District II
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr , Santa Fe, NM 87505

State of New Mexico **Energy Minerals and Natural Resources** Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

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

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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:McElvain Oil & Gas Properties, Inc OGRID #:22044						
Address:1050 17 <sup>th</sup> Street , Suite 1800, Denver, CO 80265						
Facility or well name: _ORA 3						
API Number:30-039-24181 OCD Permit Number:						
U/L or Qtr/QtrGSection28Township25NRange3WCounty:Rio Arriba						
Center of Proposed Design: Latitude N36.37096 Longitude W_/07.14907 NAD: \( \Delta 1927 \Bigcap 1983						
Surface Owner:   Federal   State   Private   Tribal Trust or Indian Allotment						
2.						
Pit: Subsection F or G of 19.15.17.11 NMAC						
Temporary:  Drilling  Workover						
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A						
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other						
☐ String-Reinforced						
Liner Seams: Welded Factory Other Volume: bbl Dimensions: Lx Wx D						
3.  Closed-loop System: Subsection H of 19.15.17.11 NMAC  The of Operation III Dead						
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						
□ 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						
/% o/						
4.						
✓ Below-grade tank:       Subsection I of 19.15.17.11 NMAC         Volume:60						
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 mil						
Alternative Method:						

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

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)						
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital,						
institution or church)  The Four foot height, four strands of barbed wire evenly spaced between one and four feet						
Alternate. Please specify4 " Hog wire w/ top rail = 4'						
7.						
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent puts and permanent open top tanks)						
☐ Screen ☐ Netting ☑ OtherNylon Mesh						
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 or	ffice 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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approp						
office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of ap	proval.					
Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryin above-grade tanks associated with a closed-loop system.	ng pads or					
	☐ Yes ☒ No					
· · · · · · · · · · · · · · · · · · ·	☐ Yes ☒ No					
lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site						
in this so the more a permanent residence, sonoot, nospital, institution, of charen in existence at the time of initial application.	☐ Yes ☐ No ☐ NA					
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Z NA					
	☐ Yes ☐ No ☑ NA					
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image						
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					
	☐ Yes ☑ No					
adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approval obtained from the municipality						
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					
	☐ Yes ☑ No					

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:  or Permit Number:
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC   Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.    Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9   Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC   Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC   Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC   Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC   Previously Approved Design (attach copy of design)   API Number:   (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assurance Lonstruction 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
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)
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 G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground S Instructions: Please indentify the facility or facilities for the disposal of liquids, disposal of liquids, describing the properties.	Steel Tanks or Haul-off Bins Only: (19.15.17.13.) rilling fluids and drill cuttings. Use attachment if	O NMAC) more than two				
facilities are required.  Disposal Facility Name:	Disposal Facility Permit Number:					
i	Disposal Facility Permit Number:					
Will any of the proposed closed-loop system operations and associated activities oc  ☐ 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 G of 19.15.17.13 NMAC  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC						
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the convided below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmental demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	administrative approval from the appropriate dist Bureau office for consideration of approval. Just	rict office or may be				
Ground water is less than 50 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search; USGS; Data	obtained from nearby wells	☐ Yes ☐ No ☐ 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 sign lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	ificant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No				
Within 300 feet from a permanent residence, school, hospital, institution, or church - Visual inspection (certification) of the proposed site; Aerial photo; Satellite		☐ Yes ☐ No				
Within 500 horizontal feet of a private, domestic fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or spring that less watering purposes is a spring that less water well or spring that less water water well or spring that less water well or spring that less water well or spring that less water water well or spring that less water well or spring that less water water well or spring that less water wate	ring, in existence at the time of initial application.	☐ Yes ☐ No				
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approva	•	☐ Yes ☐ No				
Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; Topographic map; Visua	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 Society; Topographic map	& Mineral Resources; USGS; NM Geological	☐ Yes ☐ No				
Within a 100-year floodplain FEMA map		☐ Yes ☐ No				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to 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 19.15.17.13 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  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): Deborah K Powell							
1	Date: 9-8 - 08						
e-mail address:DebbyP@McElvain.com							
OCD Approval: X Permit Application (including closure plan) Closure Cl	OCD Permit Number:						
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.							
	Closure Completion Date:						
22. Closure Method:  ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ A ☐ If different from approved plan, please explain.	alternative Closure Method						
Closure Report Regarding Waste Removal Closure For Closed-loop Systemstructions: Please indentify the facility or facilities for where the liquid two facilities were utilized.  Disposal Facility Name:  Disposal Facility Name:  Were the closed-loop system operations and associated activities performed  Yes (If yes, please demonstrate compliance to the items below)  Required for impacted areas which will not be used for future service and of Site Reclamation (Photo Documentation)  Soil Backfilling and Cover Installation	Disposal Facility Permit Number: Disposal Facility Permit Number: on or in areas that will not be used for future service and operations?						
Re-vegetation Application Rates and Seeding Technique							
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:						

