

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

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

Form C-144  
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.  
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

**Pit, Closed-Loop System, Below-Grade Tank, or  
Proposed Alternative Method Permit or Closure Plan Application**

- 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: SG Interests I, Ltd OGRID #: 20572  
Address: PO Box 2677, Durango, Colorado 81302 RCUD AUG 4 '08  
Facility or well name: Federal 21-6-29 #1 OIL CONS DIV  
API Number: 30-043-21056 OCD Permit Number: N/A DIST. 3  
U/L or Qtr/Qtr A, NENE Section 29 Township 21N Range 6W County: Sandoval  
Center of Proposed Design: Latitude 36.02636\*N Longitude 107.48739\*W NAD: ☒ 1927 ☐ 1983  
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC  
Temporary: ☒ Drilling ☐ Workover  
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A  
☒ Lined ☐ Unlined Liner type: Thickness \_\_\_\_\_ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
☐ String-Reinforced  
Liner Seams: ☒ Welded ☐ Factory ☐ Other \_\_\_\_\_ Volume: 1000 bbl Dimensions: L 75' x W 10' x D 10'

3.  
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)  
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other \_\_\_\_\_  
☐ Lined ☐ Unlined Liner type: Thickness \_\_\_\_\_ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
Liner Seams: ☐ Welded ☐ Factory ☐ Other \_\_\_\_\_

4.  
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC  
Volume: \_\_\_\_\_ 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 \_\_\_\_\_

5.  
☐ **Alternative Method:**  
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

**Fencing:** Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☒ Alternate. Please specify 48" Hog wire with 1 strand Barbed wire on top

7.

**Netting:** Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

☐ Screen ☐ Netting ☐ Other \_\_\_\_\_

☐ Monthly inspections (If netting or screening is not physically feasible)

8.

**Signs:** Subsection C of 19.15.17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19.15.3.103 NMAC

9.

**Administrative Approvals and Exceptions:**

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

**Please check a box if one or more of the following is requested, if not leave blank:**

☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

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

10.

**Siting Criteria (regarding permitting):** 19.15.17.10 NMAC

**Instructions:** The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.

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

☐ Yes ☐ No

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

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

☐ Yes ☐ No

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

(Applies to temporary, emergency, or cavitation pits and below-grade tanks)

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

☐ Yes ☐ No

☐ NA

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

(Applies to permanent pits)

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

☐ Yes ☐ No

☐ NA

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

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

☐ Yes ☐ No

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

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

☐ Yes ☐ No

Within 500 feet of a wetland.

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

☐ Yes ☐ No

Within the area overlying a subsurface mine.

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

☐ Yes ☐ No

Within an unstable area.

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

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

11.

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

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

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

12.

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

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

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

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

13.

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

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

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

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

☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal

☐ Waste Removal (Closed-loop systems only)

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

☒ In-place Burial ☐ On-site Trench Burial

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

15.

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

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

16.

**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)

**Instructions:** Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

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

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

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

**Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

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

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

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

☐ Yes ☒ No

☐ NA

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

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

☐ Yes ☒ No

☐ NA

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

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

☒ Yes ☐ No

☐ NA

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

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

Within 500 feet of a wetland.

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

☐ Yes ☒ No

Within the area overlying a subsurface mine.

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

☐ Yes ☒ No

Within an unstable area.

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

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

18.

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

☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☒ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☒ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

**Operator Application Certification:**

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

Name (Print): William Schwab III Title: Registered Agent for SG Interests I, Ltd.

Signature: [Signature] Date: 7/28/2008

e-mail address: tripp@nikaenergy.com Telephone: 970-259-2701

20.

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

OCD Representative Signature: [Signature] Approval Date: 8-19-08

Title: Enviro Spec OCD Permit Number: \_\_\_\_\_

21.

**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

**Instructions:** Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: \_\_\_\_\_

22.

**Closure Method:**

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)  
☐ If different from approved plan, please explain.

23.

**Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

**Instructions:** Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

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

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

Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Site Reclamation (Photo Documentation)  
☐ Soil Backfilling and Cover Installation  
☐ Re-vegetation Application Rates and Seeding Technique

24.

