

July 21, 2008

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

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

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

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

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

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

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

1
Operator: Energen Resources Corporation OGRID #: 162928
Address: 2010 Afton Place, Farmington, NM 87401
Facility or well name: State Bancos #100S
API Number: 30-039-27273 OCD Permit Number: _____
U/L or Qtr/Qtr D Section 32 Township 32N Range 05W County: Rio Arriba
Center of Proposed Design: Latitude 36.94226 N Longitude 107.39034 W NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☒ String-Reinforced
Liner Seams: ☐ Welded ☒ Factory ☐ Other _____ Volume: 1500 bbl Dimensions: L 155 x W 85 x D 10

RCVD JAN 5 '12
OIL CONS. DIV.
DIST. 3

3
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC Not used
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____

5
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7

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

- ☐ Screen ☐ Netting ☐ Other
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8

Signs: Subsection C of 19.15.17.11 NMAC

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.3.103 NMAC

9

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

- ☐ 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.

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Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

| | |
|--|---|
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within a 100-year floodplain. - FEMA map | <input type="checkbox"/> Yes <input type="checkbox"/> No |

11

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

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Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon
- ☐ Quality Control/Quality Assurance Construction and Installation Plan the appropriate requirements of 19.15.17.11 NMAC
- ☐ 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 H₂S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☒ Drilling ☒ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☒ On-site Closure Method (Only for temporary pits and closed-loop systems)
☒ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

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Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I 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 Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

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

- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Siting Criteria (regarding on-site closure methods only: 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

| | |
|---|--|
| Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within a 100-year floodplain. - FEMA map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

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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: _____

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

OCD Representative Signature: Jonathan V. Kelly Approval Date: 1/09/2012

Title: Compliance Officer OCD Permit Number: _____

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

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

☒ Closure Completion Date: 10/30/11

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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.

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

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

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

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

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

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

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

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

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

On-site Closure Location: Latitude 36.56533 Longitude -107.23444 NAD: ☐ 1927 ☒ 1983

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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): Anna Stotts Title: Regulatory Analyst

Signature: Anna Stotts Date: 12/7/11

e-mail address: astotts@energen.com Telephone: 505-324-4154

Well Name: State Bancos #100S

Reserve Pit – Final Closure Report

The pit will be closed with in place burial. If the pit is located on private surface, the surface owner will be notified prior to closure by certified mail and the return receipt will be included in the closure packet. The OCD will be verbally or by other means notified at least 72 hours and not more than one week prior to the pit closing. The following process will be used to close the pit:

Notification to the OCD is included in this closure report package. Surface owner notification not required.

- 1) At time of closure, all free standing fluids will be removed and reused or disposed with Agua Moss LLC in the Pretty Lady #1 (Disposal API Number # 30-048-30922) or an Energen operated permitted disposal well. The contents will be solidified to a bearing capacity sufficient to support the final cover. This will be accomplished by mixing the contents with soil at a mixing ratio no greater than 3:1 soil to contents.

Fluids were removed and properly disposed in the Miss Pretty Lady #1. The pit contents were solidified by mixing the contents with soil at a mixing ratio of approximately 3:1.

- 2) The liner will be cut off at the mud line of the stabilized contents.

The liner was cut off at the mud line of the stabilized contents.

- 3) Sampling will be done by collecting a minimum of a five-point composite sample of the contents after stabilization. The sample will be analyzed for the following components (if the groundwater is less than 100 feet below the pit but greater than 50 feet, testing for chlorides will be done to the lower limit);

| Components | Tests Method | Limit (mg/Kg) | Results (mg/Kg) |
|-------------------|---------------------------|--------------------------|----------------------------|
| Benzene | EPA SW-846 8021B or 8260B | 0.2 | .0267 |
| BTEX | EPA SW-846 8021B or 8260B | 50 | .421 |
| TPH | EPA SW-846 418.1 | 2500 | 28.0 |
| GRO/DRO | EPA SW-846 8015M | 500 | 470 |
| Chlorides | EPA 300.1 | 500 /1000 | 140 |

Sampling results are listed in the above table.

