District I
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

Form C-144
July 21, 2008

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

8944

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

1
Operator Williams Operating Co, LLC OGRID # 120782
Address: PO Box 640 / 721 S Main Aztec, NM 87410
Facility or well name Schalk 32 #1A
API Number 30-039-30915 OCD Permit Number
U/L or Qtr/Qtr E Section 32 Township 31N Range 4W County Rio Arriba
Center of Proposed Design Latitude 36 85798 N Longitude -107 28501W NAD ☐1927 ☒ 1983
Surface Owner ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2
☒ **Pit:** Subsection F or G of 19 15 17 11 NMAC
Temporary ☒ Drilling ☒ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type Thickness 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☒ String-Reinforced
Liner Seams ☒ Welded ☒ Factory ☐ Other Volume 20,000 bbl Dimensions L 140' x W 70' x D 12'

3
☐ **Closed-loop System:** Subsection H of 19 15 17 11 NMAC
Type of Operation ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined Liner type Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams ☐ Welded ☐ Factory ☐ Other

4
☐ **Below-grade tank:** Subsection I of 19 15 17 11 NMAC
Volume: bbl Type of fluid
Tank Construction material
☐ 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

RECEIVED
SEP 2011
OIL CONS. DIV. DIST. 3

5.
☐ **Alternative Method:**
Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

6

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 As per BLM specifications

7

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)

8

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

9

Administrative Approvals 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:

☒ Administrative approval(s) Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval

☐ Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

10.

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 ☒ NA
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

11.

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 _____

12

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 _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13

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 H_2S, 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

14

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)

15

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 I of 19.15 17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC

16.

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 facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name _____ Disposal Facility Permit Number _____

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

17.
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 - iWATERS database search, USGS, Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS; Data obtained from nearby wells	☒ Yes ☐ No ☐ NA
Within 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 - 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; 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

18
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 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

19
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) Ben Mitchell Title Regulatory Specialist

Signature _____ Date _____

e-mail address ben mitchell@williams com Telephone. 505-634-4206

20
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 9/14/2011

Title: Compliance Officer **OCD Permit Number:** _____

21
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: 8/31/2011**

22
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

23.
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 Name _____ Disposal Facility Permit Number _____

Disposal Facility Name _____ Disposal 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) ☐ No

Required for impacted areas which will not be used for future service and operations

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24
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 36 85798 Longitude -107 28501 NAD ☐ 1927 ☒ 1983

19
Operator ClosureCertification:

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) Ben Mitchell Title Regulatory Specialist

Signature Ben Mitchell Date 9/14/2011

e-mail address ben mitchell@williams com Telephone 505-634-4206

District I
1625 N French Dr., Hobbs, NM 88240

District II
1301 W Grand Avenue, 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 Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
	SCHALK 32	1A

[7] OGRID No	[8] Operator Name	[9] Elevation
120782	WILLIAMS PRODUCTION COMPANY	6978'

[10] Surface Location

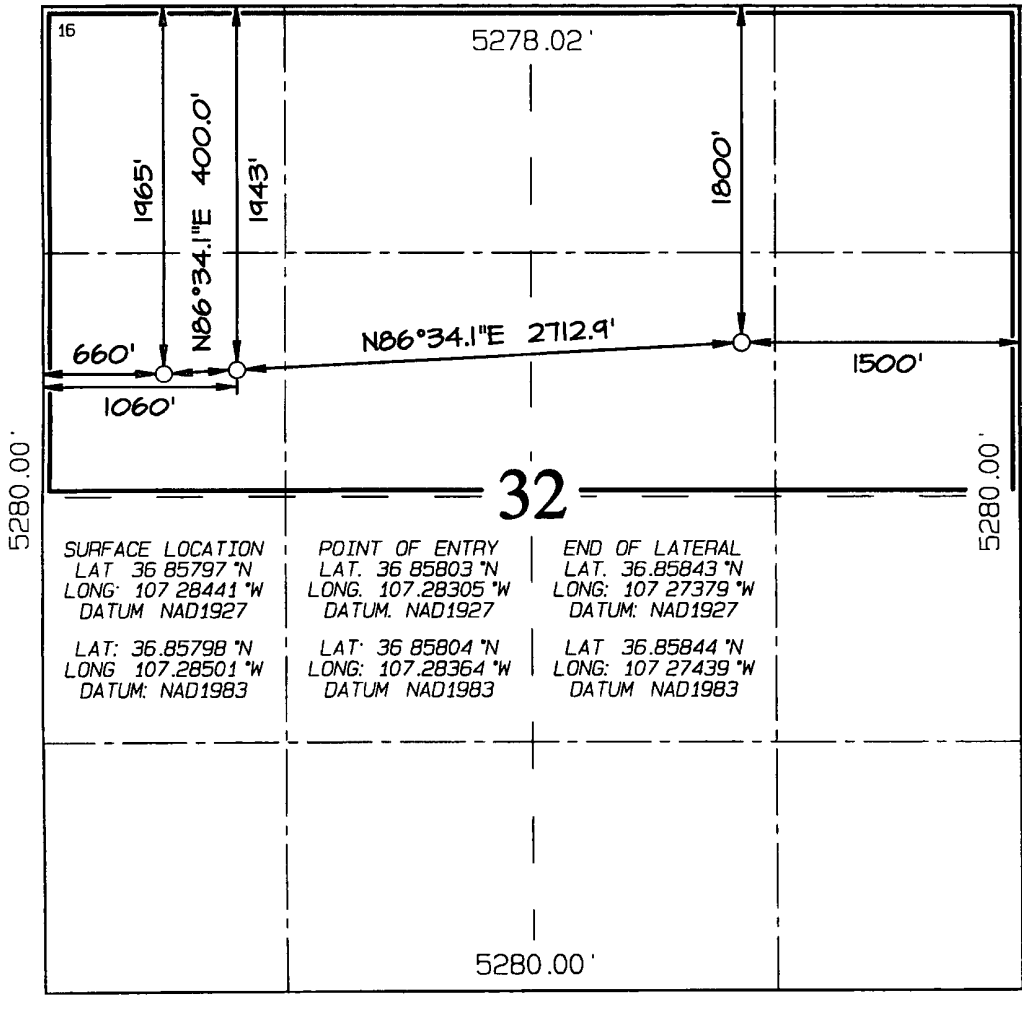
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	31N	4W		1965	NORTH	660	WEST	RIO ARRIBA