**Closure Report Attachment Checklist:** Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Proof of Closure Notice (surface owner and division)  
☐ Proof of Deed Notice (required for on-site closure)  
☐ Plot Plan (for on-site closures and temporary pits)  
☐ Confirmation Sampling Analytical Results (if applicable)  
☐ Waste Material Sampling Analytical Results (required for on-site closure)  
☐ Disposal Facility Name and Permit Number  
☐ Soil Backfilling and Cover Installation  
☐ Re-vegetation Application Rates and Seeding Technique  
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: ☐ 1927 ☐ 1983

25.

**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

## Hydrogeology Report for the Federal 21-6-29 #1

The Federal 21-6-29 #1 located in Sandoval County, is in the upper southeastern reaches of the San Juan River drainage basin. The surface is covered by Quaternary alluvium consisting of unconsolidated sand, gravel, silt, clay, terrace gravel and boulder deposits. The alluvium itself is not a source for ground water. The consolidated rock outcrops along the drainage are the Tertiary Age Paleocene Nacimiento Formation which underlies the alluvium. The Nacimiento Formation is a stratified fluvial sand and shale sequence less than 200 feet thick.

The aquifer in this area of the San Juan Basin primarily consists of the Ojo Alamo Sandstone. The top of the Ojo Alamo at this drill site is estimated to be approximately 250 feet below the surface. The Ojo Alamo is a permeable conglomerate and medium to very coarse sandstone interlayered with relatively impermeable shale. This aquifer contains fresh to moderately saline water. Dissolved-solids concentrations generally increase along the groundwater flow path from less than 1,000 milligrams per liter near recharge areas to about 4,000 as the formation is deeper into the basin.

The proposed well, Federal 21-6-29 #1, is located in the NENE quarter-quarter of section 29 T21N- R6W. No groundwater wells were identified using the iWaters Database from the Office of the State Engineers.

### Reference:

GROUND WATER ATLAS of the UNITED STATES Arizona, Colorado, New Mexico, Utah, HA 730-C, USGS, S.G. Robson and E.R. Banta, 1995

iWaters (Waters Database), New Mexico Office of the State Engineer, 2007

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

Township: 21N Range: 06W Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

Help

**AVERAGE DEPTH OF WATER REPORT 07/21/2008**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

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

Township: 20N Range: 06W Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

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**AVERAGE DEPTH OF WATER REPORT 07/21/2008**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
SJ	20N	06W	11				1	229	229	229
SJ	20N	06W	32				2	180	255	218

Record Count: 3



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

Township: 21N Range: 05W Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

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**WATER COLUMN REPORT 07/21/2008**

(quarters are 1=NW 2=NE 3=SW 4=SE)  
(quarters are biggest to smallest)

POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Depth Well	Depth Water	Water (in feet) Column
RG 29678	21N	05W	32	4	2					2238	769	1469

Record Count: 1

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

Township: 22N Range: 06W Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

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**AVERAGE DEPTH OF WATER REPORT 07/21/2008**

