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

Form C-144
Revised October 11, 2022

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

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

FACILITY ID [fVV2325040523].

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: WAPITI OPERATING, LLC OGRID #: 328741
Address: 1251 LUMPKIN RD., HOUSTON, TX 77043-4011
Facility or well name: VPR B 344
API Number: 30-007-20996 OCD Permit Number:
U/L or Qtr/Qtr D Section 7 Township 29 N Range 19 E County: COLFAX
Center of Proposed Design: Latitude 36.76861 Longitude 104.97096 NAD83
Surface Owner: ☐ Federal ☐ State ☑ Private ☐ Tribal Trust or Indian Allotment 300 FNL & 369 FWL

2.
☑ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☑ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☑ Lined ☐ Unlined Liner type: Thickness 20 mil ☑ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☑ Welded ☑ Factory ☐ Other Volume: 1709 bbl Dimensions: L 40' x W 30' x D 8'

3.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*
☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*
☑ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☐ Alternate. Please specify

6.

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

☐ Screen ☐ Netting ☐ Other_____

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

7.

Signs: Subsection C of 19.15.17.11 NMAC

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

☐ Signed in compliance with 19.15.16.8 NMAC

8.

Variances and Exceptions:

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

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

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

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

9.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☑ USGS; ☑ Data obtained from nearby wells	☐ Yes ☑ No ☐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☑ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☑ No
Within an unstable area. **(Does not apply to below grade tanks)** - 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. **(Does not apply to below grade tanks)** - FEMA map	☐ Yes ☑ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter) Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within 300 feet from a occupied 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 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☑ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

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

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

11.

Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ A List of wells with approved application for permit to drill associated with the pit.
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- ☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

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

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☑ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Multi-well Fluid Management Pit ☐ Alternative

Proposed Closure Method:
- ☐ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☑ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method

14.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

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

15.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☑ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☑ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☑ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☑ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☑ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☑ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☑ No

16.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

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

Name (Print): BRIAN WOOD Title: CONSULTANT

Signature: Brian Wood Date: 9-7-2023

e-mail address: brian@permitswest.com Telephone: 505 466-8120

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

OCD Representative Signature: Victoria Venegas **Approval Date:** 09/07/2023

Title: Environmental Specialist **OCD Permit Number:** FACILITY ID [fVV2325040523].

19.
Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

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

☐ **Closure Completion Date:**_____

20.
Closure Method:

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

21.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

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

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

22.

Operator Closure Certification:

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

Name (Print): _____ Title: _____

Signature:_____ Date: _____

e-mail address:_____ Telephone: _____

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Thursday, September 7, 2023 2:09 PM
To: Ed Skrljac
Cc: Jeanette Reisenburg; Cory Walk; Brian Wood
Subject: VPR B 344 FACILITY ID [fVV2325040523].
Attachments: C-144 VPR B 344 FACILITY ID [fVV2325040523].pdf

VPR B 344 FACILITY ID [fVV2325040523]. TEMPORARY PIT NON-LOW CHLORIDE FLUIDS.

Good afternoon Mr. Skrljac,
NMOCD has reviewed the permit application and form C-144 for a temporary pit containing low chloride fluid and related documents, submitted by [328741] Wapiti Operating, LLC on 09/07/2023 for the VPR B 344 FACILITY ID [fVV2325040523] pit associate with well 30-007-20996 VPR B #344 [326242] in Unit Letter D, Section 07, Township 29N, Range 19E, Colfax County, New Mexico. This application and form C-144 is approved with conditions.

[328741] Wapiti Operating, LLC shall comply with the following conditions of approval:

1. [328741] Wapiti Operating, LLC shall design, construct, operate, maintain, and close VPR B 344 FACILITY ID [fVV2325040523] Pit in compliance with 19.15.17 NMAC - Pits, Closed-Loop Systems, Below-Grade-Tanks and Sumps. [328741] Wapiti Operating, LLC shall construct and operate the temporary pit in a safe manner to prevent contamination of fresh water and protect public health and the environment.
2. The design and construction plan are approved. [328741] Wapiti Operating, LLC shall apply for a permit modification for any change to the plan.
3. The closure plan is approved. [328741] Wapiti Operating, LLC shall apply for a permit modification for any change to the closure plan.
4. Prior to commencing construction of the VPR B 344 FACILITY ID [fVV2325040523] Pit, [328741] Wapiti Operating, LLC shall submit to OCD a Form C-102, https://www.emnrd.nm.gov/wp-content/uploads/sites/6/C-10220110801.pdf including a certified survey, as required by 19.15.17.9(C)(2) NMAC via OCD Online.
5. [328741] Wapiti Operating, LLC shall inspect VPR B 344 FACILITY ID [fVV2325040523] Pit at least once per month during construction for compliance with the approved design and construction plan. [328741] Wapiti Operating, LLC shall maintain a log of each inspection and provide a copy of the log through OCD Online for each quarter beginning fifteen days (15) after the end of the quarter during construction.
6. No later than seventy-two (72) hours prior to installing the liner, [328741] Wapiti Operating, LLC shall notify the OCD through OCD Online.
7. [328741] Wapiti Operating, LLC shall inspect VPR B 344 FACILITY ID [fVV2325040523] Pit at least once per day for liner integrity, freeboard height, fluid level, debris, migratory birds and other wildlife, and releases while the drilling or workover rig is on location, and once per week after removal of the rig but prior to dewatering the VPR B 344 FACILITY ID [fVV2325040523] Pit. [328741] Wapiti Operating, LLC shall maintain a log of each inspection and provide a copy of the log through OCD Online for each quarter beginning fifteen days (15) after the end of the quarter during construction.
8. [328741] Wapiti Operating, LLC shall maintain no less than two (2) feet of freeboard at the Pit at all times.
9. 19.15.17.13 CLOSURE AND SITE RECLAMATION REQUIREMENTS: Closure notice. (1) The operator shall notify the surface owner by certified mail, return receipt requested that the operator plans closure operations at least 72 hours, but not more than one week, prior to any closure operation. Notice shall include well name, API number and location. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance with this requirement.
10. 19.15.17.13.G. Timing requirements for closure. An operator shall close a temporary pit, within the following time periods:

- (2) An operator shall close a permitted temporary pit within six months from the date that the operator releases the drilling or workover rig. The operator shall note the date of the drilling or workover rig's release on form C-105 or C-103, filed with the division, upon the well's or workover's completion. The appropriate division district office may grant an extension not to exceed three months.

