District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Revised June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

12858

OIL CONS. DIV DIST. 3

APR 10 2015

Type of action: 45-35409
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☒ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, 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: Thompson Engineering and Production Corp. OGRID #: 37581

Address: 7415 E. Main St., Farmington, NM

Facility or well name: PGA Unit 35 #3

API Number: 30-045-35409 OCD Permit Number:

U/L or Qtr/Qtr N Section 35 Township 24N Range 11W County: San Juan

Center of Proposed Design: Latitude 36.2658415' N Longitude -107.9756144' W NAD: ☐1927 X 1983

Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

DENIED

BY: Cory Smith
DATE: 1/25/17 (505) 334-6178 Ext. 115

OIL CONS. DIV DIST. 3

OCT 20 2016

2.

☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC

Temporary: ☐ Drilling ☐ Workover

☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☒ yes ☐ no

☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____

☐ String-Reinforced

Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____bbl Dimensions: L 115 x W 50 x D 6'

3.

☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC

Volume: _____bbl Type of fluid: _____

Tank Construction material: _____

☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off

☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____

Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

4.

☐ **Alternative Method:**

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

5.

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_____

21

6.

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)

7.

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 19.15.16.8 NMAC

8.

Variances 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:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.

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. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting

Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. ☐ Yes ☐ No ☐ NA

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

Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . ☐ Yes ☐ No ☐ NA

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

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. **(Does not apply to below grade tanks)** ☐ Yes ☐ No

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

Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** ☐ Yes ☐ No

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

Within an unstable area. **(Does not apply to below grade tanks)** ☐ Yes ☐ No

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

Within a 100-year floodplain. **(Does not apply to below grade tanks)** ☐ Yes ☐ No

- FEMA map

Below Grade Tanks

Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). ☐ Yes ☐ No

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

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. ☐ Yes ☐ No

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

Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)

Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) ☐ Yes ☐ No

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

Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. ☐ Yes ☐ No

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

Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. ☐ Yes ☐ No

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

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any 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 spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.

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: _____

11.

Multi-Well Fluid Management Pit 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.

☐ 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
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ 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
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

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

12.
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_2S, 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

13.
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 ☐ Multi-well Fluid Management Pit ☐ 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

14.
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 C 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 H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
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 require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 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 25-50 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 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 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, 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 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, 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
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 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

16.
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 E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K 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 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements 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 H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

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

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: DENIED - Phone/Email follow up 1/25/17 **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

19.
Closure Report (required within 60 days of closure completion): 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:** _____

20.
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.

21.
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 for private land only)
- ☒ Plot Plan (for on-site closures and temporary pits)
- ☒ Confirmation Sampling Analytical Results (if applicable)
- ☒ Waste Material Sampling Analytical Results (required for on-site closure)
- ☐ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36.2658415' N Longitude -107.9756144' W NAD: ☐ 1927 ☒ 1983

22.

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): Paul Thompson Title: President

Signature: Paul C. Thompson Date: 4/7/2015

e-mail address: paul@walsheng.net Telephone: 505-327-4892

THOMPSON ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

February 18, 2015

CERTIFIED MAIL

Farmington Field Office
Bureau of Land Management
6251 N. College Blvd., Suite A
Farmington, NM 87402

Re: Thompson Engineering and Production Corp.
PGA Unit 3 #1
Section 3, T23N, R11W

PGA Unit 35 #3
Section35, T24N, R11W

Dear Sirs,

According to NMOCD rules, Thompson Engineering and Production Corp. is notifying you that they intend to bury the drill cuttings in the reserve pit, assuming that they qualify as per Subsection B of 19.15.17.13 (B) (1)(b) NMAC. No action is required on your part. If you have any questions, please don't hesitate to call me.

