District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
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 Proposed Alternative Method Permit or Closure Plan Application

1

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

RCVD 6/19/19 Via Email

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: EPIC ENERGY, LLC OGRID #: 372834
Address: 7415 E. Main Street Farmington, NM 87402
Facility or well name: Horton #005
API Number: 30-045-22933 OCD Permit Number:
U/L or Qtr/Qtr G Section 07 Township 31N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.91585 Longitude -108.02794 NAD83
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

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 mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: bbl Dimensions: L x W x D

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 25 bbl Type of fluid: Produced Water
Tank Construction material: Fiberglass
☐ 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 48" high rebar and hog wire

6.

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

☐ Screen ☐ Netting ☒ Other____expanded metal _____

☐ 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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

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

OCD Representative Signature: _____ **Approval Date:** 7/1/19

Title: Environmental Spec **OCD Permit Number:** _____

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: July 06, 2018**

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 36.91585 Longitude -108.02794 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): Vanessa Fields Title: Regulatory Specialist

Signature: Date: 6/19/2019

e-mail address: vanessa@walsheng.net Telephone: 505-787-9100

Vanessa

From: vern@walsheng.net
Sent: Tuesday, May 28, 2019 2:57 PM
To: 'Vanessa'
Subject: FW: Hallador BGT closures

From: vern@walsheng.net <vern@walsheng.net>
Sent: Thursday, July 5, 2018 12:38 PM
To: 'Vanessa Fields (Vanessa.Fields@state.nm.us)' <Vanessa.Fields@state.nm.us>
Subject: FW: Hallador BGT closures

Vanessa I got the reply back that Cory is out of the office. Will it be possible to sample the below BGT's next Tuesday?
Thanks!
Vern Andrews

From: vern@walsheng.net <vern@walsheng.net>
Sent: Thursday, July 5, 2018 9:15 AM
To: 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>
Subject: Hallador BGT closures

Cory,
Per our conversation, we are working on the closure of below grade tanks for Hallador. We will need to sample the following BGT's next Tuesday, July 10th.

Well Name	Lease Type	Well Status	OCD UL	SECT	TWN	RANGE	API #
HORTON #001B	F	Active	J	7	31N	11W	30-045-30165
HORTON #001C	F	Active	A	7	31N	11W	30-045-33061
HORTON #001D	F	Active	I	7	31N	11W	30-045-33065
HORTON #005	F	Active	G	7	31N	11W	30-045-22933

Thank you,
Vern Andrews
505-320-1763
vern@walsheng.net

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party EPIC Energy L.L.C	OGRID 320949
Contact Name Vanessa Fields	Contact Telephone 505-787-9100
Contact email vanessa@walsheng.net	Incident # *(assigned by OCD) N/A*
Contact mailing address 7415 East Main Street Farmington, NM 87402	

Location of Release Source

Latitude 36.91585 Longitude -108.02794
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Horton #005	Site Type Gas
Date Release Discovered N/A	API# *(if applicable) 30-045-22933*

Unit Letter	Section	Township	Range	County
G	07	31N	11W	San Juan

Surface Owner: ☐ State ☒ Federal ☐ Tribal ☐ Private (*Name:* _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

☐ Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
☐ Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	☐ Yes ☐ No
☐ Condensate	Volume Released (bbls)	Volume Recovered (bbls)
☐ Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
☐ Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)
Cause of Release: No release was determined during removal of the Below Grade Tank. Analytical results from the BGT closure came back non-detect.		

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☐ No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

☐ The source of the release has been stopped.

☐ The impacted area has been secured to protect human health and the environment.

