

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.

3783

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

- Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

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

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

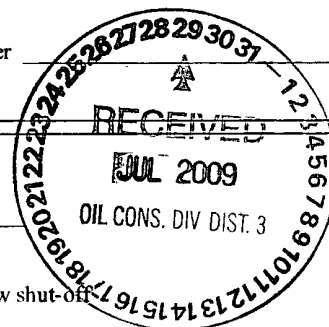
1.
Operator: Black Hills Gas Resources OGRID #: 013925
Address: 3200 North 1st Street
Facility or well name: Jicarilla 29-02-09 #24
API Number: 30-039-30077 OCD Permit Number: _____
U/L or Qtr/Qtr Unit H SE/NE Section 09 Township 29 N Range 02W County: Rio Arriba
Center of Proposed Design: Latitude 36.70491 N Longitude 107.01418 W 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 _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

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 _____

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: _____

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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 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 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 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 type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> 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 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

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
☐ AlternativeProposed 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 identify 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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.

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

OCD Representative Signature: Jonathan D. Kelly Approval Date: 1/12/2012

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: 1/07/2009

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 identify 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 36.69839° N Longitude 107.26538° W NAD: ☐ 1927 ☒ 1983

25.

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): Daniel Manus Title: Regulatory Technician

Signature: Daniel Manus Date: July 27, 2009

e-mail address: daniel.manus@blackhillscorp.com Telephone: 505-634-1111 ext 28



Black Hills Gas Resources

Jicarilla 29-02-09 #24

Surface Location: 2,105' FNL 660' FEL (SE/NE) Unit J

Sec. 09 T29N R2W

Rio Arriba County, New Mexico

Lease: Contract MDA 701-98-0013, Tract 4

Closure Report Compliance Demonstrations

- **Pit closure date**
 - Pit was closed on July 2, 2009
- **Proof of Closure Notification**
 - See attached letter and certified mail return receipt.
- **Proof of Deed Notice**
 - The pit is located on Jicarilla Apache Reservation.
- **Plot Plan**
 - See attached Plot Plan for the pit and the well location map.
- **Confirmation Sampling**
 - See attached supporting analytical results
 - Benzene measured ND below the *detection limit of 0.2 mg/kg*
 - BTEX measured ND mg/kg total, below the *detection limit of 50 mg/kg total*
 - TPH (418.0 method) measured 200 mg/kg below the *detection limit of 2500 mg/kg*
 - GRO measured ND mg/kg below the *detection limit of 500 mg/kg*
 - DRO measured 62 mg/kg below the *detection limit of 500 mg/kg*
 - Chloride measured 465 below the *detection limit of 1000 mg/kg*
- **Soil Backfilling and Cover Installation**
 - The pit was closed using BHGR previously approved closure plan.
 - Highlights
 - The pit contents were blended 3 to 1 and sampled
 - Four-foot of soil cover was used to cover the pit contents.
 - Topsoil was applied to the thickness of background topsoil.
 - Seeds were applied using a Land Pride drill seeder set at approximately 21 pounds per acre. Approximately 1.5 acres including the pit were reclaimed and re-seeded with a total of approximately 32 pounds of seed used.
 - See BHGR typical pit closure design
- **Re-vegetation Application Rate**
 - The approved BIA/Jicarilla seed mix was applied at a rate of 21 pounds per acre.
 - See attached BIA/Jicarilla seed mixture and application rates.
- **Site Reclamation**
 - See attached after photos of the pit.
- **Pit inspection**
 - See attached.

Siting Criteria for Jicarilla 29-02-09 #24



Black Hills Gas Resources, Inc.

A subsidiary of Black Hills Exploration and Production, Inc.

3200 N 1st Street – PO Box 249 Bloomfield, NM 87413

Daniel Manus
Regulatory Technician

Bus: (505) 634-1111 ext. 28

Fax: (505) 634-1116

daniel.manus@blackhillscorp.com

July 21, 2009

Bureau of Indian Affairs
Jicarilla Agency
P.O. Box 167
Dulce, NM 87528

Manual Myore:

In accordance with the State of New Mexico Rule 19.15.17.12 NMAC, Surface Owner Notification, Black Hills Gas Resources (BHGR) has closed the drilling pit for the Jicarilla 29-02-09 #24 gas well. The pit was closed on July 2, 2009. Attached are a site map and the Plot Plan indicating the location and the closed pit in reference to the well-head.

