

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

1229 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.

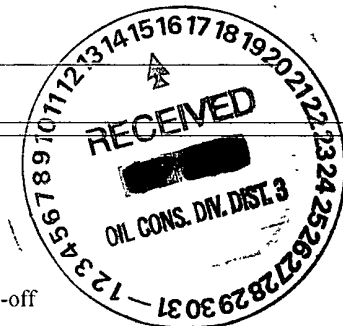
1. Operator: Minel, Inc. OGRID #: 14948  
Address: 15 Vista Cliff Place, Richardson, Texas 75080  
Facility or well name: NZ #2  
API Number: 30-039-24092 OCD Permit Number \_\_\_\_\_  
U/L or Qtr/Qtr 1 Section 1 Township 25N Range 03W County: Rio Arriba  
Center of Proposed Design: Latitude 36° 26.055' N Longitude 107° 05.369' 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: 60 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 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	<input type="checkbox"/> Yes <input checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society, Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11.

**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number \_\_\_\_\_ or Permit Number: \_\_\_\_\_

12.

**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number. \_\_\_\_\_

☐ Previously Approved Operating and Maintenance Plan API Number \_\_\_\_\_ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

**Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H<sub>2</sub>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

14.

**Proposed Closure:** 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System

☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal

☐ Waste Removal (Closed-loop systems only)

☐ On-site Closure Method (Only for temporary pits and closed-loop systems)

☐ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

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

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

16.

**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15 17 13 D NMAC)**Instructions:** Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?☐ Yes (If yes, please provide the information below) ☐ No*Required for impacted areas which will not be used for future service and operations*

- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15.17 13 NMAC

17.

**Siting Criteria (regarding on-site closure methods only):** 19.15 17 10 NMAC**Instructions:** Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

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

☐ Yes ☐ No  
☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

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

☐ Yes ☐ No  
☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

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

☐ Yes ☐ No  
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

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

☐ Yes ☐ No

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

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

☐ Yes ☐ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

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

☐ Yes ☐ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

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

☐ Yes ☐ No

Within 500 feet of a wetland

- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within the area overlying a subsurface mine

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

☐ Yes ☐ No

Within an unstable area.

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

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

18.

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

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15 17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19 15 17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19 15.17 13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15 17 13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19

**Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief

Name (Print) JOHN CAYIASTitle: PRESIDENTSignature: [Signature]Date: SEPTEMBER 15, 2008e-mail address: John.cayias@mctx.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: 4/25/02Title: 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

457-C Washington SE Albuquerque, NM 87108

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

At surface 800' FNL &amp; 800' FEL

At proposed prod. zone same

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

1/2 mile North of Ojito, N.M.

## 15. DISTANCE FROM PROPOSED\*

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

800'

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

1/2 mile

## 16. NO. OF ACRES IN LEASE

600

## 19. PROPOSED DEPTH

8200'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

Lot 1 (60 acres) 58.01

## 20. ROTARY OR CABLE TOOLS

Rotary

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

7384 GR 7360

## 22. APPROX. DATE WORK WILL START\*

March 1, 1986

## 23.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"  
PROPOSED CASING AND CEMENTING PROGRAMThis action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	9-5/8"	36#	200
8-3/4" & 7-7/8"	4-1/2"	10.5#	8200

125sx(148CF) Class B, 2% CaCl.

Stage collar @ 6200' &amp; 4100'.

1st stage: 441sx(635CF) 50/50  
poz w/2%gel, 10%salt, 6 1/2# gilsonite  
2nd stage: 417sx(797CF) 65/35  
poz, 3%gel, 10%salt, 10% calseal,  
12-1/2% gilsonite & 50sx neat.  
3rd stage: 1158sx(1935CF) 65/35  
poz w/6%gel, 1/2# flocele &  
50sx neat.Propose to drill with mud, run logs,  
perforate & sand-water frac the Gallup  
and Dakota Formations.RECEIVED  
JUL 17 1986  
OIL CON. DIV.  
DIST.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

## 24.

MINEL, INC.

