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

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.

District Office.
4)) 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.
Operator: Energen Resources Corporation OGRID #: 162928
Address: 2010 Afton Place, Farmington, NM 87401
Facility or well name: McCroden 8B
API Number: 30-039-30502 OCD Permit Number:
U/L or Qtr/QtrSWSWSection3Township25NRange3WCounty:Rio_Arriba
Center of Proposed Design: Latitude 36.42243 N Longitude 107.13810 W NAD: 1927 X 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
2.
X Pit: Subsection F or G of 19.15.17.11 NMAC
Temporary: X Dritling Workover
Permanent Emergency Cavitation P&A
X Lined Unlined Liner type: Thickness
X String-Reinforced
Liner Seams: Welded X Factory Other Volume: 1500 bbl Dimensions: L 155 x W 85 x D 10
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
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
Volume: bbl Type of fluid:
Fank Construction material:
Secondary containment with leak detection
Liner type: Thickness mil LLDPE HDPE PVC Other

Form C-144

☐ Alternative Method:

Oil Conservation Division

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

Page 1 of 5

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					
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					
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bucconsideration of approval.	reau office for				
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 distriction of the sound provided and 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				
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					
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map					
Within a 100-year floodplain FEMA map					

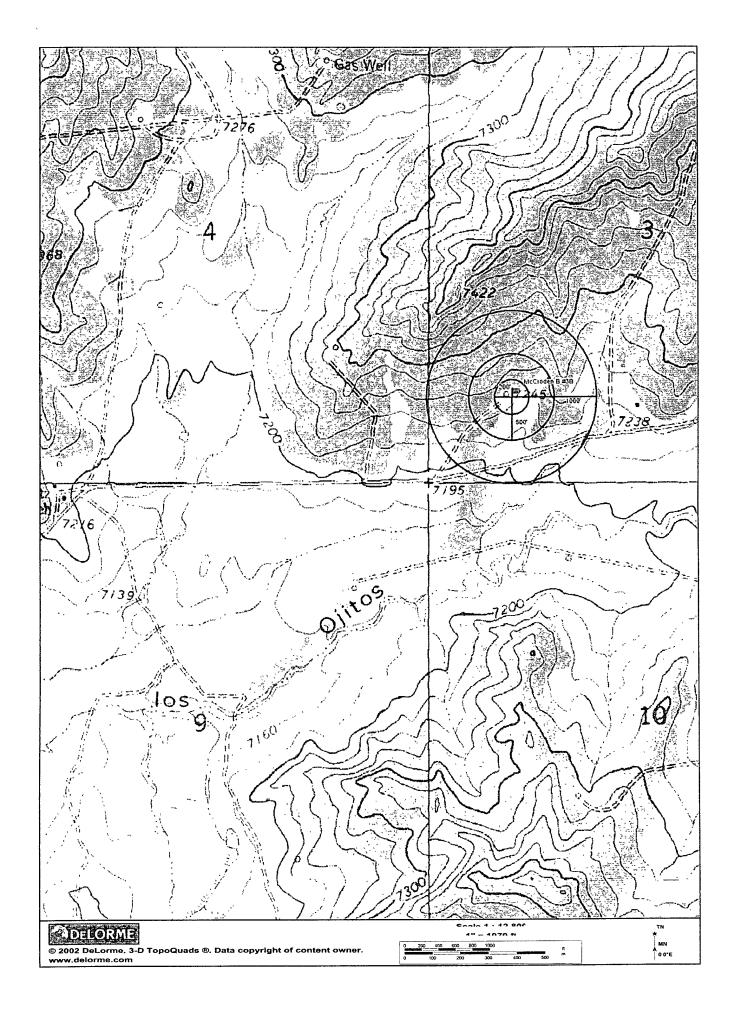
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.					
Hydrogeologic 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					
Previously Approved Design (attach copy of design) API Number: or Permit Number:					
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC					
Previously Approved Design (attach copy of design) API Number:					
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)					
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 Quality Control/Quality Assurance Construction and Installation Plan the appropriate requirements of 19.15.17.11 NMAC 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 H2S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC					
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: \[\begin{array}{c c c c c c c c c c c c c c c c c c c					
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC					