[11] Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	31N	4W		1800	NORTH	1500	EAST	RIO ARRIBA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No
320.0 Acres - (N/2)			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature Date

Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

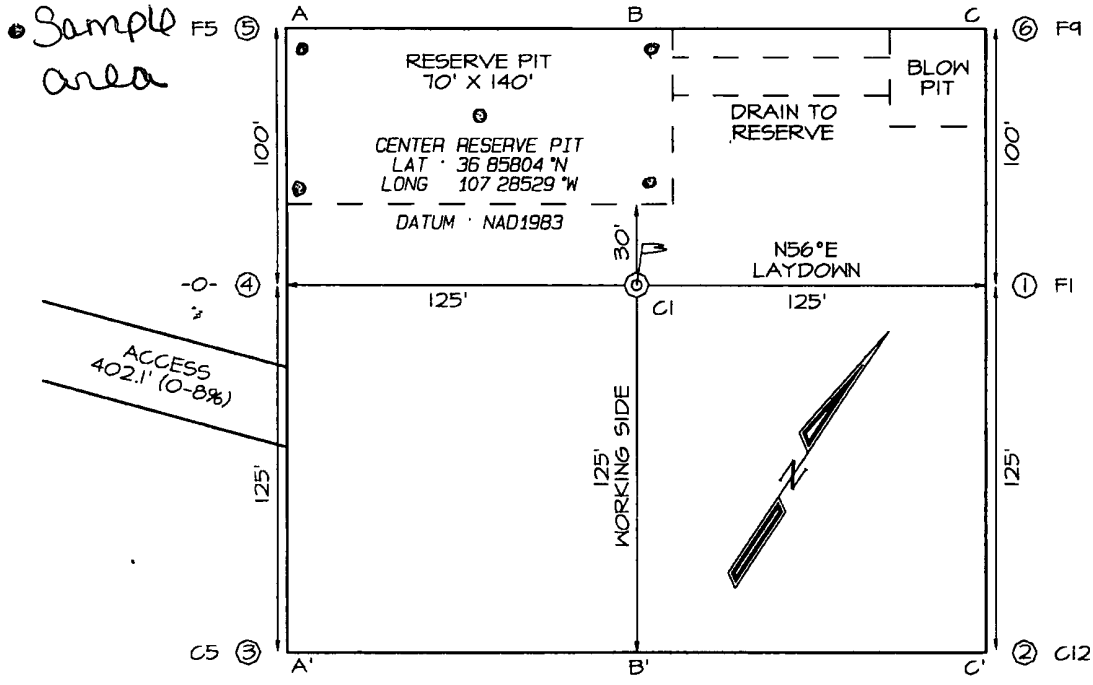
Date Revised: APRIL 1, 2011
Survey Date: SEPTEMBER 9, 2008

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

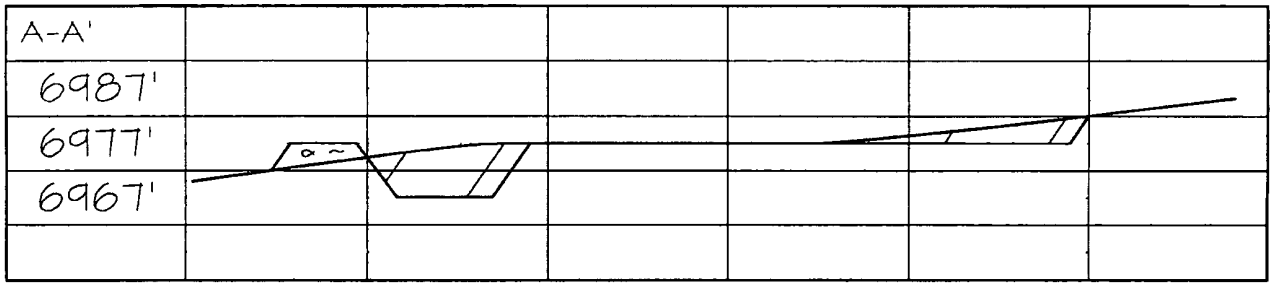
JASON C. EDWARDS
Certificate Number 15269