11. After [328741] Wapiti Operating, LLC drains and dewaters VPR B 344 FACILITY ID [fVV2325040523] Pit, it shall inspect the Pit for liner integrity, fluid level, debris, migratory birds and other wildlife, and releases once per week until the pit is closed. If [328741] Wapiti Operating, LLC observes fluid in the VPR B 344 FACILITY ID [fVV2325040523] Pit during an inspection, it shall notify OCD through OCD Online, remove the fluid immediately, and submit a report characterizing the nature, volume, and source of the fluid via OCD Online.
12. After [328741] Wapiti Operating, LLC has drained and dewatered VPR B 344 FACILITY ID [fVV2325040523], [328741] Wapiti Operating LLC shall not discharge fluid into the Pit for any purpose except for an emergency as provided in 19.15.17.14 NMAC.
13. [328741] Wapiti Operating, LLC shall comply with 19.15.29 NMAC - Releases for any release related to or associated with the VPR B 344 FACILITY ID [fVV2325040523].

Please reference **VPR B 344 FACILITY ID [fVV2325040523]** in all future communications. Please let me know if you have any additional questions.
Regards,

Victoria Venegas ● Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov
https://www.emnrd.nm.gov/ocd/

Wapiti Operating, LLC
Siting Criteria

I certify that all the following are true statements and were made through visual inspection:

- This location is not 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).
- This location is not within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
- This location is not within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
- This location is not 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.
- This location is not within incorporated municipal boundaries or within a defined municipal freshwater field covered under municipal ordinance adopted pursuant to **NMSA** 1978, Section 3-27-3, as amended.
- This location is not within 500 feet of a wetland.
- This location is not within the area overlaying of a subsurface mine.
- This location is not within an unstable area.
- This location is not within a 100-year floodplain.

