

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

**HOBBS OCD**

**OCT 19 2012**

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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 Fasken Oil and Ranch, LTD. OGRID # 151416  
Address 303 W. Wall St., Ste. 1800, Midland, TX 79701-5116  
Facility or well name: Quail "16" State No. 4H  
API Number: 30-025-40531-00-00 OCD Permit Number 91-054600  
U/L or Qtr/Qtr N Section 16 Township 20S Range 34E County Lea  
Center of Proposed Design Latitude N 32° 34' 00.25" Longitude W 103° 34' 07.31" 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 Depth to groundwater 135' per  
Temporary: ☒ Drilling ☐ Workover Geoffrey Leking - OCD, Hobbs.  
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A  
☒ Lined ☐ Unlined Liner type Thickness 20 mil ☐ LLDPE ☒ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
☒ String-Reinforced  
Liner Seams: ☒ Welded ☐ Factory ☐ Other \_\_\_\_\_ Volume: 34,000 bbl Dimensions: L 165' x W 165' x D 7'

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	<p><b>Fencing:</b> Subsection D of 19.15.17.11 NMAC (<i>Applies to permanent pits, temporary pits, and below-grade tanks</i>)</p> <p><input type="checkbox"/> Chain link, six feet in height, two strands of barbed wire at top (<i>Required if located within 1000 feet of a permanent residence, school, hospital, institution or church</i>)</p> <p><input checked="" type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet</p> <p><input type="checkbox"/> Alternate. Please specify _____</p>																				
7.	<p><b>Netting:</b> Subsection E of 19.15.17.11 NMAC (<i>Applies to permanent pits and permanent open top tanks</i>)</p> <p><input type="checkbox"/> Screen <input type="checkbox"/> Netting <input type="checkbox"/> Other _____</p> <p><input type="checkbox"/> Monthly inspections (If netting or screening is not physically feasible)</p>																				
8	<p><b>Signs:</b> Subsection C of 19.15.17.11 NMAC</p> <p><input checked="" type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers</p> <p><input type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC</p>																				
9	<p><b>Administrative Approvals and Exceptions:</b></p> <p>Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.</p> <p><b>Please check a box if one or more of the following is requested, if not leave blank:</b></p> <p><input type="checkbox"/> Administrative approval(s) Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval</p> <p><input type="checkbox"/> Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval</p>																				
10	<p><b>Siting Criteria (regarding permitting):</b> 19.15.17.10 NMAC</p> <p><b>Instructions:</b> <i>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.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; vertical-align: top;"> <p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <p>- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells</p> </td> <td style="width: 20%; text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>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)</p> <p>- Topographic map; Visual inspection (certification) of the proposed site</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> NA </td> </tr> <tr> <td style="vertical-align: top;"> <p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)</p> <p>- Visual inspection (certification) of the proposed site, Aerial photo; Satellite image</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> NA </td> </tr> <tr> <td style="vertical-align: top;"> <p>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.</p> <p>- NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>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.</p> <p>- Written confirmation or verification from the municipality: Written approval obtained from the municipality</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>Within 500 feet of a wetland.</p> <p>- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>Within the area overlying a subsurface mine</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>Within an unstable area</p> <p>- Engineering measures incorporated into the design. NM Bureau of Geology &amp; Mineral Resources: USGS: NM Geological Society: Topographic map</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td style="vertical-align: top;"> <p>Within a 100-year floodplain</p> <p>- FEMA map</p> </td> <td style="text-align: right; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> </table>	<p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <p>- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>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)</p> <p>- Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA	<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)</p> <p>- Visual inspection (certification) of the proposed site, Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA	<p>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.</p> <p>- NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>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.</p> <p>- Written confirmation or verification from the municipality: Written approval obtained from the municipality</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within 500 feet of a wetland.</p> <p>- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within the area overlying a subsurface mine</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within an unstable area</p> <p>- Engineering measures incorporated into the design. NM Bureau of Geology &amp; Mineral Resources: USGS: NM Geological Society: Topographic map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>Within a 100-year floodplain</p> <p>- FEMA map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</p> <p>- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
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<p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)</p> <p>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA																				
<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)</p> <p>- Visual inspection (certification) of the proposed site, Aerial photo; Satellite image</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA																				
<p>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.</p> <p>- NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>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.</p> <p>- Written confirmation or verification from the municipality: Written approval obtained from the municipality</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>Within 500 feet of a wetland.</p> <p>- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>Within the area overlying a subsurface mine</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>Within an unstable area</p> <p>- Engineering measures incorporated into the design. NM Bureau of Geology &amp; Mineral Resources: USGS: NM Geological Society: Topographic map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																				
<p>Within a 100-year floodplain</p> <p>- FEMA map</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