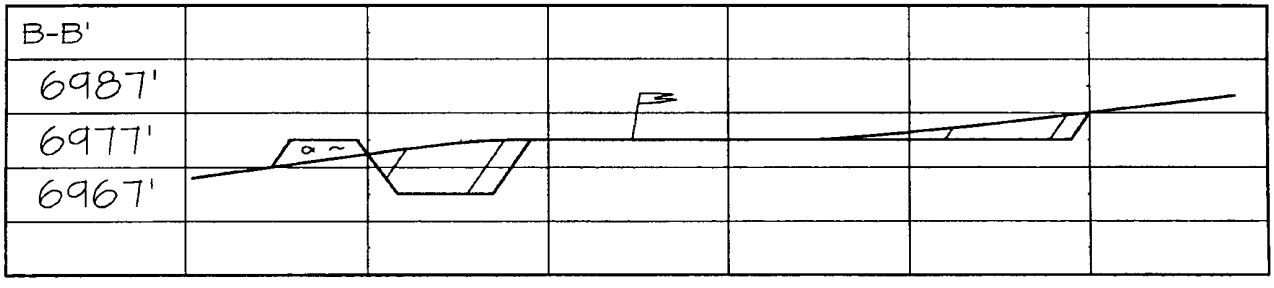
WILLIAMS PRODUCTION COMPANY SCHALK 32 #1A
1965' FNL & 660' FWL, SECTION 32, T31N, R4W, NMPM
RIO ARRIBA COUNTY, NEW MEXICO ELEVATION: 6978'

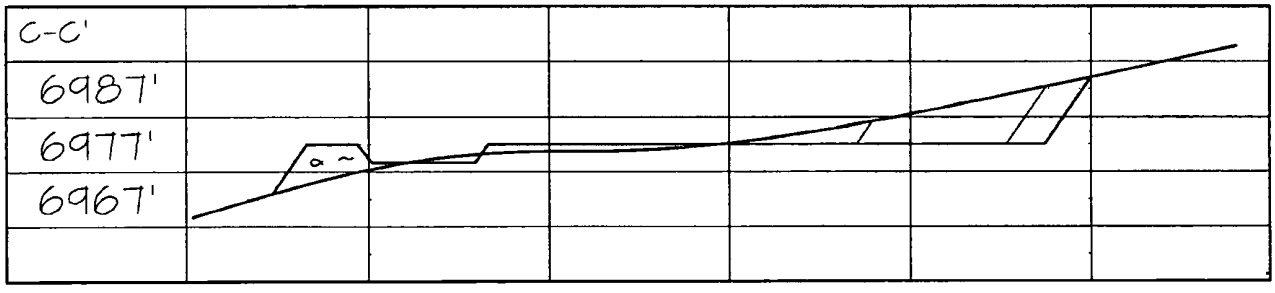


LATITUDE: 36.85798° N
LONGITUDE: 107.28501° W
DATUM: NAD1983

Steel T-Posts have been set to define the Edge of Disturbance limits which are 50' offset from the edge of the staked wellpad.







FILENAME 31432ET	SHEET 2 OF 3	NCE SURVEYS, INC.	DRAWN BY: EDO	CHECKED BY: JCE

Williams Production Co., LLC
San Juan Basin: New Mexico Assets
Temporary Pit In-place Closure Report
Drilling/Completion and Workover
(Groundwater >100 feet bgs)

Well: (Schalk 32- #001A)
API No: 30-039-30915
Location: E-S32-T31N-R04W, NMPM

In accordance with Rule 19 15 17 13 NMAC, the following plan describes the general in-place closure requirements of temporary pits on Williams Production Co, LLC (WPX) locations in the San Juan Basin of New Mexico. This is WPX's standard procedure for all temporary pits to be utilized for the drilling, completion and/or workovers of oil and gas wells operated by WPX. For those temporary pits which do not conform to this standard closure plan, a separate well/pit specific closure plan will be developed and utilized

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the pit closure on a Closure Report using Division Form C-144. The Report will include the following

- Details on Capping and Covering, where applicable
- Plot Plan (Pit Diagram)
- Inspection reports
- Sampling Results
- Division Form C-105· *WELL COMPLETION OR RECOMPLETION REPORT AND LOG*
- Copy of Deed Notice filed with the County Clerk (format to meet County requirements) A deed notice is not required on state, federal or tribal land according to NMOCD FAQ dated October 30, 2008 and posted on the NMOCD website

General Plan Requirements:

1 All free standing liquids will be removed from the pit at the start of the closure process. Liquids will be removed in a manner that the appropriate District Office approves including; recycled, reused, reclaimed, evaporated, and/or disposed of in a Division-approved facility. Once all free liquids are removed, the sludge will be stabilized by one of the following methods depending on equipment availability: blending with clean stockpiled soils or dewatering using a Bowl Decanter Centrifuge then blending with clean stockpiles soils

To the extent practical, free liquids were pulled from the reserve pit following the completion rigoff Haul dates 7/19/2011 to (SWD Rosa Unit #002 and Permit # SWD -1236)

2 The preferred method of closure for all temporary pits will be on-site closure by in-place burial, provided all the criteria in 19.15.17.13.B are met.