SIGNED

By:

CURTIS L. LITTLE

TITLE

Agent

DATE

1-30-86

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

NMOCC

## OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form O-107  
Revised 10-1-70

All distances must be from the outer boundaries of the Section

MINEL, INC.			Lense NZ		Well No. 2
Unit Letter A	Section 1	Township 25 North	Range 3 West	County Rio Arriba	
Actual Location of well: 655 feet from the North line and 515 feet from the East line					
Ground Level Elev. 7360	Producing Formation Gallup-Dakota		Pool C-1	Dedicated Acres: 66.58.01 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 lense is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lense 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 \_\_\_\_\_

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 Division.

\* Record GLO plat

FD. 1915 GLO B.C. 31/36

SB9°56'W * <b>RECEIVED</b> JUN 18 1986 BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA		655' FNL 515' FEL (NZ #2)	
1320'	Sec.	1	1320'
88.97 ch*		80.06 ch*	89.01 ch*
SOUTH	N 89°56'W		NORTH

## CERTIFICATION

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

Name  
*Curtis J. Little*  
Curtis J. Little  
Position  
Agent  
Company  
Minel Inc  
Date  
11-3-86

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.

ROY A. RUSH  
NEW MEXICO  
8894  
Date Surveyed  
April, 30, 1986  
Inspector  
under Land  
Certificate No.  
8894