Fram C 144

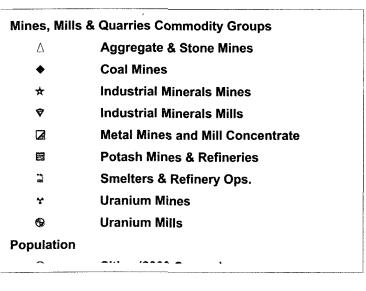
Oil Commission Division Description

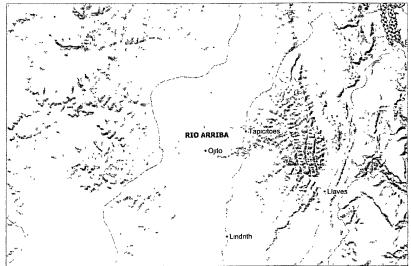
- 1								
	16. Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMA Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than facilities 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 served operations? Yes (If yes, please provide the information below)								
	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							
	Siting Criteria (regarding on-site closure methods only: 19.15.17.10 NMA) Instructions: Each siting criteria requires a demonstration of compliance in provided below. Requests regarding changes to certain siting criteria may re be considered an exception which must be submitted to the Santa Fe Environ and/or demonstrations of equivalency are required. Please refer to 19.15.17.	the closure plan. Recommendations of acceptable sou quire administrative approval from the appropriate dist amental Bureau office for consideration of approval. J	rict office or may					
	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		☐ 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 lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed sit		☐ Yes 🗓 No					
	Within 300 feet from a permanent residence, school, hospital, institution, or che Visual inspection (certification) of the proposed site; Aerial photo; Sa		☐ Yes ☒ No					
	Within 500 horizontal feet of a private, domestic fresh water well or spring that watering purposes, or within 1000 horizontal feet of any other fresh water well NM Office of the State Engineer - iWATERS database; Visual inspec	or spring, in existence at the time of initial application.	Yes No					
	Within incorporated municipal boundaries or within a defined municipal fresh adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approximately	•	Yes X 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-M	ining and Mineral Division	☐ Yes ☒No					
	Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Ge Society; Topographic map	cology & Mineral Resources; USGS; NM Geological	☐ Yes 🗷 No					
	Within a 100-year floodplain FEMA map		☐ Yes ☑No					
	On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached.	of the following items must be attached to the closure pla	nn. Please indicate,					
	X Siting Criteria Compliance Demonstrations - based upon the appropriate re X Proof of Surface Owner Notice - based upon the appropriate requirements of Construction/Design Plan of Burial Trench (if applicable) based upon the a Construction/Design Plan of Temporary Pit (for in-place burial of a drying X Protocols and Procedures - based upon the appropriate requirements of 19. X Confirmation Sampling Plan (if applicable) - based upon the appropriate re X Waste Material Sampling Plan - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and X Soil Cover Design - based upon the appropriate requirements of Subsection X Re-vegetation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon the appropriate requirements of Subsection X Site Reclamation Plan - based upon	of Subsection F of 19.15.17.13 NMAC appropriate requirements of 19.15.17.11 NMAC pad) - based upon the appropriate requirements of 19.15.15.17.13 NMAC quirements of Subsection F of 19.15.17.13 NMAC f Subsection F of 19.15.17.13 NMAC drill cuttings or in case on-site closure standards cannot a H of 19.15.17.13 NMAC in I of 19.15.17.13 NMAC						

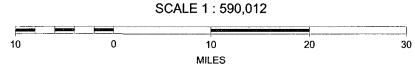
Operator Application Certification: I hereby certify that the information submitted with this application is true, accu	rate and complete to the best of my knowledge and belief.						
Name (Print): Devin Mills	Title: Drilling Engineer						
Signature:	Date: 9/10/09						
e-mail address: _dmills@energen.com	Telephone:505-324-4121						
OCD Approval: Permit Application (including closure plan)	Closure Plan (only) OCD Conditions (see attachment)						
OCD Representative Signature:	Approval Date: /O - 2j - 0 7						
Title: knows/spec	OCD Permit Number:						
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.							
	Closure Completion Date:						
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative If different from approved plan, please explain.	re Closure Method						
Instructions: Please indentify the facility or facilities for where the liquids, dri than two facilities were utilized.	Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more						
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)							
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							
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:							



MMQonline Public Version









District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

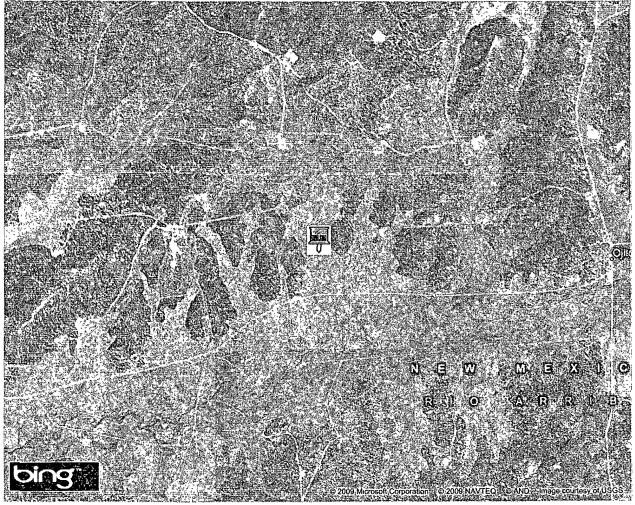
1 /	¹ AP1 Number ² Pool Code ³ Pool Name Mesa Verde/Dakota														
			<u> </u>												
⁴ Property (Code					⁶ Well Number									
	l			8											
OGRID 1	No.				8 Operator	Name			⁹ Elevation						
162928					Energen Resources	Corporation			7243' GL						
					¹⁰ Surface	Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line County						
М	3	25N	3W		995	South	965'	West	Rio Arriba						
Bottom Hole Location If Different From Surface															
UL or lot no.	······································						Feet from the	East/West line County							
				,											
12 Dedicated Acres	13 Joint or	r Infill 14 Cons	solidation	Code 15 Or	der No.	·									
320 S/2		1	,						,						
	<u> </u>	<u>_</u>													

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.

