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

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

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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 alto Closure of a pit, closed-loop system, below-grade tank, or proposed a Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted below-grade tank, or proposed alternative method	lternative method				
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grad	le 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 sunvironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental auti	urface water, ground water or the				
Operator://ICKAY O/L CORPORATION OGRID#: /49a	9				
Operator: MCKAY OIL CORPORATION Address: PO BOL 2014 ROSWELL NM 88202-2014 Facility or well name: MCKAY "B" FUDURAL #4					
Facility or well name: MCKAY 48" FUDGRAL #4					
API Number: 30-005-64082 OCD Permit Number:					
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	RECEIVED				
Temporary: ☑ Drilling ☐ Workover	MAY 11 2011				
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A	IVIAL 11 ZULL				
Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other	NMOCD ARTESIA				
String-Reinforced					
Liner Seams: Welded Factory Other Volume: bbl Dimensions:	L x W x D				
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: Thicknessmil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other					
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:					
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-of	Y .				
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other					
Liner type: Thickness mil					
5. Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau of	fice for consideration of approval				

6.				
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)				
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)				
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet				
Alternate. Please specify				
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	•			
Screen Netting Other				
Monthly inspections (If netting or screening is not physically feasible)				
——————————————————————————————————————				
8.				
Signs: Subsection C of 19.15.17.11 NMAC				
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	•			
Signed in compliance with 19.15.3.103 NMAC	•			
9.				
Administrative Approvals 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:	•			
Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau	office for			
consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.				
Exception(s). Requests must be submitted to the santa re Environmental Bureau office for consideration of approval.				
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or				
above-grade tanks associated with a closed-loop system.	☐ Yes ☐ No			
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	Yes No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	☐ Yes ☐ No			
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)	□ NA			
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No			
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits)	□ NA			
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image				
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	Yes No			
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No			
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes No			
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ 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			

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:				
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.				
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: Prilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)				
15.				
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

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.				
*	Facility Permit Number:			
	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 G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 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	Yes No		
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	☐ 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		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant w lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ratercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in exister - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	nce at the time of initial application.	☐ Yes ☐ No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in e NM Office of the State Engineer - iWATERS database; Visual inspection (certification)	existence at the time of initial application.	Yes No		
Within incorporated municipal boundaries or within a defined municipal fresh water well fiel adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained	•	Yes No		
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection	on (certification) of the proposed site	Yes No		
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mine		☐ Yes ☐ No		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Miner Society; Topographic map	ral Resources; USGS; NM Geological	Yes No		
Within a 100-year floodplain FEMA map		Yes No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of 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 19.15.17.13 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 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 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				

19. Operator Application Certification:			
I hereby certify that the information submitted with this application is true, acc	curate and complete to the best of my knowledge and belief.		
Name (Print): ROY L. McKAY	Title: PRESIDENT		
Name (Print): ROY L. McKAY Signature: e-mail address: ROX @ McKAYOIL. COM	Date: 5-9-//		
e-mail address: ROX @ MCKAYOIL. COM	Telephone: 575-623-4735		
20. OCD Approval: Permit Application (including closure plan) Closure	Plan (only) OCD Conditions (see attachment)		
OCD Representative Signature: Signed By Mile Brance			
Title: Lav. Sple.			
Title: Anv. Spee.	OCD Permit Number:		
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date:			
22.			
Closure Method: ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alte ☐ If different from approved plan, please explain.	emative Closure Method Waste Removal (Closed-loop systems only)		
23. Closure Report Regarding Waste Removal Closure For Closed-loop Syste	ms That Utilize Above Ground Steel Tanks or Haul-off Bins Only:		
Instructions: Please indentify the facility or facilities for where the liquids, a 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 open	rations:		
☐ 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 mark in the box, that the documents are attached.	g items must be attached to the closure report. Please indicate, by a check		
☐ 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 closur ☐ Disposal Facility Name and Permit Number	e)		
Soil Backfilling and Cover Installation			
Re-vegetation Application Rates and Seeding Technique			
Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Long	ngitude NAD:		
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:			

Attachment for C-144 #15: McKay Oil Corporation P. O. Box 2014 Roswell, NM 88202-2014 Well: McKay "B" Federal #4

Waste Excavation and Removal Closure Plan Checklist:

Protocols and Procedures: Pit will be closed per appropriate requirements of 19.15.17.13 NMAC

Confirmation Sampling Plan: After contents have been removed, McKay Oil Corporation will collect 5-point composite sample. Sample will be sampled for BTEX, XPH and chlorides. Per OCD's approved testing methods.

Disposal Facility: Gandy Marley Inc. Permit #NM-01-0019

Soil Backfill and Cover Design Specifications: Pit will be backfilled with a mixture 4' of topsoil or suitable material to suit vegetation.

Re-vegetation Plan: After the first growing season McKay Oil Corporation will re-seed with BLM approved seed mixture. In order to achieve 70% of the native parental vegetation cover. This vegetation will be maintained through two growing seasons.

Site Reclamation Plan: McKay Oil Corporation will return pit site to as near original as applicable.



Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D Deputy Cabinet Secretary Jami Bailey
Division Director
Oil Conservation Division



Reference: McKay Oil Corp * McKay B Fed 4 * 30-005-64082 * H-33-5s-21e

Chaves County, New Mexico

Conditions of Approval for closure of non-permitted drilling pit:

Notify OCD District 2 Office 48 hours prior to commencement of closure operations.

Notify OCD District 2 Office 48 hours prior to obtaining any samples where the analyses are to be submitted to OCD.

All requirements per 19.15.17 NMAC (Pit Rule) must be met and adhered to.

Pit closure is to commence not later than July 1, 2011.

For notification, questions and/or concerns, contact:

Mike Bratcher NMOCD District 2 1301 W. Grand Ave. Artesia, NM 88210 575-748-1283 Ext. 108 mike.bratcher@state.nm.us

