District I 1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Avenue, Artesia, NM88210
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 September 1 District 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

Instructions: Please submit one application (Form C-144) per in	ndividual pit, closed-loop system, below-grade tank or alternative request
	ability should operations result in pollution of surface water, ground water or the ply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: Energen Resources Corporation	OGRID#: 162928 RCUD ALIG 7 '08
Address: 2010 Afton Place, Farmington, New Mexico 87401	OIL CONS. DIV.
Facility or well name: San Juan 32-5 Unit #100S	DIST. 3
API Number: 30-039-27270	OCD Permit Number:
U/L or Qtr/Qtr <u>SENW</u> Section <u>23</u> Township	32N Range 6W County: Rio Arriba
Center of Proposed Design: Latitude 36.966389° N	Longitude <u>107.427222° W</u> AD: □1927 ⊠ 1983
Surface Owner: Federal State Private Tribal Trust or Indian	Allotment
☑ Pit: Subsection F or G of 19.15.17.11 NMAC	Closed-loop System: Subsection H of 19.15.17.11 NMAC
Temporary: ☑ Drilling ☐ Workover	Drying Pad Tanks Haul-off Bins Other
Permanent Emergency Cavitation Steel Pit	Lined Unlined
☐ Lined ☐ Unlined	Liner type: Thicknessmil
Liner type: Thickness <u>20</u> mil <u>Number LLDPE HDPE PVC</u>	Other
Other String-Reinforced	Seams: Welded Factory Other
Seams: ☐ Welded ☒ Factory ☐ Other	Volume:bblyd ³
Volume: <u>5000</u> bbl Dimensions: L <u>160</u> x W <u>60</u> x D <u>15</u>	Dimensions: Lengthx Width
Below-grade tank: Subsection I of 19.15.17.11 NMAC	Fencing: Subsection D of 19.15.17.11 NMAC
Volume:bbl	☐ Chain link, six feet in height, two strands of barbed wire at top
Type of fluid:	Four foot height, four strands of barbed wire evenly spaced between one and
Tank Construction material:	four feet
☐ Secondary containment with leak detection	Netting: Subsection E of 19.15.17.11 NMAC
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Screen Netting Other
☐ Visible sidewalls and liner	☐ Monthly inspections
☐ Visible sidewalls only	Signs: Subsection C of 19.15.17.11 NMAC
Other	12'x24', 2' lettering, providing Operator's name, site location, and
Liner type: Thicknessmil	emergency telephone numbers
Other	⊠ Signed in compliance with 19.15.3.103 NMAC
Alternative Method:	Administrative Approvals and Exceptions:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration	Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.
of approval.	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.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.	
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	⊠ Yes □ No □ NA
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	☐ Yes ☐ No ☑ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☑ No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ⊠ No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ☑ No
Within a 100-year floodplain FEMA map	☐ Yes ⊠ No
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the de-	
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 19.15.17.15 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 - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	9 NMAC
Previously Approved Design (attach copy of design) API Number: 30-039-345-46 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 diattached. Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 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 - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	f 19.15.17.9
Previously Approved Design (attach copy of design) API Number:	

Form C-144 Oil Conservation Division Page 2 of 4

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 do	ocuments 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 ₂ 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	
Type: Drilling Workover Emergency Cavitation 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 Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for co	
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
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.	☐ Yes ⊠ No