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16. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13 NMAC)  
*Instructions: Please indentify 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.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is between 50 and 100 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> 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).<br>- Topographic map; Visual inspection (certification) of the proposed site  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| Within 500 feet of a wetland.<br>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| Within the area overlying a subsurface mine.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| Within an unstable area.<br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| Within a 100-year floodplain.<br>- FEMA map   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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): Kim Tyson Title: Regulatory Analyst

Signature Kim Tyson Kim Tyson Date: 4-12-2012

e-mail address kimt@forl.com Telephone 432-687-1777

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

OCD Representative Signature: Jeffrey Sekins Approval Date: 11/19/12

Title: Environmental Specialist OCD Permit Number: P1-05460

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**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: \_\_\_\_\_

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**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 \_\_\_\_\_

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**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: \_\_\_\_\_

OCT 29 2012

April 12, 2012

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Fasken Oil and Ranch, Ltd.  
Quail "16" State No. 4H  
SHL - 200' FSL and 1650' FWL Sec. 16, T20S, R34E  
BHL - 330' FNL and 1650' FWL, Sec. 16, T20S, R34E  
Lea County, NM

RE: Form C-144 Attachment

Hydrogeologic Data: Per Geoffrey Lecking, Environmental Engineer, OCD Hobbs groundwater is found at 135' beneath this section. A visual inspection of the immediate area has been made and there are no known water wells within a 1 mile radius of this drilling location.

Design Plan: Pit size will be approximately 165' X 165' X 7' double horseshoe design. A geotextile liner will be installed along with a 20 mil HDPE cross laminated liner.

Operating and Maintenance Plan: Pit will be monitored daily for proper fluid levels during drilling operations. A daily log will be kept indicating the fluid level in the pit. Any abnormal drop in fluid levels will be reported to the NMOCD district office. The pit will be de-watered immediately after drilling operations have been completed. The pit will be inspected weekly after de-watering and a log will be kept indicating the condition of the pit and any fluid level.

Closure Plan: After de-watering the pit will be left to dry through natural evaporation. Pit will be backfilled with topsoil that has been stripped or stockpiled. It will consist of the background thickness of topsoil or one foot of suitable material to establish vegetation. The drill cuttings will be dug out and hauled to an NMOCD approved disposal. At the current time the Controlled Recovery Incorporated disposal facility on the Lea Land Disposal Facility\*\* at Halfway Bar will be utilized for drill cuttings disposal. The permit number for the each facility is shown on the attachment.

Maps: A topographic map is attached showing the surrounding area. FEMA reports that a 100 year flood plain map has not been constructed for this area. A visual inspection of the area does not indicate that flooding or standing water would occur.

An attachment is provided showing the pit design as drawn by Talon LPE.

