Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- Quality Control/Quality Assurance Construction and Installation Plan
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- Emergency Response Plan
- Oil Field Waste Stream Characterization
- Monitoring and Inspection Plan
- Erosion Control Plan
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13. **Proposed Closure:** 19.15.17.13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well Fluid Management Pit
 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

14. **Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15. **Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

| | |
|---|--|
| Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA |
| Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| | |
|---|---|
| adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within a 100-year floodplain. - FEMA map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

16. **On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 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 19.15.17.13 NMAC
- Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

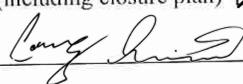
17. **Operator Application Certification:**
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Vanessa Fields Title: Agent/Regulatory Compliance Manager

Signature:  Date: 8/19/2019

e-mail address: vanessa@walsheng.net Telephone: 505-787-9100

18. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see ~~attachment~~) **Front**

OCD Representative Signature:  Approval Date: 8/27/19

Title: Environmental Specialist OCD Permit Number: _____

19. **Closure Report (required within 60 days of closure completion):** 19.15.17.13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. 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: _____

20. **Closure Method:**

Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)

If different from approved plan, please explain.

21. **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 for private land only)
- Plot Plan (for on-site closures and temporary pits)
- Confirmation Sampling Analytical Results (if applicable)
- Waste Material Sampling Analytical Results (required for on-site closure)
- Disposal Facility Name and Permit Number
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: 1927 1983

22.

Operator Closure Certification:

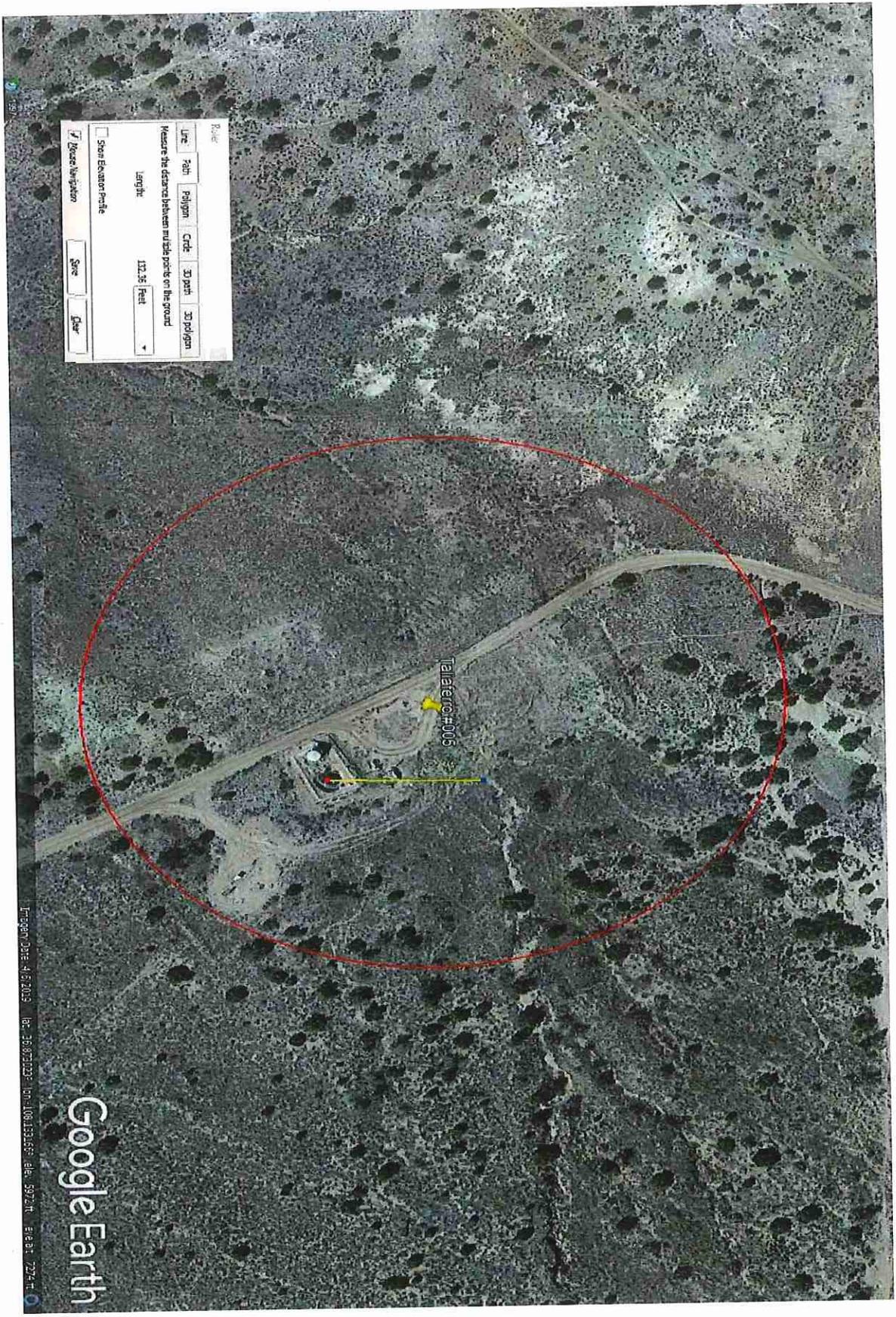
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