☐ Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

☐ All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Vanessa Fields Title: Regulatory Specialist

Signature: Date: 6/19/2019

email: vanessa@walsheng.net Telephone: 505-787-9100

OCD Only

Received by: Date:

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: ***Each of the following items must be included in the closure report.***

☐ A scaled site and sampling diagram as described in 19.15.29.11 NMAC

☐ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)

☐ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)

☐ Description of remediation activities

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Vanessa Fields Title: Regulatory Specialist

Signature: Date: 6/19/2019

email: vanessa@walsheng.net Telephone: 787-9100

OCD Only

Received by: Date:

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: Date:

Printed Name: Title:

envirotech
Analytical Laboratory

Analytical Report

Report Summary

Client: Hallador

Chain Of Custody Number:

Samples Received: 7/6/2018 4:30:00PM

Job Number: 18010-0004

Work Order: P807010

Project Name/Location: Below Grade Pits

Report Reviewed By: Date: 7/13/18

Walter Hinchman, Laboratory Director

Date: 7/13/18

Tim Cain, Project Manager

Supplement to analytical report generated on: 7/11/18 11:04 am

NELAP ACCREDITED TNI LABORATORY

Envirotech Inc. certifies the test results meet all requirements of TNI unless footnoted otherwise.
Statement of Data Authenticity: Envirotech, Inc, attests the data reported has not been altered in any way.
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Envirotech, Inc, currently holds the appropriate and available Utah TNI certification NM009792018-1 for the data reported.

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Analytical Laboratory

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Analyical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Horton 1C	P807010-01A	Soil	07/06/18	07/06/18	Glass Jar, 4 oz.
Horton 1D	P807010-02A	Soil	07/06/18	07/06/18	Glass Jar, 4 oz.
Horton 1B	P807010-03A	Soil	07/06/18	07/06/18	Glass Jar, 4 oz.
Horton 5	P807010-04A	Soil	07/06/18	07/06/18	Glass Jar, 4 oz.

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Horton 1C
P807010-01 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Toluene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Ethylbenzene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
p,m-Xylene	ND	200	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
o-Xylene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total Xylenes	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total BTEX	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		*99.1 %*		*50-150*	*1828003*	*07/09/18*	*07/10/18*	*EPA 8021B*	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg	1	1828003	07/09/18	07/10/18	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	25.0	mg/kg	1	1828004	07/09/18	07/10/18	EPA 8015D	
Oil Range Organics (C28-C40+)	ND	50.0	mg/kg	1	1828004	07/09/18	07/10/18	EPA 8015D	
Surrogate: 1-Chloro-4-fluorobenzene-FID		*99.1 %*		*50-150*	*1828003*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Surrogate: n-Nonane		*87.5 %*		*50-200*	*1828004*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Anions by 300.0/9056A									
Chloride	ND	20.0	mg/kg	1	1828001	07/09/18	07/09/18	EPA 300.0/9056A	

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Horton 1D
P807010-02 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Toluene	**262**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Ethylbenzene	**1210**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
p,m-Xylene	**7380**	200	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
o-Xylene	**447**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total Xylenes	**7830**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total BTEX	**9300**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		*106 %*		*50-150*	*1828003*	*07/09/18*	*07/10/18*	*EPA 8021B*	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	**128**	20.0	mg/kg	1	1828003	07/09/18	07/10/18	EPA 8015D	
Diesel Range Organics (C10-C28)	**630**	50.0	mg/kg	2	1828004	07/09/18	07/10/18	EPA 8015D	
Oil Range Organics (C28-C40+)	ND	100	mg/kg	2	1828004	07/09/18	07/10/18	EPA 8015D	
Surrogate: 1-Chloro-4-fluorobenzene-FID		*104 %*		*50-150*	*1828003*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Surrogate: n-Nonane		*100 %*		*50-200*	*1828004*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Anions by 300.0/9056A									
Chloride	ND	20.0	mg/kg	1	1828001	07/09/18	07/09/18	EPA 300.0/9056A	