(Depth Water in Feet)  
Bsn Tws Rng Sec Zone X Y Wells Min Max Avg

No Records found, try again

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

Township: 21N Range: 07W Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

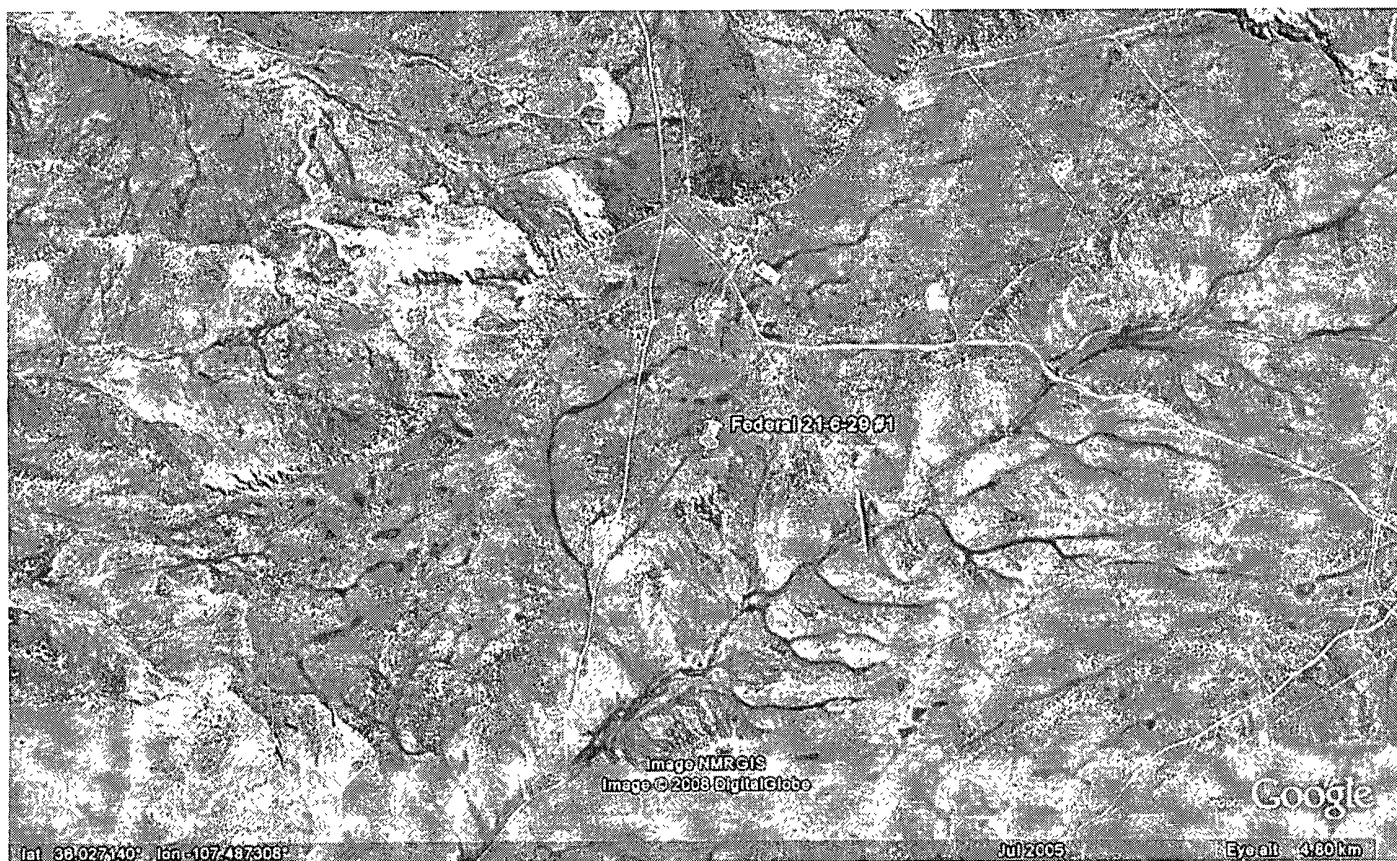
iWATERS Menu

Help

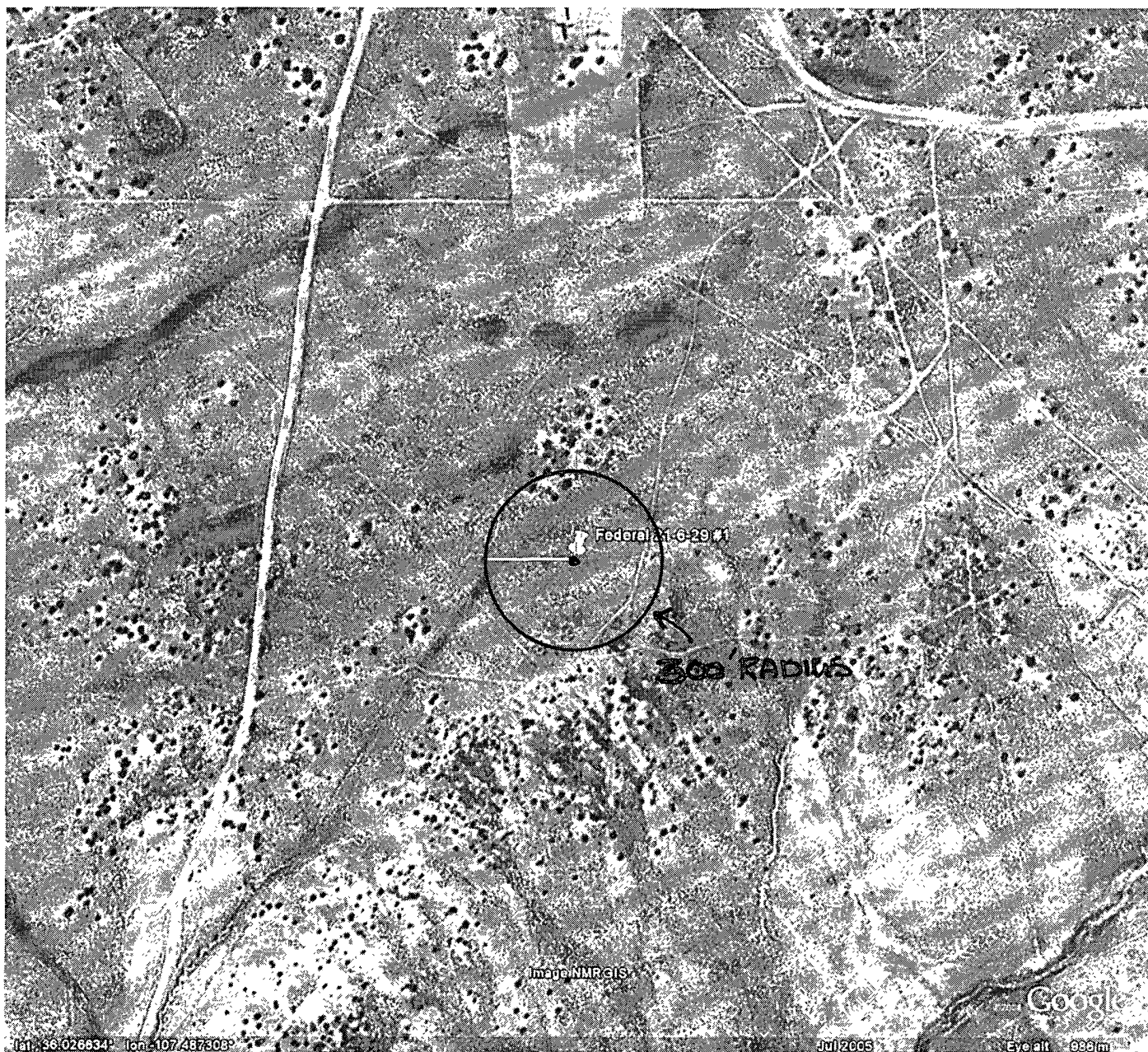
**AVERAGE DEPTH OF WATER REPORT 07/21/2008**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
SJ	21N	07W	07				1	240	240	240

Record Count: 1



LARGE GOOGLE MAP.



- AERIAL PHOTO - SHOWING NO STRUCTURES WITHIN 300' RADIUS
- NEAREST DRY WATERCOURSE LOCATED MORE THAN 300' FROM WELL PAD.
- RADIUS DRAWN ELECTRONICALLY ON "GOOGLE MAPS."



Federal 21-6-29-21

- WETLANDS ARE NOT AVAILABLE DIGITALLY  
- THERE ARE NO WETLANDS WITHIN 1 MILE RADIUS OF  
PROPOSED PIT LOCATION

#### Wetland Types

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- Lake
- Other
- Riverine

#### Status Map

- Digital (vector data)
- Scan (raster data)
- Non-Digital (hardcopy only)
- No Data

Image NMReIS

lat 36.025240° lon -107.486452°

Jul 2005

Eye alt 1142 km

**Wetlands Certification**

**RE: Federal 21-6-29 #1**

I William Schwab III certify that I have visually inspected the above well and that there are no wetlands with in a 500 foot radius.\

There is no data available from the US Fish and Wildlife identification map (attached) as to the existence of a wetland.