closure plan. Please indicate, by a check mark in the box, that the a Protocols and Procedures - based upon the appropriate requirer Confirmation Sampling Plan (if applicable) - based upon the a Disposal Facility Name and Permit Number (for liquids, drilling Soil Backfill and Cover Design Specifications - based upon the Re-vegetation Plan - based upon the appropriate requirements Site Reclamation Plan - based upon the appropriate requirement Site Reclamation Plan - based upon the appropriate requirement Plan Closure For Closed-loop Systems That Utilize Have or facilities for the disposal of liquids, drilling fluids and drill cutting Disposal Facility Name: Auga Moss / Envirotech	ments of 19.15.17.13 NMAC propriate requirements of Subsection F of 19.15.17.13 NMAC ng fluids and drill cuttings) e appropriate requirements of Subsection H of 19.15.17.13 NMAC of Subsection I of 19.15.17.13 NMAC nts of Subsection G of 19.15.17.13 NMAC nts of Subsection G of 19.15.17.13 NMAC nul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please indentify the facility ngs. Disposal Facility Permit Number: 30-048-30922 / NM-01-0011 s: Each of the following items must be attached to the closure plan. Please indicate, propriate requirements of 19.15.17.10 NMAC quirements of Subsection F of 19.15.17.11 NMAC d upon the appropriate requirements of 19.15.17.11 NMAC ments of 19.15.17.13 NMAC propriate requirements of Subsection F of 19.15.17.13 NMAC quirements of Subsection F of 19.15.17.13 NMAC quirements of Subsection F of 19.15.17.13 NMAC of Subsection H of 19.15.17.13 NMAC of Subsection H of 19.15.17.13 NMAC
Operator Application Certification:	
	s true, accurate and complete to the best of my knowledge and belief.
Name (Print): Nathan Smith	Title: <u>Drilling Engineer</u>
Signature:	Date: 8/7/08
e-mail address: nsmith@energen.com	
OCD Approval: Application (including closure plan)	
OCD Representative Signature: Boll Sell Title: En Jim / Spec	Approval Date: 8-18-08 OCD Permit Number:
Title: Ensire/spec	OCD Permit Number:
	OCD Permit Number:
Title:	OCD Permit Number: Subsection K of 19.15.17.13 NMAC Closure Completion Date: Alternative Closure Method
Title:	OCD Permit Number: Subsection K of 19.15.17.13 NMAC Closure Completion Date:
Closure Report (required within 60 days of closure completion): Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the mark in the box, that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results 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	Subsection K of 19.15.17.13 NMAC Closure Completion Date: Alternative Closure Method following items must be attached to the closure report. Please indicate, by a check Longitude
Closure Report (required within 60 days of closure completion): Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the mark in the box, that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results 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 Operator Closure Certification: I hereby certify that the information and attachments submitted with	Subsection K of 19.15.17.13 NMAC Closure Completion Date: Alternative Closure Method following items must be attached to the closure report. Please indicate, by a check
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0:\$trict I PO Box 1980, Hobbs, NM 88241-1930

District II PO Drawer DD. Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Departme;

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21. 1994
Instructions on back
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

V

AMENDED REPORT

	,	WELL	LOCAT	ION AND A	CREAGE DED	ICA	TION PL	.AT		
'API Numbe	٢	'Pool Code 'Pool Name 71629 Basin Fruitland Coal								
*Property Code		*Property Name *Well Number SAN JUAN 32-5 UNIT 1005								
'OGRID №. 162928		E	*Operator Name ENERGEN RESOURCES CORPORATION 6388							
			:	¹⁰ Surface	Location					
F 23	32N	Aange 6W	Lot Ion	Feet from the 2385	NORTH	1	et from the 2460	East/Wes WES		RIO ARRIBA
					f Different			ace		
UL or lot no. Section	Townshap	Range	Lot Ion	Feet from the	Nonth/South Time	Fe	et from the	East/hes	st line	County
² Dedicated Acres 320	.0 Acres	- (W/	(2)	¹³ Jaint or Infill	³⁴ Consolidation Code	13 D-20	r Va			
NO ALLOWABLE W	OR A N	ION-ST	ANDARD		ON UNTIL ALL EN APPROVED				EN CON	SOLIDATED
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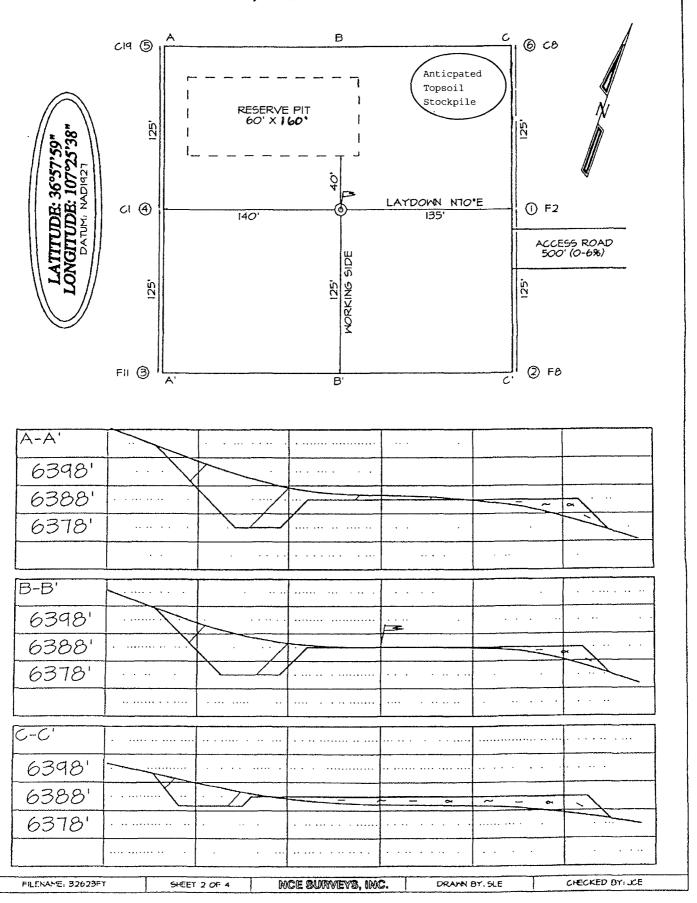
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5464.14