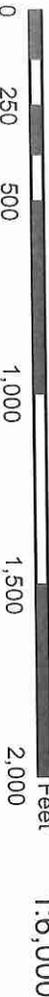
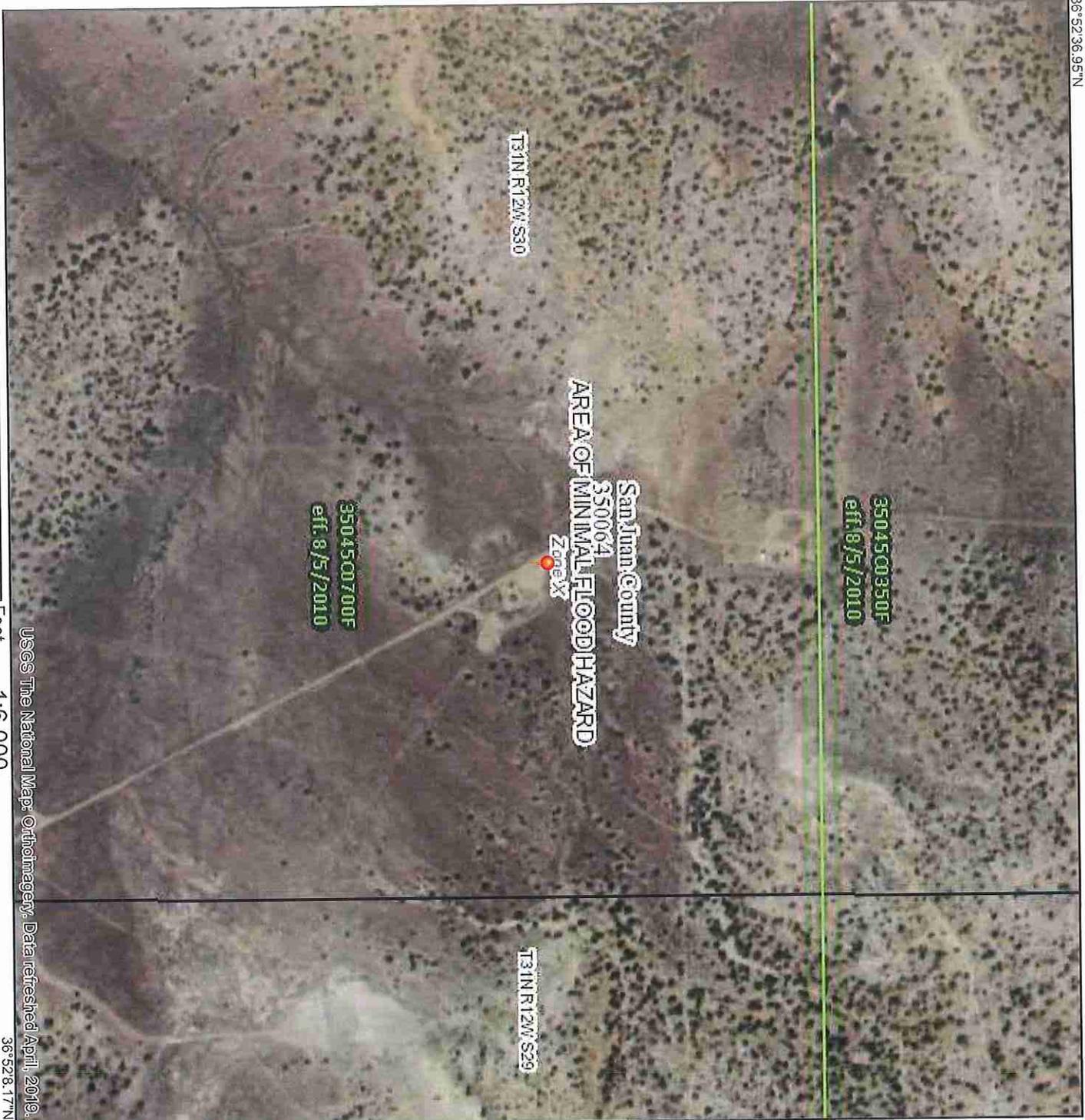
Taliaferro #005 30-045-10354