B. Wood

Brian Wood, Consultant

6-14-23

Date

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

U.S. Fish and Wildlife Service

National Wetlands Inventory

VPR B 344

June 15, 2023

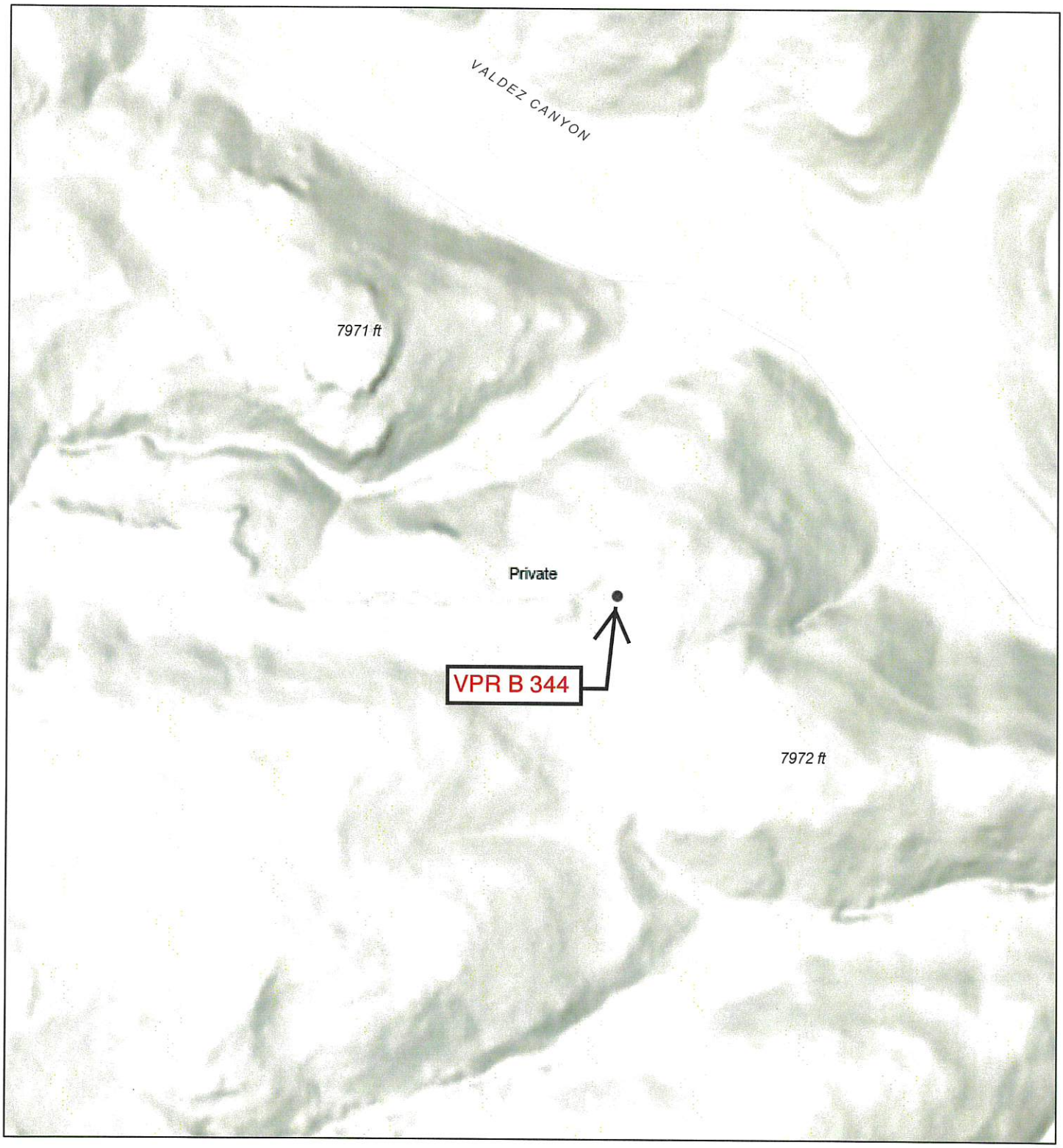
Wetlands_Alaska

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

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

National Wetlands Inventory (NWI)
This page was produced by the NWI mapper

VPR B 344



6/15/2023, 9:11:14 AM

Land Ownership

P

1:4,514

0 0.03 0.06 0.12 mi

0 0.05 0.1 0.2 km

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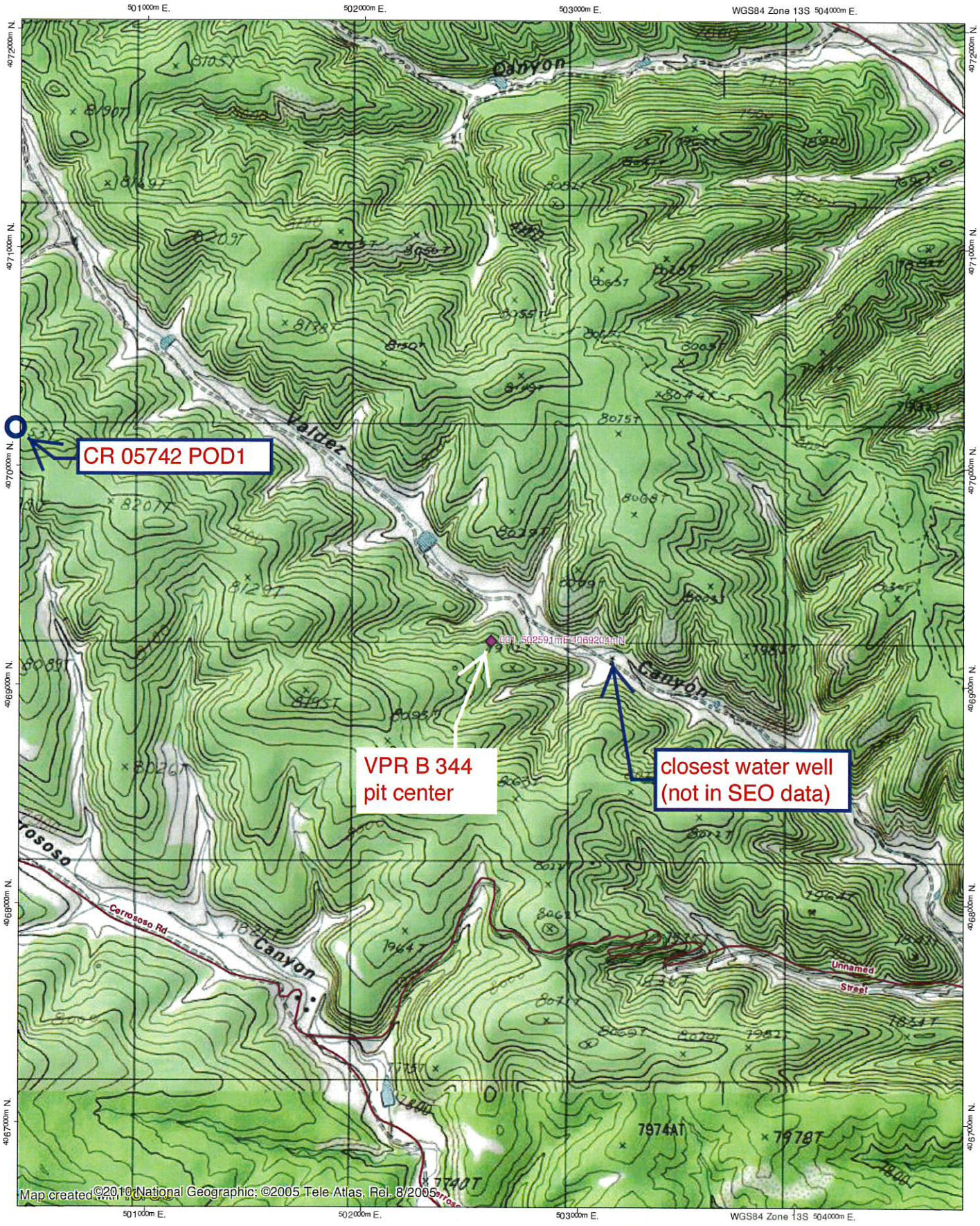
EMNRD MMD GIS Coordinator

NM Energy, Minerals and Natural Resources Department (http://nm-emnrd.maps.arcgis.com/apps/webappviewer/index.html?id=1b5e577974664d689b47790897ca2795)

TOPO! map printed on 06/14/23 from "Untitled.tpo"