PETER PROFESSIONAL

Certificate Number

ENERGEN RESC* RCES CORPORATION SAN JUAN 32-5 UNIT #100S 2385' FNL 2460' FWL, SECTION 23, T32N, 6W, NMPM RIO ARRIBA COUNTY, NEW MEXICO GROUND ELEVATION: 6388'



Hydrogeologic Data:

Water Well:

The iWaters database shows no water wells to be present within section 23, T32N, R6W.

Site Specific:

The San Jose formation is the highest water bearing zone at this site with the exception of possible perched water. It is the youngest Tertiary bedrock unit in the San Basin. The formation occurs at the surface to a depth of 1,068' at the existing San Juan 32-5 Unit #100S location and ranges from 900' to 1,400' in this township and range. A straight line shot from Navajo Reservoir is 1000 feet to the northwest and is 257 vertical feet below the pit location so the highest groundwater will be at least 257' below the pit bottom. The only potentially unstable areas in the region are over subsurface coal mines. This pit will not be located over a subsurface mine.

Geologic Summary:

The San Jose is a sequence of interbedded sandstones and mudstones deposited in an alluvial and fluvial environment. The formation accumulated in broad, wet, alluvial aprons. Groundwater is associated with the alluvial and fluvial sandstone aquifers, hence it is controlled by the distribution of these sands. The San Jose can further be broken into four members: Cuba Mesa, Regina, Llaves, and Tapicitos (in ascending order). The first two, Cuba Mesa and Regina, are predominately sandstone and the latter two, Llaves and Tapicitos, are predominately mudstone.

Reference:

Stone W.J., Lyford F.P., Frenzel P.F., Mizell N.H., and Padgett E.T.: Hydrology and water resources of San Juan Basin, New Mexico Hydrologic Report 6, 1983.

New Mexico Office of the State Engineer POD Reports and Downloads

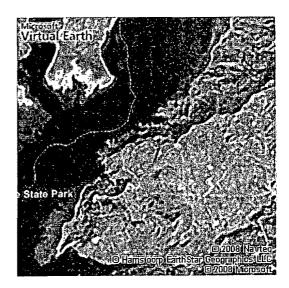
Townsl	hip: 32N Range: 06W	Sections: 23	
NAD27	X: Y:	Zone: Search Radi	us:
County: RA	Basin:	Number:	Suffix:
Owner Name: (First)	(Last)	○ Non-Domesti	c ODomestic All
POD / Surface	Data Report Avg [Depth to Water Report Wa	ater Column Report
	Clear Form	iWATERS Menu Help	
		THE REPORT NAME OF THE PARTY OF	
	WATER COLUMN REPORT	08/07/2008	
	L=NW 2=NE 3=SW 4=SE) Diggest to smallest) acqqq Zone X		Water (in feet) Dlumn