If there are any questions contact Daniel Manus (505) 634-1111 extensions 28.

Respectfully,

Daniel Manus
Regulatory Technician

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece or on the front if space permits.		A. Signature 	
1. Article Addressed to: Bureau of Indian Affairs P.O. Box 167 Dulce, NM 87528		B. Received by (Printed Name) Kenny Harison	C. Date of Delivery 7-24-09
JUL 27 2009		D. Is delivery address different from item 1? <input type="checkbox"/> Yes YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7007 0220 0004 0187 4488			

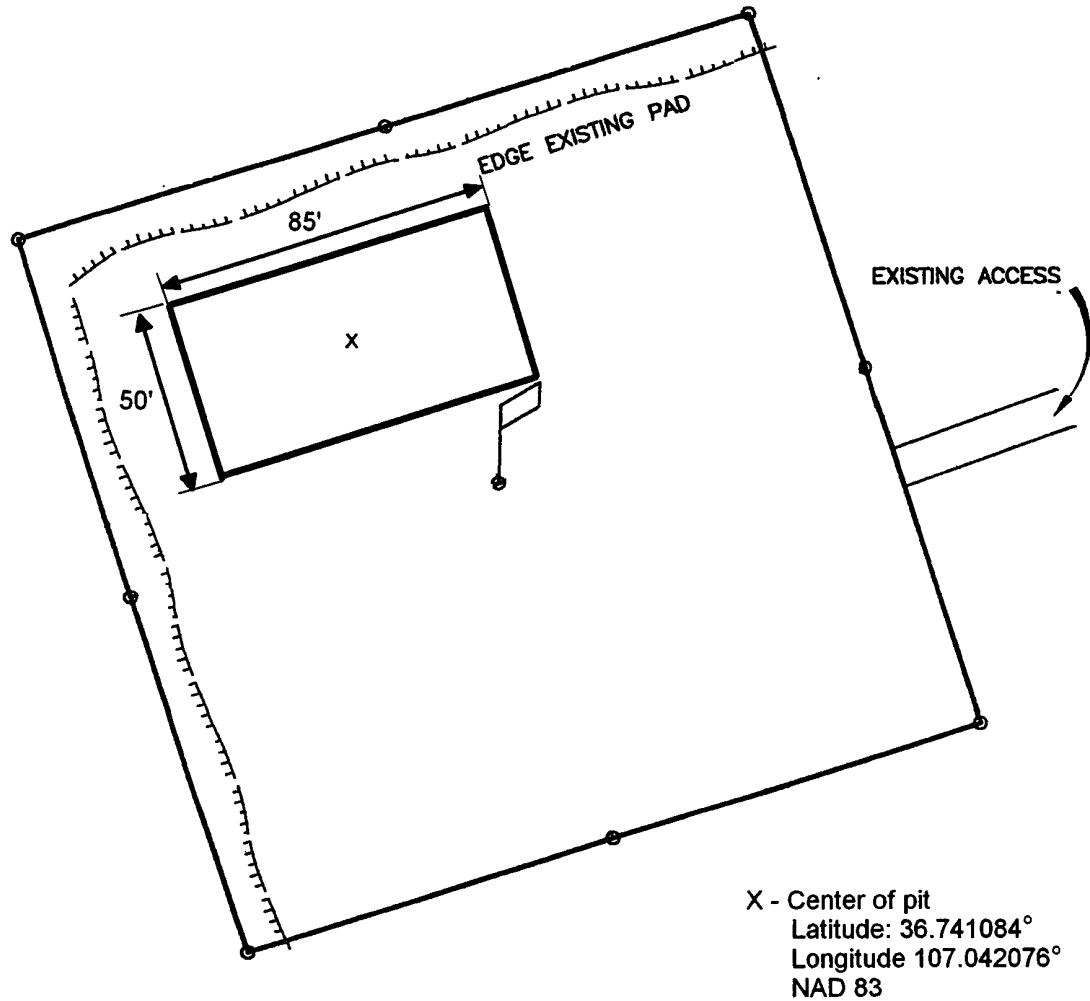
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1541