Sincerely,

Paul C. Thompson

Paul C. Thompson, P.E.
President

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Farmington Field Office
BLM
6251 N. College Blvd Ste A
Farmington NM 87402

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7011 1570 0001 0594 4212

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL™

7011 1570 0001 0594 4212

7011 1570 0001 0594 4212

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 48
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.48

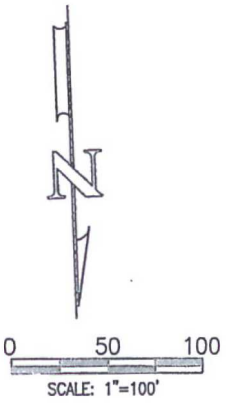
12:00
Postmark Here
2/18

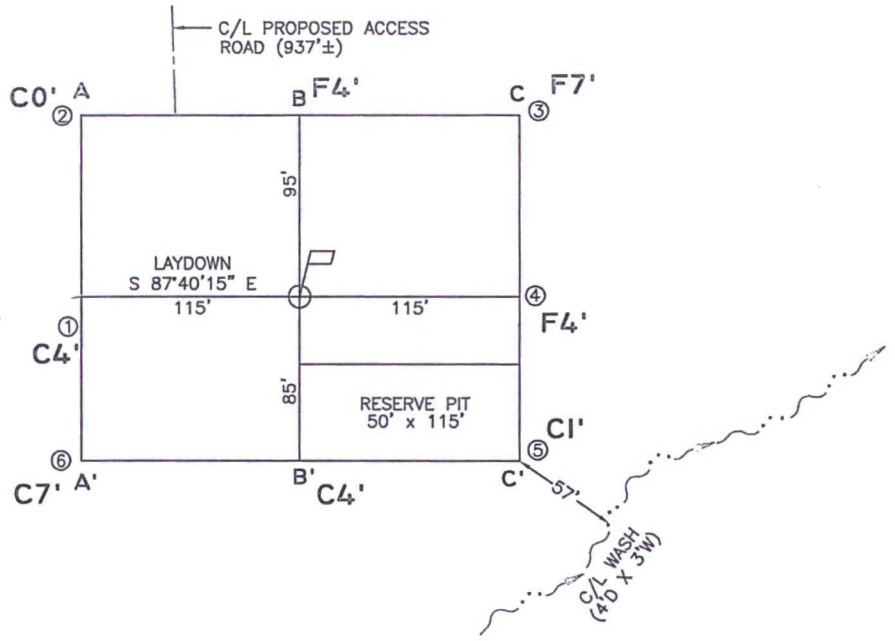
Sent To BLM-Farm Field Office
Street, Apt. No.; or PO Box No. 6251 N. College Blvd
City, State, ZIP+4 Farmington NM 87402

PS Form 3800, August 2006 See Reverse for Instructions

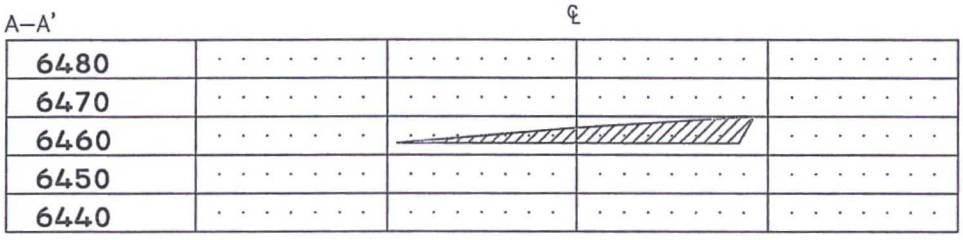
PLAT #2

¡BEFORE DIGGING CALL FOR UTILITY LINE LOCATION!

