District 1
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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.

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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 in Please be advised that approval of this request does not relieve theoperator of lies.	individual pit, closed-loop system, below-grade tank or alternative request	
environment. Nor does approval relieve the operator of its responsibility to con	aply with any other applicable governmental authority's rules, regulations or ordinances.	
Operator: Energen Resources Corporation	OGRID #: 162928	
Address: 2010 Afton Place, Farmington, New Mexico 87401	RCVD JUL 2'08	
Facility or well name: <u>CJ Holder #500S</u>	OIL CONS. DIV.	
API Number: 30-045-34493	OCD Permit Number:	
U/L or Qtr/Qtr L Section 31 Township 29N Range	13W County: San Juan	
·	Longitude108.25038° W NAD: ☐1927 ⊠ 1983	
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian		
Pit: Subsection F or G of 19.15.17.11 NMAC	☐ Closed-loop 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	Other	
Other String-Reinforced	Seams: Welded Factory Other	
Seams:	Volume: 400 bbl yd³	
Volume:bbl Dimensions: L_ x W x D	Dimensions: Height 20 ft x Diameter 12 ft	
Below-grade tank: Subsection I of 19.15.17.11 NMAC	Fencing: Subsection D of 19.15.17.11 NMAC	
Volume:bbl	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: Thicknessmil	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	Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.	
of approval.	Please check a box if one or more of the following is requested, if not leave blank:	
of approval. RECEIVED 67 PEC: 2008	Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for	
RECEIVED &	consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
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Form C-144

(a) Conservation Division

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Instructions: Ine applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accessable 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
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
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
Form C-144 Oil Conservation Division Page 2	of

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 - 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
Previously Approved Design (attach copy of design) API Number:
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 Monitoring and Inspection 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
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 On-site Trench 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 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 ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	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	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. - 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. - 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
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be a 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 Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please or facilities for the disposal of liquids, drilling fluids and drill cuttings. Disposal Facility Name: Erwirotech, Aqua Moss Retylody to Disposal Facility Permit Number: MM-0=011, 3	
Disposal Facility Name: Erwirotech, Aqua Moss Retty Lody # 1 Disposal Facility Permit Number: MM-el=011, 3	an. 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 and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be appropriate requirements.	
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	

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.				
lame (Print): Kirt Snyder Title: District Engineer				
ignature: Date: 7/2/2008				
-mail address: ksnyder@energen.com Telephone: 505-324-4142				
OCD Approval: Permit Application (including closure plan) Closure Plan (only) 10/05/2011				
CD Representative Signature: Drawlon Och Approval Date:				
itle: <u>Enviro/spec</u> Complique Office/				
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Closure Completion Date: 7 16 2008				
losure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method If different from approved plan, please explain.				
Iosure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check lark 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) On-site Closure Location: Latitude Longitude NAD: 1927 1983				
perator Closure Certification: nereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and slief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan. Title: District Engineer				
gnature: Wit Suff Date: 12/1/2008				
mail address: Ksnyder & energen. Com Telephone: 505 325 (800				

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NOV 01 2007 State of New Mexico Form C-102 1625 N. French Dr., Habbs, NM 88240 Revised October 12, 2005 Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION of Land Manager 18 Appropriate District Office District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1220 South St. Francis Dr. 1000 Rio Brazos Rd., Aztec, NM 87410 Fee Lease - 3 Copies Santa Fe, NM 87505 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 ☐ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name Pball. Property Name 21180 C.J. HOLDER # 5005 OGRID No. Operator Nur Elevation ENERGEN RESOURCES CORPORATION 5940 BEPEUL Surface Location UL or lot no. Section Township Range Feet from the North/South li EastWest line County Feet from the 31 29N 13W z 1845 SOUTH 700 WEST SAN JUAN 11 Bottom Hole Location If Different From Surface Ul. or lot no. Section Township Range Lot lde Feet from the North/South lin East/West line County Dedicated Acres Joint or loft Consolidation Code Order No. No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the (CALC. COR. \$89"54'00"E 4158.00' (R) BY SGL PROP.) S89°31'37"E 4130.23 (M) 17 OPERATOR CERTIFICATION FD. 1 1/2" ALUM, CAP I hereby certify that the information contained berein is true and HCS LS#9672 lete to the best of my knowledge and belief, and that this ation either owns a working interest or unleased auteral st in the land including the proposed bostom hole location or has a right to drill this well at this location pursuant to a contract owner of such a mineral or working interest, ar to a tary pooling agreement or a compulsory pooling order **≨**€€ £33€ 10535.18" (1 5267.59" (F 5266.22" (1 5238.17'(5241.19'() 10482.38'(NA0 83 18SURVEYOR CERTIFICATION N00*10'42"E S00*19'00"W N00*19'42"E N00*20'39"E N 26 68 095° I hereby certify that the well location shown on this plat W 108. Z5038° was plotted from field notes of actual surveys made by 700 ENERGEN RESOURCES me or under my supervision, and that the same is true C.J. HOLDER #500S and correct to the best of my belief BENALL 29104 ME RTAW R13W

FD 3 1/2" BRASS CAP GLO 1911

1845

N89°55'01"W 1488.88' (M)

> FD. 3 1/4" BRASS CAP BLM 1913

N89°54'52"W

FD. 3 1/2° BRASS CAP GLO 1913

2656.55' (M)

Closed-loop Design Plan:

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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.