CERTIFIED MAIL 7007 0220 0004 0187 4488

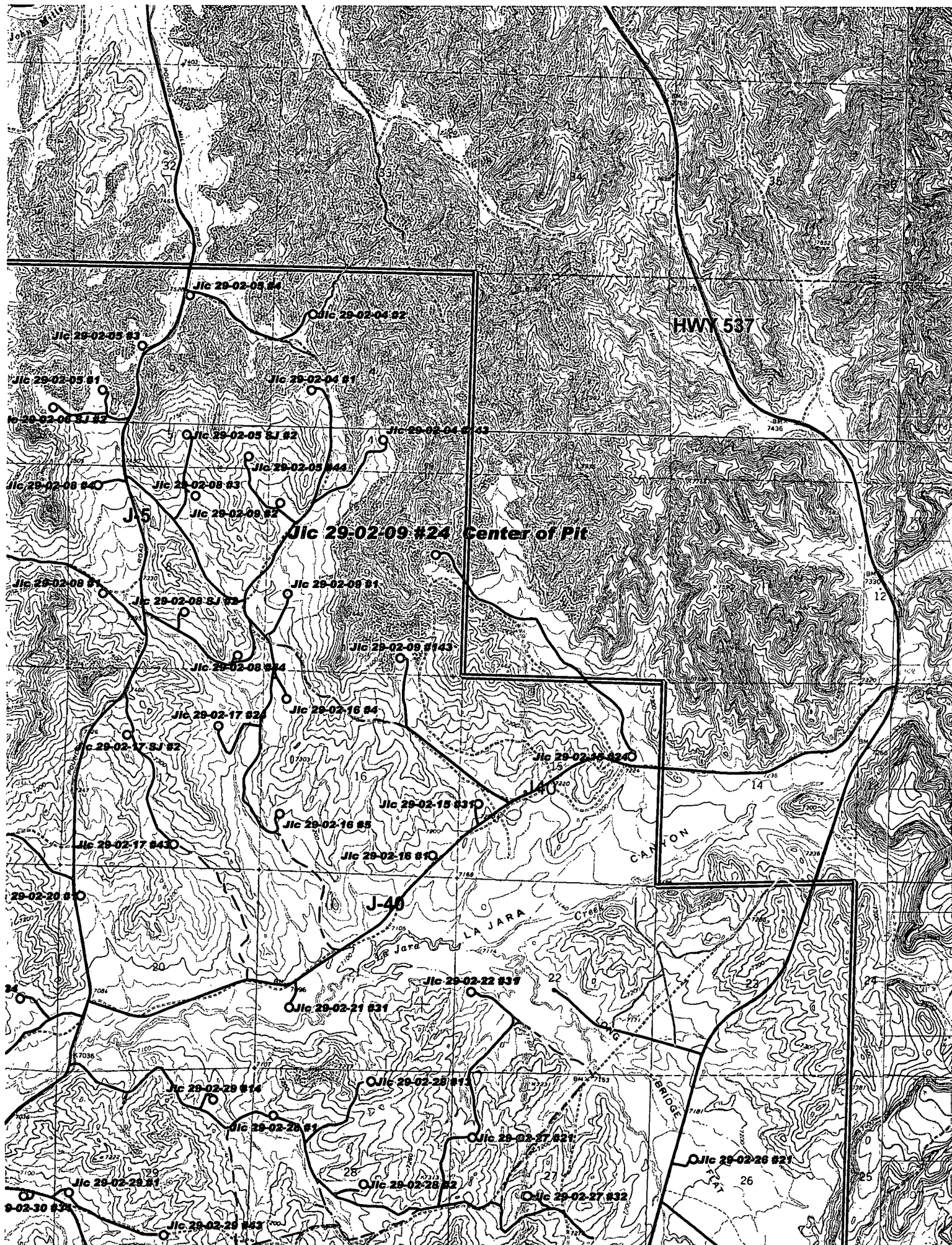
CC File
Brandon Powell NMOCD

WELL PAD DIAGRAM

COMPANY: BLACK HILLS GAS RESOURCES
LEASE: JICARILLA 29-02-09 No. 24
FOOTAGE: 2105 FNL, 660 FEL
SEC.: 9, TWN: 29-N, RNG: 2-W, NMPM
ELEVATION: 7460'