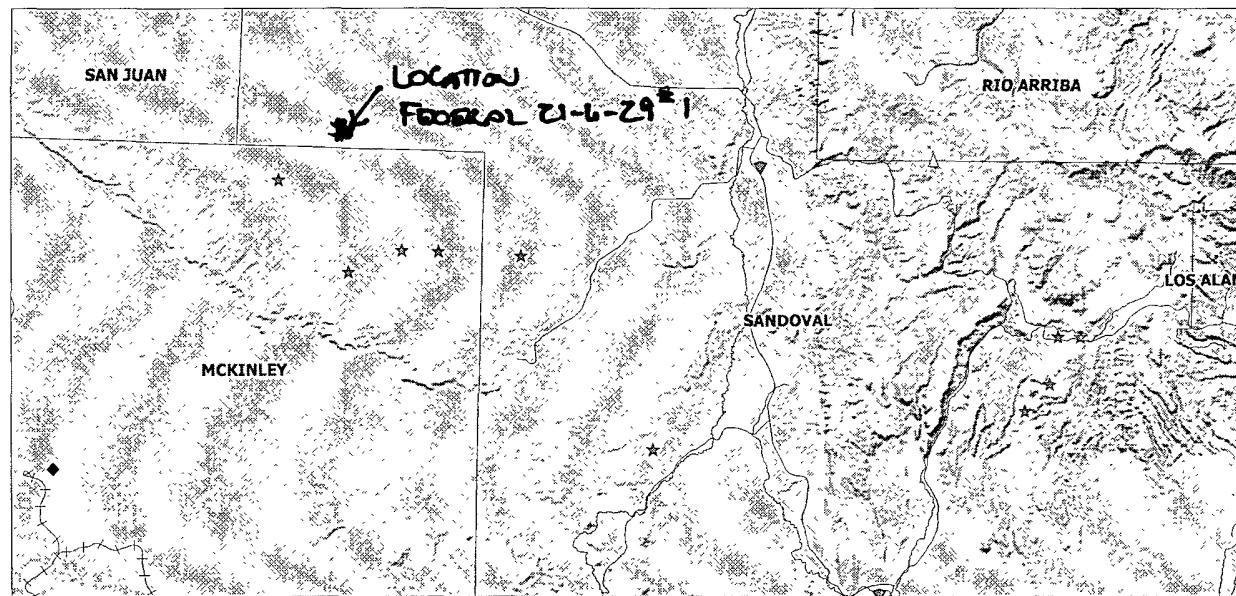
Signature: \_\_\_\_\_

Date: \_\_\_\_\_

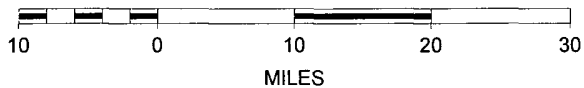
W Schwab III  
7/22/2008.



# MMQonline Public Version



SCALE 1 : 859,144



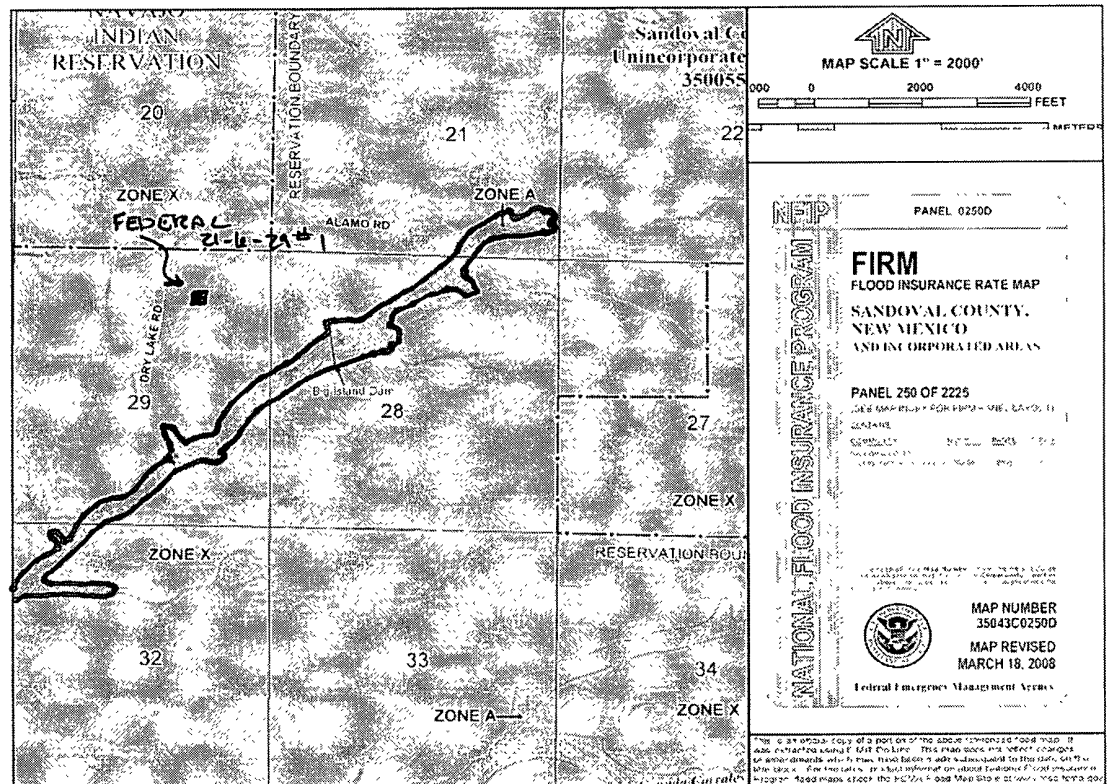


## **Unstable Area**

**RE: Federal 21-6-29 #1**

The well pad is not located near any surface mines or over any subsurface mines. The Soil consists of a clay sand mixture. The location has a 2' cut and a 2' fill. The temporary drilling pit will be located in the cut of the cut side of the location.

