

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

1230

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.

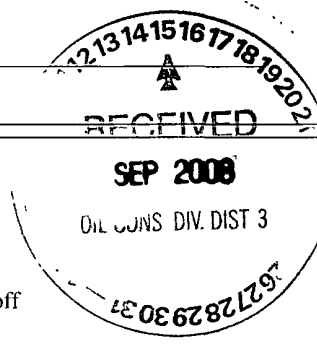
1.
Operator: Minel, Inc OGRID #: 14948
Address: 15 Vista Cliff Place, Richardson, TX 75080
Facility or well name: Cayias # 1
API Number: 30-039-22872 OCD Permit Number: _____
U/L or Qtr/Qtr G Section 2 Township 25N Range 03W County Rio Arriba
Center of Proposed Design Latitude 36° 25 778' N Longitude 107° 06 719' 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 25 bbl Type of fluid Water
Tank Construction material: Fiberglass
☒ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☒ Visible sidewalls only ☐ Other _____
Liner type: Thickness 60 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 6 X 6 Wire Mesh With Pipe Top Rail at 4' High

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 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

☐ 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 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): JOHN CAYIASTitle: PRESIDENTSignature: [Signature]Date: SEPTEMBER 15, 2008e-mail address: john.cayias@mtcx.comTelephone: (972) 839-7891

20.

OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)OCD Representative Signature: [Signature]Approval Date: 4/25/2012Title: 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: _____

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 _____ Longitude _____ 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): _____

Title: _____

Signature: _____

Date: _____

e-mail address: _____

Telephone: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Minel Inc.

3. ADDRESS OF OPERATOR

27209 Kane Lane, Conroe, Texas 77302

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

2290' ENL, 1850' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

35 miles- Counsillers, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest drig. unit line, if any)

1850'

13. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1700'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

7319' GL

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
8 3/4"	7.000"	23#	120'
6 1/4"	2.875"	6.4#	3860'

Propose to drill with mud, run mechanical logs, and selectively test and perforate
and sandwater fracture the Pictured Cliff formation.

A 10" 3000 psi WP and 6000 psi test BOP with blind and pipe rams will be used for blow
out prevention.

The NE₁ of Section 2 is dedicated to this well.

The gas is dedicated to El Paso

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give pertinent data on subsurface conditions and measured and true vertical depths. Give blowout
preventer program, if any.

SIGNED

TITLE Agent

(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

(Orig. Sgd.) RAYMOND W. VINYARD

RAYMOND W. VINYARD

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY.

TITLE ACTING DISTRICT SUPERVISOR

DEC 15 1981

NMCCC

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

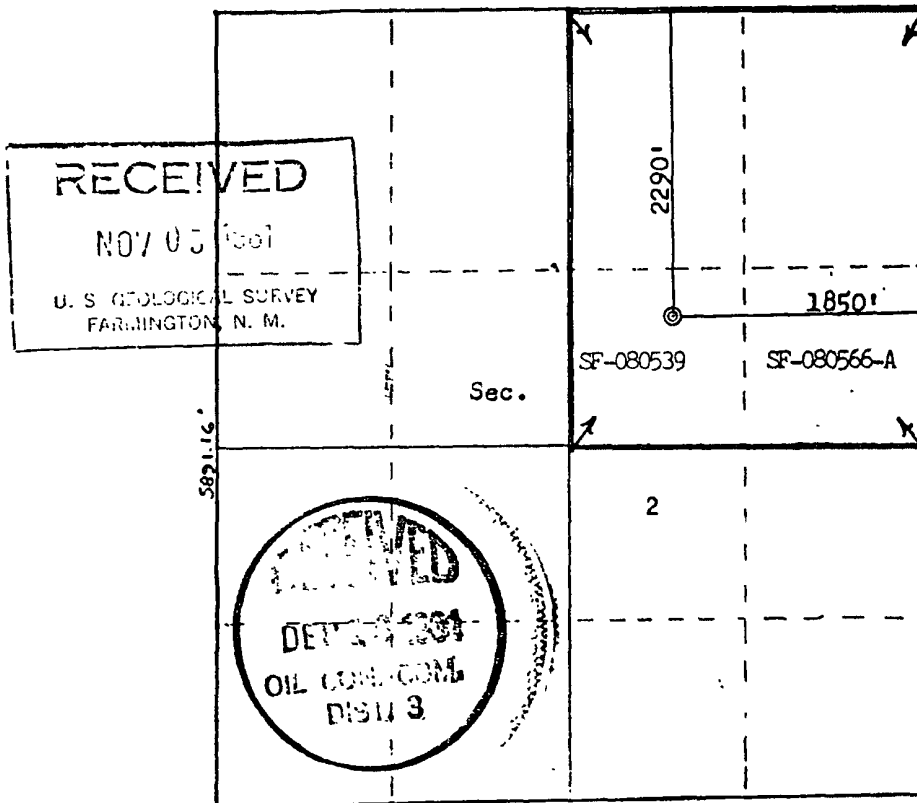
Operator MINEL INCORPORATED			Lease Cavias		Well No. 1
Unit Letter G	Section 2	Township 25N	Range 3W	County Rio Arriba	
Actual Footage Location of Wells					
2290 feet from the North line and		1850 feet from the East line			
Ground Level Elev. 7319	Producing Formation Pictured Cliff	Pool Tapacito	Dedicated Acreage 186.17 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1320'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Joe Elledge