Not to scale





Sample Analysis Report

CLIENT: Black Hills Gas Resources
3200 North 1st Street
PO Box 249
Bloomfield, NM 87413

Date Reported: 6/22/2009

Report ID: O0906034001

Project: Pit Closure 61209
Lab ID: O0906034-001
Client Sample ID: Jic 29-2-9#24
Matrix: Soil

Work Order: O0906034
Collection Date: 6/12/2009 10:40:00 AM
Date Received: 6/16/2009 10:30:00 AM
COC: 116969

Analyses	Result	RL	Limits	Qual	Units	Date Analyzed/Init
8260B MBTEXN-Soil						
						Prep Date: 6/16/2009
Benzene	ND	0.5			mg/Kg	06/17/2009 ECS
Toluene	ND	0.5			mg/Kg	06/17/2009 ECS
Ethylbenzene	ND	0.5			mg/Kg	06/17/2009 ECS
m,p-Xylenes	ND	1.0			mg/Kg	06/17/2009 ECS
o-Xylene	ND	0.5			mg/Kg	06/17/2009 ECS
GRO by 8260 (nC6-nC10)	ND	10			mg/Kg	06/17/2009 ECS
Surr: 4-Bromofluorobenzene	84.8		74-124		%REC	06/17/2009 ECS
8015B Diesel Range Organics-Soil						
						Prep Date: 6/18/2009
Diesel Range Organics (nC10-nC32)	62	20			mg/Kg	06/21/2009 ECS
Surr: o-Terphenyl	84.1		25-126		%REC	06/21/2009 ECS

These results apply only to the samples tested.

RL - Reporting Limit

Qualifiers:	* Value exceeds Maximum Contaminant Level	B Analyte detected in the associated Method Blank
	D Diluted out of recovery limit	E Value above quantitation range
	H Holding times for preparation or analysis exceeded	M Matrix Effect
	ND Not Detected at the Reporting Limit	S Spike Recovery outside accepted recovery limits

Reviewed by:

Ed Scruton
Ed Scruton, Analytical Chemist



Sample Analysis Report

CLIENT: Black Hills Gas Resources
3200 North 1st Street; P.O. Box 249
Bloomfield, NM 87413

Date Reported: 6/23/2009
Report ID: S0906314001

Project: Pit Closure 61209
Lab ID: S0906314-001
Client Sample ID: Jic29-2-9#24
COC: 116969

Work Order: S0906314
Collection Date: 6/12/2009 10:40:00 AM
Date Received: 6/16/2009
Sampler: DM
Matrix: Soil

Analyses	Result	RL	Qual	Units	Date Analyzed/Init	Method
General Parameters-Soil						
TPH 418.1	200	100		ppm	06/19/2009 000 SNS	418.1
Soil Anions						
Chloride	465	0.01		ppm	06/22/2009 000 KO	USDA 60-3a

These results apply only to the samples tested.