On-site burial plan for this location was approved by the Aztec District Office on (3/31/2011)

3. The surface owner shall be notified of WPX's proposed closure plan using a means that provides proof of notice (i e certified mail/return receipt requested)

Williams notified the SMA of its intent to use a temporary pit and onsite burial in the Surface Use Plan in the well APD The SMA was notified by email see attached. No return receipt required per BLM:FFO/NMOCD MOU dated 5/4/09

4 Within six months of the "rig-off" status occurring WPX will ensure that the temporary pit is covered, recontoured and reseeding in progress.

Drill rig-off (5/17/2011). Request for transfer to completion rig submitted (5/31/2011) to OCD Aztec District Office,Completion rig-off (6/4/2011) Pit covered (8/2/2011. Pit area along with unused portions of well pad to be interim reclaimed in accordance with Surface Management Agency requirements in APD-COAs and per BLM:FFO/NMOCD MOU dated 5/4/09.

5. Notice of Closure will be given to the Aztec District office between 72 hours and one week of the scheduled closure via email or phone The notification of closure will include the following.
    a. Operators Name (WPX)
    b Well Name and API Number
    c. Location (USTR)

The Aztec District Office of NMOCD was notified by email using a format acceptable to the District. Copies of the notification from Abode Contractors on 7/22/2011) is attached

6 The pit liner shall be removed above "mud level" after stabilization. Removal of the liner will consist of manually or mechanically cutting the liner at the mud level and removing all remaining liner. Care will be taken to remove "all" of the liner (I e. anchored material). All excessive liner will be disposed of at a licensed disposal facility (probably San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426).

The liner to the temporary pit was removed above the "mud level" once stabilized Removal of the liner consisted of manually cutting the liner and removing all remaining liner material above the "mud level" including the anchor material All excessive liner was disposed of at the San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426.

7. Solidification of the remaining pit contents shall be achieved by mixing non-waste containing, earthen material. The solidification process will be accomplished use a combination of natural drying and mechanical mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed safe and stable. The mixing ratio shall not exceed 3 parts non-waste to 1 part pit contents.

Following removal of free liquids, the pit contents were mixed with non-waste containing, earthen material in order to achieve appropriate solidification and a consistency that was deemed safe and stable The solidification process was accomplished using a combination of natural drying, and mechanically mixing using a dozer and trackhoe. The mixing ration was approximately 2.5-3 parts native soil to 1 part pit contents. Solidification was completed (7/31/2011).

8. A five-point composite sample will be taken of the pit using sampling tools and all samples tested per 19.15 17 13(B)(1)(b) NMAC. In the event that the criteria are not met (See Table 1), all contents will be handled per 19.15 17 13(B)(1)(a) (i.e. dig and haul to a Division-approved facility) Approval to haul will be requested of the Aztec District office prior to initiation.

A five-point composite sampling was taken of the pit area using sampling tools and the sample was tested per 19 15 17.13(B)(1)(b) NMAC. Results are shown in Table 1 and lab reports are attached.

Table 1: Closure Criteria for Temporary Pits in Non-sensitive Areas with Groundwater >100 bgs.

Components	Testing Methods	Limits (mg/Kg)	Pit (mg/Kg)
Benzene	EPA SW-846 Method 8021B or 8260B	0.2	.0021
BTEX	EPA SW-846 Method 8021B or 8260B	50	.0084
TPH	EPA SW-846 Method 418.1	2500	81.7
GRO/DRO	EPA SW-846 Method 8015M (GRO/DRO)	500	9.9
Chlorides	EPA SW-846 Method 300.1	500	30

9. Upon completion of solidification and testing, the pit area will be backfilled with non-waste earthen material compacted to native conditions to enable effective revegetation for successful evapotranspiration A minimum of four feet of cover including replacement of one foot of suitable material to establish vegetation, or the background thickness of topsoil, whichever is greater.

Upon completion of solidification and testing, the pit area was backfilled with non-waste earthen material compacted to native conditions. A minimum of four feet of cover to the extent practical was achieved and the cover included just over a foot of topsoil suitable to establish vegetation

10. Following cover, the site will be recontoured to meet the Surface Management Agency or surface owner requirements Re-contouring will attempt to match fit, shape, line form, and texture of the surrounding geography. Re-shaping will include drainage control, prevent ponding, and minimize erosion Natural drainages will be unimpeded and stormwater Best Management Practices (BMPs) will be used to aid in soil stabilization and protection surface water quality.