Name
Joe Elledge

Position
Agent

Company
Minel Inc.

Date
10-28-81

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 knowledge and belief.

Date Surveyed
October 28, 1981
Registered Professional Engineer and Land Surveyor

Frederick J. Berry
Frederick J. Berry

Certificate No.
3950

**New Mexico Office of the State Engineer
POD Reports and Downloads**

Township: Range: Sections:

NAD27 X: Y: Zone: ☐ Search Radius:

County: ☐ Basin: ☐ Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

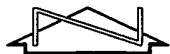
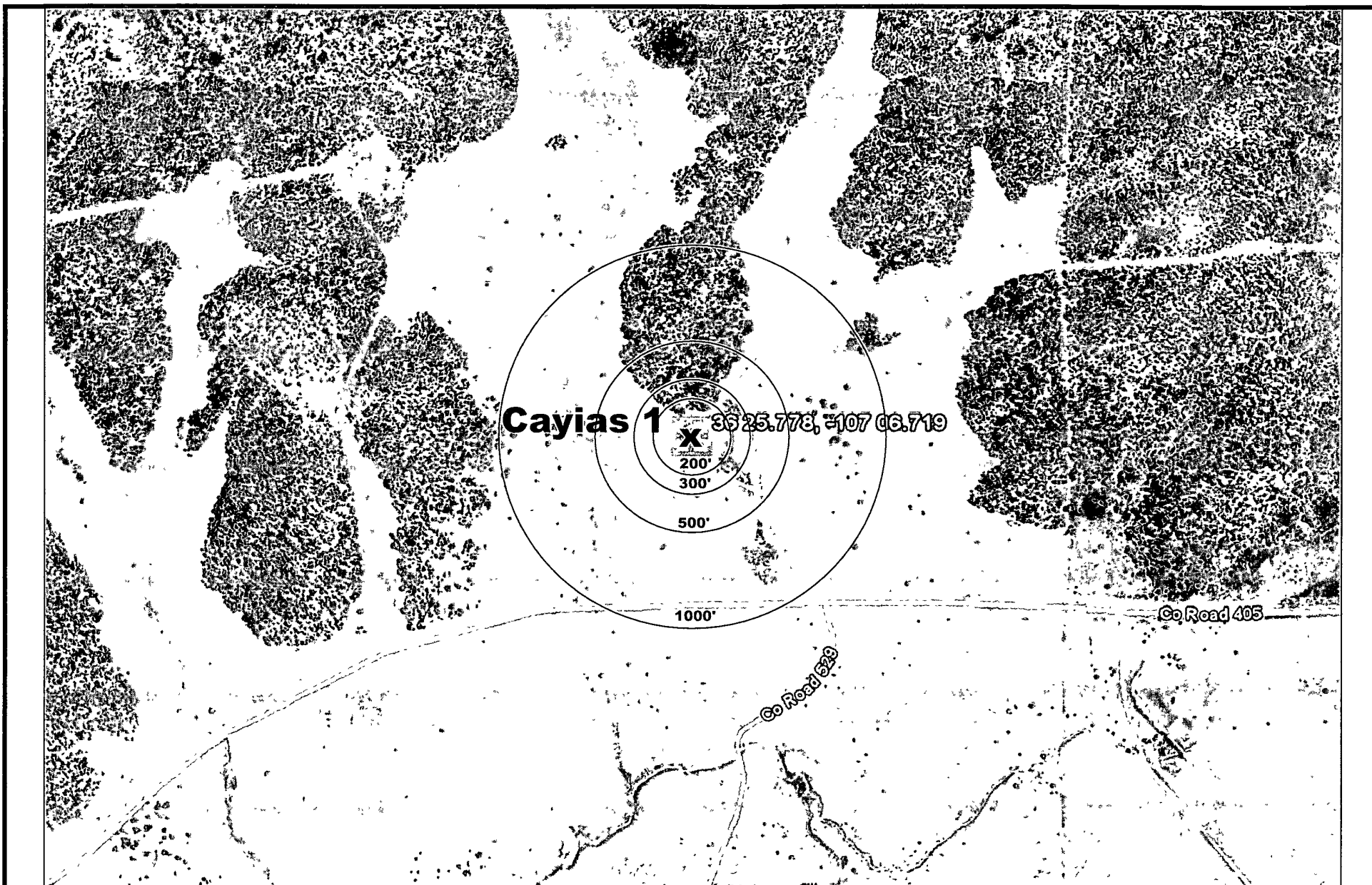
iWATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 09/03/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RG	25N	03W	24				1	125	125	125
RG	25N	03W	33				1	165	165	165
RG	25N	03W	36				1	18	18	18
SJ	25N	03W	01				1	245	245	245
SJ	25N	03W	08				1	265	265	265
SJ	25N	03W	13				1	225	225	225
SJ	25N	03W	18				1	56	56	56
SJ	25N	03W	22				2	850	850	850
SJ	25N	03W	23				1	75	75	75
SJ	25N	03W	25				3	90	160	127
SJ	25N	03W	26				1	110	110	110
SJ	25N	03W	27				2	650	650	650
SJ	25N	03W	32				2	100	100	100
SJ	25N	03W	33				1	110	110	110
SJ	25N	03W	35				1	30	30	30
SJ	25N	03W	36				2	70	75	73