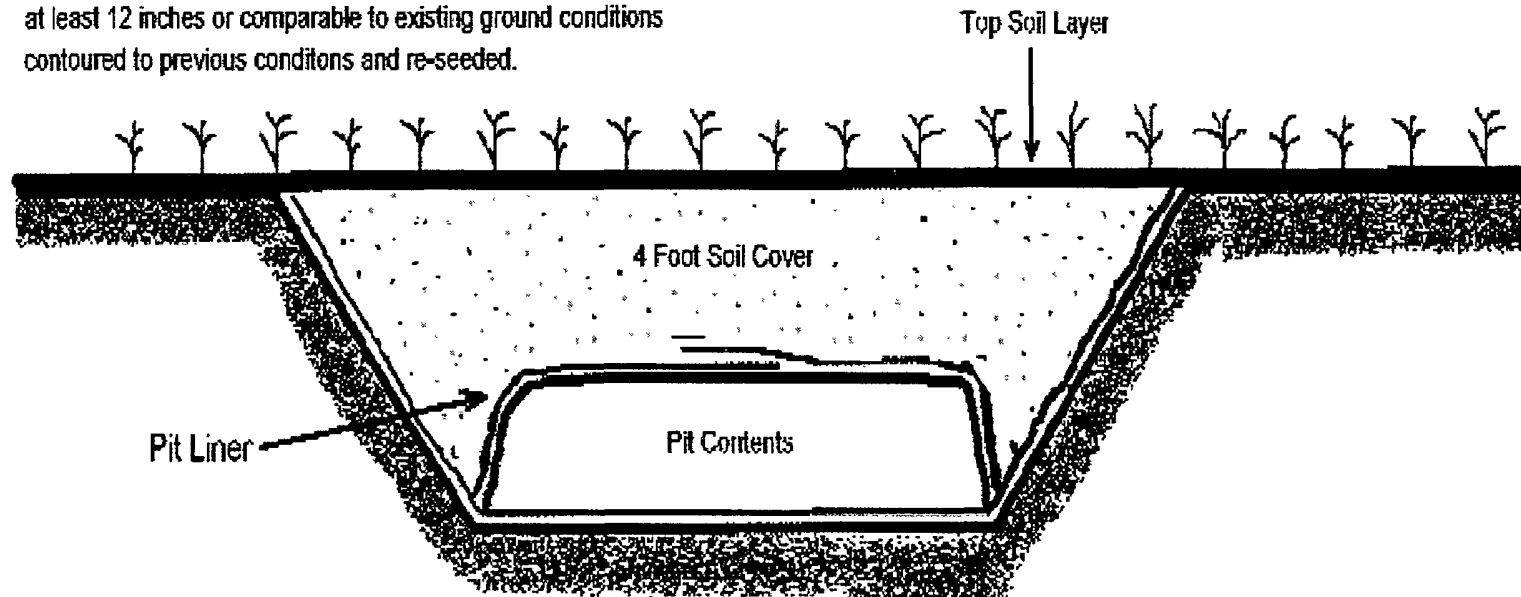
RL - Reporting Limit

Qualifiers:	* Value exceeds Maximum Contaminant Level	B	Analyte detected in the associated Method Blank
	E Value above quantitation range	H	Holding times for preparation or analysis exceeded
	J Analyte detected below quantitation limits	L	Analyzed by a contract laboratory
	M Value exceeds Monthly Ave or MCL	ND	Not Detected at the Reporting Limit
	S Spike Recovery outside accepted recovery limits		

Reviewed by: Karen A Secor
Karen Secor, Soil Lab Supervisor

Black Hills Gas Resources Pit Closure Diagram

Minimum 4 foot soil cover compacted with a topsoil layer at least 12 inches or comparable to existing ground conditions contoured to previous conditions and re-seeded.



III. THREATENED AND ENDANGERED SPECIES:

If, in its operations, operator/holder discovers any Threatened/Endangered/Sensitive Species – Plant/Animal, then work in the vicinity of the discovery will be suspended and the discovery promptly reported to the Surface Managing Agency. The Authorized Officer will then specify what action is to be taken. Failure to notify the Surface Managing Agency about a discovery that leads to the take of a listed species may result in civil or criminal penalties in accordance with the Endangered Species Act of 1973 (as amended.)

IV. RESEEDING AND ABANDONMENT

1. All surface areas disturbed during drilling activities and not in use for production activities will be reseeded. Any stockpiled topsoil on location will be used in the seeding effort. The goal of reseeded is successful revegetation to the site's capability. If, in the opinion of the Surface Managing Agency, the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

In conformance with the *BIA, Jicarilla Agency and Jicarilla Apache Nation Environmental Protection Office (EPO)*, the following recommended seed mixture will be applied to the appropriate proposed action.