**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

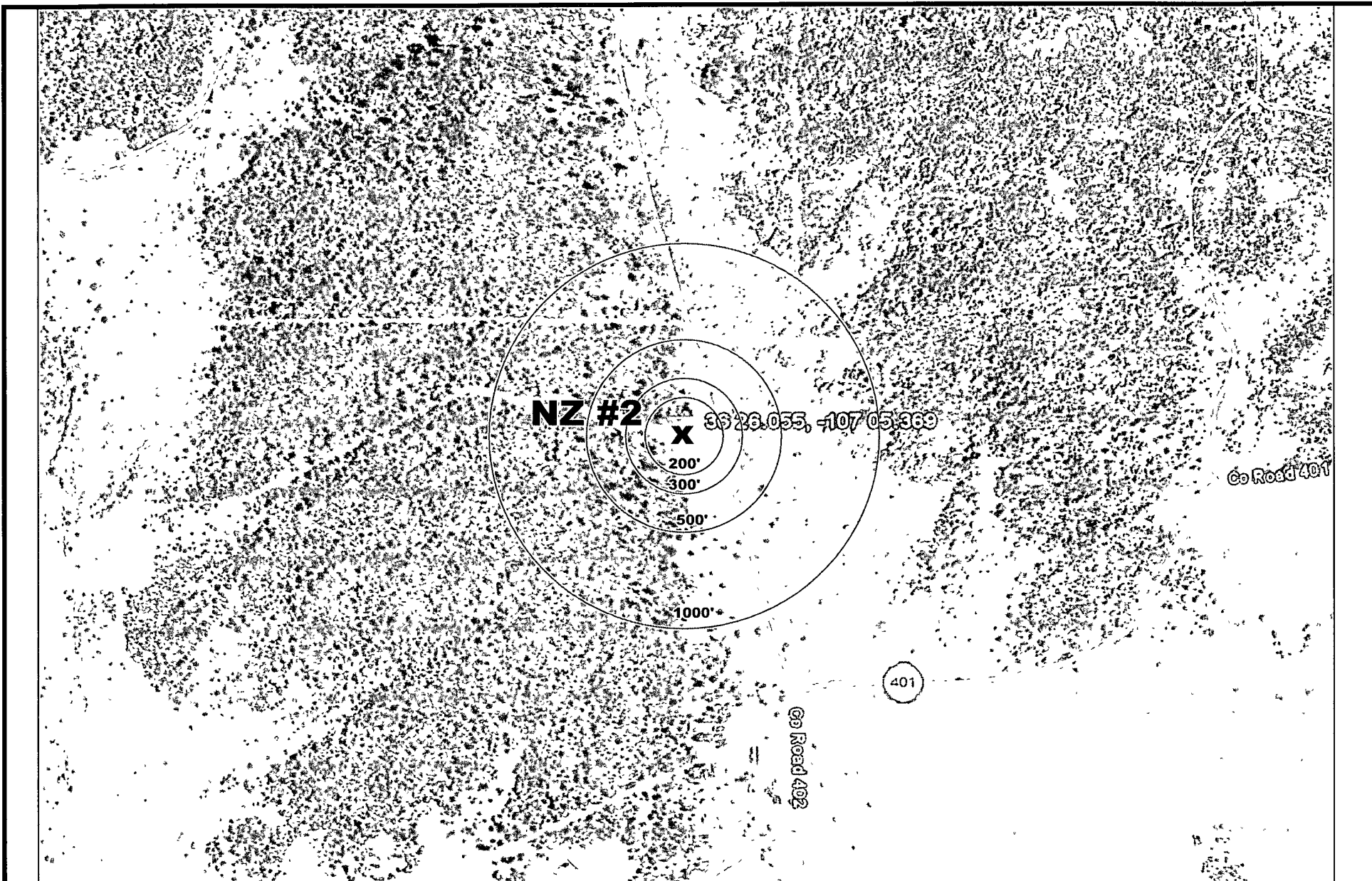
Help

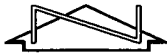
**AVERAGE DEPTH OF WATER REPORT 09/03/2008**

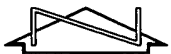
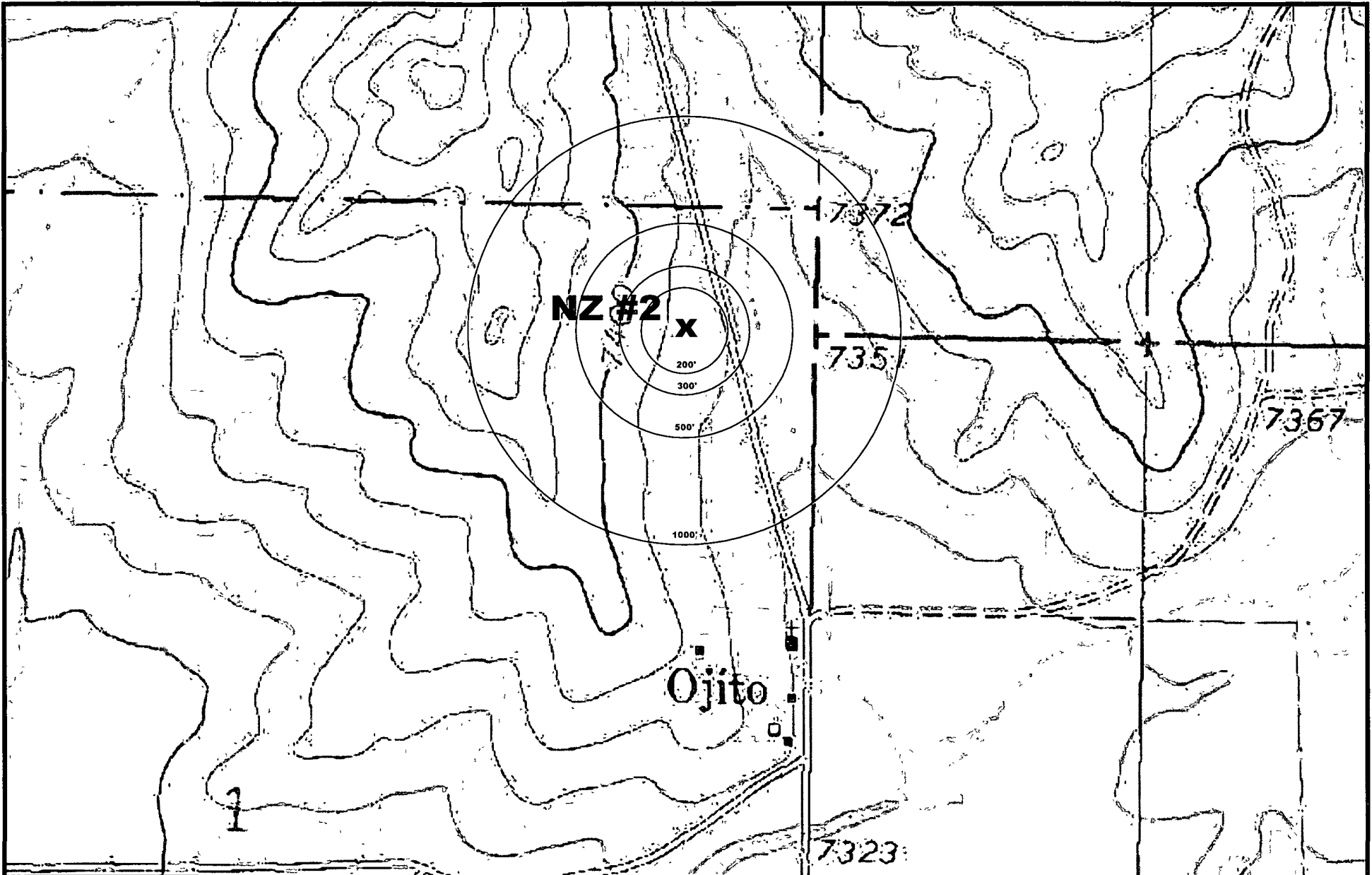
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RG	25N	03W	24				1	125	125	125
RG	25N	03W	33				1	165	165	165
RG	25N	03W	36				1	18	18	18
SJ	25N	03W	<u>01</u>				1	<u>245</u>	245	245
SJ	25N	03W	08				1	265	265	265
SJ	25N	03W	<u>13</u>				1	<u>225</u>	225	225
SJ	25N	03W	18				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	Aerial Photo	PROJECT	
	GEOMAT Project No. 83-0721 Date of Site Visit: 9-6-08	Minel, Inc. NZ #2 API # 30-039-24092	