Following cover, Williams reestablished drainage and contours to approximately match previous topography meeting the Conditions of Approval in the APD and the direction offered by a BLM/USFS inspector Cover and re-contouring were completed *8/31/2011)*

11. Notification will be sent to the Aztec District office when the reclaimed area is seeded

Williams will comply with Surface Management Agency reseeding requirements in the COAs of the APD for the referenced well, per BLM:FFO/NMOCD MOU dated 5/4/09.

12 WPX shall seed the disturbed areas the first growing season after the pit is covered. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division-approved methods Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintained that cover through two successive growing seasons Repeat seeding or planting will be continued until successful vegetative growth occurs *Note: WPX assumes the seeding stipulations including mix and seeding methods specified by the Surface Management Agency (BLM, BOR, USFS, Tribal, etc.) or Land owner as*

part of a surface use agreement or APD are Division-approved methods unless notified by the Division of their unacceptability.

Williams will comply with Surface Management Agency reseeding requirements in the COAs of the APD for the referenced well, per BLM·FFO/NMOCD MOU dated 5/4/09.

13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the on site burial upon the abandonment of all wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the on site burial of the temporary pit. The plate will be easily removable and a four-foot tall riser will be threaded into the top of the collar marker and welded around the base with the operations information at the time of all wells on the pad abandoned The information will include Operator Name, Lease Name, Well Name, and number, USTR, and an indicator that the marker is an onsite pit burial location.

The temporary pit was located with a steel marker meeting the above listed specifications The marker has the following information welded for future reference: Williams Production, NMSF-078894 S32-T31N-R04W-E, "Pit Burial" (photo attached). Steel marker set *8/31/2011*.

envirotech
Analytical Laboratory

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	WPX	Project #:	04108-0136
Sample ID:	Reserve Pit	Date Reported:	09-07-11
Laboratory Number:	59486	Date Sampled:	08-31-11
Chain of Custody No:	12486	Date Received:	09-01-11
Sample Matrix:	Soil	Date Extracted:	09-02-11
Preservative:	Cool	Date Analyzed:	09-06-11
Condition:	Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**3.5**	**0.2**
Diesel Range (C10 - C28)	**6.4**	**0.1**
Total Petroleum Hydrocarbons	**9.9**	

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Schalk 32 #1A.**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505)632-0615 Fr (800)362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

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Analytical Laboratory

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	0906TBLK QA/QC	Date Reported:	09-07-11
Laboratory Number:	59432	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	09-06-11
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	40792	9.996E+02	1.000E+03	**0.04%**	**0 - 15%**
Diesel Range C10 - C28	40792	1.006E+03	1.006E+03	**0.04%**	**0 - 15%**

Blank Conc. (mg/L - mg/Kg)	Concentration	Detection Limit
Gasoline Range C5 - C10	**3.63**	**0.2**
Diesel Range C10 - C28	**1.30**	**0.1**

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Range
Gasoline Range C5 - C10	**ND**	**ND**	**0.00%**	**0 - 30%**
Diesel Range C10 - C28	**ND**	**ND**	**0.00%**	**0 - 30%**

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	**ND**	**250**	**241**	**96.5%**	**75 - 125%**
Diesel Range C10 - C28	**ND**	**250**	**249**	**99.6%**	**75 - 125%**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste,

SW-846, USEPA, December 1996.

Comments: **QA/QC for Samples 59429-59430, 59432, 59467, 59469-59470, 59485-59486, 59489-59490, 59517-59523.**

Analyst

Review

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Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	WPX	Project #:	04108-0136
Sample ID:	Reserve Pit	Date Reported:	09-07-11
Laboratory Number:	59486	Date Sampled:	08-31-11
Chain of Custody:	12486	Date Received:	09-01-11
Sample Matrix:	Soil	Date Analyzed:	09-06-11
Preservative:	Cool	Date Extracted:	09-06-11
Condition:	Intact	Analysis Requested:	BTEX
		Dilution:	10

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**2.1**	**0.9**
Toluene	**6.3**	**1.0**
Ethylbenzene	**ND**	**1.0**
p,m-Xylene	**ND**	**1.2**
o-Xylene	**ND**	**0.9**
Total BTEX	**8.4**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**105 %**
	1,4-difluorobenzene	**119 %**
	Bromochlorobenzene	**95.7 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Schalk 32 #1A.**

Analyst

Review

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Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	0906BBLK QA/QC	Date Reported:	09-07-11
Laboratory Number:	59486	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	09-06-11
Condition:	N/A	Analysis:	BTEX
		Dilution:	10

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff. Accept. Range 0 - 15%	Blank Conc	Detect. Limit
Benzene	3.4466E+006	3.4536E+006	0.2%	ND	0.1
Toluene	3.5322E+006	3.5393E+006	0.2%	ND	0.1
Ethylbenzene	3.1274E+006	3.1336E+006	0.2%	ND	0.1
p,m-Xylene	8.7037E+006	8.7212E+006	0.2%	ND	0.1
o-Xylene	2.8871E+006	2.8929E+006	0.2%	ND	0.1

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	2.1	2.1	0.0%	0 - 30%	0.9
Toluene	6.3	7.0	11.1%	0 - 30%	1.0
Ethylbenzene	ND	ND	0.0%	0 - 30%	1.0
p,m-Xylene	ND	ND	0.0%	0 - 30%	1.2
o-Xylene	ND	ND	0.0%	0 - 30%	0.9

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	2.1	500	542	108%	39 - 150
Toluene	6.3	500	538	106%	46 - 148
Ethylbenzene	ND	500	527	105%	32 - 160
p,m-Xylene	ND	1000	1,050	105%	46 - 148
o-Xylene	ND	500	525	105%	46 - 148

ND - Parameter not detected at the stated detection limit.