12/2004

NORTH (of Tapacito Wash)			
SEED MIXTURE	LBS PLS PER ACRE	% OF MIX	% LIVE SEED/ACRE
Alkali Sacaton Salado Variety	1.0	25	.25
Western Wheat Grass Arriba or Barton Variety	8.0	25	2.0
Intermediate Wheat Grass Amur or Oahe Variety	9.0	20	1.80
Galleta Caryopsis	2.0	20	.40
Blue Gramma Machita, Lovington	1.0	10	.10
SOUTH (of Tapacito Wash)			
Western Wheat Grass Arriba or Barton Variety	8.0	25	2.0
Intermediate Wheat Grass Amur or Oahe Variety	9.0	20	1.80
Galleta Caryopsis	2.0	20	.40
Blue Gramma Hachita, Lovington	1.0	10	.10
Multiply LBS PLS/Per Acre X Total Acres to get total required seed.			

Species shall be planted in pounds of pure live seed per acre:

Present Pure Live Seed (PLS) = Purity X Germination/100

Two lots of seed can be compared on the basis of PLS as follows:

Source No. One (poor quality)

Purity	50 percent
Germination	40 percent
Percent PLS	20 percent

***5 lb. bulk seed required to
make 1 lb. PLS.***

Source No. two (better quality)

Purity	80 percent
Germination	63 percent
Percent PLS	50 percent

***2 lb. bulk seed required to
make 1 lb. PLS.***

Seed mixture used must be *certified*. There shall be NO primary or secondary noxious weeds in seed mixture. Seed labels from each bag shall be available for inspection while seed is being sown.

Seeding shall be accomplished between July 1 and September 15 (later date may be extended on a case-by-case basis with AO approval). Seeding shall be repeated if a satisfactory stand is not obtained as determined by the AO upon evaluation after the second growing season.

Compacted areas shall be ripped to a depth of 12" and disked to a depth of six inches before seeding. Seed with a disk-type drill with two boxes for various seed sizes. The drill rows shall be eight to ten inches apart. Seed shall be planted at not less than one-half inch deep or more than one inch deep. The seeder shall be followed with a drag, packer, or roller to ensure uniform coverage of the seed, and adequate compaction. Drilling shall be done on the contour where possible, not up and down the slope.

Where slopes are too steep for contour drilling a "cyclone" hand seeder or similar broadcast seeder shall be used. Seed shall then be covered to the depth described above by whatever means is practical, i.e. hand raked. If the seed is not covered, the prescribed seed mixture amount (pounds/acre/PLS) will be doubled.

If, upon abandonment of wells, the retention of access road is not considered necessary for the management and multiple use of the natural resources, it will be ripped a minimum of 12" in depth. After ripping, water bars will be installed. All ripped surfaces are to be protected from vehicular travel by construction of a dead end ditch and earthen barricade at the entrance to these ripped areas. (Reseeding of affected areas may be required.)

ABANDONMENT: Ninety days prior to termination of the ROW, the holder shall contact the AO to arrange a joint inspection of the ROW. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surfacing material, recontouring, topsoiling or seeding. The AO must approve the plan in writing prior to the holder's commencement of any termination actions.



Before pit closure



After pit closure



Black Hills Gas Resources

Jicarilla 29-02-09 #24

Surface Location: 2,105' FNL 660' FEL (SE/NE) Unit J

Sec. 09 T29N R2W

Rio Arriba County, New Mexico

Lease: Contract MDA 701-98-0013, Tract 4

Inspection report for Jicarilla 29-02-09 #24

- o Information taken from daily drilling logs

Date	Level
12/02/2008	2.5' BELOW TOP; 0.5' BELOW MAX
12/03/2008	3' BELOW TOP; 1' BELOW MAX
12/04/2008	3' BELOW TOP; 1' BELOW MAX
12/05/2008	3' BELOW TOP; 1' BELOW MAX
12/06/2008	2.5' BELOW TOP; 0.5' BELOW MAX
12/07/2008	3' BELOW TOP; 1' BELOW MAX
12/08/2008	3.5' BELOW TOP; 1.5' BELOW MAX
12/09/2008	4' BELOW TOP; 2' BELOW MAX
12/10/2008	4' BELOW TOP; 2' BELOW MAX

