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.

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 hability should operations result in pollution of surface water, ground water or the nvironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: Elm Ridge Exploration LLC OGRID #: 149052
Address: P.O. Box 156; Bloomfield, NM 87413
Facility or well name: Bryan Sımpson 2 – Tank 1
API Number: 3004533174 OCD Permit Number: Not Applicable
U/L or Qtr/Qtr H Section 32 Township 25N Range 11W County: San Juan
Center of Proposed Design. Latitude 36.360348 Longitude -108.020598 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: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: Welded Factory Other Volume bbl Dimensions: L x W x D
Closed-loop System: Subsection H of 19.15 17 11 NMAC
Type of Operation P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
□ Drying Pad □ Above Ground Steel Tanks □ Haul-off Bins □ Other □ Lined □ Unlined Liner type: Thickness □ mil □ LLDPE □ HDPE □ PVC □ Other □ 1 A 56789
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC OtherA
Liner Seams. Welded Factory Other RECEIVED
4.
Below-grade tank: Subsection I of 19.15 17.11 NMAC
Volume: 100 bbl Type of fluid: Produced water To be Control to the produced water To be Control to the produced water To be Control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to be control to the produced water to the produced water to be control to the produced water
Tank Construction material: Fiberglass tank
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other <u>Secondary containment</u>
Liner type: Thicknessmil
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.

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, h institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate Please specify: Four (4) foot hog wire fence with pipe top railing.	ospital,		
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			
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19 15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau o consideration of approval. Exception(s). Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	ffice for		
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 - iWATERS database search revealed no records in this township. Previously submitted C-144 for this site, approved by the NMOCD September 20, 2007, indicates ground water is more than 100 feet below the bottom of the below-grade tank.	☐ Yes ☑ 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).0 The nearest watercourse is 436.1 ft south per attached topographic map Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application	☐ Yes ☑ No		
- The attached aerial illustrates a distance of approximately 1,300 feet to the north-south and 1,900 feet to the east-west from the well site.			
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (Applies to permanent pits) - Not Applicable	☐ Yes ☐ No ☑ NA		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - Visual inspection and iWaters database search confirms the site is not within 1000 feet of any fresh water well or spring.	☐ 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. - The site is not within incorporated municipal boundaries.	☐ Yes ☑ No		
Within 500 feet of a wetland. - The USFWS data file, WetlandsData.kmz, dated July 2, 2008, was opened using Google Earth. Electronic data was not available. Wetland-type vegetation was not noted during the site visit.	☐ Yes ☒ No		
Within the area overlying a subsurface mine. - The NM EMNRD web map was reviewed. No mines are present.	☐ Yes ☑ No		
Within an unstable area. - The attached topographical map indicates this site is not within an unstable area.	☐ Yes ☑ No		
Within a 100-year floodplain.			

11. Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15 17 9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are
attached. ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19 15.17 9 NMAC ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17 10 NMAC ☐ Design Plan - based upon the appropriate requirements of 19 15.17.11 NMAC ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17.12 NMAC ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC
and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number:
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19 15 17.13 NMAC
Previously Approved Design (attach copy of design) API Number:
Previously Approved Operating and Maintenance Plan API Number (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
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 Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control 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 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)
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration) Maste 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 St Instructions: Please indentify the facility or facilities for the disposal of liquids, dr facilities are required.	t <mark>eel Tanks or Haul-off Bins Only</mark> : (19.15.17.13.I illing fluids and drill cuttings. Use attachment if n	NMAC) nore than two			
Disposal Facility Name: Disposal Facility Permit Number:					
Will any of the proposed closed-loop system operations and associated activities occur. ☐ Yes (If yes, please provide the information below) ☐ No	ur on or in areas that will not be used for future serv	vice and operations?			
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 cl provided below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmental I demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	administrative approval from the appropriate disti Bureau office for consideration of approval. Justi	rict office or may be			
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 of	obtained from nearby wells	Yes No			
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data of	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 of	obtained from nearby wells	☐ Yes ☐ No ☐ NA			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signilake (measured from the ordinary high-water mark) - Topographic map; Visual inspection (certification) of the proposed site	ficant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in Visual inspection (certification) of the proposed site; Aerial photo; Satellite is	n existence at the time of initial application. mage	☐ Yes ☐ No			
Within 500 horizontal feet of a private, domestic fresh water well or spring that less t watering purposes, or within 1000 horizontal feet of any other fresh water well or spr - NM Office of the State Engineer - iWATERS database; Visual inspection (co	ing, in existence at the time of initial application.	☐ Yes ☐ No			
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval	•	☐ 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 a	nd Mineral Division	☐ Yes ☐ No			
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology of Society; Topographic map	& Mineral Resources; USGS; NM Geological	☐ Yes ☐ No			
Within a 100-year floodplain FEMA map		☐ Yes ☐ No			
On-Site Closure Plan Checklist: (19 15.17.13 NMAC) Instructions: Each of the by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of S Construction/Design Plan of Burial Trench (if applicable) based upon the app Construction/Design Plan of Temporary Pit (for in-place burial of a drying pactory Protocols and Procedures - based upon the appropriate requirements of 19.15.1 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Signature Masterial Sampling Plan - based upon the appropriate requirements of Signature Soil Cover Design - based upon the appropriate requirements of Subsection Harvegetation Plan - based upon the appropriate requirements of Subsection I Site Reclamation Plan - based upon the appropriate requirements of Subsection	rements of 19.15 17 10 NMAC subsection F of 19 15.17.13 NMAC ropriate requirements of 19.15.17.11 NMAC states and the appropriate requirements of 19.17.13 NMAC rements of Subsection F of 19 15 17 13 NMAC subsection F of 19.15.17.13 NMAC states of 19 15.17.13 NMAC of 19.15.17.13 NMAC	15 17.11 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.			
Name (Print) Amy Mackey / Ittle: Production Technician			
Signature:			
e-mail address: amackey@elmndge.net Telephone (505) 632-3476 ext. 201			
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 3726/20) 7			
Title: OCD Permit Number:			
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.			
Closure Completion Date:			
22. Closure Method: Waste Excavation and Removal □ On-Site Closure Method □ Alternative Closure Method □ Waste Removal (Closed-loop systems only) If different from approved plan, please explain.			
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			
14			
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 Longitude NAD 1927 1983			
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.			
Name (Print): Title:			
Signature: Date:			
e-mail address: Telephone:			

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

Approval Deputy Oil & Gas Inspector,
Printed Name/Title District #3

State of New Mexico Energy Minerals and Natural Resources

Form C-144 June 1, 2004

SEP 2 0 2007

Date

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office
For downstream facilities, submit to Santa Fe office

Pit or Below-Gra	ade Tank Registration or Closus	re		
Is pit or below-grade tank covered by a "general plan"? Yes No				
Type of action. Registration of a pit	or below-grade tank Closure of a pit or below-gra	de tank X		
OperatorELM RIDGE EXPLORATION CO LLCTelephone5	05-632-3476 x 201 e-mail address amacket	v1@elmridge net		
Address PO BOX 156 Bloomfield, NM 87413		, . <u></u>		
facility or well nameBryan Simpson #2API #30	0-045-33174 U/L or Otr/Otr Sec 32 T 25	5N R 11W		
County San Juan County Latitude				
Surface Owner Federal X State Private Indian				
<u>Pit</u>	Below-grade tank			
Type Drilling XX Production Disposal D	Volumebbl Type of fluid			
Workover Emergency	Construction material			
Tivined 🔲 Unlined 🔲	Double-walled, with leak detection? Yes If not	, explain why not		
Liner type Synthetic Thicknessmil Clay				
Pit Volumebbl				
Doubt to assume water (workers) distance from bottom of not to account	Less than 50 feet	(20 points)		
Depth to ground water (vertical distance from bottom of pit to seasonal	50 feet or more, but less than 100 feet	(10 points)		
high water elevation of ground water)	100 feet or more	(0 points)X		
Vellhead protection area (Less than 200 feet from a private domestic	Yes	(20 points)		
(vater source, or less than 1000 feet from all other water sources)	No	(0 points)X		
A	Learthan 200 Cent	(20)		
Distance to surface water (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)		
ip igation canals, ditches, and perennial and ephemeral watercourses)	200 feet or more, but less than 1000 feet	(10 points)		
, ii	1000 feet or more	(0 points)X		
	Ranking Score (Total Points)	0 points		
If this is a pit closure: (1) Attach a diagram of the facility showing the pit	s relationship to other equipment and tanks (2) Indica	ate disposal location (check the onsite box if		
your are burying in place) onsite XX offsite [If offsite, name of facility_	(3) Attach a general of	description of remedial action taken including		
remiediation start date and end date (4) Groundwater encountered No XX	Yes If yes, show depth below ground surface			
(5) Attach soil sample results and a diagram of sample locations and excava	tions	RCVD AUG 30 '07		
Additional Comments		UIL CONS. DIV.		
We completed this work July 31, 2007		DIST. 3		
11				
-3				
* 1				
Thereby certify that the information above is true and complete to the best	of my knowledge and halve I further county that the	he above described hit or below grade tank		
has been/will be constructed or closed according to NMOCD guideline	es X, a general permit , or an (attached) alternati	e OCD-approved plan .		
Date8-13-07				
Rinted Name/TitleAdministrative Manager	Signature MMy			
Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve to the control of the c				

