District I 1625 N French Dr , Hobbs, NM 88240 District II
1301 W Grand Avenue, Artesia, NM88210
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

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

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

	ply with any other applicable governmental authority's rules, regulations or ordinances.
Operator <u>Energen Resources Corporation</u>	OGRID# <u>162928</u>
Address 2010 Afton Place, Farmington, New Mexico 87401	RCVD JUL 2'08
Facility or well nameC J Holder #501 S	OIL COMS. DIU.
API Number30-045-34492	
U/L or Qtr/Qtr <u>NENE</u> Section <u>31</u> Township <u>29N</u> Rang	ge 13W County San Juan
Center of Proposed Design Latitude 36 68748° N	Longitude108 24101° W NAD □ 1927 ☑ 1983
Surface Owner 👿 Federal 🗌 State 🗀 Private 🗀 Tribal Trust or Indian	Allotment
Pit Subsection F or G of 19 15 17 11 NMAC	Closed-laop System: Subsection H of 19 15 17 11 NMAC
Temporary Drilling Workover	☐ Drying Pad ☐ Tanks ☐ Haul-off Bins ☐ Other
☐ Permanent ☐ Emergency ☐ Cavitation	☐ Lined ☐ Unlined
Lined Unlined	Liner type Thicknessmil
Liner type Thicknessmil LLDPE HDPE PVC	Other
Other String-Reinforced	Seams
Seams	Volumebblyd ³
Volumebbl Dimensions L_x Wx D	Dimensions Length 40 x Width 12
Below-grade tank Subsection I of 19 15 17 11 NMAC	Fencing Subsection D of 19 15 17 11 NMAC
Volumebb1	Chain link, six feet in height, two strands of barbed wire at top
Type of fluid	Four foot height, four strands of barbed wire evenly spaced between one and
Tank Construction material	four feet
Secondary containment with leak detection	Netting. Subsection E of 19 15 17 11 NMAC
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Screen Netting Other
☐ Visible sidewalls and liner	☐ Monthly inspections
☐ Visible sidewalls only	Signs Subsection C of 19.15.17 11 NMAC
Other	12'x24', 2' lettering, providing Operator's name, site location, and
Liner type Thicknessmit HDPE PVC	emergency telephone numbers
Other	⊠ Signed in compliance with 19 15 3 103 NMAC
Alternative Method Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	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

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	
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	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other 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 (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (Applies to permanent pits) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ☐ No ☐ NA
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

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 18 NMAC Closure Plan - 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 (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19 15 17 9 Siting Criteria Compliance Demonstrations (required 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 - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC NMAC					
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 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 ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erossion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC					
Proposed Closure: 19 15 17 13 NMAC Type Drilling Workover Emergency Cavitation Permanent Pit Below-grade Tank Closed-loop System Alternative					
Proposed Closure Method Waste Excavation and Removal On-site Closure Method (only for temporary pits and closed-loop systems) In-place Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)					

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 string 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				
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					
Withm 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site					
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 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	☐ 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	☐ Yes ☐ No				
 Written confirmation or verification from the municipality, Written approval obtained from the municipality 					
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				
Waste Excavation and Removal Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must be at 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 □ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC					
Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only. (19 15 17 13 D NMAC) Instructions Please in or facilities for the disposal of liquids, drilling fluids and drill cuttings.					
Disposal Facility Name Envirotech, Agua Moss (Pretty Lady #1) Disposal Facility Permit Number NM-01-0011, API #30-048-3 On-Site Closure Plan Checklist (19 15 17 13 NMAC) Instructions Each of the following items must be attached to the closure plan					
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 and Design of Burial Trench (if applicable) 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 Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards canno 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					