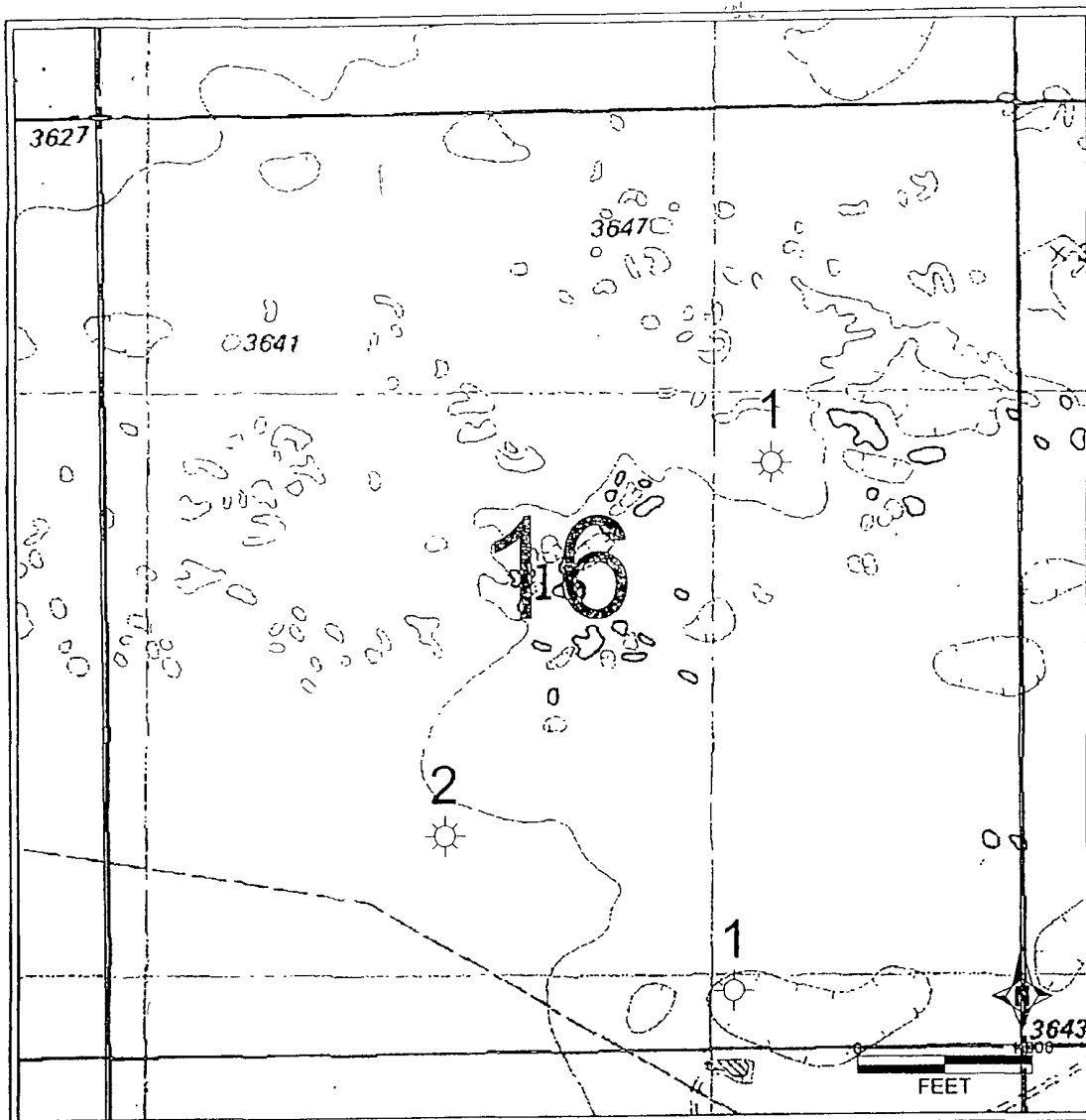
Form C-102 is attached showing the pit location. The latitude and longitude for the pit is shown on the plat. This data reference is the center of the pit.

\* - CONTROLLED RECOVERY INCORPORATED IS NOW R360 - NM - 01 - 006  
\*\* - LEA LAND DISPOSAL FACILITY - NM - 01 - 0035

The area will be revegetated with at least three native plant species, including at least one grass, but not including noxious weeds. This will be maintained through two growing seasons. The area will be revegetated to the natural state it was in before drilling operations started.

Waste Material Sampling Plan: Talon LPE will take a minimum of a 5 spot soil sample after the reserve pit is dug prior to lining. After drilling the well, Talon LPE will sample the pit contents and determine if the requirements for contaminants in the waste meet NMOCD standards. We will dig and haul the pit contents to CRI disposal facility on the Lea Land Disposal Facility. We will have Talon LPE take another 5 spot sample after the waste has been removed from the pit to verify that soil standards have been met.

A sign will be placed on the 4', 4 strand barb-wire fence identifying Fasken Oil and Ranch, Ltd. as the operator, the location of the pit, and providing an emergency phone number.