New Mexico Office of the State Engineer POD Reports and Downloads

Township 25N Range 11W Sections 32 NAD27 X Y Search Radius Zone County Basın Number. Suffix Owner Name (First) (Last) o Non-Domestic o Domestic • All POD / Surface Data Report . Avg Depth to Water Report [Water Column Report] Clear Form | iWATERS Menu | Help

POD / SURFACE DATA REPORT 09/01/2008

(acre ft per annum)
DB File Hbr Use Diversion Owner POD H

POD Humber

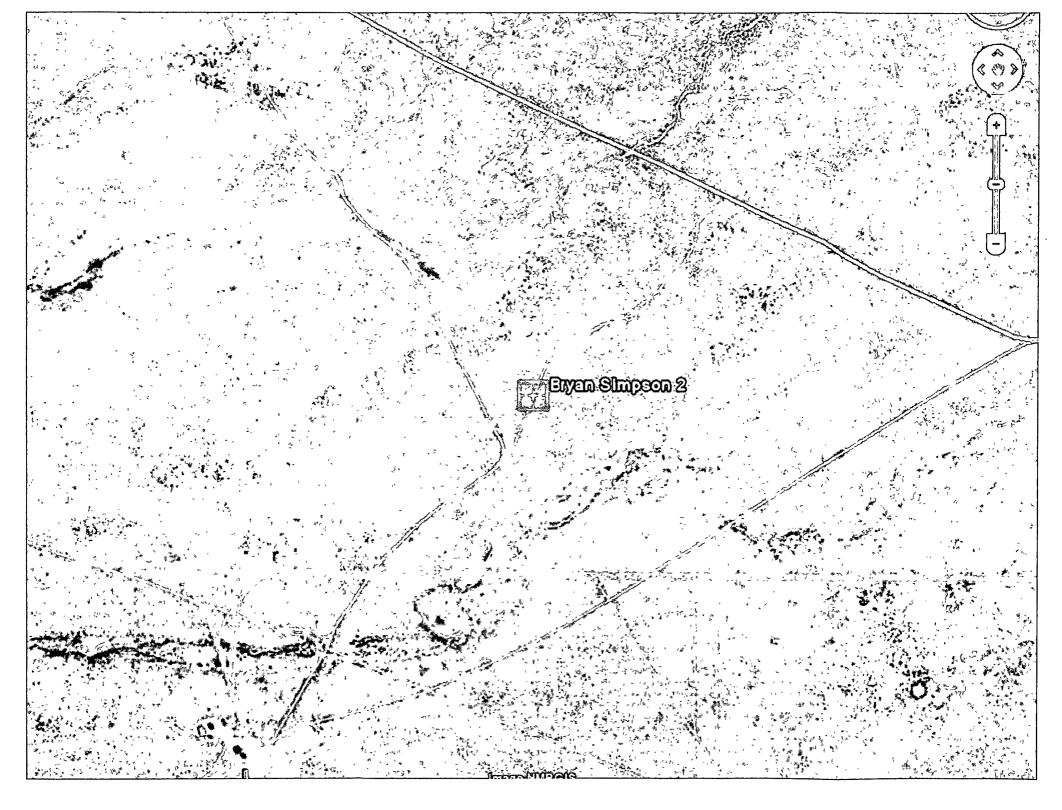
(quarters are 1=EW 2=BE 3=SW 4=SE) (quarters are biggest to smallest X T are in Feet Source Tws Rng Sec q q q Ione X