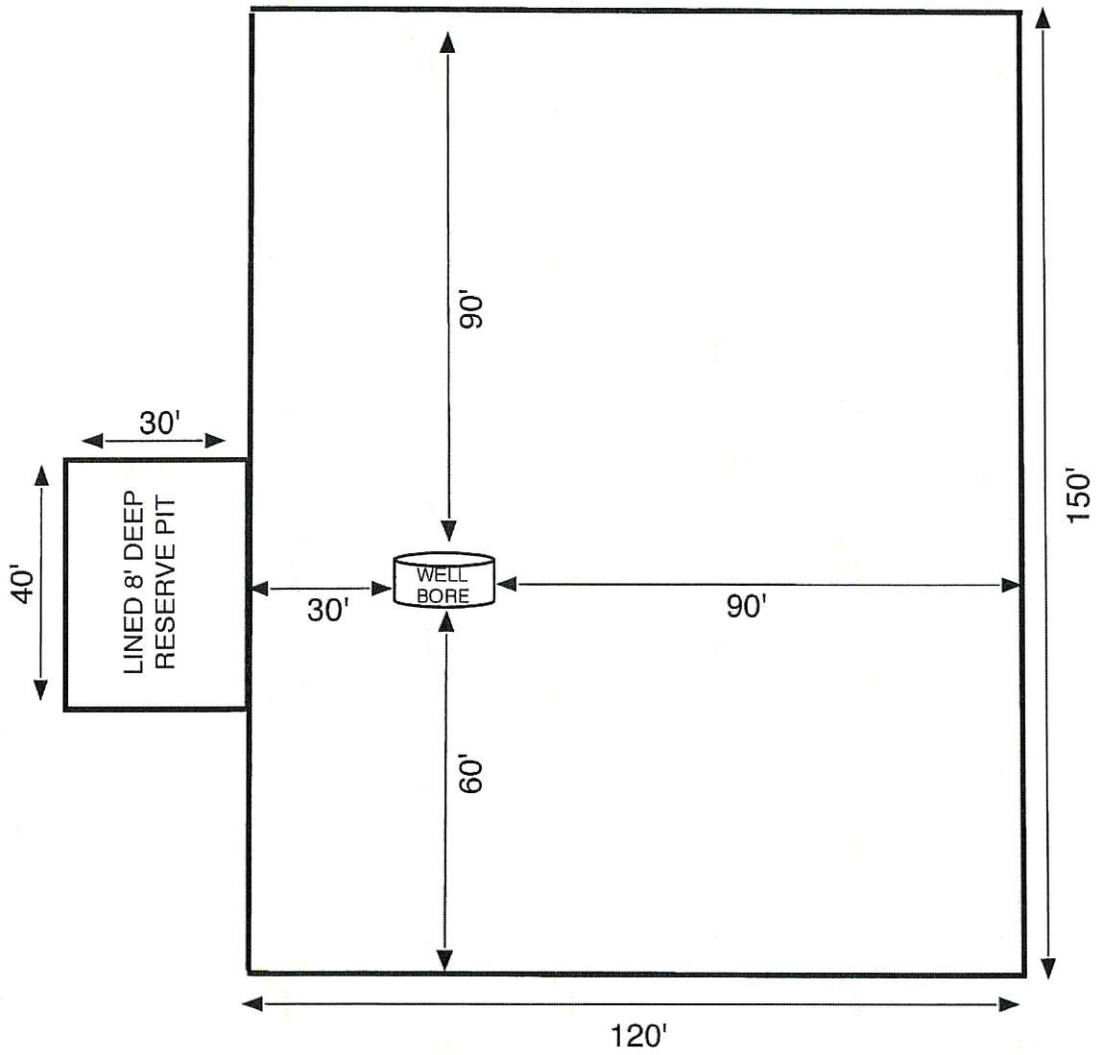


NATIONAL GEOGRAPHIC

0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 miles
0.0 0.5 1.0 km

TN MN
7°
06/14/23

Wapiti Operating, LLC
typical VPR pad & reserve pit
1" = 30'



PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

www.ose.state.nm.us

1. GENERAL AND WELL LOCATION

OSE POD NO. (WELL NO.)	WELL TAG ID NO.	OSE FILE NO(S).
POD 2 = VPR B-344		CR-6467

WELL OWNER NAME(S)	PHONE (OPTIONAL)
WAPITI OPERATING, LLC	

WELL OWNER MAILING ADDRESS	CITY	STATE	ZIP
309 SILVER STREET	RATON	NM	87740

WELL LOCATION (FROM GPS)		DEGREES	MINUTES	SECONDS	
	LATITUDE	36	46	6.43	N
	LONGITUDE	104	58	12.33	W

* ACCURACY REQUIRED: ONE TENTH OF A SECOND
* DATUM REQUIRED: WGS 84

DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS – PLSS (SECTION, TOWNSHIP, RANGE) WHERE AVAILABLE

2. DRILLING & CASING INFORMATION

LICENSE NO.	NAME OF LICENSED DRILLER	NAME OF WELL DRILLING COMPANY
WD-1799	BRUCE TRAINHAM	TRAINHAM CATTLE CO

DRILLING STARTED	DRILLING ENDED	DEPTH OF COMPLETED WELL (FT)	BORE HOLE DEPTH (FT)	DEPTH WATER FIRST ENCOUNTERED (FT)
08-17-2023	08-18-2023	26	26	N/A

COMPLETED WELL IS: ☐ ARTESIAN *add Centralizer info below ☑ DRY HOLE ☐ SHALLOW (UNCONFINED)

STATIC WATER LEVEL IN COMPLETED WELL (FT):

DATE STATIC MEASURED:

DRILLING FLUID: ☑ AIR ☐ MUD ADDITIVES – SPECIFY:

DRILLING METHOD: ☑ ROTARY ☐ HAMMER ☐ CABLE TOOL ☐ OTHER – SPECIFY:

CHECK HERE IF PITLESS ADAPTER IS INSTALLED ☐

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	BORE HOLE DIAM (inches)	CASING MATERIAL AND/OR GRADE (include each casing string, and note sections of screen)	CASING CONNECTION TYPE (add coupling diameter)	CASING INSIDE DIAM. (inches)	CASING WALL THICKNESS (inches)	SLOT SIZE (inches)
0	6	4-3/4	N/A	N/A	N/A	N/A	N/A
6	26	3-3/4	N/A	N/A	N/A	N/A	N/A

3. ANNULAR MATERIAL

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	BORE HOLE DIAM. (inches)	LIST ANNULAR SEAL MATERIAL AND GRAVEL PACK SIZE-RANGE BY INTERVAL *(if using Centralizers for Artesian wells- indicate the spacing below)	AMOUNT (cubic feet)	METHOD OF PLACEMENT
			N/A		

FOR OSE INTERNAL USE

WR-20 WELL RECORD & LOG (Version 09/22/2022)

FILE NO.	POD NO.	TRN NO.
LOCATION	WELL TAG ID NO.	PAGE 1 OF 2

4. HYDROGEOLOGIC LOG OF WELL

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	THICKNESS (feet)	COLOR AND TYPE OF MATERIAL ENCOUNTERED - INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES **(attach supplemental sheets to fully describe all units)**	WATER BEARING? (YES / NO)	ESTIMATED YIELD FOR WATER-BEARING ZONES (gpm)
0	5	5	BROWN CLAY	Y ✔ N	
5	6	1	BUFF SAND	Y ✔ N	
6	26	20	GRAY SANDSTONE LOOSELY CEMENTED	Y ✔ N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	

METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA:

☐ PUMP ☐ AIR LIFT ☐ BAILER ☐ OTHER – SPECIFY:

TOTAL ESTIMATED WELL YIELD (gpm):

5. TEST; RIG SUPERVISION

WELL TEST — TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING DISCHARGE METHOD, START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD.