Permit No	Company Name	Effective	County	Facility Name	Legals
19	GANDY MARLEY INC	10/06/1994	Chaves	GANDY MARLEY LANDFARM	-4-11 S-31 E
28	OLD LOCO OIL CO	07/02/1985	Eddy	OLD LOCO TREATING PLANT	-19-17 S-31 E
43	Loco Hills Landfarm LLC	11/08/2004	Eddy	Loco Hills Landfarm	m-32-16 S-30 E
4	LOCO HILLS WATER DISPOSAL	10/30/1981	Eddy	LOCO HILLS WATER DISPOSAL	M-16-17 S-30 E
36	OK HOT OIL SERVICE INC	08/16/2000	Eddy	OK HOT OIL SERVICES INC	O-14-17 S-28 E
24	CHAPARRAL SWD	01/31/1995	Lea	CHAPARRAL TREATING PLANT	B-17-23 S-37 E
35	LEA LAND INC	01/05/2000	Lea	LEA LAND LANDFILL	-32-20 S-32 E
12	C&C LANDFARM INC	11/16/1992	Lea	C&C LANDFARM	B-3-20 S-37 E
13	ENVIRONMENTAL PLUS INC	02/15/1993	Lea	ENVIRONMENTAL PLUS LANDFARM	-14-22 S-37 E
15	GOO YEA LANDFARM INC	11/16/1992	Lea	GOO YEA LANDFARM	-14-11 S-38 E
23	J&L LANDFARM INC	05/10/1998	Lea	J&L LANDFARM	-9-20 S-38 E
25	GANDY CORP	06/27/1973	Lea	Gandy Corp. Treating Plant	-11-10 S-35 E
26	JENEX OPERATING CO	09/21/1983	Lea	JENEX TREATING PLANT	D-14-20 S-38 E
30	ARTESIA AERATION LLC	06/29/1999	Lea	ARTESIA AERATION LANDFARM	-7-17 S-32 E
32	SOUTH MONUMENT SURFACE WASTE FACILITY LLC	10/04/1999	Lea	SOUTH MONUMENT LANDFARM	A-25-36 S-20 E
33	DOOM LANDFARM	04/03/2000	Lea	DOOM LANDFARM	g-5-25 S-37 E
34	DD LANDFARM INC	04/12/2000	Lea	DD LANDFARM	-31-21 S-38 E
21	RHINO OILFIELD DISPOSAL INC	11/17/1997	Lea	RHINO OILFIELD LANDFARM	-34-20 S-38 E
44	COMMERCIAL EXCHANGE, INC.	11/01/2004	Lea	Blackwater Oil Reclamation Facility	d-1-25 S-37 E
39	PITCHFORK LANDFARM LLC	10/30/2002	Lea	PITCHFORK LANDFARM	A-5-24 S-34 E
6	CONTROLLED RECOVERY INC	04/27/1990	Lea	CONTROLLED RECOVERY	-27-20 S-32 E
42	COMMERCIAL EXCHANGE, INC.	07/22/2004	Lea	Blackwater Landfarm	f-1-25 S-37 E
38	SAUNDERS LANDFARM LLC	10/28/2002	Lea	SAUNDERS LANDFARM	M-7-14 S-34 E
41	LAZY ACE LANDFARM LLC	03/09/2004	Lea	LAZY ACE LANDFARM	M-22-20 S-34 E
3	SUNDANCE SERVICES, INC.	08/30/1977	Lea	SUNDANCE PARABO	m-29-21 S-38 E
37	COMMERCIAL EXCHANGE, INC.	03/31/2003	Lea	COMMERCIAL SURFACE WM FACILITY	A-1-20 S-36 E
8	T-N-T ENVIRONMENTAL INC	01/19/1987	Rio Arriba	TNT EVAP POND/LANDFARM	-8-25 N-3 W
11	ENVIROTECH INC	07/07/1992	San Juan	ENVIROTECH LANDFARM #2	-6-26 N-10 W
9	KEY FOUR CORNERS INC	04/02/1991	San Juan	KEY EVAP POND and Landfarm	E-2-29 N-12 W
10	JFJ LANDFARM LLC	07/22/2002	San Juan	JFJ Land Farm Crouch Mesa (Formerly Tierra)	j-2-29 N-12 W
5	BASIN DISPOSAL INC	10/16/1987	San Juan	BASIN DISPOSAL EVAP. POND	F-3-29 N-11 W