- 4) After demonstrating that the stabilized contents are under the limits listed above, the contents will be covered with compacted non-waste containing earthen material to a minimum of three feet. If stabilized contents exceed a volume that can be covered with three feet of earth and a foot of topsoil the excess contents will be removed and sent to Envirotech (Permit NM-01-0011) or IEI Landfarm (Permit NM-01-0010B). If the stabilized contents do not meet the above stated limits the stabilized contents will all be hauled to Envirotech pursuant to excavation and removal guidelines (19.15.17.13 B1).

The contents were covered with three feet of compacted non-waste containing material.

- 5) After the stabilized contents have been covered, the stockpiled topsoil will be replaced to a minimum depth of one foot. Topsoil cover will be graded to prevent ponding of water and erosion of the cover material. This will be accomplished within six months of rig release.

The stockpiled topsoil was replaced to a depth of one foot and graded to prevent ponding and erosion.

- 6) The exact location of the on-site burial will be reported to the Aztec field office on the C-105 form. A deed notice identifying the exact location of the on-site burial will be filed with the county clerk if the pit is on private surface.

The C-105 form is attached. This pit is located on public surface. Proof of Deed notice not required unless pit is located on private surface (per NMOCD FAQ dated 10/30/09).

- 7) The final closure report (C-144) will be filed within 60 days of closure completion and include sampling results, plot plan, details on backfilling, covering and inspections during the life of the pit.

This closure report includes sampling results, plot plan, closure details, inspections, and photos.

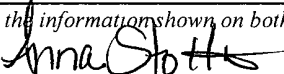
- 8) If the pit is located on federal or tribal surface, seeding will be deferred to BLM requirements per the BLM / OCD MOU. Otherwise, the disturbed area will be seeded or planted the first growing season after closing the pit. Seed will be drilled on the contour whenever practical or by other division-approved methods. The goal is to obtain vegetative cover that equals 70% of the native cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation) consisting of at least three native plant species,

including at least one grass but not including noxious weeds. Cover will be maintained through two successive growing seasons. During the two growing seasons that prove viability there shall be no artificial irrigation of the vegetation. Seeding or planting will continue until the required cover is reached. If conditions are not favorable to establishment of vegetation due to periods of drought or similar problems then the Aztec office of the OCD will be notified. The Aztec office of the OCD will also be notified when the disturbed ground successfully achieves re-vegetation.

The pit is located on Federal or Tribal surface, seeding is deferred to BLM requirements per the BLM / OCD MOU.

- 9) Until the abandonment of the wells on the pad where the pit is located, a steel marker no less than four inches in diameter will be cemented in a hole three feet deep in the center of the onsite burial. The top of this marker will be flush with the ground. Once all wells on the pad are abandoned, a four foot tall riser will be welded on top of the marker with; operator name, lease number, well name and number, unit number, section, township and range, and a designation that it is an onsite burial location.

The marker was installed in the center of the closed pit. The marker is set flush to the ground until final abandonment. At the time of abandonment, a four foot riser will be installed and marked as follows: Energen Resources – State Lease No LG898 - State Bancos #100S – Unit D– Sec. 32, T32N, R05W – Pit Burial Site.