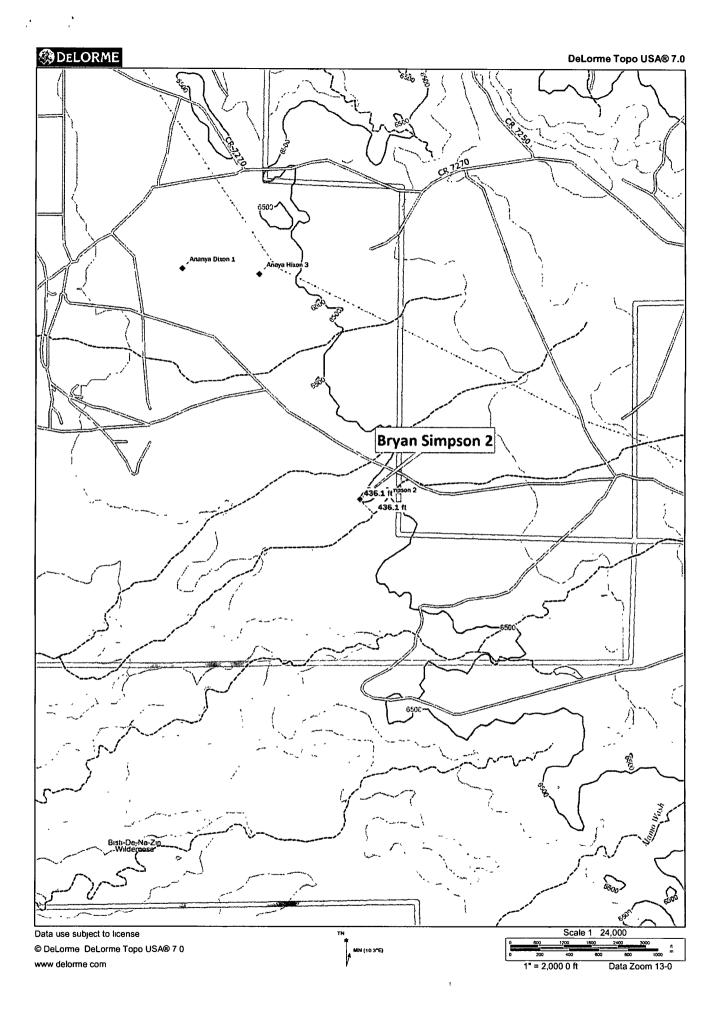
UTM are in Meters) Start
UTM_Zone Easting Northing Date