MISCELLANEOUS INFORMATION: DRY HOLE

PRINT NAME(S) OF DRILL RIG SUPERVISOR(S) THAT PROVIDED ONSITE SUPERVISION OF WELL CONSTRUCTION OTHER THAN LICENSEE:

WILL WARD (APPRENTICE)

6. SIGNATURE

THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 30 DAYS AFTER COMPLETION OF WELL DRILLING:

BRUCE TRAINHAM — SIGNATURE OF DRILLER / PRINT SIGNEE NAME

08/22/2023 — DATE

FOR OSE INTERNAL USE

WR-20 WELL RECORD & LOG (Version 09/22/2022)

FILE NO.	POD NO.	TRN NO.
LOCATION	WELL TAG ID NO.	PAGE 2 OF 2

WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

www.ose.state.nm.us

1. GENERAL AND WELL LOCATION

OSE POD NO. (WELL NO.)	WELL TAG ID NO.	OSE FILE NO(S).
POD 3 = VPR D-312		CR-6467

WELL OWNER NAME(S)	PHONE (OPTIONAL)
WAPITI OPERATING, LLC	

WELL OWNER MAILING ADDRESS	CITY	STATE	ZIP
309 SILVER STREET	RATON	NM	87740

WELL LOCATION (FROM GPS)		DEGREES	MINUTES	SECONDS	
	LATITUDE	36	52	12.32	N
	LONGITUDE	105	3	3.95	W

* ACCURACY REQUIRED: ONE TENTH OF A SECOND

* DATUM REQUIRED: WGS 84

DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS – PLSS (SECTION, TOWNSHIP, RANGE) WHERE AVAILABLE

2. DRILLING & CASING INFORMATION

LICENSE NO.	NAME OF LICENSED DRILLER	NAME OF WELL DRILLING COMPANY
WD-1799	BRUCE TRAINHAM	TRAINHAM CATTLE CO

DRILLING STARTED	DRILLING ENDED	DEPTH OF COMPLETED WELL (FT)	BORE HOLE DEPTH (FT)	DEPTH WATER FIRST ENCOUNTERED (FT)
08-19-2023	08-19-2023	26	26	N/A

COMPLETED WELL IS: ☐ ARTESIAN *add Centralizer info below ☑ DRY HOLE ☐ SHALLOW (UNCONFINED)

STATIC WATER LEVEL IN COMPLETED WELL (FT):

DATE STATIC MEASURED:

DRILLING FLUID: ☑ AIR ☐ MUD ADDITIVES – SPECIFY:

DRILLING METHOD: ☑ ROTARY ☐ HAMMER ☐ CABLE TOOL ☐ OTHER – SPECIFY:

CHECK HERE IF PITLESS ADAPTER IS INSTALLED ☐

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	BORE HOLE DIAM (inches)	CASING MATERIAL AND/OR GRADE (include each casing string, and note sections of screen)	CASING CONNECTION TYPE (add coupling diameter)	CASING INSIDE DIAM. (inches)	CASING WALL THICKNESS (inches)	SLOT SIZE (inches)
0	12	4-3/4	N/A	N/A	N/A	N/A	N/A
12	15	4-3/4	N/A	N/A	N/A	N/A	N/A
15	22	3-3/4	N/A	N/A	N/A	N/A	N/A
22	26	3-3/4	N/A	N/A	N/A	N/A	N/A

3. ANNULAR MATERIAL

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	BORE HOLE DIAM. (inches)	LIST ANNULAR SEAL MATERIAL AND GRAVEL PACK SIZE-RANGE BY INTERVAL *(if using Centralizers for Artesian wells- indicate the spacing below)	AMOUNT (cubic feet)	METHOD OF PLACEMENT
			N/A		

FOR OSE INTERNAL USE

WR-20 WELL RECORD & LOG (Version 09/22/2022)

FILE NO.	POD NO.	TRN NO.
LOCATION	WELL TAG ID NO.	PAGE 1 OF 2

4. HYDROGEOLOGIC LOG OF WELL

DEPTH (feet bgl) FROM	DEPTH (feet bgl) TO	THICKNESS (feet)	COLOR AND TYPE OF MATERIAL ENCOUNTERED - INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES **(attach supplemental sheets to fully describe all units)**	WATER BEARING? (YES / NO)	ESTIMATED YIELD FOR WATER-BEARING ZONES (gpm)
0	12	12	BROWN CLAY	Y ✔ N	
12	15	3	DARK GRAY SHALE CLAY BASE	Y ✔ N	
15	22	7	GRAY SANDSTONE	Y ✔ N	
22	26	4	SOFT GRAY SHALE CLAY BASED	Y ✔ N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	

METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA:

☐ PUMP ☐ AIR LIFT ☐ BAILER ☐ OTHER – SPECIFY:

TOTAL ESTIMATED WELL YIELD (gpm):

5. TEST; RIG SUPERVISION

WELL TEST — TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING DISCHARGE METHOD, START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD.