National Flood Hazard Layer FIRMette



36°52'36.95"N



USGS The National Map: Orthoimagery, Data refreshed April, 2019.

36°52'8.17"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

| | |
|--|--|
| | Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway |
|--|--|

| | |
|--|--|
| | 0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile (zone X) |
| | Future Conditions 1% Annual Chance Flood Hazard Zone X |
| | Area with Reduced Flood Risk due to Levee. See Notes, Zone X |
| | Area with Flood Risk due to Levee Zone B |

| | |
|--|---|
| | NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs |
| | Area of Undetermined Flood Hazard Zone |
| | Channel, Culvert, or Storm Sewer STRUCTURES |
| | Levee, Dike, or Floodwall |

| | |
|--|--|
| | 20.2 Cross Sections with 1% Annual Chance |
| | 17.5 Water Surface Elevation |
| | 99 Base Flood Elevation Line (BFE) |
| | Limit of Study |
| | Jurisdiction Boundary |
| | Coastal Transect Baseline |
| | Profile Baseline |
| | Hydrographic Feature |

| | |
|--|---------------------------|
| | Digital Data Available |
| | No Digital Data Available |
| | Unmapped |



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

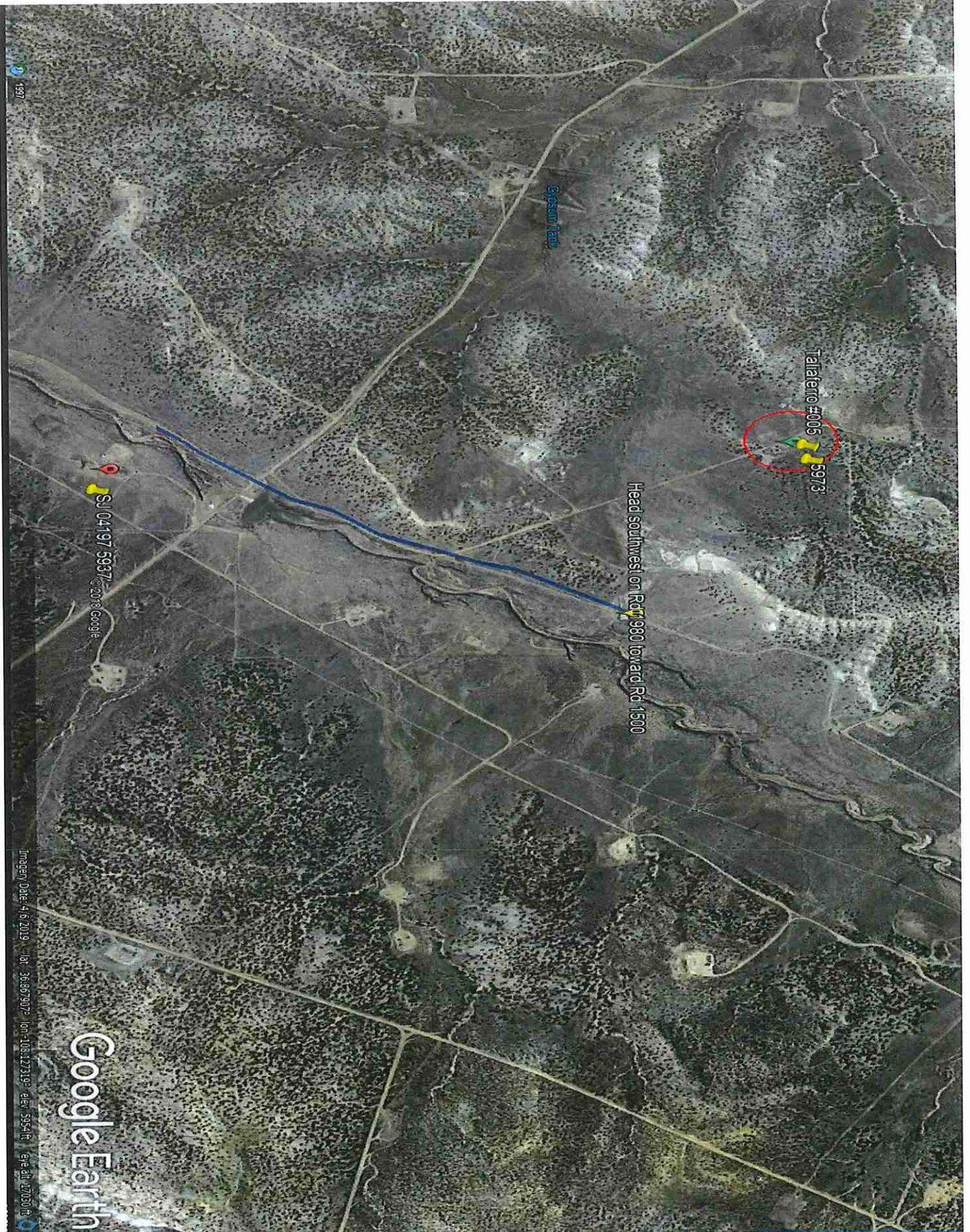
This map complies with FEMA's standards for the use of digital flood maps. If it is not void as described below, the basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/19/2019 at 3:24:59 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and undetermined areas cannot be used for regulatory purposes.

