State of New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr.

Form C-144 Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office. For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or

Santa Fe, NM 87505

<u>Proposed Alternative</u>	Method Permi	<u>t or Clos</u>	sure Plan A	Applicati	<u>on</u>
Closure of a pit, Modification to	k registration r proposed alternative below-grade tank, or an existing permit/or ly submitted for an ex	proposed a registration	l		below-grade tank,
Instructions: Please submit one application	ion (Form C-144) per i	individual pi	t, below-grade	tank or altern	ative request
Please be advised that approval of this request does not relieve the environment. Nor does approval relieve the operator of its response.	e operator of liability shousibility to comply with a	ould operation any other appl	s result in pollut icable governme	ion of surface vental authority's	water, ground water or the rules, regulations, or ordinances.
Operator:M&G Drilling CO INC		OGRID	#:141852		
Address:P.O. Box 5940 Farmington, NM 87499					·
Facility or well name:Schlosser #016					
API Number:30-045-06619					
U/L or Qtr/QtrPSection10Tow	nship27N	Range	11W	_ County:	San Juan
Center of Proposed Design: Latitude36.5857124	I	Longitude	107.9850082		NAD83
Surface Owner: ☑ Federal ☐ State ☐ Private ☐ Tribal T	rust or Indian Allotmen	t			
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ I☐ Lined ☐ Unlined Liner type: Thickness	nil 🗌 LLDPE 🗌 HI	DPE PV	C Other _		
3. Subsection I of 19.15.17.11 NMA					
Volume:100bbl Type of fluid: _		er			
Tank Construction material:Steel					
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					
Liner type: Thicknessmil	ZE PVC Otner				
4. Alternative Method:					8
Submittal of an exception request is required. Exceptions r	nust be submitted to the	Santa Fe Er	vironmental Bu	ireau office fo	r consideration of approval.
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to p Chain link, six feet in height, two strands of barbed wire institution or church)	at top (Required if loca	nted within 10	Ü	,	ence, school, hospital,
Four foot height, four strands of barbed wire evenly space		ur feet			
Alternate. Please specify Four Foot height with mesh T-Post					

Form C-144 Oil Conservation Division

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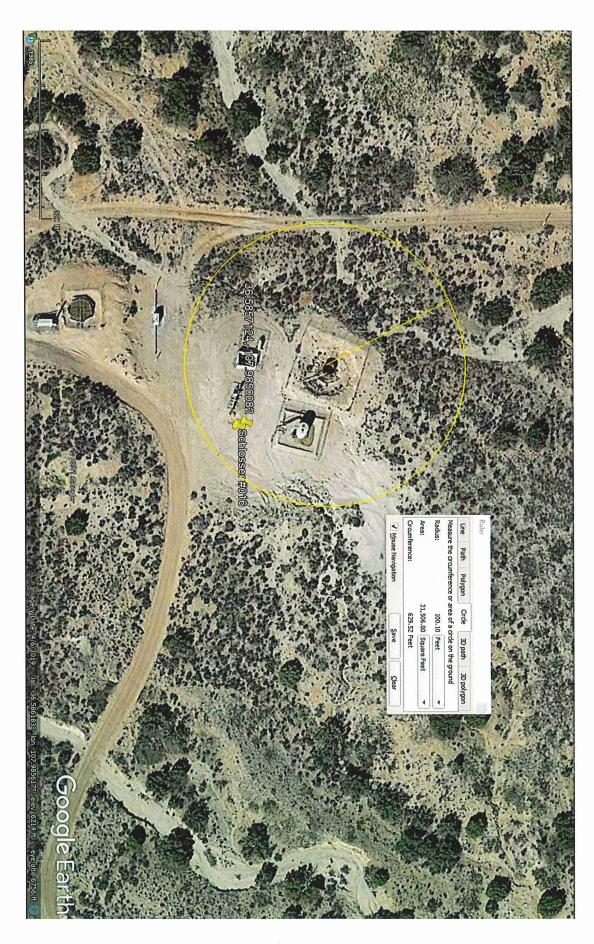
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adopted pursuant to NMSA 1978, Section 3-27-3, as amende - Written confirmation or verification from the munic	ed. ipality; Written approval obtained fro	m the municipality	☐ Yes ☐ No		
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the	e NM EMNRD-Mining and Mineral I	Division	☐ Yes ☐ No		
Within an unstable area. - Engineering measures incorporated into the design; Society; Topographic map	NM Bureau of Geology & Mineral Ro	esources; USGS; NM Geological	☐ Yes ☐ No		
Within a 100-year floodplain FEMA map			Yes No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of 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 19.15.17.13 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 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					
Operator Application Certification: I hereby certify that the information submitted with this application (Print): Vanessa Fields Signature: e-mail address: vanessa@walsheng.net	Title:Regulatory (e to the best of my knowledge and becompliance ManagerAgent/Repress3/08/2021			
OCD Approval: Permit Application (including closure OCD Representative Signature:			uly 21, 2021		
OCD Representative Signature:	OCD Permit	DOT 4	ary 21, 2021		
19. Closure Report (required within 60 days of closure compartments) Instructions: Operators are required to obtain an approve The closure report is required to be submitted to the division section of the form until an approved closure plan has been section of the form until an approved closure plan has been section.	ed closure plan prior to implementing on within 60 days of the completion o en obtained and the closure activities —	of the closure activities. Please do			
20. Closure Method: Waste Excavation and Removal ☐ On-Site Closure If different from approved plan, please explain.	Method	ethod Waste Removal (Closed	-loop systems only)		
Closure Report Attachment Checklist: Instructions: Earmark 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 Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicated Waste Material Sampling Analytical Results (required Disposal Facility Name and Permit Numbers Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technical Site Reclamation (Photo Documentation) On-site Closure Location: Latitude	r private land only) able) d for on-site closure)	nached to the closure report. Please	e indicate, by a check 5 of 6		
					