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 748-1282

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6176 Fax (505) 334-6170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

HOBBS OCD

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 37570	Pool Name Lea; Bone Spring
Property Code 38941	Property Name QUAIL STATE 16	Well Number 4H
OGRID No. 151416	Operator Name FASKEN OIL AND RANCH, LTD	Elevation 3639'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	20 S	34 E		200	SOUTH	1650	WEST	LEA

Bottom Hole Location If Different From Surface

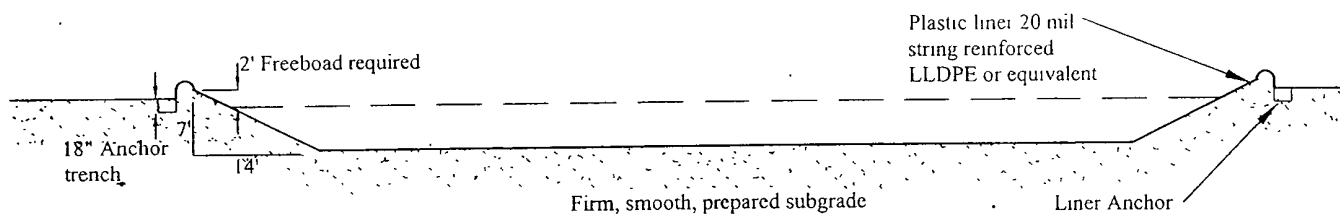
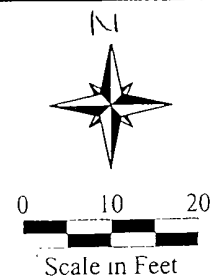
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	16	20 S	34 E		330	NORTH	1650	WEST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

<p>1650'</p> <p>330'</p> <p>4746.9'</p> <p>200'</p> <p>PIT PLAT</p> <p>Lat. N 32° 34' 00.25"</p> <p>Long W 103° 34' 07.31"</p>	<p><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>Lat - N 32° 34' 46.19"</p> <p>Long - W 103° 34' 06.64"</p> <p>NMSPCE - N 575398.187</p> <p>E 776922.653</p> <p>(NAD-83)</p> <p><b>SURFACE LOCATION</b></p> <p>Lat - N 32° 33' 59.23"</p> <p>Long - W 103° 34' 06.62"</p> <p>NMSPCE - N 570652.935</p> <p>E 776959.152</p> <p>(NAD-83)</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><u>Kim Tyson</u> 4-17-2012 Signature Date</p> <p>Kim Tyson Printed Name</p> <p>kimt@for1.com Email Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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</p> <p>Date Surveyed Signature &amp; Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26514</p>
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### Site Detail



Date: 07/24/2008

Scale: 1" = 20

Drawn By: WDR

Fasken Oil And Ranch  
Quail "16" State No. 4H  
New Mexico  
Pit Liner Detail

**HOBBS OCD**

**OCT 19 2012**

**RECEIVED**

**FASKEN OIL AND RANCH, LTD.**

303 WEST WALL AVENUE, SUITE 1800  
MIDLAND, TEXAS 79701-5116

(432) 687-1777  
kimt@forl.com

**Kim Tyson**  
**Regulatory Analyst**

October 18, 2012

Ms. Cindy Herrera-Murillo

New Mexico Oil Conservation Division  
1625 N. French Drive  
Hobbs, NM 88240

Dear Ms. Herrera-Murillo,


Re: Quail "16" State No. 4H  
Lea; Bone Spring Pool  
API No. 30-025-40531  
Lea County, NM

Fasken Oil and Ranch, Ltd. submitted an Application to Drill along with the enclosed Earth Pit Application for the above referenced well on 4-17-2012. Fasken has received the Approved Drilling Permit but has not received the Approved Earth Pit Permit. The enclosed Earth Pit Application replaces the one that was submitted on 4-17-2012.

If you have any questions or need any additional information please e-mail me at [kimt@forl.com](mailto:kimt@forl.com) or call me at (432) 687-1777.

Thanks for your help concerning this matter.

Yours truly,



Kimberley A. Tyson  
Regulatory Analyst