Glen Davis
Drilling Rig

Date	Level
12/19/2008	4' BELOW TOP; 2' BELOW MAX
12/20/2008	4' BELOW TOP; 2' BELOW MAX
12/30/2008	4' BELOW TOP; 2' BELOW MAX
12/31/2008	3' BELOW TOP; 1' BELOW MAX
01/01/2009	3' BELOW TOP; 1' BELOW MAX
01/02/2009	3' BELOW TOP; 1' BELOW MAX
01/03/2009	3' BELOW TOP; 1' BELOW MAX
01/04/2009	3' BELOW TOP; 1' BELOW MAX
01/06/2009	3' BELOW TOP; 1' BELOW MAX
01/07/2009	3' BELOW TOP; 1' BELOW MAX

Mike Romo
Completion Rig

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

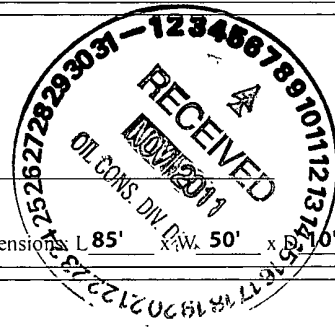
- Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted 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: **Black Hills Gas Resources** OGRID #: **013925**
Address: **3200 N 1st St Bloomfield, NM 87413**
Facility or well name: **Jicarilla 29-02-09 #24**
API Number: **30-039-30077** OCD Permit Number: _____
U/L or Qtr/Qtr **Unit H** Section **9** Township **29N** Range **2W** County: **Rio Arriba**
Center of Proposed Design: Latitude **36.70491 N** Longitude **107.01418 W** 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: **~ 12,000** bbl Dimensions: L **85'** x W **50'** x D **10'**



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 _____

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.

Submit To Appropriate District Office Two Copies District I 1625 N French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised August 1, 2011								
		1. WELL API NO. 30-039-30077								
		2. Type of Lease <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> FED/INDIAN								
		3. State Oil & Gas Lease No								
WELL COMPLETION OR RECOMPLETION REPORT AND LOG										
4. Reason for filing: <input type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input checked="" type="checkbox"/> 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 MDA 701-98-0013, Tract 4								
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER		6. Well Number. Jicarilla 29-02-09 #24								
8. Name of Operator Black Hills Gas Resources		9. OGRID 013925								
10. Address of Operator 3200 N 1st Street Bloomfield, NM 87413		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:	H	9	29N	2W		2105'	North	660'	East	Rio Arriba
BIT:										
13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released October 06, 2008		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						25. TUBING RECORD				
SIZE	TOP	BOTTOM		SACKS CEMENT	SCREEN	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. Plat on closure attachment										
33. If an on-site burial was used at the well, report the exact location of the on-site burial.										
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 <div style="display: flex; justify-content: space-between;"> <div> Signature Printed Name Daniel Manus E-mail Address Daniel.Manus@blackhillscorp.com </div> <div> Title Regulatory Technician Date 11/07/2011 </div> </div>										



Black Hills Gas Resources, Inc.

A subsidiary of Black Hills Exploration and Production, Inc.

3200 N 1st Street – PO Box 249 Bloomfield, NM 87413

Daniel Manus
Regulatory Technician II

Bus: (505) 634-5104
Fax: (505) 634-1116

daniel.manus@blackhillscorp.com

November 7, 2011

New Mexico Oil Conservation Division
Aztec Office
1000 Rio Brazos Road
Aztec, NM 87410

Subject: Jicarilla 29-02-09 #24 temporary drilling pit closure

Dear Sir or Madam

Black Hills Gas Resources' (BHGR) Jicarilla 29-02-09 #24 temporary drilling pit was closed on July 2, 2009 and the was release on January 7, 2009. Due to extreme weather that year BHGR was unable to close the pit within the 60 days time limits.

As for the notification to the NMOCD of closure of the pit, it is unknown if the notification was made by phone or email. BHGR understands going forward that all contact will be made or followed up by email for documentation.

If you have any questions, please contact me.

Respectfully,

Daniel Manus

29-02-01 = 1
30-03-30077
36-7-11081
40-7-12076
9-2-24101

DISC

OIL CONS. DIV.

RCVD JAN 12 '12