1320 1680

1000

2910

3000

1500

### P. O. BOX 2088 SANTA FE. NEW MEXICO 87501

All distances must be from the outer boundaries of the Section. Lease Well No. Elliott Oll and Gas Company Ora 3 Township Unit Letter Section Hange County 28 25 North 3 West Rio Arriba Actual Footage Location of Walls 1900 North 2270 feet from the East line and Ical from the Ground Level Clev. Producing Formation Dedicated Acreeges 7249 Gallup - Dakota Gallup Dakota Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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? If answer is "yes," type of consolidation MY Yes ☐ No 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. CERTIFICATION I hereby certify that the Information comtained herein is true and complete to the 1900 John Alexander Position Agent 270 0 Company Elliott Oil Co. 8/7/87 SEC. 28 ONLY CHARLES AND STREET THE PROPERTY OF THE PARTY OF THE Date Surveyed July 23, 1987 Registered Professional Engineer and/or Land Surveyor Edgar L. Risenhoover, L.S.

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

Township: 25N Range: 03W Sections: 20,21,22,27,28,29,32,33,34 NAD27 X: Y: Search Radius: Zone: Basin: SJ(San Juan) County: Number: Suffix: Owner Name: (First) O Non-Domestic Domestic All (Last) POD / Surface Data Report Avg Depth to Water Report Water Column Report Clear Form iWATERS Menu Help

### WATER COLUMN REPORT 08/25/2008

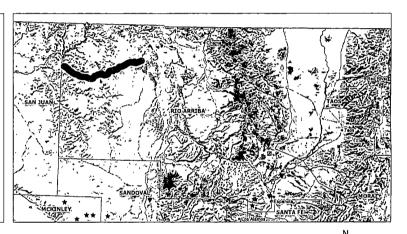
### (quarters are 1=NW 2=NE 3=SW 4=SE)

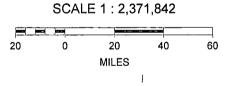
	(quarter	s are	e bi	gge	est	to:	smallest	t)		Depth	Depth	Water	(in
POD Number	Tws	Rng	Sec	q	Œ	q.	Zone	x	Y	Well	Water	Column	
SJ 02520 DCL	25N	03W	22	2	2	3				1000	850	150	
SJ 02520	25N	03W	22	2	2	3				1000	850	150	
SJ 02519 DCL	25N	03W	27	2	1	3				1215	650	565	
SJ 02519	25N	03W	27	2	1	3				1215	650	565	
SJ 02517 DCL	25N	03W	32	1	3	2				250	100	150	
SJ 02517	25N	03W	32	1	3	2				250	100	150	
SJ 02518 DCL	25N	03W	33	1	2	4				250	110	140	