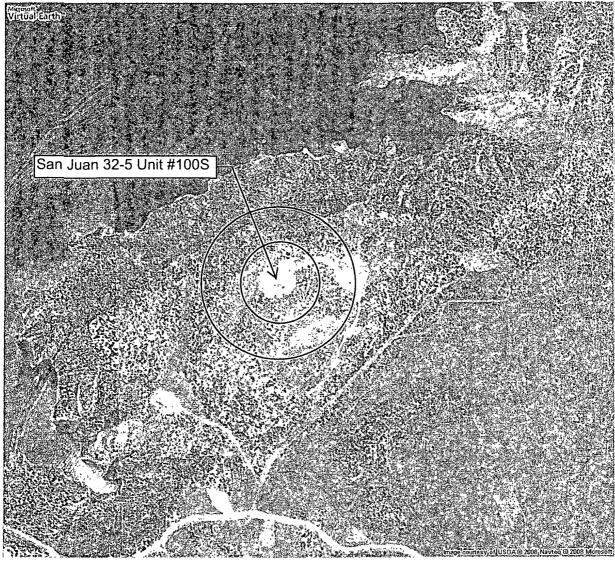
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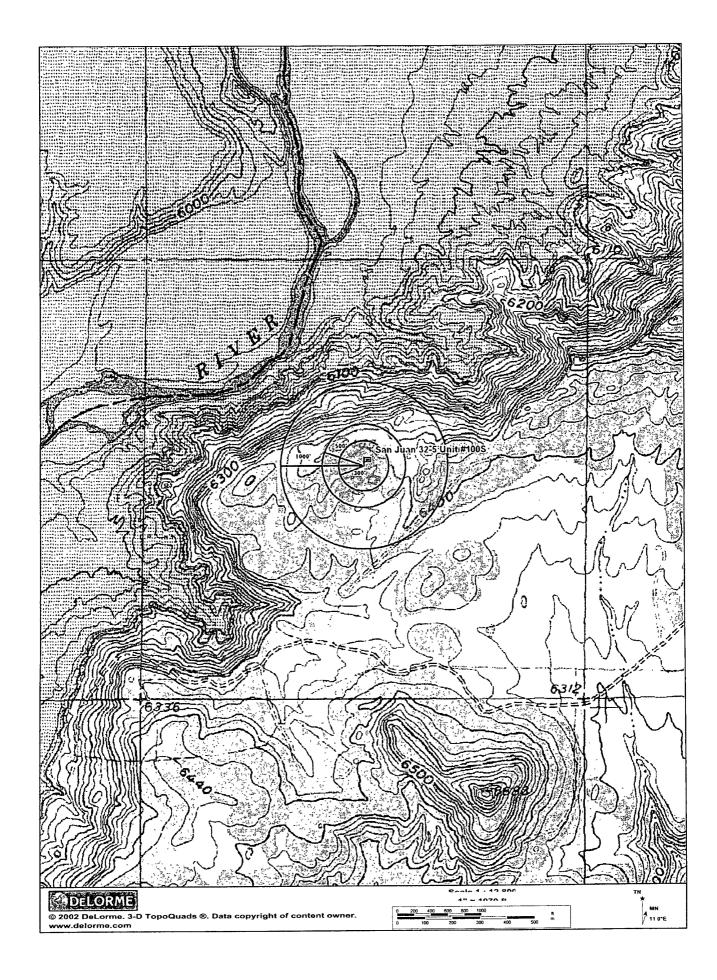
🔊 Live Search Maps

San Juan 32-5 Unit #100S

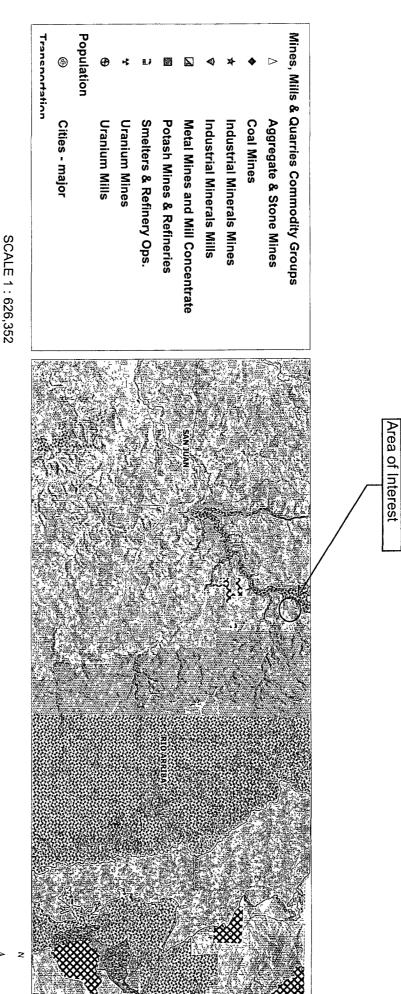
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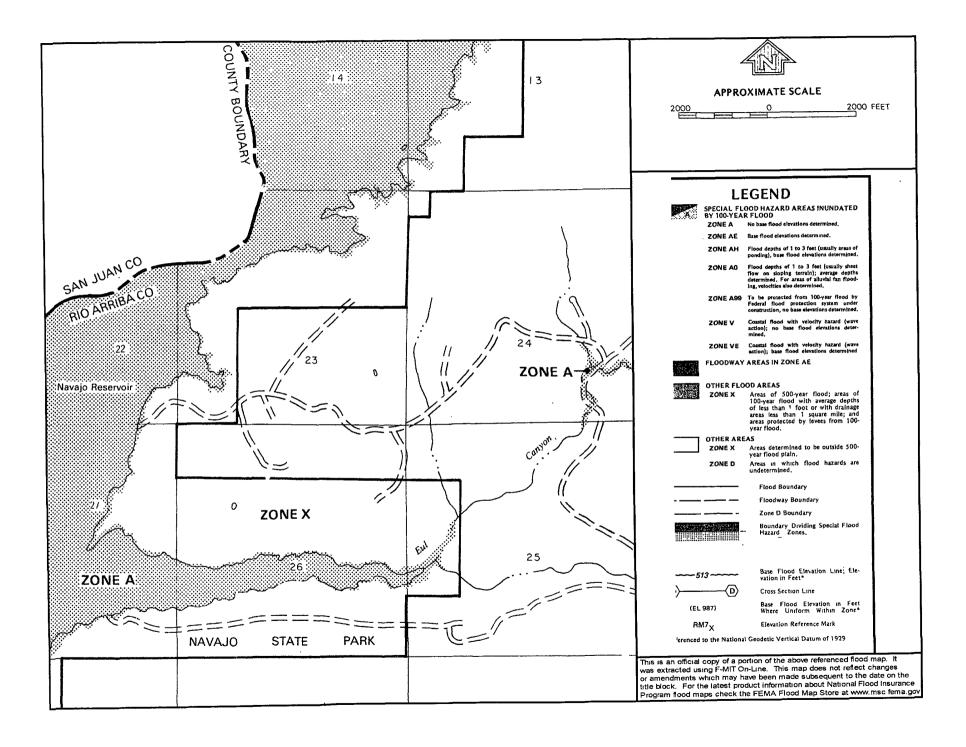
MMQonline Public Version