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Analytical Laboratory

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Horton 1B
P807010-03 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Toluene	**360**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Ethylbenzene	**1440**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
p,m-Xylene	**4960**	200	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
o-Xylene	**976**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total Xylenes	**5930**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total BTEX	**7740**	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		*122 %*		*50-150*	*1828003*	*07/09/18*	*07/10/18*	*EPA 8021B*	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	**224**	20.0	mg/kg	1	1828003	07/09/18	07/10/18	EPA 8015D	
Diesel Range Organics (C10-C28)	**6260**	250	mg/kg	10	1828004	07/09/18	07/10/18	EPA 8015D	
Oil Range Organics (C28-C40+)	**3380**	500	mg/kg	10	1828004	07/09/18	07/10/18	EPA 8015D	
Surrogate: 1-Chloro-4-fluorobenzene-FID		*115 %*		*50-150*	*1828003*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Surrogate: n-Nonane		*119 %*		*50-200*	*1828004*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Anions by 300.0/9056A									
Chloride	ND	20.0	mg/kg	1	1828001	07/09/18	07/09/18	EPA 300.0/9056A	

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Analytical Laboratory

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Horton 5

P807010-04 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Volatile Organics by EPA 8021									
Benzene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Toluene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Ethylbenzene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
p,m-Xylene	ND	200	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
o-Xylene	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total Xylenes	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Total BTEX	ND	100	ug/kg	1	1828003	07/09/18	07/10/18	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		*98.2 %*	*50-150*		*1828003*	*07/09/18*	*07/10/18*	*EPA 8021B*	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg	1	1828003	07/09/18	07/10/18	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	25.0	mg/kg	1	1828004	07/09/18	07/10/18	EPA 8015D	
Oil Range Organics (C28-C40+)	ND	50.0	mg/kg	1	1828004	07/09/18	07/10/18	EPA 8015D	
Surrogate: 1-Chloro-4-fluorobenzene-FID		*98.6 %*	*50-150*		*1828003*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Surrogate: n-Nonane		*97.0 %*	*50-200*		*1828004*	*07/09/18*	*07/10/18*	*EPA 8015D*	
Anions by 300.0/9056A									
Chloride	ND	20.0	mg/kg	1	1828001	07/09/18	07/09/18	EPA 300.0/9056A	

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Analytical Laboratory

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Volatile Organics by EPA 8021 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1828003 - Purge and Trap EPA 5030A										
Blank (1828003-BLK1)				Prepared & Analyzed: 09-Jul-18						
Benzene	ND	100	ug/kg							
Toluene	ND	100	"							
Ethylbenzene	ND	100	"							
p,m-Xylene	ND	200	"							
o-Xylene	ND	100	"							
Total Xylenes	ND	100	"							
Total BTEX	ND	100	"							
Surrogate: 4-Bromochlorobenzene-PID	*7830*		"	*8000*		*97.8*	*50-150*			
LCS (1828003-BS1)				Prepared & Analyzed: 09-Jul-18						
Benzene	4440	100	ug/kg	5000		88.9	70-130			
Toluene	4520	100	"	5000		90.5	70-130			
Ethylbenzene	4590	100	"	5000		91.8	70-130			
p,m-Xylene	8920	200	"	10000		89.2	70-130			
o-Xylene	4620	100	"	5000		92.4	70-130			
Total Xylenes	13500	100	"	15000		90.3	70-130			
Surrogate: 4-Bromochlorobenzene-PID	*7880*		"	*8000*		*98.5*	*50-150*			
Matrix Spike (1828003-MS1)	**Source: P807007-01**			Prepared & Analyzed: 09-Jul-18						
Benzene	4240	100	ug/kg	5000	ND	84.8	54.3-133			
Toluene	4300	100	"	5000	ND	86.0	61.4-130			
Ethylbenzene	4350	100	"	5000	ND	87.0	61.4-133			
p,m-Xylene	8450	200	"	10000	ND	84.6	63.3-131			
o-Xylene	4310	100	"	5000	ND	86.2	63.3-131			
Total Xylenes	12800	100	"	15000	ND	85.1	63.3-131			
Surrogate: 4-Bromochlorobenzene-PID	*7870*		"	*8000*		*98.3*	*50-150*			
Matrix Spike Dup (1828003-MSD1)	**Source: P807007-01**			Prepared & Analyzed: 09-Jul-18						
Benzene	5600	100	ug/kg	5000	ND	112	54.3-133	27.6	20	D1
Toluene	5670	100	"	5000	ND	114	61.4-130	27.5	20	D1
Ethylbenzene	5740	100	"	5000	ND	115	61.4-133	27.6	20	D1
p,m-Xylene	11100	200	"	10000	ND	111	63.3-131	26.8	20	D1
o-Xylene	5700	100	"	5000	ND	114	63.3-131	27.8	20	D1
Total Xylenes	16800	100	"	15000	ND	112	63.3-131	27.2	20	D1
Surrogate: 4-Bromochlorobenzene-PID	*7870*		"	*8000*		*98.3*	*50-150*			