Record Count: 7

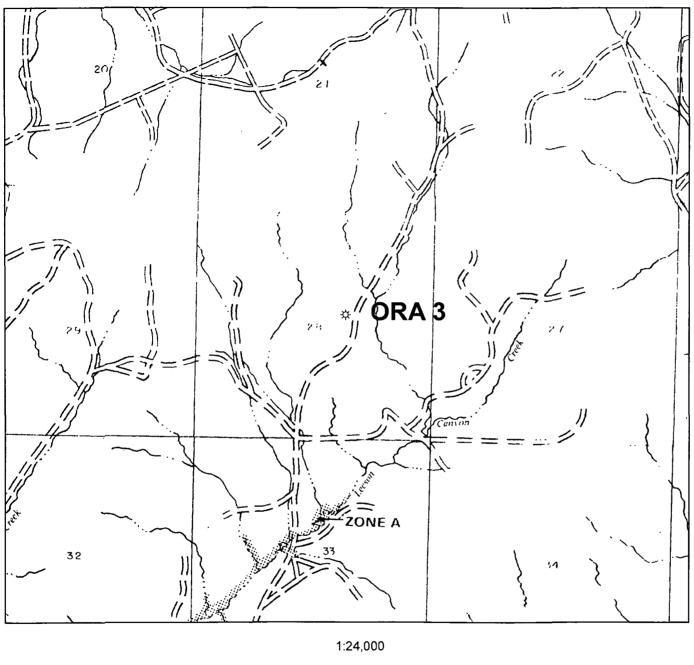
## Rio Arriba Mines, Mills And Quarries Web Map

Mines, Mil	Mines, Mills & Quarries Commodity Groups						
Δ	Aggregate & Stone Mines						
•	Coal Mines						
*	Industrial Minerals Mines						
•	Industrial Minerals Mills						
<b>2</b>	Metal Mines and Mill Concentrate						
<b>3</b>	Potash Mines & Refineries						
2	Smelters & Refinery Ops.						
*	I Iranium Mines						



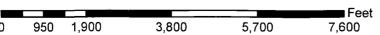


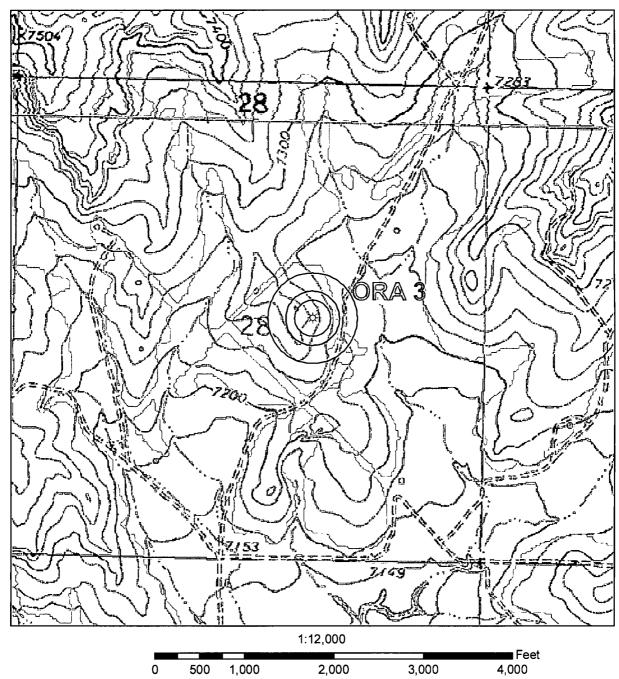




NATIONAL FLOOD INSURANCE PROGRAM FIRM FLOOD INSURANCE RATE MAP RIO ARRIBA COUNTY, **NEW MEXICO** UNINCORPORATED AREAS PANEL 775 OF 1325 (SEE MAP INDEX FOR PANELS NOT PRINTED) PANEL LOCATION COMMUNITY-PANEL NUMBER 350049 0775 B EFFECTIVE DATE: JANUARY 5, 1989