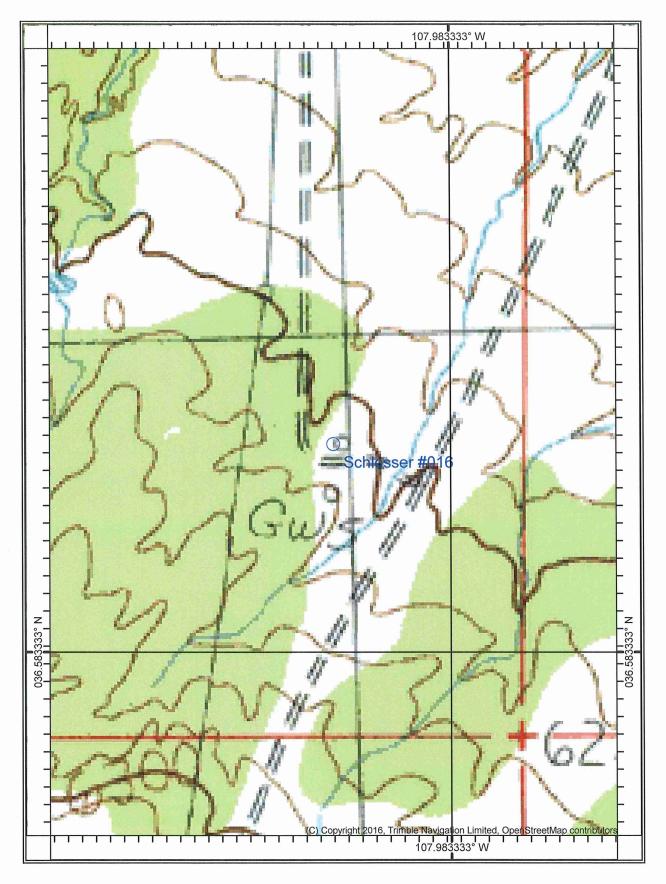
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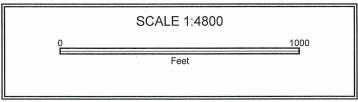
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30-045-06619 SCHLOSSER #016 Sitting Criteria



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

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

PLSS Search:

Section(s): 10

Township: 27N

Range: 11W

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

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WATER COLUMN/ AVERAGE DEPTH TO WATER

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

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

PLSS Search:

Section(s): 9

Township: 27N

Range: 11W

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

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WATER COLUMN/ AVERAGE DEPTH TO WATER

30-045-06613

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS NORTHWESTERN NEW MEXICO (Submit 3 copies to OCD Aztec Office)

Operator ARCO Oll and Gas Company Location: Unit P Sec. 10 Twp 27N Rng 11W
Name of Well/Wells or Pipeline Serviced Schlosser WN Fed. #7
6214' 10/26/84 250' F-SF078673
Elevation Completion Date Total Depth Land Type*
Casing, Sizes, Types & Depths Open hole, 7-7/8"
Casing, Sizes, Types & Depths
If Casing is cemented, show amounts & types used
OIL CON. DIV.
If Cement or Bentonite Plugs have been placed, show depths & amounts used
Depths & thickness of water zones with description of water when possible: Fresh, Clear, Salty, Sulphur, Etc. Not available.
Depths gas encountered: None
Type & amount of coke breeze used: Hole filled with metallurgical coke breeze from bottom to surface by slurry method.
Depths anodes placed:
Depths vent pipes placed: 245' to 3' above ground
Vent pipe perforations: 1/8" holes every 6" from 245' to 155'
Remarks: 3" x 60" graphite anodes

If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & Well Bore Schematics should be submitted when available. Unplugged abandoned wells are to be included *Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee.