| | | | | | | | | | | |
|--|---|--|------------------------|--------------------------------------|-----------------|---|---|-------------------------------|--------------------|---------------------------|
| Submit to Appropriate District Office Five Copies District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd, Aztec, NM 87410 District IV 1220 S St Francis Dr, Santa Fe, NM 87505 | State of New Mexico Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 | Form C-105 July 17, 2008 | | | | | | | | |
| | | 1. WELL API NO. 30-039-27273 | | | | | | | | |
| | | 2. Type Of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN | | | | | | | | |
| | | 3. State Oil & Gas Lease No. LG898 | | | | | | | | |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | | | | |
| 4 Reason for filing. <input type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input checked="" type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19 15 17 13 K NMAC) | | 5 Lease Name or Unit Agreement Name State Bancos | | | | | | | | |
| | | 6. Well Number # 100S | | | | | | | | |
| 9 Type of Completion <input type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input checked="" type="checkbox"/> OTHER pit closure | | | | | | | | | | |
| 8. Name of Operator Energen Resources Corporation | | 9. OGRID Number 162928 | | | | | | | | |
| 10 Address of Operator 2010 Afton Place, Farmington, NM 87401 | | 11 Pool name or Wildcat Basin Fruitland Coal | | | | | | | | |
| 12 Location | Unit Letter | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County |
| Surface | D | 32 | 32N | 05W | | | | | | |
| BH. | | | | | | | | | | |
| 13 Date Spudded | 14 Date T D Reached | 15 Date Rig Released 10/11/11 | | 16 Date Completed (Ready to Produce) | | | 17. Elevations (DF & RKB, RT, GR, etc) | | | |
| 18. Total Measured Depth of Well | | 19 Plug Back Measured Depth | | 20 Was Directional Survey Made | | | 21 Type Electric and Other Logs Run | | | |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name | | | | | | | | | | |
| 23. CASING RECORD (Report all strings set in well) | | | | | | | | | | |
| CASING SIZE | | WEIGHT LB /FT | | DEPTH SET | | HOLE SIZE | | CEMENTING RECORD | | AMOUNT PULLED |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 24. LINER RECORD | | | | | | 25. TUBING RECORD | | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | | SCREEN | SIZE | DEPTH SET | | PACKER SET | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 26. Perforation record (interval, size, and number) | | | | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. | | | | |
| | | | | | | DEPTH INTERVAL | | AMOUNT AND KIND MATERIAL USED | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 28. PRODUCTION | | | | | | | | | | |
| Date First Production | | Production Method (Flowing, gas lift, pumping - Size and type pump) | | | | | | Well Status (Prod or Shut-in) | | |
| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl. | Gas - MCF | Water - Bbl | Gas - Oil Ratio | | | |
| Flow Tubing Press | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl | Gas - MCF | Water - Bbl | Oil Gravity - API -(Corr) | | | | |
| 29 Disposition of Gas (Sold, used for fuel, vented, etc.) | | | | | | | 30 Test Witnessed By | | | |
| 31 List Attachments | | | | | | | | | | |
| 32 If a temporary pit was used at the well, attach a plat with the location of the temporary pit. | | | | | | | | | | |
| 33 If an on-site burial was used at the well, report the exact location of the on-site burial: | | | | | | | | | | |
| | | | | Latitude | 36.56533 | Longitude | -107.23444 | NAD: | 1927 X 1983 | |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief | | | | | | | | | | |
| Signature | |  | | Printed Name | | Anna Stotts | | Title | | Regulatory Analyst |
| E-mail address | | astotts@energen.com | | | | | | Date | | 12/6/11 |

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-112
Revised February 21, 1991
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|------------------------------------|--|----------------------------|---|
| *API Number 30-039-27273 | | *Pool Code 71629 | *Pool Name Basin Fruitland Coal |
| *Property Code 30934 | *Property Name STATE BANCOS | | *Well Number 100S |
| *GRID No 162928 | *Operator Name ENERGEN RESOURCES CORPORATION | | *Elevation 6731' |

10 Surface Location

| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|-----------|------------|-----------|---------|---------------|------------------|---------------|----------------|-------------------|
| 0 | 32 | 32N | 5W | | 720 | NORTH | 1180 | WEST | RIO ARriba |