Federal Emergency Management Agency





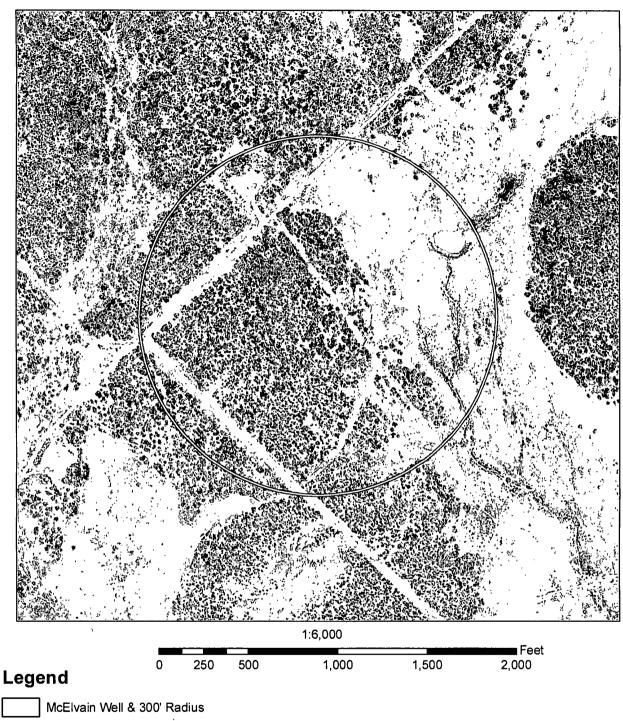
### Legend

McElvain Well & 200' Radius

McElvain Well & 300' Radius

McElvain Well & 500' Radius

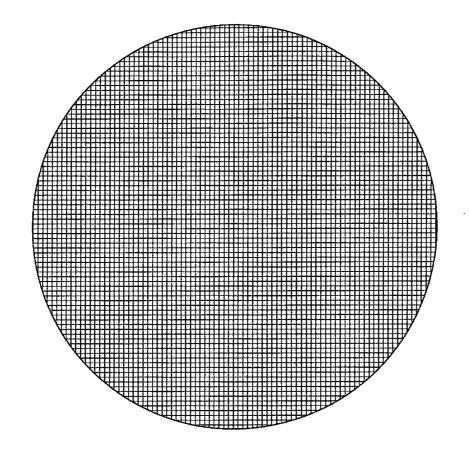
Source: USGS 1:24,000 Scale Topographic Map Series San Juan Basin New Mexico Township 25N 3W Section 28

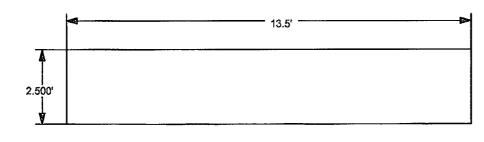


McElvain Well & 1000' Radius

Aerial Source: NM Resource Geographic Information System Program made available by the Univeristy of New Mexico and the State of New Mexico 2005-2006 vintage Digital Orthophoto Quarter-Quadrangles were derived from the New Mexico Statewide Orthophotography Project. Source imagery flown at 35,000' above average ground.

San Juan Basin **New Mexico** Township 25N 3W Section 28





ORA #3



McElvain Oil & Gas Properties, Inc

13.5' X 2.5' 60 BBL Single wall Fiberglass Pit Tank with Nylon Mesh cover

9-4-2008

### **Siting Criteria Compliance Demonstrations**

Ora #3 well is not located in an unstable area. The location is not over a mine and is not on the side of a hill. The location of the excavated pit material is not located within 300' of any continuously flowing watercourse or 200' from any other water course.

# McElvain Oil & Gas Properties, Inc. San Juan Basin Below Grade Tank Design and Construction

In accordance with Rule 19.15.17 NMAC the following describes the as-built construction of the Below Grade Tank on the McElvain Oil & Gas Properties, Inc (MOG) Ora #3 well located in the SWNE of Sec 28, T25N, 3W.

#### **As-built Installation:**

- 1. The existing tank pit consists of an approximate 19 foot by 19 foot by 2 foot earth walled hole into which a 13.5 foot by 2.5 foot fiberglass, closed sides, 60 bbl tank without leak detection is installed.
- 2. The tank walls are open for visual inspection to identify the occurrence of leaks.
- 3. There is a nylon meshed covering on the top of the below grade tank.
- 4. The tank pit is surrounded by a 30ft X 30ft X 2ft berm that is contained within a 50 ft X 140 ft berm that encloses the tank battery to prevent overflow or surface water run-on.
- 5. A general location sign is displayed on site.
- 6. The pit tank is fenced with 4 foot field fence with a top rail.

# McElvain Oil & Gas Properties, Inc. San Juan Basin Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 NMAC the following describes the below grade tank operation and maintenance plan for the McElvain Oil & Gas Properties, Inc (MOG) on the Ora #3 well located in the SWNE of Sec 28, T25N, 3W.

