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

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

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Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method X 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 theoperator 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
Operator Energen Resources OGRID # 162928
Address 2010 Afton Place, Farmington, New Mexico 87401
Facility or well name Cheney Federal 3
API Number 3003906513 OCD Permit Number
U/L or Qtr/Qtr B Section 17 Township 26N Range 02W County Rio Arriba
Center of Proposed Design Latitude 36 49012 Longitude -107 07014 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 Thicknessmil LLDPE HDPE PVC Other
☐ String-Reinforced
Liner Seams
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 Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other

Lined Unlined Liner type Thickness mil LLDPE HDPE PVC Other	A A
Liner Seams	S LECTIVED 3
4 X\(\vec{Below-grade tank}\): Subsection I of 19 15 17 11 NMAC	65 MAY 2009 1415
Volumebbl Type of fluidProduced Water	18 E.TZIG VIG
Tank Construction material	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	OIL CONS. DIV. DIGHT
☐ Visible sidewalls and liner ※ Visible sidewalls only ☐ Other	
Liner type Thicknessmil	

Alternative Method:

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

Fencing: Subsection D of 19.15 17 11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate Please specify			
Netting: Subsection E of 19 15 17 11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)			
Signs: Subsection C of 19.15 17 11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19 15 3.103 NMAC			
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			
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		

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
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)
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 ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19 15.17.13 NMAC
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 X Below-grade Tank Closed-loop System Alternative
Proposed Closure Method X Waste Excavation and Removal Waste Removal (Closed-loop systems only)
On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Waste Excavation and Removal Closure Plan Checklist: (19 15 17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17.13 NMAC

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Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (1) Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attached		
facilities are required. Disposal Facility Name		
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 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 13 NMAC	
Siting Criteria (regarding on-site closure methods only): 19.15 17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acc provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of appropriate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of approximate approximate approval from the submitted to the Santa Fe Environmental Bureau office for consideration of approximate a	ropriate district office or may be	
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	
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	
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, sinkhol lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	le, or playa 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	ation Yes No	
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial a NM Office of the State Engineer - iWATERS database, Visual inspection (certification) of the proposed site		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal of adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality; Written approval obtained from the municipality	ordinance Yes No	
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed	sed 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 Geology, Topographic map 	ological Yes No	
Within a 100-year floodplain FEMA map	☐ Yes ☐ No	
On-Site Closure Plan Checklist: (19 15.17.13 NMAC) Instructions: Each of the following items must be attached to to 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 19.15.17.13 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 or in case on-site closure st 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 G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	NMAC ements of 19.15 17 11 NMAC 13 NMAC	

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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) Title
Signature. Date:
e-mail address Telephone
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 1/08/2011 Title: OCD Permit Number:
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. X Closure Completion Date: 4/2/09
Closure Method: X Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)
If different from approved plan, please explain
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 TNT - Lindrith, NM Disposal Facility Permit Number NM-01-0008 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
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. X 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) X Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) X 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
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) Ed Hasely Title Sr Environmental Engineer
Signature. Date. 4/22/09

e-mail address: ed hasely@energen com

Telephone. (505) 324-4131

BELOW-GRADE TANK CLOSURE REPORT

ENERGEN RESOURCES

Cheney Fed #3

CLOSURE STEPS:

- (1) Notified the surface owner (BLM) that the below-grade tank will be closed. ---- Letter Attached
- (2) Notified the Aztec OCD office (Brandon Powell) that the below-grade tank will be closed. ---- Email Attached
- (3) The tank contained no liquids at the time of the work.
- (4) Removed the below-grade tank.
- (5) Visual inspection of the soils beneath the below-grade tank revealed impacted soils.
- (6) Remediated per 19.15 3.116 NMAC.
- (7) Backfilled the excavation with compacted, non-waste containing, earthen material in a manner that will prevent ponding or erosion.
- (8) The area is needed for operations as a tank was set above ground in the same location. Seeding and final reclamation will take place upon P&A.



March 6, 2009

Bureau of Land Management 1235 La Plata Highway Farmington, New Mexico 87401

Attn: Mr. Jim Lavoto

Re:

Below Grade Tank Closure

Cheney Federal #3

Dear Mr. Lavoto:

Energen Resources plans to close a below grade tank located on the subject well location. You are on record as the surface owner where this well is located. New Mexico Oil Conservation Division (NMOCD) rules require notification to the surface owner of our plans to close the below grade tank. NMOCD rules and guidelines will be followed. The well is located in Unit Letter B, Section 17, Township 26N, Range 2W in Rio Arriba County, New Mexico.

U.S. Postal Service

Certified Fee

Return Receipt Fee forsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees

Street, Apt No , or PO Box No

City, State, ZIP+4

557

2680

7007

Certifi 🖺

CERTIFIED WAILARIEGED

If there are any questions or concerns, please contact me at 505-330-3584.

Sincerely, SENDER: COMPLETE THIS SECTION. COMPLETE THIS SECTION ON DELIVERY SI Hand Complete items 1, 2, and 3. Also complete A. Signature item 4 if Restricted Delivery is desired. □ Agent Print your name and address on the reverse Ed Hasely so that we can return the card to you. ☐ Addressee Attach this card to the back of the mailpiece, Sr. Environmental Engineer (Date of Delivery Deliver Delivery or on the front if space permits. **Energen Resources** 1. Article Addressed to: ☐ Yes enter delivery address below: □ No Bureau of Land Management 1235 La Plata Hwy Farmington NM 87401 Attn: Jim Lauste Service Type Well File Cc: Certified Mail ☐ Express Mail Correspondence ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail □ C.O.D Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7007 2680 0002 5579 5955 (Transfer from service PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Ed Hasely

From: Ed Hasely

Sent: Friday, March 06, 2009 2.54 PM

To: 'Powell, Brandon, EMNRD'

Subject: Cheney Federal #3

Brandon - This is to notify you that Energen plans to close a below grade tank on the subject location in the near future The BGT is in Unit Letter B, Section 17 - T26N - R2W, Rio Arriba County Let me know if you need additional information Thanks

Ed Hasely

Energen Resources Corporation

Sr Environmental Engineer ed hasely@energen.com
Office (505) 324-4131
Cell (505) 330-3584



November 4, 2011

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410 Attn: Jonathan Kelly

Re: Cheney Federal #3

Photo Submittal

Dear Mr. Kelly:

Enclosed is the closure photo for the subject Below-Grade Tank closure.

If there are any questions or concerns with this submittal, please contact me at 505-324-4131.

Sincerely,

Ed Hasely

Sr. Environmental Engineer

Energen Resources

ROUD NOU 7 11

Attachments: Photos

OIL CONS. DIV.

Cc: HSE File

Facility File DIST. 3

Correspondence