Dilution: Spike and spiked sample concentration represent a dilution proportional to sample dilution.

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: QA/QC for Samples 59429-59430, 59469-59470, 59486.

Analyst

Review

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	WPX	Project #:	04108-0136
Sample ID:	Reserve Pit	Date Reported:	09/06/11
Laboratory Number:	59486	Date Sampled:	08/31/11
Chain of Custody No:	12486	Date Received:	08/31/11
Sample Matrix:	Soil	Date Extracted:	09/02/11
Preservative:	Cool	Date Analyzed:	09/02/11
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**81.7**	**8.2**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **Schalk 32# 1A**

Analyst

Review

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS
QUALITY ASSURANCE REPORT

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	09/06/11
Laboratory Number:	09-02-TPH.QA/QC 59428	Date Sampled:	08/30/11
Sample Matrix:	Freon-113	Date Analyzed:	09/02/11
Preservative:	Cool	Date Extracted:	09/02/11
Condition:	Intact	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	08-23-11	09/02/11	1,700	1,720	1.2%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	8.2

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	74.9	68.1	9.1%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	74.9	2,000	1,970	94.9%	80 - 120%

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **QA/QC for Samples 59428,59427, 59429-59430, 59469-59470, 59485 and 59486.**

Analyst

Review

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Chloride

Client:	WPX	Project #:	04108-0136
Sample ID:	Reserve pit	Date Reported:	09-06-11
Lab ID#:	59486	Date Sampled:	08-31-11
Sample Matrix:	Soil	Date Received:	09-01-11
Preservative:	Cool	Date Analyzed:	09-02-11
Condition:	Intact	Chain of Custody:	12486

Parameter	Concentration (mg/Kg)
Total Chloride	**30**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Schalk 32 #1A**

Analyst

Review

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CHAIN OF CUSTODY RECORD

12486

Client: WPX	Project Name / Location: Schalk 32 # 1A	ANALYSIS / PARAMETERS
Client Address: Myke Lane	Sampler Name: Glen Shelby	
Client Phone No.:	Client No.: 04108-0136	

Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl		TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
Reserve Pit	8.31.11	10:30 AM	59486	(Soil) Sludge Solid Aqueous	1				✓	✓							✓	✓				✓	✓
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
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				Soil Sludge Solid Aqueous																			

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
[signature]	9.1.11	9:10 AM	[signature]	9/1/11	910
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

Also email results to
tasha.meadore@williams.com
Ben.Mitchell@williams.com

envirotech
Analytical Laboratory

5796 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • lab@envirotech-inc.com

Granillo, Lacey

From: johnny@adobecontractorsinc com
Sent: Friday, July 22, 2011 9 30 AM
To: Brandon Powell
Cc: 'Jon J Miller', Lane, Myke, Meador, Tasha, Granillo, Lacey, Riley, Heather
Subject: Williams clean up Schalk 32 #1A

Brandon,
We will start the clean up on the Schalk 32 #1A on Monday 7/25 Please let me know if you have any questions

Thanks,

Johnny Stinson
Gen Manager/ Adobe Contractors
Office (505)632-1486
Mobile (505)320-6076
johnny@adobecontractorsinc com

Williams Production Co., LLC
San Juan Basin: New Mexico Assets
Temporary Pit In-place Closure Plan
Drilling/Completion and Workover
(Groundwater >100 feet bgs)

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general in-place closure requirements of temporary pits on Williams Production Co, LLC (WPX) locations in the San Juan Basin of New Mexico. This is WPX's standard procedure for all temporary pits to be utilized for the drilling, completion and/or workovers of oil and gas wells operated by WPX. For those temporary pits which do not conform to this standard closure plan, a separate well/pit specific closure plan will be developed and utilized.

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the pit closure on a Closure Report using Division Form C-144. The Report will include the following:

- Details on Capping and Covering, where applicable
- Plot Plan (Pit Diagram)
- Inspection reports
- Sampling Results
- Division Form C-105: *WELL COMPLETION OR RECOMPLETION REPORT AND LOG*
- Copy of Deed Notice filed with the County Clerk (format to meet County requirements)

General Plan Requirements:

1. All free standing liquids will be removed from the pit at the start of the closure process. Liquids will be removed in a manner that the appropriate District Office approves including; recycled, reused, reclaimed, evaporated, and/or disposed of in a Division-approved facility. Once all free liquids are removed, the sludge will be stabilized by one of the following methods depending on equipment availability: blending with clean stockpiled soils or dewatering using a Bowl Decanter Centrifuge then blending with clean stockpiles soils.