Bing Maps

Unsaved collection

1. McCroden B #3B





New Mexico Office of the State Engineer Water Column/Average Depth to Water

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

, that the little consens to be trade in the charge of the little of the little of the little of the little of	er er ende skrigere katikiskrige e	(quarte	ers a	re :	sma	llest	to larg	est)	(NAD83 UTI	M in meters)	ooksiissi 4 SSSSSSS – no	(In feet)) National Communication
Süb			1		Q					the second secon	Depth D	The Robbits and Sec	
POD Number basii	n Use C	ounty	64	16	4	Sec	Tws	Rng	A. X	Υ.	Well V	VaterCo	olumn
RG 45161	DOM	RA	1	4	3	33	25N	03W	306737	4024915*	640	165	475
RG 49658	STK	RA	4	4	1	36	25N	03W	311780	4025413*	160	18	142
RG 79470	DOM	RA	4	4	4	24	25N	03W	312637	4027808*	504	125	379
(SJ 01305)	STK	RA:	, 3	. 1.	ુ 3 .	. 08	25N	03W	304876	4031601*.	750 (265	485
SJ 01453	STK	RA		2	2	36	25N	03W	312494	4025899*	132	70	62
SJ 02076	DOM	RA	2	4	4	36	25N	03W	312567	4024791*	295	75	220
(§\$) 02203; (************************************	, DOM.≹	RA	, i da	4	2 ,	01	_25N	03W	312659	4033544*	- 665 s	245	420
SJ 02224	SAN	RA	4	1	1	18	25N	03W	303470	4030829*	325	56	269
SJ 02414	STK	RA	2	1	2	25	25N	03W	312226	4027615*	250	130	120
SJ 02415	DOM	RA	2	4	2	35	25N	03W	310976	4025630*	50	30	20
SJ 02416	STK	RA	4	4	1	26	25N	03W	310206	4027056*	150	110	40
SJ 02517	STK	RA	2	3	1	32	25N	03W	304944	4025765*	250	100	150
SJ 02519	STK	RA	3	1	2	27	25N	03W	308808	4027484*	1215	650	565
SJ 02520	STK	RA	3	2	2	22	25N	03W	309245	4029084*	1000	850	150
SJ 02695	STK	RA	3	2	, 1 (13	25N	03W	<u> 31169</u> 3	4030643*	510	225	285
SJ 02949	DOM	RA	4	1	4	23	25N	03W	310634	4028254*	260	75	185
SJ 03228	STK	SJ	1	2	2	25	25N	03W	312428	4027606*	550	160	390
SJ 03231	DOM	RA	4	2	3	25	25N	03W	311806	4026619*	335	90	245
SJ 03877 POD1	STK	RA	3	3	1	35	25N	03W	317960	4015477	338	173	165
									Aver	age Depth to	Water:	190 fe	et
										Minimum	Depth:	18 fe	et
										Maximum	Depth:	850 fe	et

Record Count: 19

PLSS Search:

Township: 25N

Range: 03W

*UTM location was derived from PLSS - see Help

Temporary Pit Design Plan:

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

- 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 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.
- 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 <u>deed</u> notice identifying the exact location of the on-site burial will be filed with the county clerk <u>if the pit is on private surface</u>.
- 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

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- 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

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.

Hydrogeologic Data:

Site Specific:

The Ojo Alamo 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 3335' to a depth of 3410' in the McCroden 8B and ranges from 3000' to 3500' in this township and range. Based on topographic maps and aerial photos, there did not appear to be any sandy areas located within drainages that may potentially hold shallow ground water. Drainages in the area with elevation changes suggest that ground water depths, if any, will be below 100'. The only potentially unstable areas in the region are over subsurface coal mines. This pit will not be located over a subsurface mine.

The New Mexico State Engineers Water Report shows no water wells in Sec. 5, Township 26N R05W.

Excavated Soil Storage:

The soil excavated for the proposed temporary drilling reserve pit will be stored on location and will be more than 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake.

Geologic Summary:

The Ojo Alamo is a sequence of interbedded sandstones, conglomeratic sandstone, and shales 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.

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.