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1828003 - Purge and Trap EPA 5030A										
Blank (1828003-BLK1)				Prepared & Analyzed: 09-Jul-18						
Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg							
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.99*		"	*8.00*		*99.9*	*50-150*			
LCS (1828003-BS2)				Prepared & Analyzed: 09-Jul-18						
Gasoline Range Organics (C6-C10)	49.3	20.0	mg/kg	50.0		98.6	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	*8.07*		"	*8.00*		*101*	*50-150*			
Matrix Spike (1828003-MS2)		**Source: P807007-01**		Prepared & Analyzed: 09-Jul-18						
Gasoline Range Organics (C6-C10)	51.3	20.0	mg/kg	50.0	ND	103	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	*8.13*		"	*8.00*		*102*	*50-150*			
Matrix Spike Dup (1828003-MSD2)		**Source: P807007-01**		Prepared & Analyzed: 09-Jul-18						
Gasoline Range Organics (C6-C10)	50.1	20.0	mg/kg	50.0	ND	100	70-130	2.22	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.97*		"	*8.00*		*99.6*	*50-150*			

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1828004 - DRO Extraction EPA 3570										
Blank (1828004-BLK1)				Prepared: 09-Jul-18 Analyzed: 10-Jul-18						
Diesel Range Organics (C10-C28)	ND	25.0	mg/kg							
Oil Range Organics (C28-C40+)	ND	50.0	"							
Surrogate: n-Nonane	*44.6*		"	*50.0*		*89.2*	*50-200*			
LCS (1828004-BS1)				Prepared: 09-Jul-18 Analyzed: 10-Jul-18						
Diesel Range Organics (C10-C28)	486	25.0	mg/kg	500		97.1	38-132			
Surrogate: n-Nonane	*48.3*		"	*50.0*		*96.6*	*50-200*			
Matrix Spike (1828004-MS1)	**Source: P807007-01**			Prepared: 09-Jul-18 Analyzed: 10-Jul-18						
Diesel Range Organics (C10-C28)	928	25.0	mg/kg	500	366	112	38-132			
Surrogate: n-Nonane	*62.9*		"	*50.0*		*126*	*50-200*			
Matrix Spike Dup (1828004-MSD1)	**Source: P807007-01**			Prepared: 09-Jul-18 Analyzed: 10-Jul-18						
Diesel Range Organics (C10-C28)	918	25.0	mg/kg	500	366	110	38-132	1.05	20	
Surrogate: n-Nonane	*63.7*		"	*50.0*		*127*	*50-200*			

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Anions by 300.0/9056A - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1828001 - Anion Extraction EPA 300.0/9056A										
Blank (1828001-BLK1)				Prepared & Analyzed: 09-Jul-18						
Chloride	ND	20.0	mg/kg							
LCS (1828001-BS1)				Prepared & Analyzed: 09-Jul-18						
Chloride	255	20.0	mg/kg	250		102	90-110			
Matrix Spike (1828001-MS1)		**Source: P807010-01**		Prepared & Analyzed: 09-Jul-18						
Chloride	270	20.0	mg/kg	250	ND	108	80-120			
Matrix Spike Dup (1828001-MSD1)		**Source: P807010-01**		Prepared & Analyzed: 09-Jul-18						
Chloride	270	20.0	mg/kg	250	ND	108	80-120	0.0556	20	

envirotech
Analytical Laboratory

Hallador	Project Name:	Below Grade Pits	
1660 Lincoln St Suite 2700	Project Number:	18010-0004	**Reported:**
Denver CO, 80264	Project Manager:	Vern Andrews	13-Jul-18 09:33

Notes and Definitions

DI	Duplicates or Matrix Spike Duplicates or Laboratory Control Sample Duplicates Relative Percent Difference is outside of control limits.
DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
RPD	Relative Percent Difference
**	Methods marked with ** are non-accredited methods.