2. The preferred method of closure for all temporary pits will be on-site closure by in-place burial, provided all the criteria in 19.15.17.13.B are met.

3. The surface owner shall be notified of WPX's proposed closure plan using a means that provides proof of notice (i.e. certified mail/return receipt requested)

4. Within six months of the "rig-off" status occurring WPX will ensure that the temporary pit is covered, recontoured and reseeding in progress.

5. Notice of Closure will be given to the Aztec District office between 72 hours and one week of the scheduled closure via email or phone. The notification of closure will include the following:
    a. Operators Name (WPX)
    b. Well Name and API Number
    c. Location (USTR)

6. The pit liner shall be removed above "mud level" after stabilization. Removal of the liner will consist of manually or mechanically cutting the liner at the mud level and removing all remaining liner. Care will be taken to remove "all" of the liner (I.e. anchored material). All excessive liner will be disposed of at a licensed disposal facility (probably San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426).

7. Solidification of the remaining pit contents shall be achieved by mixing non-waste containing, earthen material. The solidification process will be accomplished use a combination of natural drying and mechanical mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed safe and stable. The mixing ratio shall not exceed 3 parts non-waste to 1 part pit contents.
8. A five-point composite sample will be taken of the pit using sampling tools and all samples tested per 19.15.17.13(B)(1)(b) NMAC. In the event that the criteria are not met (See Table 1), all contents will be handled per 19.15.17.13(B)(1)(a) (i.e. dig and haul to a Division-approved facility). Approval to haul will be requested of the Aztec District office prior to initiation.

Table 1: Closure Criteria for Temporary Pits in Non-sensitive Areas

Components	Testing Methods	Closure Limits (mg/Kg)
Benzene	EPA SW-846 Method 8021B or 8260B	0.2
BTEX	EPA SW-846 Method 8021B or 8260B	50
TPH	EPA SW-846 Method 8015 M(Full Range)* or Method 418.1	2500
GRO/DRO	EPA SW-846 Method 8015M (GRO/DRO)	500
Chlorides	EPA SW-846 Method 300.1	1000

* Preferred method

9. Upon completion of solidification and testing, the pit area will be backfilled with non-waste earthen material compacted to native conditions to enable effective revegetation for successful evapotranspiration. A minimum of four feet of cover including replacement of one foot of suitable material to establish vegetation, or the background thickness of topsoil, whichever is greater.

10. Following cover, the site will be recontoured to meet the Surface Management Agency or surface owner requirements. Re-contouring will attempt to match fit, shape, line form, and texture of the surrounding geography. Re-shaping will include drainage control, prevent ponding, and minimize erosion. Natural drainages will be unimpeded and stormwater Best Management Practices (BMPs) will be used to aid in soil stabilization and protection surface water quality.

11. Notification will be sent to the Aztec District office when the reclaimed area is seeded.

12. WPX shall seed the disturbed areas the first growing season after the pit is covered. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division-approved methods. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintained that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs. *Note: WPX assumes the seeding stipulations including mix and seeding methods specified by the Surface Management Agency (BLM, BOR, USFS, Tribal, etc.) or Land owner as part of a surface use agreement or APD are Division-approved methods unless notified by the Division of their unacceptability.*

13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the on site burial upon the abandonment of all wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the on site burial of the temporary pit. The plate will be easily removable and a four-foot tall riser will be threaded into the top of the collar marker and welded around the base with the operations information at the time of all wells on the pad abandoned. The information will include Operator Name, Lease Name, Well Name, and number, USTR, and an indicator that the marker is an onsite pit burial location.

Submit To Appropriate District Office
Two Copies
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, 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 and Natural Resources

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

Form C-105
July 17, 2008

1. WELL API NO
3003930915

2 Type of Lease
☐ STATE ☐ FEE ☒ FED/INDIAN

3 State Oil & Gas Lease No SF- 078894

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4 Reason for filing

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19 15 17 13 K NMAC)

5 Lease Name or Unit Agreement Name
Schalk

6 Well Number
Schalk 32- #001A

7 Type of Completion
☒ NEW WELL ☒ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8 Name of Operator WILLIAMS PRODUCTION, LLC

9 OGRID 120782

10 Address of Operator P O BOX 640 AZTEC, NM 87410

11 Pool name or Wildcat

12 Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:										
BH:										

13 Date Spudded	14 Date T D Reached	15 Date Rig Released 6/4/2011	16 Date Completed (Ready to Produce)	17 Elevations (DF and RKB, RT, GR, etc)

18 Total Measured Depth of Well	19 Plug Back Measured Depth	20 Was Directional Survey Made?	21 Type Electric and Other Logs Run

22 Producing Interval(s), of this completion - Top, Bottom, Name

23 **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25 TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26 Perforation record (interval, size, and number)

27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28 **PRODUCTION**

Date First Production	Production Method *(Flowing gas lift, pumping - Size and type pump)*	Well Status *(Prod or Shut-in)*

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio

Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - *(Corr)*

29 Disposition of Gas *(Sold, used for fuel, vented, etc)*

30 Test Witnessed By

31 List Attachments

32 If a temporary pit was used at the well, attach a plat with the location of the temporary pit

33 If an on-site burial was used at the well, report the exact location of the on-site burial

Latitude 36 85798 Longitude 107 28501 NAD 1927 (1983)

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Tasha Meador
Signature Tasha Meador Printed Name Title Permit Tech Date 9/7/11

E-mail Address tasha.meador@williams.com

Williams.