11 Bottom Hole Location If Different From Surface

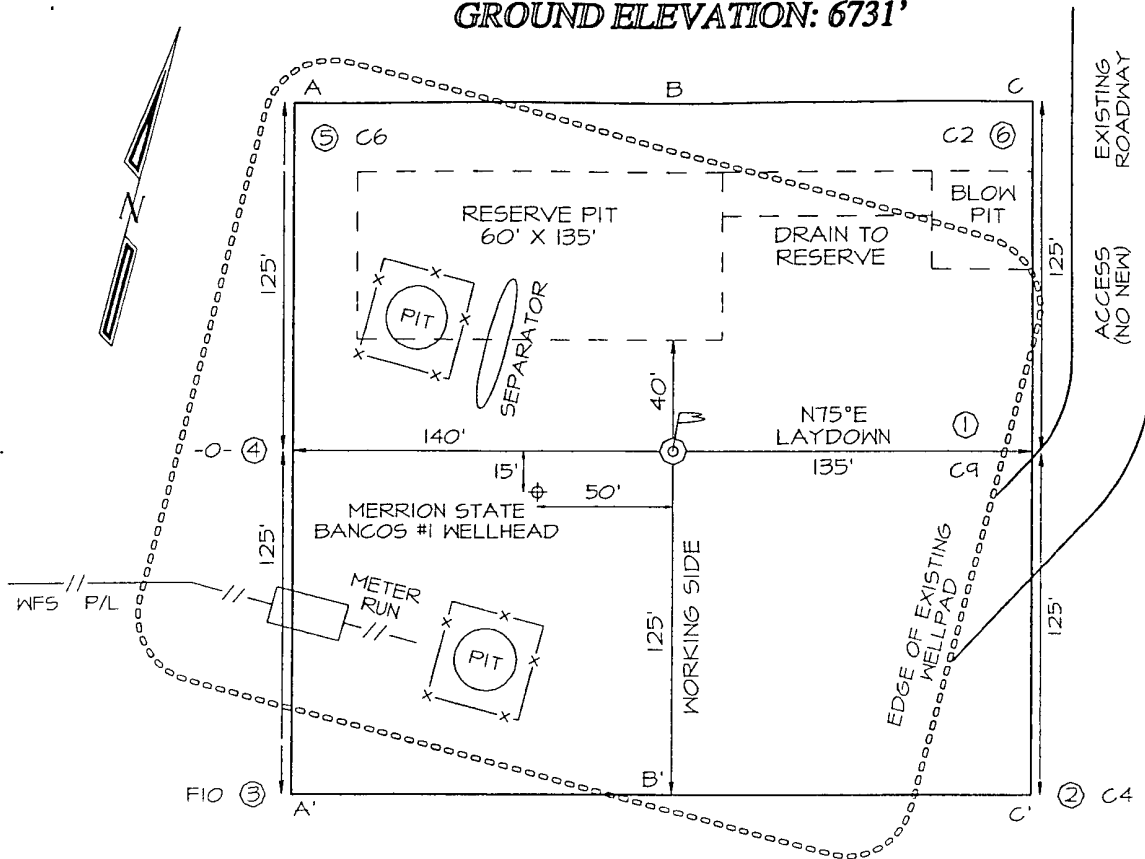
| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--|--------------------|-----------------------|-------------|
| 12 Dedicated Acres 320.0 Acres - (N/2) | 13 Joint or Infill | 14 Consolidation Code | 15 Order No |
| | | | |