Project Information | Chain of Custody | Page _____ of _____

Client:	WALSH
Project:	BELOW GRADE PITS
Project Manager:	JOHN HAMPTON JR
Address:	7415 EAST MAIN
City, State, Zip	FARMINGTON NM 87402
Phone:	505-320-1763
Email:	VERN@WALSHENG.NET

Report Attention

Report due by:	7-11-18
Attention:	VERN ANDREWS
Address:	7415 EAST MAIN
City, State, Zip	FARMINGTON N.M. 87402
Phone:	505-320-1763
Email:	VERN@WALSHENG.NET

Lab Use Only

Lab WO#	Job Number
P807010	07173-0001

TAT: 1D [ ] 3D [X]

EPA Program: RCRA [X] CWA [ ] SDWA [ ]

State: NM [X] CO [ ] UT [ ] AZ [ ]

Time Sampled	Date Sampled	Matrix	No Containers	Sample ID	Lab Number	DRO/ORO by 8015	GRO/DRO by 8015	BTEX by 8021	VOC by 8260	Metals 6010	Chloride 300.0	TPH 418.1	Remarks
11:31	7-6-18	SOLID	1	HORTON 1C		X	X				X		
10:33	7-6-18	"	1	HORTON 1D									
10:11	7-6-18	"	1	HORTON 1B									
10:53	7-6-18	"	1	HORTON 5									

Additional Instructions: Vis ice in cooler

I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabelling the sample location, date or time of collection is considered fraud and may be grounds for legal action. Sampled by: John Hampton Jr.

Samples requiring thermal preservation must be received on ice the day they are sampled or received packed in ice at an avg temp above 0 but less than 6 °C on subsequent days.

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
[signature]	7-6-18	4:30 pm	[signature]	7/6/18	1630
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time

Lab Use Only

Received on ice: (Y) / N

T1 _____ T2 _____ T3 _____

AVG Temp °C 4.0

Sample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Other _____

Container Type: g - glass, p - poly/plastic, ag - amber glass, v - VOA

Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above boratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.

envirotech Analytical Laboratory
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envirotech-inc.com laboratory@envirotech-inc.com

EPIC Energy L.L.C

Below Grade Tank Closure Plan

Horton #005

U/L: G, Section 07, TWN: 31N. RNG: 11W

San Juan County, New Mexico

30-045-22933

As stipulated in Rule 19 .15 .17 .13 NMAC, the following information adheres to the requirements established in closing below-grade tanks (BGTs) on EPIC Energy L.L.C well sites. This plan will address the standard protocols and procedures for closure of BGTs.

EPIC Energy L.L.C proposes to close its existing BGTs that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or are not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC in accordance with this closure plan and the transitional provisions of Subsection E of 19.15.17.17 NMAC, or within five (5) years after the effective date (June 16, 2008) of 19.15.17 NMAC.

The following outline addresses all requirements for closure of EPIC Energy L.L.C BGTs:

1.Prior notification of EPIC Energy L.L.C intent to close the BGT will follow 19.15.17.13J (I) and (2).

a. EPIC Energy L.L.C will notify the surface owner by certified mail, return receipt requested, of closure plans. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is enough to demonstrate compliance with this requirement.

b. notification will also be given to the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice will include the operator's name and the well's name, number, and API number, in addition to the well's legal description, including the unit letter, section, township, and range.

Notification was provided to the NMOCD District III office. Attached is a copy of the notification. Notification was made to the surface owner BLM. However, the email notification copy was unable to be identified.

2.EPIC Energy L.L.C will remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. A list of EPIC Energy L.L.C approved disposal facilities is below:

Fluid disposal:

Agua Moss

Sunco well #1

U/L=E, SWNW, Section 2, T29N-Rl2W San Juan, New Mexico

Permit #NM-01-0009

Basin Disposal Inc.