Record Count: 22



Approximate

Not to Scale

Aerial Photo

GEOMAT Project No 83-0721

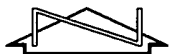
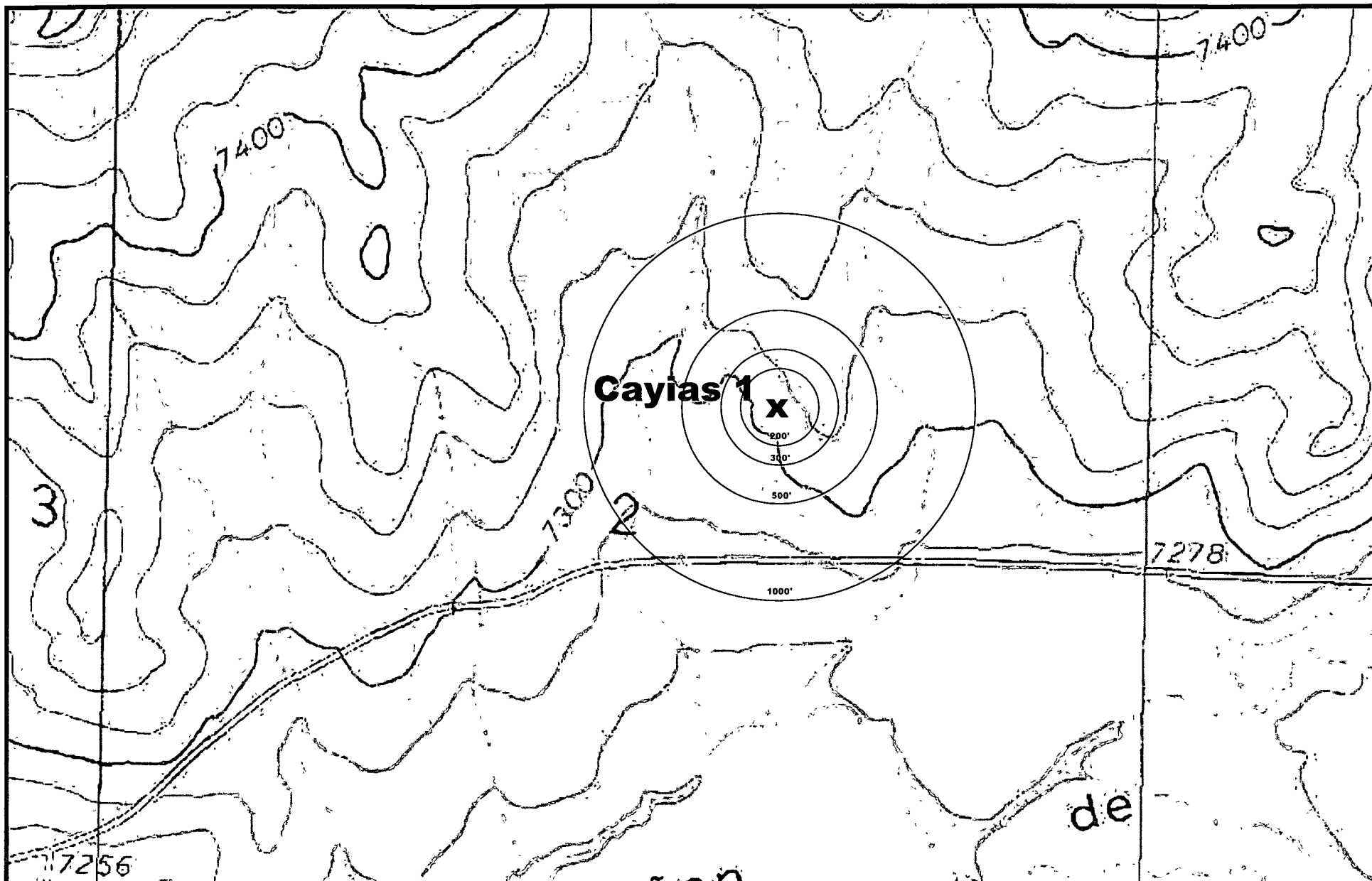
Date of Site Visit: 9-6-08