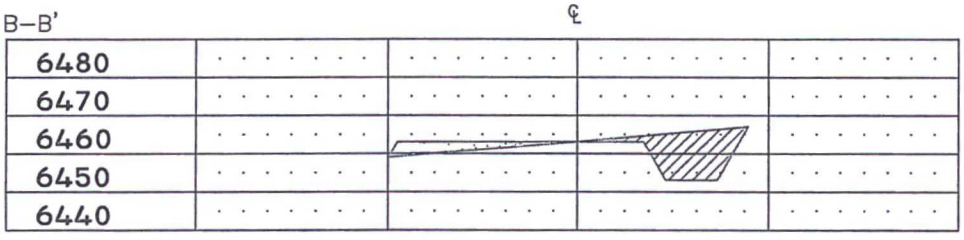




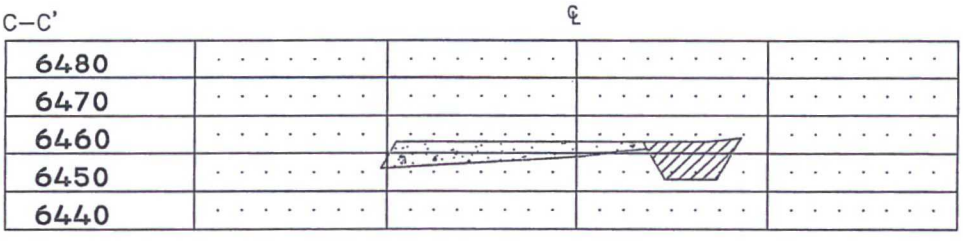
ELEVATION A–A'



B–B'



C–C'



CROSS SECTIONS
HORIZONTAL: 1"=100'
VERTICAL: 1"=50'

LEASE: JUNIPER WEST 35 #24

FOOTAGES: 1100' FSL, 1700' FWL

SEC. 35 TWN. 24 N RNG. 11 W N.M.P.M.

LAT: 36.2658415° N LONG: 107.9756144° W (NAD83)

ELEVATION: 6463

COLEMAN OIL & GAS, INC.
FARMINGTON, NEW MEXICO

SURVEYED: 01/02/12, 01/04/12	REV. DATE:	APP. BY J.A.V.
DRAWN BY: H.S.	DATE DRAWN: 01/10/12	FILE NAME: 10138C01

UNITED FIELD SERVICES INC.

P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

envirotech
Analytical Laboratory

Analytical Report

Report Summary

Client: Thompson Engineering

Chain Of Custody Number:

Samples Received: 2/20/2015 1:35:00PM

Job Number: 07173-0001

Work Order: P502075

Project Name/Location: PGA Unit 35 #3

Entire Report Reviewed By: _____ Date: 3/3/15

Tim Cain, Laboratory Manager

Supplement to analytical report generated on: 3/3/15 2:37 pm

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Analyical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
PGA Unit 35 #3	P502075-01A	Soil	02/19/15	02/20/15	Glass Jar, 4 oz.

envirotech
Analytical Laboratory

Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

PGA Unit 35 #3

P502075-01 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	0.10	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
Toluene	ND	0.10	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
Ethylbenzene	ND	0.10	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
p,m-Xylene	ND	0.20	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
o-Xylene	ND	0.10	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
Total Xylenes	ND	0.10	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
Total BTEX	ND	0.10	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		*98.7 %*		*50-150*	*1509032*	*02 26 15*	*03 02 15*	*EPA 8021B*	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	ND	9.94	mg/kg	1	1509032	02/26/15	03/02/15	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	24.8	mg/kg	1	1509044	02/27/15	03/03/15	EPA 8015D	
Surrogate: o-Terphenyl		*83.8 %*		*50-200*	*1509044*	*02 27 15*	*03 03 15*	*EPA 8015D*	
Surrogate: 4-Bromochlorobenzene-FID		*93.3 %*		*50-150*	*1509032*	*02 26 15*	*03 02 15*	*EPA 8015D*	
Total Petroleum Hydrocarbons by 418.1									
Total Petroleum Hydrocarbons	ND	34.9	mg/kg	1	1510006	03/02/15	03/02/15	EPA 418.1	
Cation/Anion Analysis									
Chloride	**911**	9.87	mg/kg	1	1509022	02/25/15	02/25/15	EPA 300.0	