MISCELLANEOUS INFORMATION: DRY HOLE

PRINT NAME(S) OF DRILL RIG SUPERVISOR(S) THAT PROVIDED ONSITE SUPERVISION OF WELL CONSTRUCTION OTHER THAN LICENSEE:

WILL WARD (APPRENTICE)

6. SIGNATURE

THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 30 DAYS AFTER COMPLETION OF WELL DRILLING:

BRUCE TRAINHAM — SIGNATURE OF DRILLER / PRINT SIGNEE NAME

08-22-2023 — DATE

FOR OSE INTERNAL USE — WR-20 WELL RECORD & LOG (Version 09/22/2022)

FILE NO.	POD NO.	TRN NO.
LOCATION	WELL TAG ID NO.	PAGE 2 OF 2

National Flood Hazard Layer FIRMette

FEMA

104°58'34"W 36°46'21"N

0 250 500 1,000 1,500 2,000 Feet

1:6,000

104°57'57"W 36°45'53"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOU

SPECIAL FLOOD HAZARD AREAS
- Without Base Flood Elevation (BFE) Zone A, V, A99
- With BFE or Depth Zone AE, AO, AH, VE, A
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD
- 0.2% Annual Chance Flood Hazard, A of 1% annual chance flood with aver depth less than one foot or with drain areas of less than one square mile Zo
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zon

OTHER AREAS
- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone

GENERAL STRUCTURES
- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES
- 20.2 Cross Sections with 1% Annual Chance
- 17.5 Water Surface Elevation
- Coastal Transect
- 513 Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS
- Digital Data Available
- No Digital Data Available
- Unmapped

N

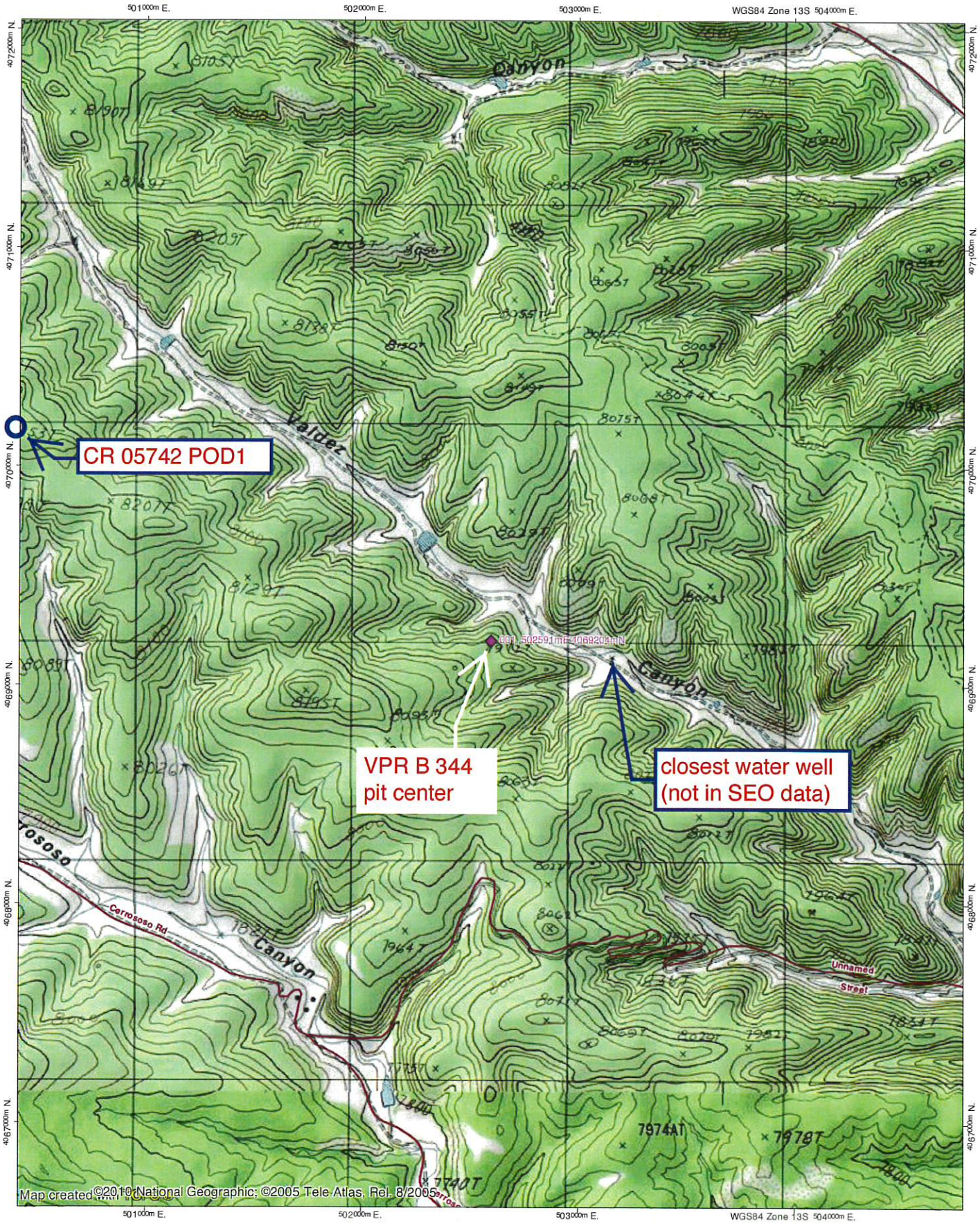
The pin displayed on the map is an approximate point selected by the user and does not represe an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/15/2023 at 11:18 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

TOPO! map printed on 06/14/23 from "Untitled.tpo"



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

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

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

(NAD83 UTM in meters)

(In feet)

2476 meters
= 1.53 miles

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
CR 05742 POD2		CR	CO	2	1	4	04	29N	18E	500313	4070176	2476	105		

Average Depth to Water: --

Minimum Depth: --

Maximum Depth: --

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 502591 **Northing (Y):** 4069204 **Radius:** 3220

6/15/23 7:53 AM

WATER COLUMN/ AVERAGE DEPTH TO WATER

Wapiti Operating, LLC
Pit Design and Construction Plan

In accordance with Rule 19.15.17 NMAC the following information describes the design and construction of temporary pits on Wapiti Operating, LLC locations. This is Wapiti's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

1. Wapiti will design and construct a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.

2. Prior to construction of the pit, topsoil will be stockpiled in the construction zone for later use in restoration.

3. Wapiti will post a well sign, not less than 12" by 24", on the well site prior to construction of the temporary pit. The sign will list the operator on record as the operator, the location of the well site by section, township, range, and emergency numbers.

