

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

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

Form C-144  
July 21, 2008

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

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

Type of action:  Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method  
 Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method  
 Modification to an existing permit  
 Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

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

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

1.  
Operator: Forest Oil Corporation \_\_\_\_\_ OGRID #:8041 \_\_\_\_\_  
Address: 3504 NW County Road Hobbs, NM 88240 \_\_\_\_\_  
Facility or well name: Skelly Unit 96 \_\_\_\_\_  
API Number: 30-015-05424 \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr W \_\_\_\_\_ Section 27 \_\_\_\_\_ Township 17S \_\_\_\_\_ Range 31E \_\_\_\_\_ County: Eddy \_\_\_\_\_  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  
 **Pit:** Subsection F or G of 19.15.17.11 NMAC  
Temporary:  Drilling  Workover  
 Permanent  Emergency  Cavitation  P&A  
 Lined  Unlined Liner type: Thickness 12 \_\_\_\_\_ mil  LLDPE  HDPE  PVC  Other \_\_\_\_\_  
 String-Reinforced  
Liner Seams:  Welded  Factory  Other stitched \_\_\_\_\_ Volume: 50 \_\_\_\_\_ bbl Dimensions: L15' \_\_\_\_\_ x W8' \_\_\_\_\_ x D4' \_\_\_\_\_

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.



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.*

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

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

X Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)

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

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

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

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

*Instructions: Please 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. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <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). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input 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. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input 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. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design: NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input 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): Rick Rickman Title: HSE

Signature: Rick Rickman Date: \_\_\_\_\_

e-mail address: rdrickman@forestoil.com Telephone: 575 392 9797

20.

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

OCD Representative Signature: Mike Brannon Signed By \_\_\_\_\_ Approval Date: JUL 06 2009

Title: \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_

21.

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

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

Closure Completion Date: \_\_\_\_\_

22.

**Closure Method:**

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

23.

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

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

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

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

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

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

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

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

24.

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

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

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

25.

**Operator Closure Certification:**

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

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

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

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



# New Mexico Energy, Minerals and Natural Resources Department

---

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



## Conditions of approval for closure of a drilling or work over pit

Notify OCD District 2 office 48 hours prior to commencement of closure activities.

Notify OCD District 2 office 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Sampling requirements are listed in 19.15.17.13 [NMAC] (Pit Rule)

Final closure report is to be submitted to OCD not later than 60 days after completion of closure.

Surface restoration per OCD/BLM requirements.



HUNGRY HORSE, LLC  
ENVIRONMENTAL SERVICES

---

Dirt Work \* On-Site Remediation \* Soil Testing \* Excavation

TO: Mike Bratcher, NM OCD Dist II  
Tim Gum, NM OCD Dist II  
REFERENCE: Work Plan for Closure of a Temporary Pit

OPERATOR: Forest Oil Corporation  
LOCATION: Skelly Unit 96  
API: 30-015-05424  
LEGALS: UL, W, Sec. 27, T 17S, R 31E  
DEPTH TO GROUNDWATER: 200'

Protocols and Procedures: The closure of this work over pit will be accomplished by using the Waste Excavation and Removal method. All contents of the pit to include the synthetic liner will be removed and disposed of at a division approved facility. The pit will be excavated to 2' below the liner at which point soil sampling/analysis will be conducted to determine if a release has occurred. If it is determined that a release has occurred, an Initial C 141 will be submitted and work will proceed until further soil analysis indicate the levels of contaminants have reached acceptable levels as per NM OCD guidelines.

Confirmation Sampling: A composite soil sample of the excavated area will be obtained and analyzed to determine the presence/levels of Benzene, BTEX, TPH, GRO/DRO, and Chlorides. All analysis will be conducted using NM OCD approved analytical methods.

Disposal Facility: Controlled Recovery Inc, (R9166)

Soil Backfill and Cover Design Specifications: The excavated area will be backfilled to the existing grade of the location using stockpiled material that came from the pit construction. Should additional material be required for backfill, it will be obtained from a near-by source.

Re-vegetation Plan: Any affected area off the well location will be contoured to match the surrounding terrain and will be seeded using a BLM #2 seed mixture.

Vernon K. Black, Hungry Horse, LLC

 6 Jun 2009

7008 1140 0001 4145 1896



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

\*Response Required - Deadline Enclosed\*

Field Inspection Program
Preserving the Integrity of Our Environment

25-Jun-09

FOREST OIL CORPORATION
3504 W. County Rd.
Hobbs NM 88240

LOV NO. 02-09-030

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

Table with 7 columns: Inspection Date, Type Inspection, Inspector, Violation?, Significant Non-Compliance?, Corrective Action Due By, Inspection No. Row 1: SKELLY UNIT No.096, 06/25/2009, Routine/Periodic, Tim Gum, Yes, No, 7/20/2009, iTWG0917650765

Comments on Inspection: Workover pit not fenced, closed and the liner is breached. No well sign.

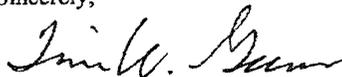
Violation of Rule 19.15.17.11 D (1) NMAC workover pit not fenced, Rule 19.15.17.12 A.(4) NMAC pit liner integrity is compromised, Rule 19.15.17.13 A. (6) NMAC an operator shall close pit, and Rule 19.15.16.8 A. NMAC no sign at well.

Corrective action to be taken by 7/20/09: Submit Form C-144 for closure, fence pit area till pit closed, install well sign and C-103 stating date well sign and fence were installed to Tim Gum.

30-015-05424 UL.W Sec 27, T 17S, R 31E

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.  
\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.