108°7'39.89"W

Taliaferro #005 DTW 176'



Taliaferro #005
5973

Head southwest on Rd 990 toward Rd 1500

SU 04197 5937
©2018 Google

Google Earth

36' 33.0
Dirt
36'

Imagery Date: 4/6/2019 - lat: 36.867907 - lon: -108.127319 - elev: 5954 ft - speed: 17/30 ft

1997



New Mexico Office of the State Engineer

Point of Diversion Summary

| | | | | | |
|-----------------|-------------------|--|------------|------------|-----------------------|
| | | (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) | | | (NAD83 UTM in meters) |
| Well Tag | POD Number | Q64 Q16 Q4 | Sec | Tws | Rng |
| SJ 04197 | POD1 | 2 2 31 | 31N | 12W | 220763 4084003 |

| | | |
|-------------------------------------|---|--------------------------------|
| Driller License: 1357 | Driller Company: BAILEY DRILLING COMPANY | |
| Driller Name: BAILEY, MARK | | |
| Drill Start Date: 12/05/2016 | Drill Finish Date: 12/20/2016 | Plug Date: |
| Log File Date: 01/05/2017 | PCW Rev Date: | Source: Shallow |
| Pump Type: | Pipe Discharge Size: | Estimated Yield: 10 GPM |
| Casing Size: 5.00 | Depth Well: 195 feet | Depth Water: 140 feet |

| Water Bearing Stratifications: | Top | Bottom | Description |
|--------------------------------|-----|--------|-------------------------------|
| | 5 | 20 | Sandstone/Gravel/Conglomerate |
| | 100 | 195 | Sandstone/Gravel/Conglomerate |

| Casing Perforations: | Top | Bottom |
|----------------------|-----|--------|
| | 0 | 40 |
| | 140 | 195 |

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.