4. Wapiti shall construct all new fences utilizing 4 strand barbed wire. T-posts will be installed every 12 feet. Corners shall be anchored using wood posts. The entire location including pits will be fenced at all times.

5. Wapiti shall construct the temporary pits so that the foundation and interior slope are firm and free of rocks, debris, sharp edges, or irregularities to prevent liner failure.

6. Pit walls will be walked down by a crawler type tractor following construction.

7. All temporary pits will be lined with 20-mil, reinforced, LLDPE liner, complying with EPA SW-846 method 9090A requirements.

8. Geotextile will be installed beneath the liner when rocks, debris, sharp edges, or irregularities cannot be avoided.

9. All liners will be anchored in the bottom of a compacted earth-filled trench at least 18 inches deep.

10. Wapiti will use bonded seamed liners.

11. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.

12. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.

13. The volume of the pit shall not exceed 10 acre-feet, including freeboard.

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

Wapiti Operating, LLC

Maintenance and Operating Plan for Temporary Pits

In accordance with Rule 19.15.17 NMAC, Wapiti Operating, LLC (Wapiti) will maintain and operate a temporary pit in accordance with the following plan:

1. Wapiti will discharge into a temporary pit only fluids used or generated during the drilling or workover process.

2. Wapiti will maintain a temporary pit free of miscellaneous solid waste or debris.

3. Any hydrocarbon-based drilling fluid generated during the drilling or workover operation will be contained in an appropriate tank, it will not be discharged into a temporary pit. If any measurable layer of oil from the surface or a temporary pit after any drilling or workover operation, Wapiti will remove it immediately.

4. Wapiti will maintain at least 2-feet of freeboard for a temporary pit.

5. Wapiti will use a check list to perform a daily pit inspection while the drilling or workover rig is on-site. After drilling or workover operations, Wapiti will inspect the temporary pit weekly so long liquids remain in the temporary pit. A log of the inspections will be kept in the well file, inspections will be available for the district office's review upon request. Wapiti will file a copy of the log with the District IV office once temporary pit is closed.

6. Wapiti shall remove all free liquids from a temporary pit within 30 days from the date the drilling or workover rig is released.

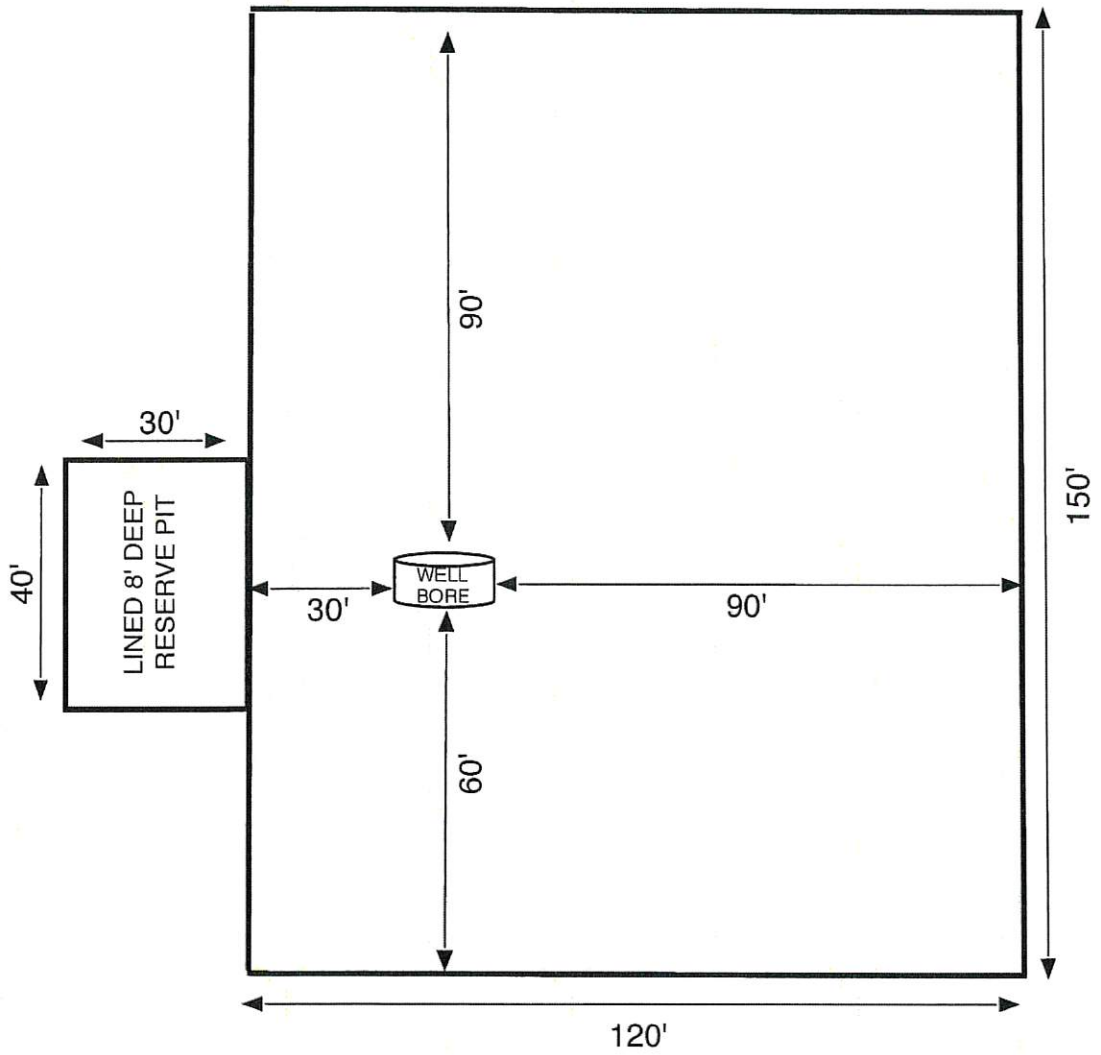
7. Wapiti shall remove any liquids from the temporary pit used for cavitation within 48 hours after completing cavitation. Wapiti may request additional time to remove the liquids from The District IV Division Office if it is not feasible to remove the liquids within 48 hours.