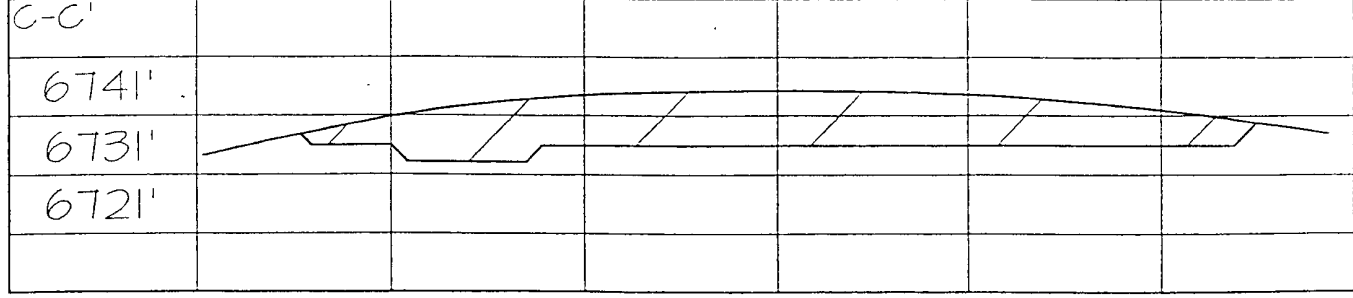
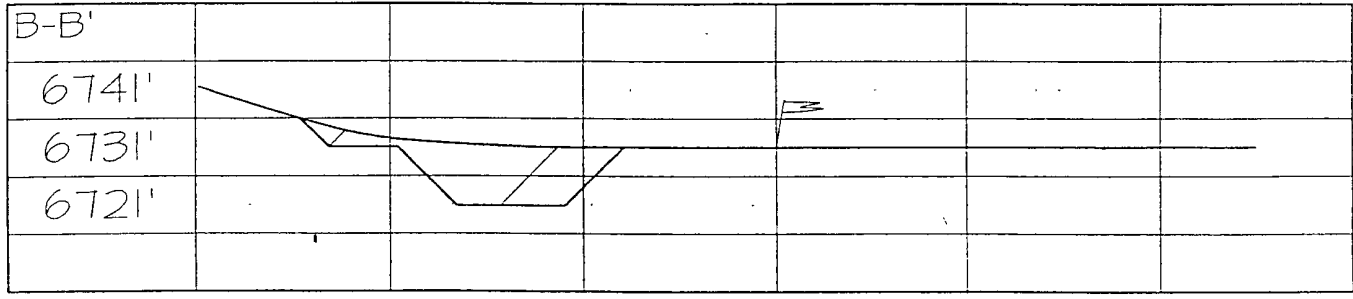
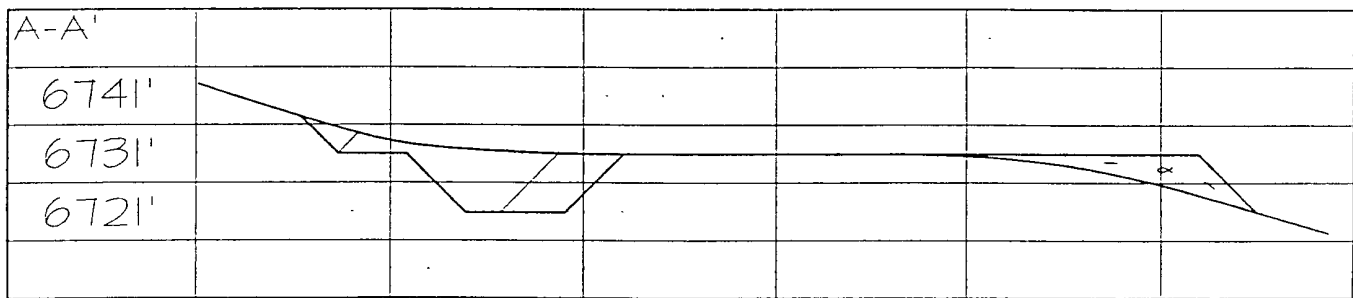
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|--|
| | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Don Graham</u> Signature Don Graham Printed Name Production Superintendent Title 12-13-02 Date |
| | 18 SURVEYOR CERTIFICATION 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. Survey Date: NOVEMBER 6, 2002 Signature and Seal of Professional Surveyor JASON C. EDWARDS Certificate Number 15269 |

ENERGEN RESOURCES CORPORATION STATE BANKS #1005
 720' FNL & 11' 30' FWL, SECTION 32, T32N, R10W, NMPM
 RIO ARriba COUNTY, NEW MEXICO
 GROUND ELEVATION: 6731'



LATITUDE: 36°56'31"
 LONGITUDE: 107°23'24"
 DATUM: NAD1927



Anna Stotts

From: frank florez [frankf52@yahoo.com]
Sent: Wednesday, October 26, 2011 8:54 AM
To: Anna Stotts; Brandon. Powell@state.nm.us; Doug Thomas; Ed Hasely, Eugene Burbank; Kellie Campbell; mark_kelly@nmbldm.gov; randy_mckee@nmbldm.gov; Robert Schmidt
Subject: 72 Hour Notice for State Bancos # 100s

Good Morning,

This is 72 hour notice that we will begin to cover the reserve pit on the State Bancos # 100s. Our estimated start date is Saturday October 29, 2011. Please notify as soon as possible if there are any problems.

Deidra Florez
Triple F Construction & Field Service, LLC
PO Box 3
Bloomfield, NM 87413
(505) 632-9011 Office
(505) 632-6953 Fax



EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

| | | | |
|--------------------|-------------|---------------------|------------|
| Client: | Energen | Project #: | 03022-0168 |
| Sample ID: | 10-11-11-01 | Date Reported: | 10-14-11 |
| Laboratory Number: | 59966 | Date Sampled: | 10-11-11 |
| Chain of Custody: | 12731 | Date Received: | 10-13-11 |
| Sample Matrix: | Soil | Date Analyzed: | 10-13-11 |
| Preservative: | Cool | Date Extracted: | 10-13-11 |
| Condition: | Intact | Analysis Requested: | BTEX |
| | | Dilution: | 10 |

| Parameter | Concentration (ug/Kg) | Det. Limit (ug/Kg) |
|--------------|--------------------------|--------------------------|
| Benzene | 26.7 | 0.9 |
| Toluene | 225 | 1.0 |
| Ethylbenzene | 16.8 | 1.0 |
| p,m-Xylene | 111 | 1.2 |
| o-Xylene | 41.9 | 0.9 |
| Total BTEX | 421 | |