If Federal or Indian, add Lease Number.

WELL TYPE GROUNDBED DATA

Data Sheet No. 25

COMPANY ARCO OIL AND GAS CO.		
WELL: SCHLOSSER #7	PIPELINE	
LOCATION: SEC. 10 TWP. 27-N RGE 11-W CO.		
ELEVft. ROTARY	ft. CABLE TOOLft. CA	SING
GROUNDBED: DEPTH 250 11. DIA 778 In. GAB #2.	000168. ANODES 8-3"X60" UCAR	? 79

DEPTH.	OBJULEDIC LOC	FINAL ANODE TO STRUCTURE			EXPLORING ANODE TO STRUCTURE		DEPTH TOP OF	
FT.	DRILLER'S LOG	E	1	R	E	ı	R	ANODES
50	0-20 BROWN SAND	14.5	i		12.6	2.5		
55	20-190 BILLE SAND		1			1.8		
60	130-180 BLUE SANDY SHALE - ME 180-250 BLUE SAND	VST				1.7		
65	180-250 BLUF SAND					1.3		
70		l	,			1.2		
75						1.5		
80		i				1.5		
85						1.6		
90		1				1.7	ı	
95		i		•		1.7		
100						2.7		1
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10		:				2.6		:
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GROUNDED RESISTANCE: (1) VOLTS _____ + AMPS _____- 0

Corrosion Specialists, Ltd.

(2) VIBROGROUND _____OHMS

National Flood Hazard Layer FIRMette



Legend

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

Regulatory Floodway SPECIAL FLOOD HAZARD AREAS

Without Base Flood Elevation (BFE)
Zone A. V. A99
With BFE or Depth Zone AE, AO, AH, VE, AR

0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainag areas of less than one square mile Zone

Area with Flood Risk due to Levee Zone D Area with Reduced Flood Risk due to Future Conditions 1% Annual Levee. See Notes. Zone X

OTHER AREAS OF FLOOD HAZARD

NO SCREEN Area of Minimal Flood Hazard Zone X **Effective LOMRs**

Area of Undetermined Flood Hazard Zone

OTHER AREAS

Channel, Culvert, or Storm Sewer GENERAL - - - Channel, Culvert, or Storn STRUCTURES | 1111111 Levee, Dike, or Floodwall Cross Sections with 1% Annual Chance Water Surface Elevation

Coastal Transect Base Flood Elevation Line (BFE)