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

PIT DESIGN:

1. This pit will be for the cuttings from the drilling/coring of the well.
2. These wells are air drilled and use very little fluid.
3. The fluid used will be considered low chloride fluids.
4. Due to the nature of the fluids, the volume, and the relative small size, we are asking for an exemption to the existing 2H:1V slope ratio.
    a. Typical Permian Basin pits are over 50,000 sq ft, this pit will be 2% of that size, at roughly 1,200 sq ft.
5. By using a more aggressive slope ratio, we can reduce the surface impact by 66%.
6. This design also accounts for the 2' of freeboard.
7. The pit will have fencing around it for obvious safety reasons.
8. Pit bottom will be free of rocks and any sharp debris that could tear the 20 mil liner that will be used.
9. Construction will avoid excessive stress-strain on the liner by screening the subgrade for deleterious materials and rock and using geotextile where needed, utilized experienced personnel for the installation of the liner, taking care when unrolling liner material and limiting the use of any machinery that could damage the liner.
10. The liner will anchored on all sides.
11. The design includes a berm and bar ditch around the entirety of the pit to prevent run off surface water. The berm will be maintained from construction to closure
12. No venting or flaring of gas will take place during the construction, use, and closure of the pit and, as such, the entirety of the pit will be lined.

Wapiti Operating, LLC
typical VPR pad & reserve pit
1" = 30'



PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

Wapiti Operating, LLC
Pit Closure Plan

In accordance with Rule 19.15.17.12 NMAC, the following information describes the closure requirements of temporary pits on locations. This is Wapiti Operating, LLC's (Wapiti) standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

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

- Details on Capping and Covering, where applicable
- Plot Plan (Pit Diagram)
- Inspection Reports
- Sampling Results

General Plan

1. Free standing liquids will be removed as soon as practical for recycle use in the drilling of other wells. Any free-standing liquids that are not recycled will be removed prior to pit closure and disposed of in a division approved facility or recycle, reuse or reclaim the liquids in a manner the appropriate division district office approves. Pit solids will be allowed to air dry as completely as possible prior to starting pit closing activities.
2. The preferred method of closure for all temporary pits will be on-site burial, assuming that all the criteria listed in sub-section (8) of 19.15.17.13 are met.
3. The surface owner will be notified of Wapiti's proposed closure plan using a means that provides proof of notice (i.e., certified mail, return receipt requested).
4. Within 6 months of the Rig Off status occurring, Wapiti will ensure that temporary pits are closed, re-contoured.
5. Notice of Closure will be given to the Santa Fe Division office between 72 hours and one week of closure, via email, or verbally. The notification of closure will include the following:
    - Operator's Name
    - Location by Section, Township, Range, Well Name and API Number
6. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "All" of the liner (i.e., edges of liner entrenched or buried). All excessive liner will be disposed of at a licensed disposal facility.
7. Pit contents shall be tested prior to mixing of any soils. Test results will be compared to NMOCD limits. If the test results are within the NMOCD limits, then no soil will be mixed with the pit contents. If the sample results exceed the NMOCD limits, thne the contents will be mixed with non-waste containing, earthen material in order to achieve the solidification process. The mixing ratio

Wapiti Operating, LLC
Pit Closure Plan Cont'd

parts clean soil to 1 part pit contents. The mixed contents will then be re-tested and the results will be compared to the NMOCD limits.

8. A five point composite sample will be taken of the pit using sampling tools and all samples tested per subsection B of 19 15 17 13(8)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19 15 17 13 (i.e. dig, haul).

Composite	Tests Method	Limit (mg/kg)
Benzene	EPA SW-846 8021B or 8260B	10.0
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

9. Upon completion of testing, the pit area will be backfilled with compacted, non-waste containing, earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding as closely as possible. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainage will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
11. Notification will be sent to NMOCD when the reclaimed area is seeded.
12. Wapiti shall seed the disturbed areas upon abandonment of the pit and well site. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. Vegetation cover will be as per Vermejo Ranch requirements.
13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker will be flushed with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicated the onsite burial of the temporary pit. The plate will be easily removable and a four foot tall riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time of all wells on the pad are abandoned. The operator's information will include the following
- Operator Name, Lease Name, Well Name and number, Section, Township, Range and an indicator that the marker is an onsite burial location.

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) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 263104

CONDITIONS

Operator: Wapiti Operating, LLC 1251 Lumpkin Rd Houston, TX 77043	OGRID: 328741
	Action Number: 263104
	Action Type: [C-144] Temporary Pit Plan (C-144T)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	NMOCD has reviewed and approved the permit application and form C-144 for a temporary pit containing low chloride fluid submitted by [328741] Wapiti Operating, LLC for the VPR B 344 FACILITY ID [fVV2325040523] pit associate with well 30-007-20996 VPR B #344. [328741] Wapiti will comply with the conditions of approval. [328741] Wapiti Operating, LLC shall design, construct, operate, maintain, and close VPR B 344 FACILITY ID [fVV2325040523] Pit in compliance with 19.15.17 NMAC. [328741] Wapiti shall construct and operate the temporary pit in a safe manner to prevent contamination of fresh water and protect public health and the environment. Please reference VPR B 344 FACILITY ID [fVV2325040523] in all future communications	9/7/2023