rt Finish

Depth Depth (in feet) Well Water

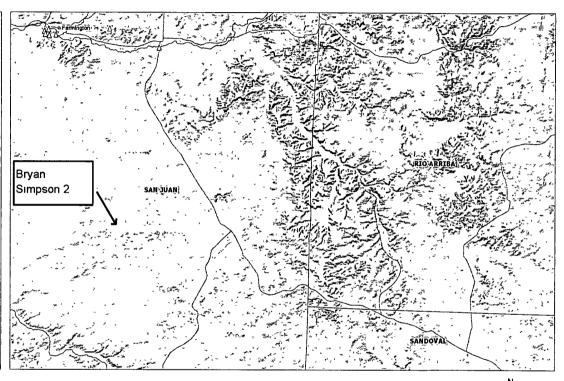
No Records found, try again

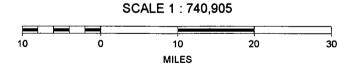




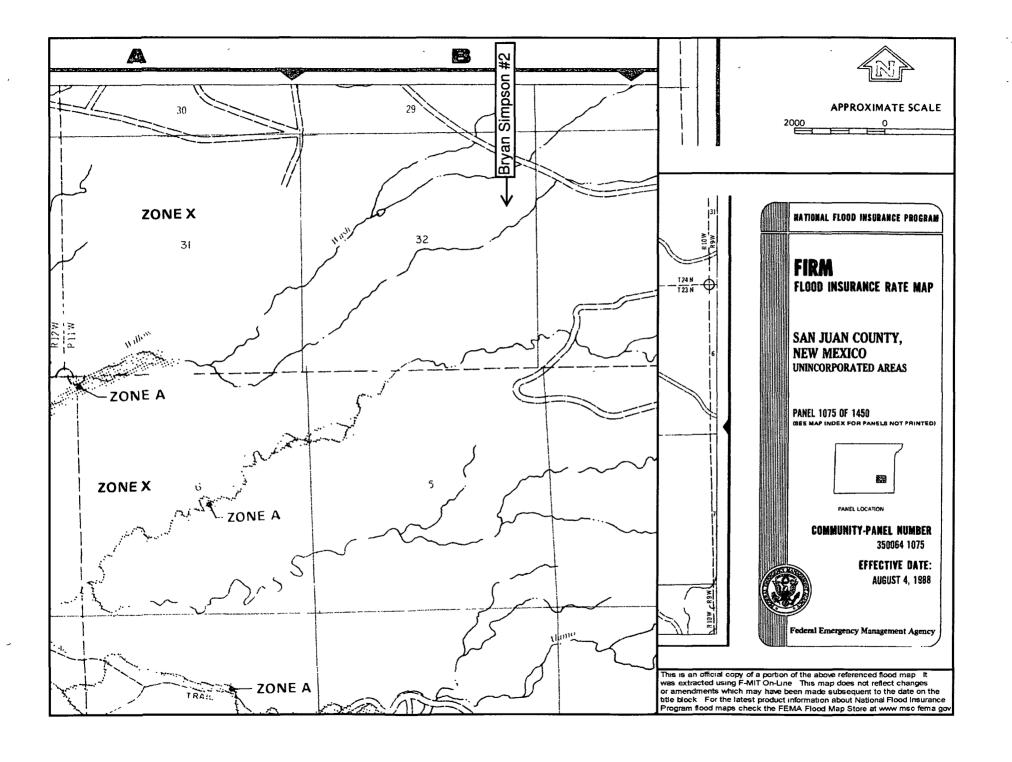
Elm Ridge Exploration Mine Map

Mines, Mills & Quarries Commodity Groups **Aggregate & Stone Mines Coal Mines** Industrial Minerals Mines Industrial Minerals Mills \square **Metal Mines and Mill Concentrate Potash Mines & Refineries Smelters & Refinery Ops. Uranium Mines Uranium Mills** Mines, Mills & Quarries Status **Active Mining Active Mining, Active Reclamation Permanent Closure, Active Reclamation** Permanent Closure, Reclaimed Awaiting Bond Release **Temporary Suspension**









BELOW GRADE TANK (BGT) CLOSURE PLAN

SITE NAME:

BRYAN SIMPSON #2
UNIT LETTER H, SECTION 32, TOWNSHIP 25N, RANGE 11W
SAN JUAN COUNTY, NEW MEXICO
LATITUDE 36.360348 LONGITUDE -108.020598

SUBMITTED TO:

MR. WAYNE PRICE
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
SANTA FE, NEW MEXICO 87505
(505) 476-3440

SUBMITTED BY:

Ms. AMY MACKEY
ELM RIDGE EXPLORATION
P.O. BOX 156
BLOOMFIELD, NEW MEXICO 87413
(505) 632-3476

OCTOBER 2008

BELOW GRADE TANK (BGT) CLOSURE PLAN ELM RIDGE EXPLORATION BRYAN SIMPSON #2 SAN JUAN COUNTY, NEW MEXICO

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INTRODUCTION

Elm Ridge Exploration would like to submit a closure plan for the below grade tanks (BGTs) at the Bryan Simpson #2 well site located in the SE ¼ NE ¼ of Section 32, Township 25N, Range 11W, San Juan County, New Mexico. This closure plan has been prepared in conformance with New Mexico Oil Conservation Division (NMOCD) procedures.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide the details of activities involved in the closure of the BGTs at the Bryan Simpson #2 well site. The following scope of closure activities has been designed to meet this objective:

- 1) Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration shall submit a closure plan to the division's environmental bureau. Upon receipt of this plan the division shall review the current closure plan for adequacy and accordance with 19.15.17.9 Subsection C NMAC and 19.15.17.13 NMAC.
- 2) No less than 72 hours and no greater than one (1) week prior to BGT removal Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration will provide written notification to the appropriate division district office as well as a schedule of on-site activities, as in accordance with 19.15.17.13 Subsection J Paragraph (2) NMAC.
- 3) Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration shall provide written notification to the surface owner no later than 72 hours prior to BGT removal by certified mail. BLM will receive notification per a Sundry Notice, as in accordance with 19.15.17.13 Subsection J Paragraph (1) NMAC.
- 4) Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration will remove all liquids, and/or sludge, if applicable, prior to closure. Material will be disposed of at Envirotech's Landfarm #2, Permit # NM-01-0011 or Basin Disposal, depending on the consistence of the material removed, as in accordance with 19.15.17.13 Subsection E Paragraph (1) NMAC.
- 5) Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration will remove the BGT and all on-site equipment associated with this BGT that cannot or will not be reused on-site, as in accordance with 19.15.17.13 Subsection E Paragraphs (2) and (3) NMAC.
- 6) Once the BGT is removed a five (5) point composite sample will be collected from directly below the tank or below the leak detection system if present. An additional discrete sample will be collected from any area that is wet, discolored, or showing other evidence of a release. All samples being collected will be analyzed for benzene and total BTEX via USEPA Method 8021, TPH via USEPA Method 418.1, and chlorides via USEPA 300.1, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
- 7) Depending on soil sample results the area will be either backfilled or the area will be excavated.
 - a. If soil samples pass the regulatory standards of 0.2 ppm benzene, 50 ppm

BTEX, 100 ppm TPH, and 250 ppm or background concentration of chlorides, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.

- i. Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration will backfill the excavation or impacted area with non-waste containing, earthen material, in accordance with 19.15.17.13 Subsection E Paragraph (6) NMAC.
- ii. Upon decommissioning of the well site Elm Ridge Exploration or a contractor acting on behalf of Elm Ridge Exploration will construct a division-prescribed soil cover, substantially restore, recontour and revegetate the site, in accordance with 19.15.17.13 Subsections G, H, and I NMAC. The soil cover for closures where the operator has removed the pit contents or remediated the contaminated soil to the division's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. The operator shall construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material. The operator shall notify the division when it has been re-seeded and when it has achieved successful re-vegetation.
- b. If soil samples exceed the regulatory standards stated above.
 - i. Elm Ridge Exploration will submit a Release Notification by Form C-141 to the appropriate division district office, in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
 - ii. Activities beyond this point will be in accordance with 19.15.3.116 NMAC and 19.15.11.19 NMAC.

REPORTING

Reporting will occur within 60 days following the BGT closure and will consist of a form C-144 with all supporting data, and a form C-141 with all supporting data, if necessary. The supporting data will include analytical results, a site diagram, a copy of the site owner notification, and other information related to the onsite activities.

We appreciate the opportunity to be of service. If you have any questions or require further information, please do not hesitate to contact our office at (505) 632-3476 ext. 201.

Respectfully Submitted:

Elm Ridge Exploration

Ms. Amy Mackey Elm Ridge Exploration

Elm Ridge Exploration

San Juan Basin

Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of a Below Grade Tank (BGT) on Elm Ridge Exploration's locations. This is Elm Ridge Exploration's standard procedure for all BGT's. A separate plan will be submitted for any BGT that Elm Ridge Exploration possesses, which does not conform to this particular plan.

GENERAL PLAN:

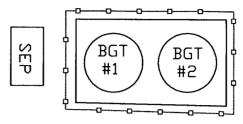
- 1. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will operate and maintain a BGT to contain liquids and solids to prevent contamination of fresh water and to protect public health and the environment.
- Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall not
 allow a BGT to overflow or allow surface water run-on to enter the BGT. Figure A, Site
 Map and Figure B, Design Plan can be referenced for a visual representation of how this
 will be accomplished.
- 3. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall continuously remove any visible or measurable layer of oil from the fluid surface of a BGT in an effort to prevent the accumulation of oil over time.
- 4. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall inspect the BGT at least once monthly and maintain a written record of each inspection for at least five (5) years.
- 5. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall maintain adequate freeboard to prevent overtopping of the BGT.