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Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Volatile Organics by EPA 8021 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1509032 - Purge and Trap EPA 5030A										
Blank (1509032-BLK1)				Prepared: 26-Feb-15 Analyzed: 27-Feb-15						
Benzene	ND	0.10	mg/kg							
Toluene	ND	0.10	"							
Ethylbenzene	ND	0.10	"							
p,m-Xylene	ND	0.20	"							
o-Xylene	ND	0.10	"							
Total Xylenes	ND	0.10	"							
Total BTEX	ND	0.10	"							
Surrogate: 4-Bromochlorobenzene-PID	*0.388*		"	*0.398*		*97.5*	*50-150*			
LCS (1509032-BS1)				Prepared & Analyzed: 26-Feb-15						
Benzene	20.6	0.10	mg/kg	19.7		104	75-125			
Toluene	20.4	0.10	"	19.7		103	70-125			
Ethylbenzene	20.3	0.10	"	19.7		103	75-125			
p,m-Xylene	40.8	0.20	"	39.4		104	80-125			
o-Xylene	20.4	0.10	"	19.7		103	75-125			
Surrogate: 4-Bromochlorobenzene-PID	*0.446*		"	*0.394*		*113*	*50-150*			
Matrix Spike (1509032-MS1)		**Source: P502053-04**		Prepared & Analyzed: 26-Feb-15						
Benzene	22.2	0.10	mg/kg	20.0	ND	111	75-125			
Toluene	22.0	0.10	"	20.0	ND	110	70-125			
Ethylbenzene	21.4	0.10	"	20.0	ND	107	75-125			
p,m-Xylene	41.8	0.20	"	39.9	ND	105	80-125			
o-Xylene	20.6	0.10	"	20.0	ND	103	75-125			
Surrogate: 4-Bromochlorobenzene-PID	*0.375*		"	*0.399*		*93.9*	*50-150*			
Matrix Spike Dup (1509032-MSD1)		**Source: P502053-04**		Prepared & Analyzed: 26-Feb-15						
Benzene	21.4	0.10	mg/kg	19.9	ND	107	75-125	3.61	15	
Toluene	21.5	0.10	"	19.9	ND	108	70-125	2.47	15	
Ethylbenzene	21.1	0.10	"	19.9	ND	106	75-125	1.14	15	
p,m-Xylene	41.9	0.20	"	39.9	ND	105	80-125	0.250	15	
o-Xylene	20.6	0.10	"	19.9	ND	103	75-125	0.0678	15	
Surrogate: 4-Bromochlorobenzene-PID	*0.390*		"	*0.399*		*97.7*	*50-150*			

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Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1509032 - Purge and Trap EPA 5030A										
Blank (1509032-BLK1)				Prepared: 26-Feb-15 Analyzed: 27-Feb-15						
Gasoline Range Organics (C6-C10)	ND	9.95	mg/kg							
Surrogate: 4-Bromochlorobenzene-FID	*0.374*		"	*0.398*		*94.0*	*50-150*			
LCS (1509032-BS1)				Prepared & Analyzed: 26-Feb-15						
Gasoline Range Organics (C6-C10)	261	9.86	mg/kg	263		99.4	80-120			
Surrogate: 4-Bromochlorobenzene-FID	*0.419*		"	*0.394*		*106*	*50-150*			
Matrix Spike (1509032-MS1)	**Source: P502053-04**			Prepared & Analyzed: 26-Feb-15						
Gasoline Range Organics (C6-C10)	267	9.98	mg/kg	266	ND	100	75-125			
Surrogate: 4-Bromochlorobenzene-FID	*0.350*		"	*0.399*		*87.8*	*50-150*			
Matrix Spike Dup (1509032-MSD1)	**Source: P502053-04**			Prepared & Analyzed: 26-Feb-15						
Gasoline Range Organics (C6-C10)	266	9.97	mg/kg	266	ND	100	75-125	0.307	15	
Surrogate: 4-Bromochlorobenzene-FID	*0.366*		"	*0.399*		*91.8*	*50-150*			

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Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1509044 - DRO Extraction EPA 3550M										
Blank (1509044-BLK1)				Prepared: 27-Feb-15 Analyzed: 03-Mar-15						
Diesel Range Organics (C10-C28)	ND	24.8	mg/kg							
Surrogate: o-Terphenyl	*38.3*		"	*39.6*		*96.7*	*50-200*			
LCS (1509044-BS1)				Prepared: 27-Feb-15 Analyzed: 03-Mar-15						
Diesel Range Organics (C10-C28)	442	24.6	mg/kg	492		89.8	38-132			
Surrogate: o-Terphenyl	*37.0*		"	*39.4*		*93.8*	*50-200*			
Matrix Spike (1509044-MS1)	**Source: P502068-05**			Prepared: 27-Feb-15 Analyzed: 03-Mar-15						
Diesel Range Organics (C10-C28)	418	24.6	mg/kg	491	ND	85.2	38-132			
Surrogate: o-Terphenyl	*35.7*		"	*39.3*		*90.9*	*50-200*			
Matrix Spike Dup (1509044-MSD1)	**Source: P502068-05**			Prepared: 27-Feb-15 Analyzed: 03-Mar-15						
Diesel Range Organics (C10-C28)	436	25.0	mg/kg	499	ND	87.3	38-132	4.15	20	
Surrogate: o-Terphenyl	*33.6*		"	*40.0*		*84.2*	*50-200*			