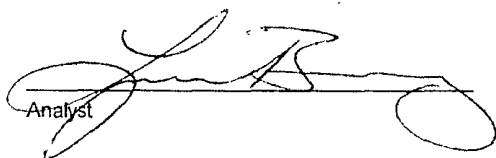
ND - Parameter not detected at the stated detection limit.

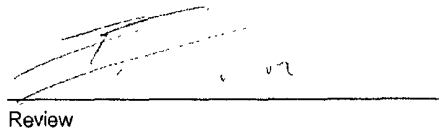
| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|---------------------|------------------|
| | Fluorobenzene | 92.9 % |
| | 1,4-difluorobenzene | 107 % |
| | Bromochlorobenzene | 103 % |

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: State Bancos #100S

Analyst 

Review 



**EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons**

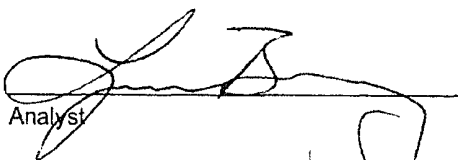
| | | | |
|----------------------|-------------|---------------------|------------|
| Client: | Energen | Project #: | 03022-0168 |
| Sample ID: | 10-11-11-01 | Date Reported: | 10-14-11 |
| Laboratory Number: | 59966 | Date Sampled: | 10-11-11 |
| Chain of Custody No: | 12731 | Date Received: | 10-13-11 |
| Sample Matrix: | Soil | Date Extracted: | 10-13-11 |
| Preservative: | Cool | Date Analyzed: | 10-13-11 |
| Condition: | Intact | Analysis Requested: | 8015 TPH |

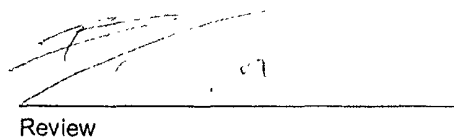
| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) |
|------------------------------|--------------------------|--------------------------|
| Gasoline Range (C5 - C10) | 343 | 0.2 |
| Diesel Range (C10 - C28) | 127 | 0.1 |
| Total Petroleum Hydrocarbons | 470 | |

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **State Bancos #100S**


Analyst


Review



EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

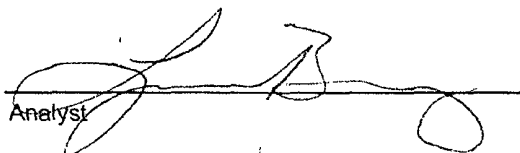
| | | | |
|----------------------|-------------------|------------------|------------|
| Client: | Energen Resources | Project #: | 03022-0168 |
| Sample ID: | 10241101 | Date Reported: | 10-26-11 |
| Laboratory Number: | 60091 | Date Sampled: | 10-24-11 |
| Chain of Custody No: | 12821 | Date Received: | 10-25-11 |
| Sample Matrix: | Soil | Date Extracted: | 10-25-11 |
| Preservative: | Cool | Date Analyzed: | 10-25-11 |
| Condition: | Intact | Analysis Needed: | TPH-418.1 |

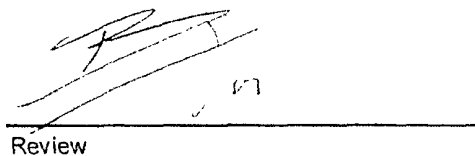
| Parameter | Concentration (mg/kg) | Det. Limit (mg/kg) |
|------------------------------|--------------------------|--------------------------|
| Total Petroleum Hydrocarbons | 28.0 | 7.0 |