## FEMA MSC Viewer



# Nika Energy Operating

Bill Liess  
Bureau Of Land Management, DOI  
Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, NM 87401

RE: Federal 21-6-29 #1, API # 30-043-21056

Bill,

This is a follow up certified letter as per the requirements of the new OCD pit rule 17 requiring notification to the surface owner that we are planning to close a temporary drilling pit on the subject location. After drilling operations cease, SGI plans to close the temporary pit per the approved APD and the new NMOCD rules.

Please let me know if you have any questions or if this notification needs to be directed to someone else.

Thank you for your time.



Tripp Schwab  
President  
Nika Energy Operating, LLC  
Agent for SG Interests.

7006 2150 0001 7642 7466

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage	\$0.42
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$2.20
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$5.32

Attn: Mr. Bill Liess  
Bureau of Land Management, DOI  
Farmington Field Office  
1235 La Plata Highway #A  
Farmington, NM 87401

PS Form 3800, January 2006

## Tripp Schwab

**From:** Tripp Schwab [tripp@nikaenergy.com]  
**Sent:** Wednesday, July 23, 2008 2:44 PM  
**To:** Bill Liess (bill\_liess@nm.blm.gov)  
**Subject:** Pit Notifications

Subject(s):	Federal 21-6-29 #1	API 30-043-21056
	Federal 21-6-29 #2	API 30-043-21057
	Federal 21-6-30 #1	API 30-043-21058
	Federal 21-6-30 #2	API 30-043-21059
	Federal 21-7-35 #1	API 30-043-21060

Bill,

The requirements of the new OCD pit rule 17 requires notification to the surface owner that we are planning to close a temporary drilling pit on the subject location(s) after drilling operations cease.  
SGI plans to close the temporary pit(s) per approved BLM APD and NMOCD rules.  
Please let me know if you have any questions or if this e-mail notification needs to be directed to someone else.  
Thank you for your time,

Tripp Schwab  
Nika Energy Operating  
Agent for SG Interests I, Ltd.  
970-259-2701 off  
970-385-1598 fax

7/23/2008

## **SG Interests I, Ltd.**

### **Temporary Pit - Closure Plan**

#### **Re: Federal 21-6-29 #1**

All closure activities will include proper documentation and be available for review upon request and will be submitted to the NMOCD Aztec Division office within 60 days of pit closure. Closure report will be filed on form C-144 and incorporate the following:

Details on capping and covering (where applicable)

Plot Plan (Pit Diagram)

Inspection Reports

Sampling Results

C-105

Copy of Deed Notice filed with County Clerk

- 1 - All freestanding liquids will be removed at the start of the pit closure process from the pit and disposed of in a division approved facility or recycle, re-use or reclaim the liquids in a manner that the appropriate division district office approves. SGI plans to dispose of drilling fluids at Basin Disposal Inc., Permit # NM-01-005, unless otherwise noted.
- 2 - The method of closure for all temporary pits will be on-site burial as long as all the criteria listed in sub-section B of 19.15.17.13 NMAC are met.
- 3 - The surface owner shall be notified of SGI closure plan using a means that provides proof of notice i.e., certified mail, return receipt requested or electronic mail with read receipt.
- 4 - Temporary pits will be closed, re-contoured, and re-seeded 6 months after drilling rig is released.
- 5 - "Notice of Closure" will be given to the NMOCD Aztec Division office, not less than seventy two (72) hours or more than one (1) week, of the closure via electronic mail or verbally. The "Notification of Closure" will include:
  - i. Operators Name
  - ii. Location by Unit Letter, Section, Township, and Range
  - iii. Well Name and API number.
- 6 - A five point composite sample will be taken of the pit using sampling tools and tested per 19.15.17.13.B.1.b. NMAC. Maximum limits for on-site burial are listed below:

Components	Test 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

In the event the criteria are not met all contents and remediation will be handled per 19.15.17.13.B.1 NMAC. If ground water is 50'-100' below the bottom of the buried waste all limits are the same except the chloride limit is reduced to 500 mg/kg.