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Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Total Petroleum Hydrocarbons by 418.1 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1510006 - 418 Freon Extraction										
Blank (1510006-BLK1)				Prepared & Analyzed: 02-Mar-15						
Total Petroleum Hydrocarbons	ND	34.9	mg/kg							
Duplicate (1510006-DUP1)		**Source: P502075-01**		Prepared & Analyzed: 02-Mar-15						
Total Petroleum Hydrocarbons	ND	35.0	mg/kg		ND				30	
Matrix Spike (1510006-MS1)		**Source: P502075-01**		Prepared & Analyzed: 02-Mar-15						
Total Petroleum Hydrocarbons	1820	34.9	mg/kg	2030	ND	89.7	80-120			

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Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Cation/Anion Analysis - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1509022 - Anion Extraction EPA 300.0										
Blank (1509022-BLK1)				Prepared & Analyzed: 25-Feb-15						
Chloride	ND	9.99	mg/kg							
LCS (1509022-BS1)				Prepared & Analyzed: 25-Feb-15						
Chloride	468	9.89	mg/kg	494		94.7	90-110			
Matrix Spike (1509022-MS1)	**Source: P502064-01**			Prepared & Analyzed: 25-Feb-15						
Chloride	480	9.94	mg/kg	497	ND	96.5	80-120			
Matrix Spike Dup (1509022-MSD1)	**Source: P502064-01**			Prepared & Analyzed: 25-Feb-15						
Chloride	480	9.91	mg/kg	496	ND	96.9	80-120	0.0925	20	

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Thompson Engineering	Project Name:	PGA Unit 35 #3	
7415 E. Main St	Project Number:	07173-0001	**Reported:**
Farmington NM, 87402	Project Manager:	Paul Thompson	03-Mar-15 14:45

Notes and Definitions

DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference

Thompson Engineering and Production Company
Pit Closure Activities
PGA Unit 35 #3

Closure Activities:

1 The free standing liquids in the pit were allowed to evaporate.

2 A five point composite sample was taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). The samples were mixed with native soils in a 3:1 ratio. The resultant sample was tested by Envirotech Analytical Laboratory and the results are attached.

3 Detrick Services performed the reclamation activities on this location on February 5, 2013. They were not able to provide any documentation that the NMOCD was notified in advance. Since this well was closed in conjunction with other PGA Unit wells, Mr. Bob Sweitzer with the BLM was notified and he was on location when the pit was closed and re-seeded.

4 Pit contents were mixed with native soils in order to achieve the solidification process. The mixing ratio did not exceed 3 parts clean soil to 1 part pit contents. After mixing the contents were determined to be safe and stable.