### General Plan:

- 1. MOG shall operate and maintain the below grade tank to contain liquids and solids and prevent contamination of fresh water to protect the public health and environment.
- 2. MOG shall not allow a below grade tank to overflow or allow surface water run-on to enter the below grade tank.
- 3. MOG 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 over time.
- 4. MOG shall inspect the below grade tank monthly and maintain a written record of each inspection for five years.
- 5. MOG shall maintain adequate freeboard to prevent overtopping of the below grade tank.

# McElvain Oil & Gas Properties, Inc. San Juan Basin Closure Plan

In accordance with Rule 19.15.17.1 NMAC the following procedure describes the closure plan for the McElvain Oil & Gas Properties, Inc (MOG) below grade tank on the Ora #3 well located in the SWNE of Sec 28, T25N, 3W.

### **Closure Requirements:**

- 1. MOG shall close the 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 to fresh water, public health, or the environment.
- 2. MOG shall close an existing below grade tank that does not meet the requirements of Paragraph (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. MOG shall close a permitted below grade tank within 60 days of cessation of the below ground tank's operation or as required 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. All liquids will be removed from the temporary permit prior to closure and the liquids disposed of in a division approved facility.
- 5. MOG 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. MOG will remove any on-site equipment associated with the below grade tank unless the equipment is required for some other purpose.
- 7. MOG shall test the soils beneath the below grade tank to determine whether a release has occurred. MOG shall collect a five point composite sample and individual grab samples from any area that is wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH, and chlorides to demonstrate that the benzene 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. MOG shall notify the division of its results on form C-141.
- 8. If MOG or the division determines that a release has occurred, then MOG shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate.
- 9. If contamination is confirmed by field sampling. MOG will follow the Guidelines For Remediation Of Leaks, Spills, and Releases NMOCD August 1993 when remediating identified contaminants.
- 10. 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 MOG shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; re-contour, and re-vegetate the site.
- 11. 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:
  - · Operator's name
  - · Location by Unit Letter, Section Township, and Range.
  - · Well name and API number
- 12. 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 blow grade tank. The closure report will be filed on C-144 and incorporate the following:
  - · Details on capping and covering where applicable
  - · Inspection reports
  - · Sampling results
- 13. The site will be re-contoured to match the surrounding area. Natural drainages will be unimpeded and erosion control will be utilized where necessary.
- 14. MOG shall seed the disturbed areas the first growing season with a division approved seed mixture after pit closure. Seeding will be accomplished by drilling on the contour whenever possible or by other division approved methods. Repeat seeding or planting will be continued until successful vegetative growth occurs.
- 15. 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 thickness of the topsoil native to the area, whichever is greater.

16. The surface owner shall be notified of MOG's closing of the below grade tank as per the approved closure plan using certified mail with return receipt requested.

### Hydrogeological Report For

### Ora #3

### Surface Formation:

San Jose Formation

### Regional and Local Geology

The Tertiary San Jose Formation is a fluvial and alluvial deposit of Eocene age and is the youngest bedrock unit of the Tertiary in the San Juan Basin (Baltz, 1967). The San Jose is the surface formation in most of the central San Juan Basin to the eastern margin of the basin. Where it is buried, it is unconformably overlain by Quaternary sediments. It rests on an erosional surface over the Tertiary Nacimiento Formation south of the Colorado-New Mexico state line, and lies over the Cretaceous-Tertiary Animas north of the state line (Fassett, 1974). The San Jose has been differentially eroded, deeply in places, and has produced a varied to rugged physiography and a thickness range of less than 200' in the south to nearly 2700' in the eastern part of the basin (Stone et al., 1983).

Baltz (1967) subdivided the San Jose Formation into four members. In the area of this well, the lower third to half of the formation is made up of the Cuba Mesa Member, a conglomeratic arkosic sandstone containing lenticular shales and pebbles of volcanic rock in places. The Cuba Mesa Member is thought to have been deposited by streams flowing to the west and southwest from highlands east and northeast of the present basin boundary, composed of granite and metamorphic rocks of Precambrian age (Baltz, 1967).