8/13/19 9:43 AM

POINT OF DIVERSION SUMMARY

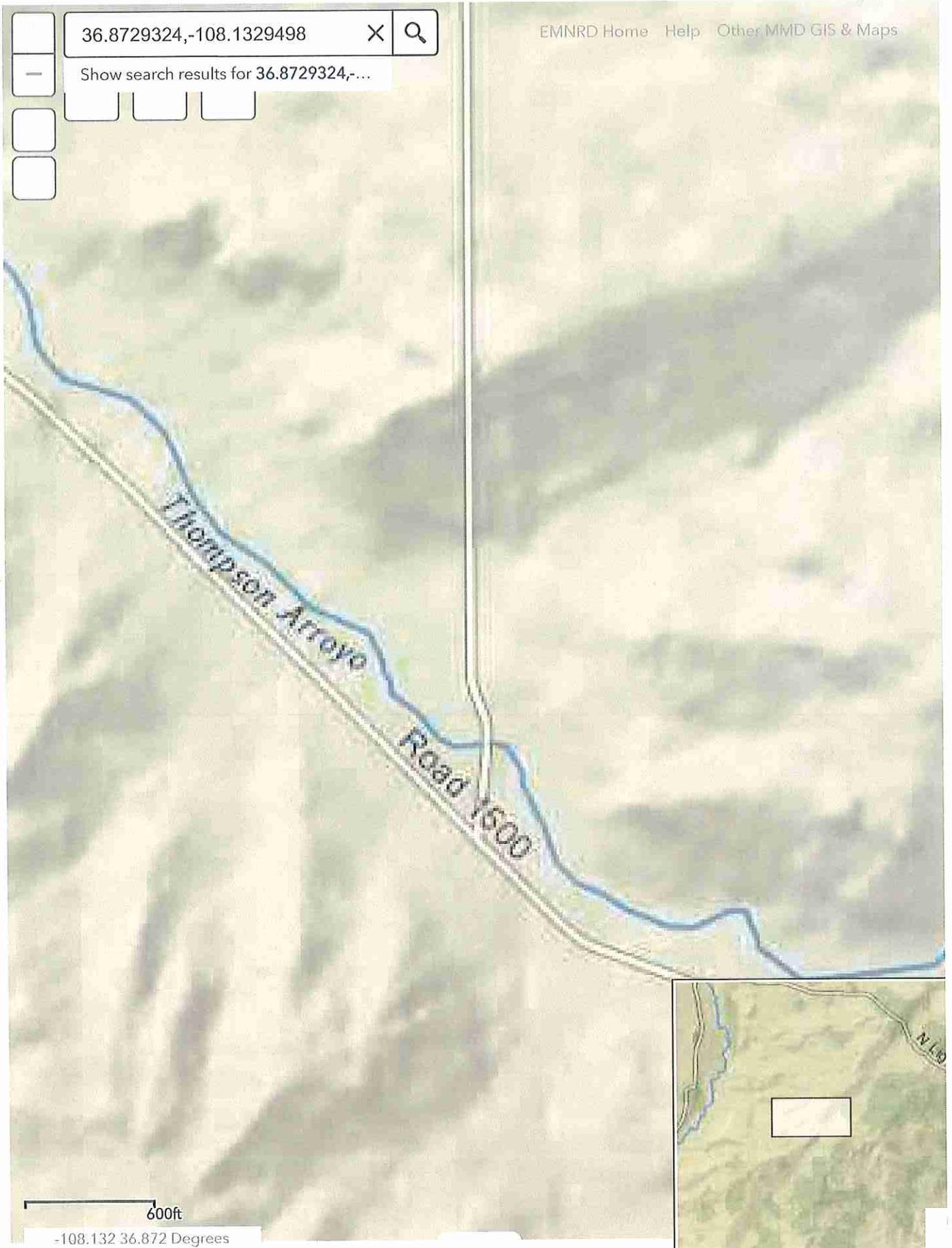


Coal Mine Resources in New Mexico

NM Mining and Minerals Division

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Show search results for 36.8729324,-...