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: State Bancos 100S


Analyst


Review



Chloride

| | | | |
|----------------|-------------------|-------------------|------------|
| Client: | Energen Resources | Project #: | 03022-0168 |
| Sample ID: | 10241101 | Date Reported: | 10/29/11 |
| Lab ID#: | 60091 | Date Sampled: | 10/24/11 |
| Sample Matrix: | Soil | Date Received: | 10/28/11 |
| Preservative: | Cool | Date Analyzed: | 10/28/11 |
| Condition: | Intact | Chain of Custody: | 12821 |

| Parameter | Concentration (mg/Kg) |
|-----------|-----------------------|
|-----------|-----------------------|

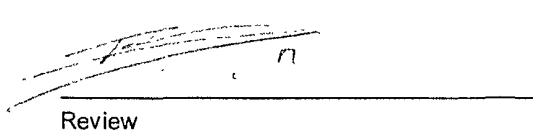
Total Chloride

140

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **State Bancos 100S**


Analyst


Review

Note Any Deficiencies: _____

Pit Inspection Log Sheet

(daily while rig is on-site, then weekly as long as liquids remain in the pit)

Well Name

67ate Barcos 1005

Name (Print):

Note Any Defi

Name (Print):

Note Any Defi

Name (Print):

Note Any Defi

Name (Print):

Note Any Deficiencies:

Name (Print): *Don Trujillo*

Signature:

Date: *9-30-11*

Note Any Deficiencies: *Good*

Name (Print): *Don Trujillo*

Signature:

Date: *10-1-11*

Note Any Deficiencies: *Good*

Name (Print): *Don Trujillo*

Signature:

Date: *10-2-11*

Note Any Deficiencies: *Good*

Name (Print): *Don Trujillo*

Signature:

Date: *10-3-11*

Note Any Deficiencies: *Good*

Name (Print): *Don Trujillo*

Signature:

Date: *10-4-11*

Note Any Deficiencies: *Good*

Name (Print): *Matthew Russell*

Signature:

Date: *10-5-11*

Note Any Deficiencies: *good*

Name (Print): *Richard Beattie*

Signature:

Date: *10-6-11*

Note Any Deficiencies: *Good*

Name (Print): *Matthew Russell*

Signature:

Date: *10-7-11*

Note Any Deficiencies: *good*

Name (Print): *Matthew Russell*

Signature:

Date: *10-8-11*

Note Any Deficiencies: *good*

Name (Print): *Matthew Russell*

Signature:

Date: *10-9-11*

Note Any Deficiencies: *good*

Name (Print): *Robert Wells*

Signature:

Date: *10-10-11*

Note Any Deficiencies: *good*

Name (Print): *Robert Wells*

Signature:

Date: *10-11-11*

Note Any Deficiencies: *good*

Pit Inspection Log Sheet

(daily while rig is on-site, then weekly as long as liquids remain in the pit)

Well Name 58 32-5 #1055

Name (Print):

Note Any Defi

Name (Print):

Note Any Defi

Name (Print):

Note Any Defi

Name (Print):

Note Any Deficiencies:

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-19-11

Note Any Deficiencies: Good

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-20-11

Note Any Deficiencies: Good

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-21-11

Note Any Deficiencies: Good

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-22-11

Note Any Deficiencies: Good

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-23-11

Note Any Deficiencies: Rip - south east corner

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-24-11

Note Any Deficiencies: Rip south east corner

Name (Print): Derrick Killen

Signature: Derrick Killen

Date: 9-25-11

Note Any Deficiencies: Same

Name (Print): Ersk Mantoya

Signature: Ersk Mantoya

Date: 9/25/11

Note Any Deficiencies: little hole from curbail - southwest corner

Name (Print): Matthew Russell

Signature: Matthew Russell

Date: 9-26-11

Note Any Deficiencies: Same

Name (Print): Matt Russell

Signature: Matt Russell

Date: 9-27-11

Note Any Deficiencies: Same

Name (Print): Matt Russell

Signature: Matt Russell

Date: 9-28-11

Note Any Deficiencies: Same

Name (Print):

Signature:

Date:

Note Any Deficiencies:

ENERGEN

R E S O U R C E S

C O R P O R A T I O N

STATE BANCOS #100S

720' FNL 1180' FWL

UNIT D SEC. 32 T032N R005W

LATITUDE N 36° 51'31"

LONGITUDE W 107° 23'24"

LEASE: LG898 ELEV. 6820'

RIO ARRIBA COUNTY, NEW MEXICO

DP#20340A

BASIN FRUITLAND COAL