TEMPORARY PIT INSPECTION REPORT

Well Name	Schalk 32 #1A	Field Name	Basin Fruitland Coal	API #	30-039-30915	Report #	1
Location	SWNW Sec 32 T31N R4W	County	Rio Arriba	State	NM	Rpt Date	4/16/2011

Date	Report Type	Inspector	Liner Intact Y/N	Fenced Y/N	Slopes Intact Y/N	Adequate Freeboard Y/N	Oil Free Y/N	Flare Pit Liquid Free Y/N	Comment
4/16/11	Daily		Y	Y	Y	Y	Y	Y	NO FLARE PIT ON THIS LOCATION
4/17/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/18/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/19/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/20/11	Daily		Y	Y	Y	Y	Y		505-215-9201
4/21/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/22/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/23/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/24/11	Daily		Y	Y	Y	Y	Y		
4/25/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/26/11	Daily		Y	Y	Y	Y	Y		
4/27/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/28/11	Daily		Y	Y	Y	Y	Y		[505]215-9201
4/29/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
4/30/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
5/1/11	Daily		Y	Y	Y	Y	Y	Y	[505] 215-9201
5/2/11	Daily		Y	Y	Y	Y	Y		
5/3/11	Daily		Y	Y	Y	Y	Y		[505] 215-9201
5/4/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/5/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/6/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/7/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/8/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/9/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/10/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/11/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/12/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/13/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/14/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/15/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/16/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/17/11	Daily		Y	Y	Y	Y	Y	Y	Phone (505) 801-0826
5/27/11									
5/28/11									
5/29/11									
6/1/11									
6/2/11									
6/3/11									
6/4/11									

Exploration & Production
San Juan Basin Operations

720 So. Main / PO Box 640
Aztec, NM 87410
505-634-4200 / 505-634-4205 fax

Temporary Pit Inspection

FACILITY INFORMATION

Facility Name: Schalk 32-1A	API #: 30-039-30915

Pit Type: X Drilling ☐ Workover ☐ Cavitation	Inspection: ☐ Daily (Rig) X Weekly (Tech)

Pit Liner intact	X Yes ☐ No If No, Report to EH&S immediately	Date / Time Reported:
Pit Properly Fenced	X Yes ☐ No ☐ Not Required (if site fully fenced)	
Pit Slopes intact	X Yes ☐ No	
Adequate freeboard	X Yes ☐ No ☐ Not Applicable	
Free oil or sheen present on pit	☐ Yes X No	
Flare Pit free of liquids	☐ Yes ☐ No X Not Applicable	
Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 6/8/11	Phone: 505-330-6670	

Record Retention: Submit with Closure

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Adequate freeboard	☐ Yes ☐ No ☒ Not Applicable	
Free oil or sheen present on pit	☐ Yes ☒ No	
Flare Pit free of liquids	☐ Yes ☐ No ☐ Not Applicable	

Comments:

Triple S has pulled as much water out of the pit that the can for now we will let it sit for awhile to see if any more water will seep out of the mud and pull it out when possible

Inspector Signature: Stan Dean

Printed Name: Stan Dean

Title: Construction Specialist

Date: 6-14-11 Phone: 505-330-0190

Record Retention: Submit with Closure

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Free oil or sheen present on pit	☐ Yes X No	
Flare Pit free of liquids	☐ Yes ☐ No X Not Applicable	
Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 6/20/11	Phone: 505-330-6670	

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Free oil or sheen present on pit	☐ Yes X No	
Flare Pit free of liquids	☐ Yes ☐ No X Not Applicable	
Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 6/27/11	Phone: 505-330-6670	

Record Retention. Submit with Closure

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Free oil or sheen present on pit	☐ Yes X No	
Flare Pit free of liquids	☐ Yes ☐ No X Not Applicable	
Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 7/6/11	Phone: 505-330-6670	

Record Retention Submit with Closure

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Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 7/13/11	Phone: 505-330-6670	

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Free oil or sheen present on pit	☐ Yes X No	
Flare Pit free of liquids	☐ Yes ☐ No X Not Applicable	
Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 7/19/11	Phone: 505-330-6670	

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Free oil or sheen present on pit	☐ Yes X No	
Flare Pit free of liquids	☐ Yes ☐ No X Not Applicable	
Comments:		
Inspector Signature: Chris Lucero		
Printed Name: Chris Lucero		
Title: Construction Specialist		
Date: 7/26/11	Phone: 505-330-6670	

Record Retention Submit with Closure