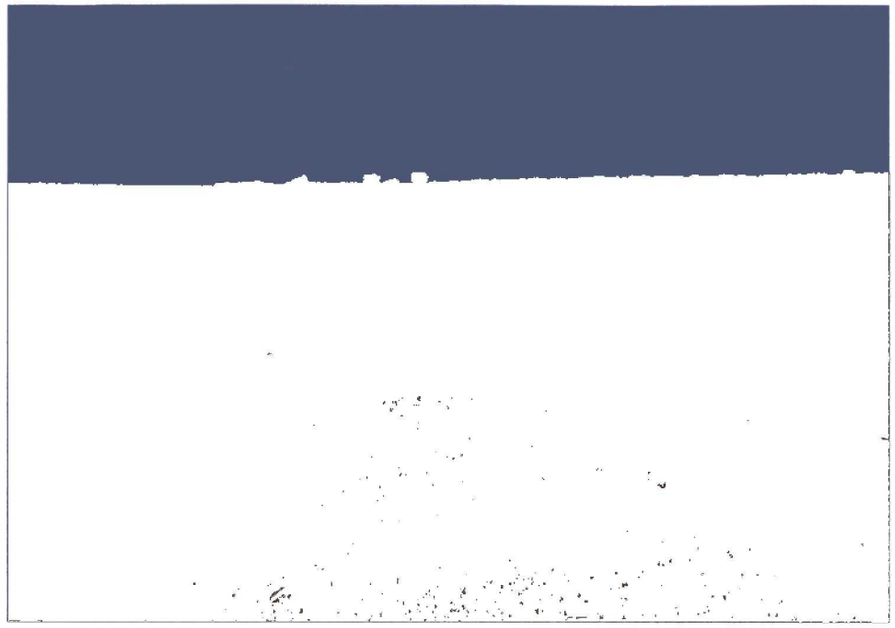
5 The temporary pit liner was removed above "mud level" after stabilization. The part of the liner that was removed was disposed of at the Waste Management landfill on Crouch Mesa.

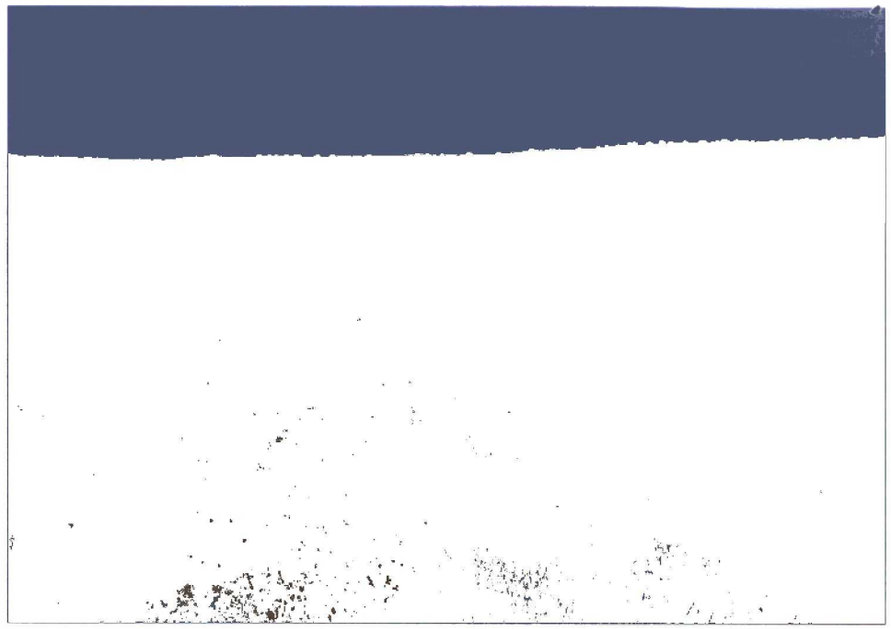
6 After the solidification and testing, the pit area was backfilled with compacted, non-waste containing, earthen material with a minimum of four feet of cover. The top foot of cover was the top soil that was stock-piled during the construction of the pit.

7 The pit area and cut and fill slopes were re-contoured to match fit, shape, line, form and texture of the surrounding area. Drainage ditches were cut above the cut slope to prevent ponding and erosion.

8 Thompson Engineering and Production seeded the re-claimed areas at the request of the BLM, in May of 2013 using a disc-less drill tool. Seeding was accomplished on the contour using a BLM stipulated seed mixture consisting of Western wheatgrass, Indian ricegrass, Slender wheatgrass, Crested wheatgrass, bottlebrush squirreltail, and four-wing saltbush with an 80% purity rating. A total of 26# of bulk seed was used on this location.

9 A 4" diameter steel marker was installed in the center of the temporary pit. The marker contained the following information: Operator Name, Lease Name, Well Name and Number, unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location






THOMPSON ENGR. & PROD. CORP.
PGA Unit 35 #3
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