MILES

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Temporary Pit Design Plan:

The pit will be designed and constructed in the following manner:

- 1) Top soil will be stripped, stockpiled and stored as designated on the attached well sight layout schematic. Storage will be in accordance with the requirements set forth as described in item B of the the siting requirements of 19.15.17.11 NMAC.
- 2) A sign will be posted on location in accordance with 19.15.3.103 NMAC.
- 3) A four strand barbwire fence will be constructed around the perimeter of the pit with the strands evenly spaced between one and four feet from the ground. This fence will be used to excluded livestock from inadvertently entering the pit. The side of the fence adjacent to the rig will be removed during operations. This fence if located within 1000 feet of a permanent residence, school, hospital, institution or church will be a six foot chain link fence with two strands of barbed wire at the top.
- 4) The pit will be designed to confine liquids, prevent unauthorized releases by constructing a foundation with interior slopes consisting of a firm and unyielding base that are smooth and free of rocks, debris or other sharp edges to prevent liner damage.
- 5) The slopes will be constructed with a 2:1 ratio of vertical to horizontal with a changing slope within five feet of the shale shakers trending towards horizontal.
- 6) The volume of the pit will no exceed 10 acre feet including freeboard.
- 7) The pit will be lines with a LLDPE geomembrane liner with a thickness of no less then 20mm. The liner material will be compatible with EPA SW-846 method 9090A.
- 8) Liner seams will be orientated perpendicular to the largest slope with an overlap of four to six inches.
- 9) If needed a geotextile will be place under the liner to reduce localized stress-strain that may compromise liner integrity.
- 10) The edges of the liner will be anchored in the bottom of a compacted earthfilled trench no less the 18 inches deep.
- 11) To prevent runon of surface water a berm no less then 12 inches high will be constructed around the perimeter of the pit. With drainage ditches being directed to the runoff requirements set forth in the APD Condition of Approval.

Temporary Pit Operations Plan:

The pit will be operated and maintained; to contain liquids and solids, to insure liner and secondary containment integrity, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. To attain this goal the following steps will be followed;