PROJECT

Minel, Inc.

Cayias #1

API # 30-039-22872



Approximate

Not to Scale

Topo Map

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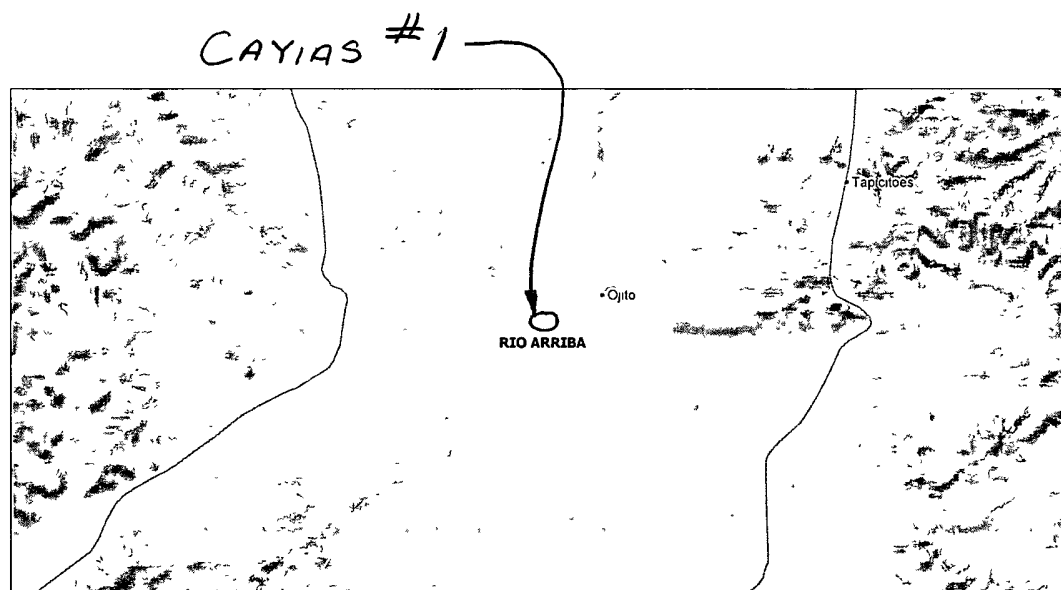
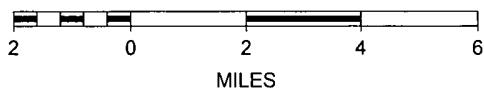
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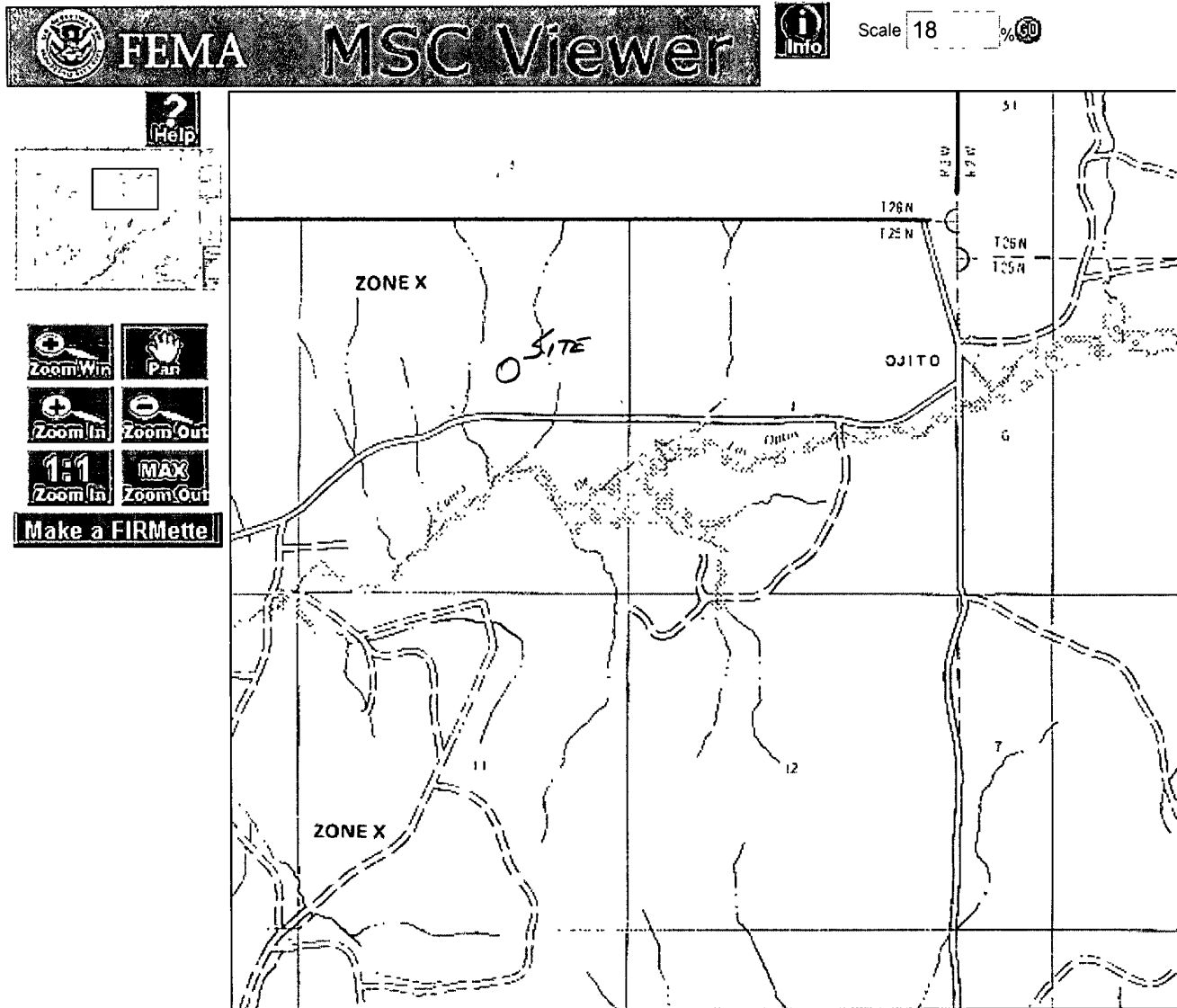
Mines, Mills & Quarries Commodity Groups

- △ Aggregate & Stone Mines
- ◆ Coal Mines
- ☆ Industrial Minerals Mines
- ▼ Industrial Minerals Mills
- ☒ Metal Mines and Mill Concentrate
- Potash Mines & Refineries
- ☐ Smelters & Refinery Ops.
- ✱ Uranium Mines
- ⊕ Uranium Mills

Mines, Mills & Quarries Status

SCALE 1 204,823





Sec 2, T25N, R3W

CAYAS #1

HYDROGEOLOGICAL REPORT

Cayias #1

Regional Geological Context:

The Nacimiento Formation is of Paleocene age and forms the land surface over much of the eastern portion of the San Juan Basin of northwestern New Mexico. It overlies the Ojo Alamo Sandstone. The Tapacitos and Llaves Members form the upper portion of the Nacimiento Formation in its eastern reaches.