Approximate

Not to Scale

Topo Map

GEOMAT Project No 83-0721  
Date of Site Visit 9-6-08

PROJECT

Minel, Inc.  
NZ #2  
API # 30-039-24092

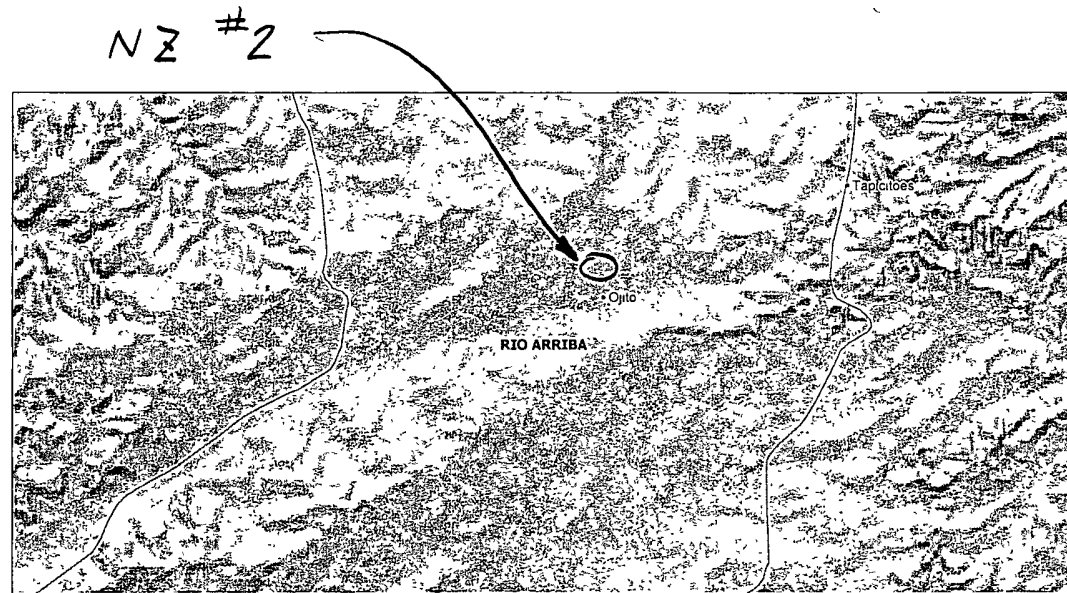
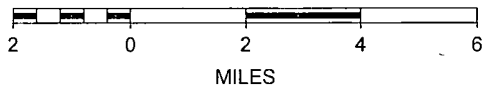
# MMQonline Public Version