The Llaves Member overlies the Cuba Mesa Member and contains massive beds of resistant arkosic conglomeratic sandstone, and numerous thin beds of clay, shale and mudstone. The Llaves Member is thought to be a large, narrow northwest-trending fan deposited in the deepest part of the central basin by streams flowing northwestward from a Precambrian terrain in the position of the present Brazos and Sangre de Cristo uplifts (Baltz, 1967). The Llaves Member inter-tongues and grades into the Regina Member where present, but is not present at this location.

In this location, the Tapacitos Member lies above a persistent sandstone in the Llaves Member (Baltz, 1967). The Tapacitos is a silty to sandy mudstone containing interbedded, thin, poorly-consolidated sandstone, claystone, and an abundance of swelling clays (Stone et al., 1983) which would act as an aquitard to the underlying Llaves and Cuba Mesa Members.

### **Hydraulic Properties**

Tertiary and Quaternary hydrologic properties, regional flow patterns and water quality do not vary significantly from unit to unit. Where pumping levels and drilling depths are economically feasible and where water quality is suitable, the San Jose, Nacimiento and Animas Formations are a source of water for public-supply, commercial, private-domestic and livestock use. Water in the San Jose, Nacimiento and Animas Formations occurs under both water table and artesian conditions. Recharge to the aquifers is from infiltration of precipitation and stream flow on outcrops, and from vertical upward leakage of water from underlying strata (Levings et al., 1990). Rates of such leakage, however, are very low except in areas of intense fracturing (Stone et al., 1983).

Because of their lithology, the better-qualifying zones in the San Jose Formation would be the Cuba Mesa and Llaves Members. Cuba Mesa wells may yield 30 to 60 gallons per minute (gpm). Specific capacity of one well described is 0.23 gpm per foot of drawdown at 1 hour of pumping. The Cuba Mesa aquifer of the San Jose will yield water suitable for livestock and industrial use. The aquifers of Tertiary rocks yield water that is characteristically high in ions of sodium and sulfate. The removal of iron may be required (Stone et al., 1983).

### Hydrology & Conclusion

A records search of the NM Office of the State Engineer iWaters database was conducted in a nine-section search centered on the section in which lies the Ora #3 well location, 25N 3W section 28. Four water wells with depth to water measurements were located. The two wells at lower elevations (7080' and 7220') recorded depth to water of 165' and 100', respectively. The two wells at higher elevations (7370' and 7400') measured depth to water at 650' and 850', respectively. No water well records were located in section 28. Topography accounts for this range of depths to water. The Ora #3 location is at a ground elevation of 7249'. It can then be concluded that depth to water at the Ora #3 location is over 100'.

#### References

Baltz, E.H., 1967, Stratigraphy and Regional Tectonic Implications of Part of Upper Cretaceous Rocks, East-Central San Juan Basin, New Mexico, USGS Professional Paper 552, 101p.

Fassett, J.E., 1974, Cretaceous and Tertiary Rocks of the Eastern San Juan Basin, in Guidebook of Ghost Ranch, Central-Northern New Mexico, New Mexico Geological Society, 25<sup>th</sup> Field Conference, 404p.

Levings, G.W., Craigg, S.D., Dam, W.L., Kernodle, J.M., and Thorn, C.R., 1990, Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan Structural Basin, New Mexico, Colorado, Arizona, and Utah, USGS Hydrologic Investigations Atlas HA-720-A, 2 sheets.

Scholle, P.A., 2003, Geologic Map of New Mexico 1:500,000, NM Bureau of Geology and Mineral Resources, published in cooperation with the USGS, 2 sheets.

Stone, W.J., Lyford, F.P., Frenzel, P.F., Mizell, N.H., and Padgett, E.T., 1983, Hydrogeology and water resources of San Juan Basin, New Mexico, New Mexico Bureau of Mines and Mineral Resources, Hydrologic Report 6, 70p.

## BGT Closure Sampling Required by NMOCD Components Method

Components	Method	Limit
Benzene	EPA SW-846 8021B or 8260B	0.2 mg/Kg
BTEX	EPA SW-846 8021B or 8260B	50 mg/Kg
TPH	EPA SW-846 418.1	100 mg/Kg
Chlorides	EPA 300.1	250 mg/Kg