Name (Print) Nathan Smith Date Drilling Engineer Signature Date Date Date Date Date Date Date Dat	Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate a	and complete to the best of my knowledge and belief
c-mail addressnsmith@energen com Telephone 505-324-4151 OCD Approval: Permit Application (including closure plan)		
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Representative Signature Branchen Carrell Closure Plan (only) Title: English Special OCD Permit Number Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Closure Completion Date Closure Method Alternative Closure Method Alternative Closure Method If different from approved plan, please explain 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.	Signature NALS	Date
OCD Representative Signature Branchen Council Approval Date: 7/2/08 Title: Enviro Spec. OCD Permit Number Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Closure Method Waste Excavation and Removal On-Site Closure Method Alternative Closure Method If different from approved plan, please explain 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.		
Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Closure Method Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain 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.	OCD Approval: Permit Application (including closure plan) Closure Plan (only)
Closure Method Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain 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.	OCD Representative Signature Branchen Daniell	Approval Date: 7/2/08
Closure Method Waste Excavation and Removal On-Site Closure Method Alternative Closure Method If different from approved plan, please explain 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.	Title: Enviro/Spec. 00	CD Permit Number
□ Waste Excavation and Removal □ On-Site Closure Method □ Alternative Closure Method □ If different from approved plan, please explain 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.		
mark in the box, that the documents are attached.	☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative	Closure Method
Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results 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	mark in the box, that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)	•
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.	I hereby certify that the information and attachments submitted with this closure repor	
Name (Print) Title	Name (Print)	Title
Signature Date	Signature	Date
e-mail address Telephone	e-mail address	Telephone

District [

1625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rie Brazas Rd., Axtoc, NM 87418

District IV

1220 S. St. Francis Dr., Scota Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

		_ V	VELL LO	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	r		
AP1 Namber *Property Code			³ Poel Cede		³ Pool Name					
		I			operty Nesse			Well Number		
⁷ OGRID No. ENE				C.J. HOLDER * Operator Name RGEN RESOURCES CORPORATION				# 501S ' Elevation 5801'		
· · · · · · · · · · · · · · · · · · ·		·····			10 Surface	Location				_
UL er lot no. A	Section 31	Township 29N	Range 13W	Lot Ida	Feet from the 1015	North/South line NORTH	Feet from the 700	East/West line EAST	Causty SAN JUAN	_
L	1		n Bo	ottom Ho	le Location I	f Different Fron	n Surface			
UL or lot no.	Section	Township	Range	Lot Jdm	Feet from the	North/South line	Feet from the	East/West line	Count	y
¹² Dedicated Acre	3 Downt o	r lefill 14 d	Consolidation	Code IS Or	rder Nø,				<u></u>	-

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. (CALC COR 589*54'00"E 4158 00' (R) BY SGL PROP 4130 23 (M) \$89*31'37*E **OPERATOR CERTIFICATION** FD 1 1/2" ALUM CAP HCS 5.0 LS#9672 ENERGEN RESOURCES C.J HOLDER #5015 700 **366** 10535 18" (R) 5267 59" (R) 5266 22" (M) 5238 17 (5241 19 () 10482 38 (18SURVEYOR CERTIFICATION N00*10'42'E S00*19'00'W I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Signature and Se FD 3 1/4" NM #11952 BRASS CAP POFESSION BLM 1913 N89*54'52"W 2656 55' (M)

FD 3 1/2"

BRASS CAP

GLO 1913

N89°55'01"W

1488 88' (M)

FD 3 1/2*

BRASS CAP

GLO 1911

Closed-loop Design Plan:

Our closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will entail an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be of sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1) Fencing is not required for an above ground closed-loop system
- 2) It will be signed in compliance with 19 15 3 103 NMAC
- 3) A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

The closed-loop tank will be operated and maintained, to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. To attain this goal the following steps will be followed

- 1) The liquids will be vaccumed out and disposed of at the Agua Moss Pretty Lady #1 facility (Disposal API Number 30-048-30922) Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM-01-0011) on a periodic basis to prevent over topping
- 2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank.
- 3) The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately
- 4) All of the above operations will be inspected and a log will be signed and dated During rig operations the inspection will be daily

Closed-loop Closure Plan:

The closed loop tank will be closed in accordance with 19 15 17 13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit Number NM-01-0011) immediately following rig operations. All remaining liquids will be transported and disposed of in the Agua Moss Pretty Lady #1 facility (Disposal API number 30-048-30922). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.