Limit of Study more 513 more

Coastal Transect Baseline

Hydrographic Feature Profile Baseline

OTHER FEATURES

Digital Data Available

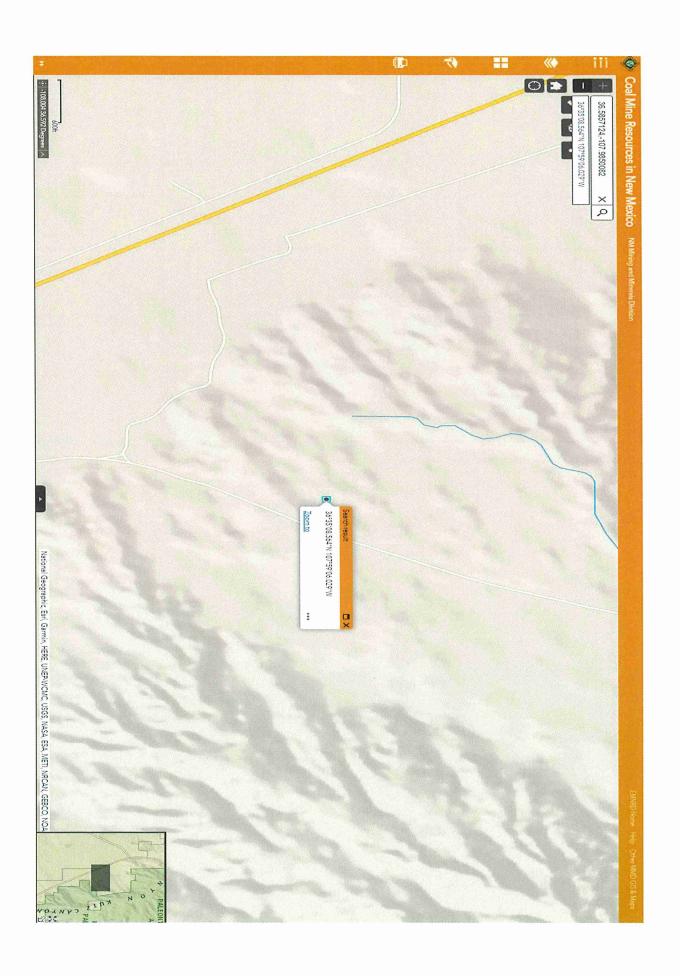
No Digital Data Available

MAP PANELS

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

This map compiles 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

authoritative NFHL web services provided by FEMA. This map reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or The flood hazard information is derived directly from the 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, FIRM panel number, and FIRM effective date. Map images for



M&G Drilling CO INC San Juan Basin **Below Grade Tank** Closure Plan

Lease Name: Schlosser #016 API No.: 30-045-06619

Description: Unit P, Section 10, Township 27N, Range 11W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on M&G Drilling CO INC locations. This is M&G Drilling CO INC standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

- 1. M&G DRILLING CO INC will obtain approval of this closure plan prior to commencing closure of the below grade tank at this location pursuant to 19.15.17.13.C (1) NMAC
- 2. M&G DRILLING CO INC will notify the surface owner by certified mail, return receipt requested, that the M&G Drilling CO INC plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
 - a. Well Name
 - b. API#
 - c. Well Location
- 3. Within 60 days of cessation of operations, M&G DRILLING CO INC will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
 - a. Soils, tank bottoms, produced sand, pit sludge and other exempt wastes impacted by petroleum hydrocarbons will be disposed of at: Envirotech: Permit #NM01-0011 and IEI: Permit # NM01-0010B
 - b. Produced Water will be disposed of at: Basin Disposal: Permit # NM01-005 and M&G DRILLING CO INC owned saltwater Disposal Facilities

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- 4. Within six (6) months of cessation of operations, M&G DRILLING CO INC will remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. If there is any equipment associated with a below-grade tank, then the M&G Drilling CO INC shall remove the equipment, unless the equipment is required for some other purpose.
- 5. M&G DRILLING CO INC will collect a closure sample of the soil beneath the location of the below grade tank that is being closed. The closure sample will consist of a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination. The closure sample will be analyzed for all constituents listed in Table I below, including DRO+GRO, Chlorides, TPH, benzene and BTEX.

		Table I	
		Soils Impacted by a Release	p
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤ 50 feet	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
51 feet-100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	10,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
>100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

- 6. If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and the M&G Drilling CO INC must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then the M&G Drilling CO INC can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.
- 7. After closure has occurred, M&G DRILLING CO INC will reclaim the former BGT area, if it is no longer being used for extraction of oil and gas, by substantially restoring the impacted surface area to the condition that existed prior to oil and gas operations. M&G DRILLING CO INC will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover materials. The soil cover shall consist of the background thickness of topsoil, or one foot of suitable materials to establish vegetation at the site, whichever is greater. All areas will be reclaimed as early as practicable, and as close to their original condition or land use as possible. They shall be maintained in a way as to control dust and minimize erosion.
- 8. M&G DRILLING CO INC will complete reclamation of all disturbed areas no longer in use when the ground disturbance activities at the site have been completed. The reseeding shall take place during the first favorable growing season after closure. Reclamation activities will be considered completed when a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of predisturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.
 - *Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above requirements, provided they provide equal or better protection of fresh water, human health and the environment.
- 9. M&G DRILLING CO INC will notify the Aztec Office of the NMOCD by email when reclamation and closure activities are completed.
- 10. Within 60 days of closure, M&G DRILLING CO INC will submit a closure report to the Aztec office of the NMOCD, filed on Form C-144. The report will include the following:
 - a. Proof of closure notice to NMOCD and surface owner
 - b. Confirmation sampling analytical results
 - c. Soil backfill and cover installation information
 - d. Photo documentation of site reclamation

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

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 23455

CONDITIONS

Operator:	OGRID:
M & G DRLG CO INC	141852
P.O. Box 5940	Action Number:
Farmington, NM 87499	23455
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	7/21/2021