The Nacimiento Formation generally consists of gray shale with interbedded arkosic sandstone in the southwest, grading to predominantly sandstone with shale interbeds in the northeast. The Nacimiento Formation is thought to have been deposited in a fluvial (stream) environment. Thickness of the Nacimiento Formation is as much as 580 meters.

Hydraulic Properties:

Numerous water-bearing layers are present within the sandstones of the Nacimiento Formation, while the shales typically form aquitards. Reported well yields from the Nacimiento Formation range from 2 to 15 gallons per minute (Robson, et. al., 1995, Table 1).

References:

Robson, S. G. and Wright, Winfield G., 1995, Ground-Water Resources of the Florida Mesa Area, La Plata County, Colorado, USGS Water Resources Investigations Report 95-4190.

Minel, Inc.
Cayias #1
Below Grade Tank Design and Construction

In Accordance with NMAC 19.15.17 the following describes the as built construction of the below grade tanks (BGT) on this Minel, Inc., (MI) location.

As-Built Installation:

1. The existing tank pit consists of a 11'x11' hole into which a 8'Dia x 3' high double bottom, single wall tank with leak detection is placed.
2. The tank walls are to be kept open for visual inspection to identify the occurrence of leaks
3. The tank pit is surrounded by a 16' x 16' x 12" berm to prevent surface water run-on
4. The berm is surrounded by a fence that is constructed from 6"x6" wire mesh (hog wire) and is topped with a top rail. The total height is 4'.
5. A general location sign is displayed on the site.

Minel, Inc.
San Juan Basin
Below Grade Tank Maintenance Operating Plan

In accordance with Rule 19 15 17 the following information describes the operation and maintenance of Below Grade Pit (BGT) on Minel, Inc , (MI) locations This is MI's standard procedure for all BGT A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- 1 MI will operate and maintain a BGT to contain liquids and solids and prevent contamination of fresh water and protect public health and environment
2. MI shall not allow a below-grade tank to overflow or allow surface water run-on to enter the below-grade tank.
- 3 MI shall continuously remove any visible or measurable layer of oil from the fluid surface of a below-grade tank in an effort to prevent significant accumulation of oil overtime.
- 4 MI shall inspect the below-grade tank at least monthly and maintain a written record of each inspection for five years.
- 5 MI shall maintain adequate freeboard to prevent overtopping of the below-grade tank

Minel, Inc (MI)
San Juan Basin
Below Grade Tank Closure Plan

General Requirements:

1. MI shall close a below-grade tank within the time periods provided in 19 15 17 13 NMAC, or by an earlier date that the division requires because of imminent danger of fresh water, public health or the environment
2. MI shall close an existing below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15 17 11 NMAC or is not included in Paragraph (5) of subsection I of 19 15.17 11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
3. MI shall close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as requested by the transitional provisions of subsection B of 19 15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on C-144
4. MI shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility.
5. MI shall remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves
6. If there is any on-site equipment associated with the below-grade tank, then MI shall remove the equipment, unless the equipment is required for some other purpose.
7. Notice of closure will be given to the Aztec division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
 - i. Operators Name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
8. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on C-144 and incorporate the following:
 - Details on Capping and Covering, where applicable
 - Inspection Reports
 - Sampling Results
9. The surface owner shall be notified of MI closing of the below-grade tank as per approved closure plan using certified mail, return receipt requested.

Sampling Plan:

1. MI shall test the soils beneath the below-grade tank to determine whether a release has occurred. MI shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release, and analyze for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B if 8260B or other EPA

method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW 846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 500 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. BR shall notify the division of its results on form C-141.

2. If MI or the division determines that a release has occurred, then MI shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.
3. If contamination is confirmed by field sampling, MI will follow those guidelines for Remediation of Leaks, Spills, and Releases NMOCD August 1993 when remediating contaminants identified.

Soil Backfill and Cover Specifications:

1. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then MI shall backfill the excavation with compacted, non-waste containing, earthen material, construct a division-prescribed soil cover, recontour and revegetate the site.
2. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

Site Reclamation:

1. Re-contouring of locations will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a larger scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
2. BR shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetation 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 maintain that cover through two successful growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.