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**Coleman Oil & Gas Inc.
San Juan Basin
Below Grade Tank
Closure Plan**

Lease Name: Taliaferro #005

API No.: 30-045-10354

Description: Unit H, Section 30, Township 31N, Range 12W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on Coleman Oil & Gas Inc. locations. This is Coleman Oil & Gas Inc standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

1. COLEMAN OIL & GAS INC. will obtain approval of this closure plan prior to commencing closure of the below grade tank at this location pursuant to 19.15.17.13.C (1) NMAC
2. COLEMAN OIL & GAS INC. will notify the surface owner by email if Bureau of Land Management or by certified mail for any fee owners, return receipt requested, that the Coleman Oil & Gas Inc. plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
 - a. Well Name
 - b. API #
 - c. Well Location
3. COLEMAN OIL & GAS INC. will notify the NMOCD Aztec Office by email that the Coleman Oil & Gas Inc. plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
 - a. Well Name
 - b. API #
 - c. Well Location
4. Within 60 days of cessation of operations, COLEMAN OIL & GAS INC. will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
 - a. Soils, tank bottoms, produced sand, pit sludge and other exempt wastes impacted by petroleum hydrocarbons will be disposed of at:
Envirotech: Permit #NM01-0011 and IEI: Permit # NM01-0010B
 - b. Produced Water will be disposed of at:
Basin Disposal: Permit # NM01-005 and COLEMAN OIL & GAS INC. owned saltwater Disposal Facilities

5. Within six (6) months of cessation of operations, COLEMAN OIL & GAS INC. Will remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. If there is any equipment associated with a below-grade tank, then the Coleman Oil & Gas Inc. shall remove the equipment, unless the equipment is required for some other purpose.

6. COLEMAN OIL & GAS INC. will collect a closure sample of the soil beneath the location of the below grade tank that is being closed. The closure sample will consist of a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination. The closure sample will be analyzed for all constituents listed in Table I below, including DRO+GRO, Chlorides, TPH, benzene and BTEX.

| TABLE I | | | |
|--|--------------------|-----------------------|--------------|
| Depth Below bottom of pit to groundwater less than 10,000 mg/l TDS | Constituent | Method | Limit |
| ≤ 50 Feet | Chloride | EPA 300.0 | 600 mg/kg |
| | TPH | Method 418.1 | 100 mg/kg |
| | BTEX | Method 8021B or 8260B | 50 mg/kg |
| | Benzene | Method 8021B or 8260B | 10 mg/kg |
| OCD Cathodic well @ Taliaferro #4E | Chloride | EPA 300.0 | 10,000 mg/kg |
| | TPH | Method 418.1 | 2,500 mg/kg |
| | GRO + DRO | Method 8015 | 1,000 mg/kg |
| | BTEX | Method 8021B or 8260B | 50 mg/kg |
| 51 feet - 100 feet | Benzene | Method 8021B or 8260B | 10 mg/kg |
| > 100 feet | Chloride | EPA 300.0 | 20,000 mg/kg |
| | TPH | EPA 418.1 | 2,500 mg/kg |
| | GRO + DRO | Method 8015 | 1,000 mg/kg |
| | BTEX | Method 8021B or 8260B | 50 mg/kg |
| | Benzene | Method 8021B or 8260B | 10 mg/kg |
| | Benzene | Method 8021B or 8260B | 10 mg/kg |

7. If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and the Coleman Oil & Gas Inc. must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then the Coleman Oil & Gas Inc. can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.
8. After closure has occurred, COLEMAN OIL & GAS INC. will reclaim the former BGT area, if it is no longer being used for extraction of oil and gas, by substantially restoring the impacted surface area to the condition that existed prior to oil and gas operations. COLEMAN OIL & GAS INC. will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover materials. The soil cover shall consist of the background thickness of topsoil, or one foot of suitable materials to establish vegetation at the site, whichever is greater. All areas will be reclaimed as early as practicable, and as close to their original condition or land use as possible. They shall be maintained in a way as to control dust and minimize erosion.
9. COLEMAN OIL & GAS INC. will complete reclamation of all disturbed areas no longer in use when the ground disturbance activities at the site have been completed. The reseeding shall take place during the first favorable growing season after closure. Reclamation activities will be considered completed when a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre-disturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.

*Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above requirements, provided they provide equal or better protection of fresh water, human health and the environment.
10. COLEMAN OIL & GAS INC. will notify the Aztec Office of the NMOCD by email when reclamation and closure activities are completed.
11. Within 60 days of closure, COLEMAN OIL & GAS INC. will submit a closure report to the Aztec office of the NMOCD, filed on Form C-144. The report will include the following:
 - a. Proof of closure notice to NMOCD and surface owner
 - b. Confirmation sampling analytical results
 - c. Soil backfill and cover installation information
 - d. Photo documentation of site reclamation