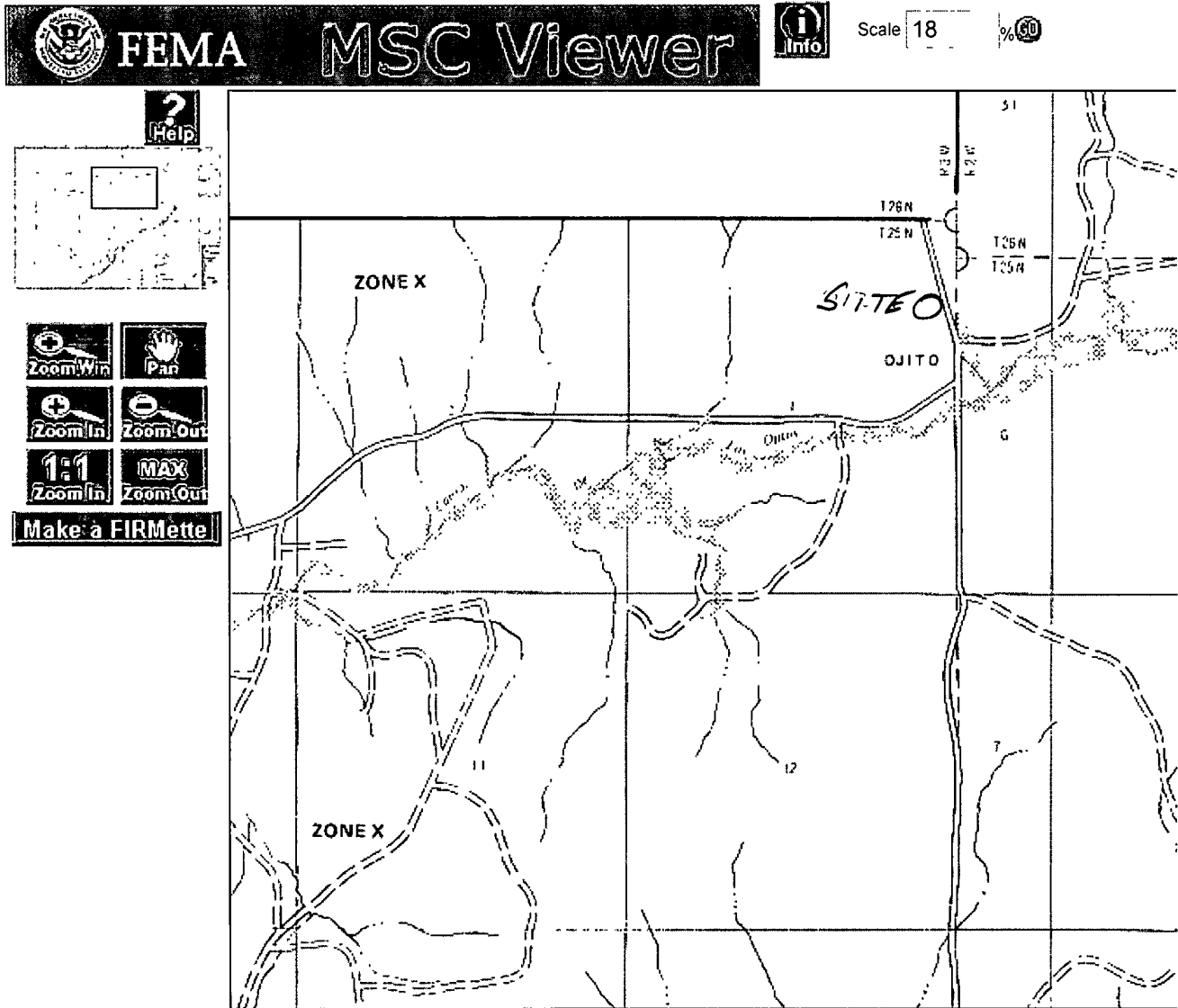
## Mines, Mills & Quarries Commodity Groups

- △ 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 1 T25N R3W  
NZ #2

## **HYDROGEOLOGICAL REPORT**

### **NZ #2**

#### **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.**  
**NZ #2**  
**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 15'x15' hole into which a 12'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 20' x 20' 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 50 mg/kg, the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100 mg/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