The sampling can be taken prior to mixing but if the contents exceed the parameters then contents must be sampled after mixing and meet the criteria before closure.

- 7 - Pit contents shall be mixed with non waste containing earth material in order to achieve the solidification process. The solidification process will be accomplished using a combination of natural drying and mechanical mixing. Pit contents will be mixed with non waste, earth material to a consistency that is deemed safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents.
- 8 - Liner of temporary pit will be removed above "mud level" after stabilization. Liner will be cut and all excessive liner will be removed and taken to a licensed disposal facility.
- 9 - Upon completion of solidification and satisfactory test results the pit area will be backfilled and compacted with non-waste earth material. A minimum of four feet of cover with the top foot (or background thickness of topsoil whichever is greater) suitable to establish vegetation at the site.
- 10 - The pit cover will be re-contoured and re-vegetated complying with subsections G,H,&I of 19.15.17.13 NMAC.
- 11 - Notification will be sent to NMOCD Aztec Division office when reseeded is completed.
- 12 - SGI will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished by drilling on the contour whenever practical or by other division approved methods. APD stipulated seed mixes will be used on Federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (unimpacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds. Seed cover will be maintained thru two consecutive growing seasons. Repeat seeding or planting will be continued until successive vegetative growth occurs.
- 13 - The closed temporary pit will have a steel marker no less than four inches in diameter, extending four feet above mean ground level, extending and cemented in a hole three feet deep, in the center of the onsite burial upon completion of the closing. The marker will be permanently welded, stamped or engraved to include the operator name, lease name, well name and number, unit number, section, township, range, and indicator that the marker is an onsite burial location. SGI reserves the right to install a temporary flat plate marker, one foot by two feet, with the same information if it is deemed necessary for safe operation on the wellsite during the productive life of the well. A full size marker will then be installed upon final abandonment.

1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

* API Number		* Pool Code	* Pool Name
* Property Code	* Property Name <b>FEDERAL 21-6-29</b>		* Well Number <b>1</b>
* CGRID No.	* Operator Name <b>SG INTERESTS I, LTD.</b>		* Elevation <b>6889</b>

**10 Surface Location**

UL or lot no. <b>A</b>	Section <b>29</b>	Township <b>21N</b>	Range <b>6W</b>	Lot Idn	Feet from the <b>935</b>	North/South line <b>North</b>	Feet from the <b>980</b>	East/West line <b>East</b>	County <b>Sandoval</b>
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**11 Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
* Dedicated Acres <b>320 <del>EA</del></b>		* Joint or Infill <b>N/A</b>		* Consolidation Code		* Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16	N 89°09' W	79.69 Ch.	935'	980'	80.20 Ch.	80.151 Ch.	N 89°18' W	79.62 Ch.	N 0°12' E	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature: <i>[Signature]</i> Date: <b>12/12/07</b> Printed Name: <b>William Schwab, Jr.</b>	
										<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey: <b>31 Oct 2007</b> Signature and Seal of Professional Surveyor: <i>[Signature]</i> <b>William E. Mahnke II</b> Certificate Number: <b>8466</b>	

Map showing a proposed well location. The map is divided into four quadrants by a vertical line (A-B) and a horizontal line (C-D). The top-left quadrant (A-C) is labeled (RF) and contains 'F-13'. The top-right quadrant (B-D) is labeled (RR) and contains 'F-07' and 'C-08'. The bottom-left quadrant (A-D) is labeled (LF) and contains 'F-19' and 'F-14'. The bottom-right quadrant (B-D) is labeled (LR) and contains 'C-16' and 'C-18'. A 'Proposed Well' is located in the top-left quadrant, with a line indicating its 'Laydown' to 'EOL-10+02.86'. The well is situated 15' from the bottom boundary and 15' from the right boundary. A box indicates the well is '15' 10' Deep'. The elevation is 'Elev. 6889°'. The ground is 'Grd'd.Gr. 6889°'. The map also shows dimensions: 125' for the top width, 100' for the left height, 45' for the bottom height, and 75' for the bottom width. The corners are labeled A, B, C, D, A', B', C', D'.

A-A'	Vert.: 1" = 30'	Horiz.: 1" = 50'	C/L
6890			
6880			

B-B'
6890
6880

C-C'
6880
6890