Basin Disposal well # 1

U/L=F, SWNW, Section 3, T29N-Rl 1 W San Juan, New Mexico

Permit #NM-01-0005

Solid disposal:

Envirotech Land Farm

Disposal Facility

Section 6, T26N-R10W, County Road #7175 San Juan, New Mexico

Permit #NM-01-0011

3.EPIC Energy L.L.C will remove the BGT from the pit and place it at ground level adjacent to the original BGT site.

The Below Grade tank was transported for recycling

4.EPIC Energy L.L.C will hook up necessary equipment and piping for temporary tank use. At this time, any on-site equipment not necessary to the operation of the tank will be removed from the site.

All Equipment associated with the below Grade Tank removal was removed. An above ground tank was instated in the same area where the below grade tank was removed.

5.EPIC Energy L.L.C will test the soils beneath the original BGT location to determine whether a release has occurred. At a minimum, a five (5) point composite sample will be collected in addition to individual grab samples from areas that are wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH, and chlorides to demonstrate that they do not exceed certain concentrations. The testing methods and closure standards for those constituents are as follows:

All analytical results that were collected during the removal of the Below Grade Tank came back Non-Detect demonstrating a release did not occur.

Constituents	Testing Method	Closure Standards (mg/Kg)
Benzene	US EPA SW-846 methods 8021B or 8260B	0.2
total BTEX	US EPA SW-846 methods 8021B or 8260B	50
TPH	US EPA method 418.1	100
Chlorides	US EPA method 300.1	250 or background

Notes: mg/Kg= milligram per kilogram; BTEX = benzene, toluene, ethylbenzene, and total xylenes; TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. The Chlorides closure standards will be determined by whichever concentration level is greatest.

6. EPIC Energy L.L.C will notify the division District III office of the soil test results on Form C-14 I. It is understood that the NMOCD may require additional delineation upon review of the results.

A C-141 is attached for Closure demonstrating a release did not occur. All analytical results came back non-detect.

7. If it is determined that a release has occurred, then EPIC Energy L.L.C will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

A C-141 is attached for Closure demonstrating a release did not occur. All analytical results came back non-detect.

8. I f the confirmation sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then EPIC Energy L.L.C will backfill the · excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; re-contour the site; and move the fiberglass tank onto the newly backfilled and compacted site. The division-prescribed soil cover, re-contouring, and re-vegetation requirements shall comply with Subsections G, H, and I of 19.15.17.13

NMAC.

The area has been backfilled and will be reclaimed once the well has been plugged and abandoned.

9.Reclamation will follow 19.15.17.130 (1) and (2).

a. The BGT location and all areas associated with the BGT, including associated access roads, if applicable, will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. It is understood that EPIC Energy L.L.C shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19 .15 .1 7 .13 NMA C and re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography.

b. Re-vegetation will not be completed at the time the BGT pit is reclaimed but will instead be applied for as part of the P&A process when the well is plugged and abandoned.

10.Soil cover will follow 19.15.17.13H (1) and (3).

a. The soil cover for closures where the BGT has been removed or contaminated soil has been remediated to the NMOCD's satisfaction will consist of the background thickness of topsoil or one (1) foot of suitable material to establish vegetation at the site, whichever is greater.

b. The soil cover will be constructed to the site's existing grade, and all possible efforts will be conducted to prevent ponding of water and erosion of the cover material.

The area has been backfilled and will be reclaimed once the well has been plugged and abandoned.

11.Within 60 days of closure completion, EPIC Energy L.L.C will submit a closure report on NMOCD's Form C-144, with necessary attachments to document all closure activities, including sampling results; information required by 19.15.17 NMAC; and details on backfilling, capping, and covering, where applicable. EPIC Energy L.L.C will certify that all information in the report and attachments is correct and that EPIC Energy L.L.C has complied with all applicable closure requirements and conditions specified in the approved closure plan.

Horton #005 30-045-22933

Below Grade Tank Removal with Photo of installed Above Ground Production