- 1) The fluids in the pit remaining after rig release will be vacuumed out and transported to active drilling locations to be reused or disposed of with Agua Moss LLC in the Pretty Lady #1 (Disposal API Number # 30-048-30922) within 30 days. Residual fluids after vacuuming will be allowed to evaporate.
- 2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the pit. Only fluids or cuttings used or generated in the drilling process will be placed or stored in the pit.
- 3) The division district office will be notified within 48 hrs of the discovery of compromised liner integrity. Upon the discovery of the compromised liner repairs will be enacted immediately.
- 4) The division district office will be notified within 48 hrs of the discovery of compromised liner integrity below the fluid level unless more then 25 bbls is released in which case Rule 116's 24 hr notification will apply. All liquid above the damaged liner section will be removed to a level below the damage within 48 hrs and repairs will be enacted.
- 5) Precautionary measures will be taken to insure no liner damage is caused when adding or removing fluids and solids from the pit. This will be accomplished by gradually increasing the slope of the pit from negligible underneath the shale shakers to the 2:1 ratio required by 19.15.17.11 within five feet. A perforated pipe will be installed in the corner of the pit so that a vacuum hose can be run through it to remove fluids without damaging the liner.
- 6) Perimeter berms and ditches will be constructed around the exterior of the pit to prevent surface water run-on but the rig side may be left open to allow location drainage.
- 7) A oil absorbent boom will be maintained on site to remove oil from the pit's surface if necessary. Immediately on the cessation of drilling any accumulated oil will be removed from the surface of the pit.
- 8) A minimum of two feet of freeboard will be maintained at all times. Once fluid levels have the possibility of rising above the minimum freeboard fluid will be vacuumed out of the pit.
- 9) All of the above operations will be inspected and a log will be signed and dated. During drilling operations the inspection will be daily and after rig release they will be carried out weekly as log as there is fluid in the pit.

Temporary Pit Closure Plan:

The pit will be closed with in place burial. The surface owner will be notified by certified mail and the return receipt will be included in the closure packet. The OCD will be verbally or by other means notified at least 72 hours and not more then one week prior to the pit closing. The following process will be used to close the pit:

- 1) The contents will be solidified to a bearing capacity sufficient to support the final cover. This will be accomplished by mixing the contents with soil at a mixing ratio no greater then 3:1 soil to contents.
- 2) At time of closure, all free standing fluids will be removed and the liner will be cut off at the mudline.

3) Sampling will be done by collecting a minimum of a five-point composite sample of the contents after stabilization. The sample will be analyzed for the following components;

Components	Tests Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	1000

- 4) After demonstrating that the stabilized contents are under the limits listed above the contents will be covered with compacted non-waste containing earthen material to a minimum of three feet. If stabilized contents exceed a volume that can be covered with three feet of earth and a foot of topsoil the excess contents will be removed and sent to Envirotech (Permit NM-01-0011). If the stabilized contents do no meet the above stated limits the stabilized contents will all be hauled to Envirotech.
- 5) After the stabilized contents have been covered, the stockpiled topsoil will replaced to a minimum depth of one foot. Topsoil cover will be graded to prevent ponding of water and erosion of the cover material. This will be accomplished within six months of rig release.
- 6) The precise location of the on-site burial will be reported to the Aztec field office on the C-105 form. A dead notice identifying the exact location of the on-site burial will be filed with the county clerk.
- 7) The disturbed area will be seeded or planted the first growing season after closing the pit. Seed will be drilled on the contour whenever practical or by other division-approved methods. The being to obtain vegetative cover that equals 70% of the native cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation) consisting of at least three native plant species, including at least one grass but not including noxious weeds. Cover will be maintained through two successive growing seasons. During the two growing seasons that prove viability there shall be no artificial irrigation of the vegetation. Seeding or planting will continue until the required cover is reached. If conditions are not favorable to establishment of vegetation due to periods of drought or similar problems then the Aztec office of the OCD will

- be notified. The Aztec office of the OCD will also be notified when the disturbed ground successfully achieves re-vegetation.
- 8) The final closure report (C-144) will be filled within 60 days of closure completion and include sampling results, plot plan, details on back filling, covering and inspections during the life of the pit.
- 9) Until the abandonment of the wells on the pad where the pit is located a steel marker no less then four inches in diameter will be cemented in a hole three feet deep in the center of the onsite burial. The top of this marker will be flush with the ground. Once all wells on the pad are abandoned a four foot tall riser will be welded on top of the marker with; operator name, lease name, well name and number, unit number, section, township and rage, and a designation that it is an onsite burial location

Nathan Smith

From: Nathan Smith

Sent: Thursday, August 07, 2008 8:00 AM

To: 'bill_liess@blm.gov'

Subject: Temporary Drilling Reserve Pit

Mr. Liess-

Energen Resources would like to construct a temporary drilling reserve pit for the re-completion of the San Juan 32-5 Unit #100S.

Thanks

Nathan Smith

Drilling Engineer office: 505.324.4151 mobile: 505.793.7604

email to:(nsmith@energen.com)