Figure A, Site Map

Figure B, Design Plan







Pump Jack



LEGEND

1 4' Tall Hogwire 1 Fencing

Berm

🕈 Well Head

SITE MAP ELM RIDGE EXPLORATION BRYAN SIMPSON #2 SEC 32 TWN 25N RGE 11W SAN JUAN COUNTY, NEW MEXICO

SCALE: NTS FIGURE NO. A

PROJECT NOD3056-0135

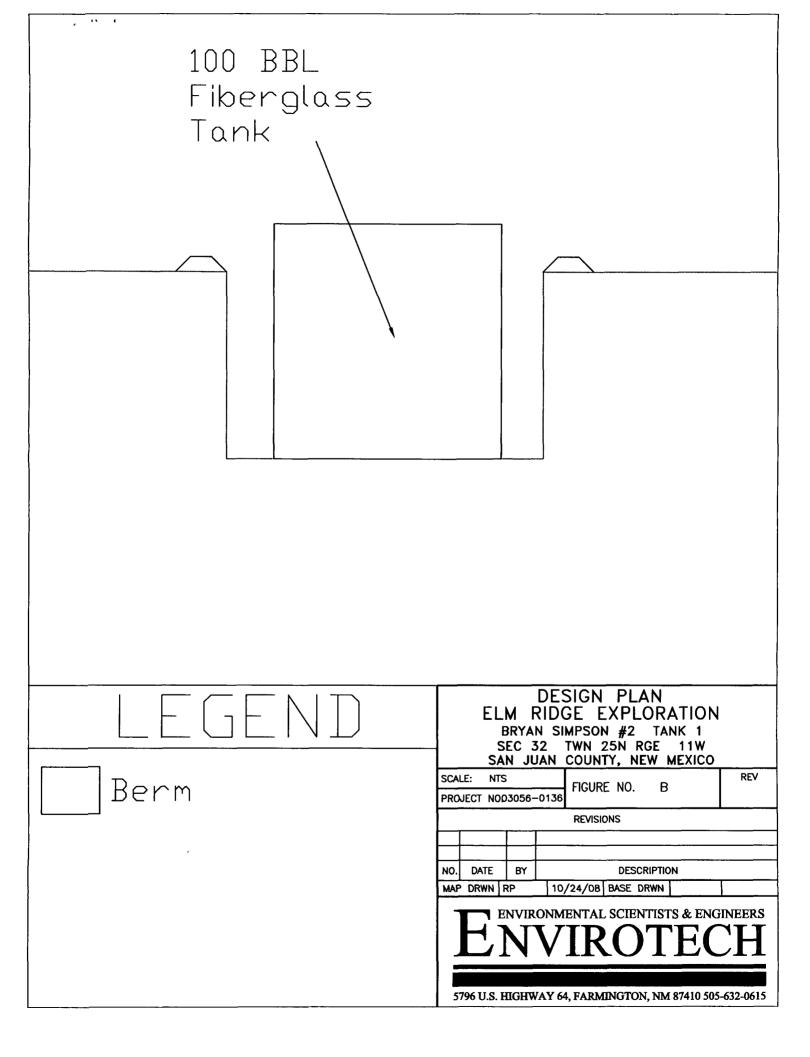
REVISIONS

NO. DATE BY DESCRIPTION

MAP DRWN JPM 10/16/08 BASE DRWN

ENVIROTECH

5796 U.S. HIGHWAY 64, FARMINGTON, NM 87410 505-632-0615



Elm Ridge Exploration

San Juan Basin

Below Grade Tank Design and Construction Plan

In accordance with Rule 19.15.17 the following information describes the design and construction of below grade tanks (BGTs) on Elm Ridge Exploration locations. This will be Elm Ridge Exploration's standard procedure for all BGTs. A separate plan will be submitted for any BGT which does not conform to this plan.

GENERAL PLAN:

- 1. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will design and construct a BGT to contain liquids and solids to prevent contamination of fresh water and to protect public health and the environment.
- 2. Elm Ridge Exploration will use a general location sign posted on location. If no general sign is posted, a separate sign at the location of the BGT will be provided.
- 3. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall construct fencing around the BGT using a four (4) foot hog wire fencing topped with two (2) strands of barbed wire, or with a pipe top rail. A six (6) foot chain link fence topped with three (3) strands of barbed wire will be used if the well location is within 1000 feet of a permanent residence, school, hospital, institution or a church.
- 4. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will construct an expanded metal covering on the top of the BGT.
- 5. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall ensure that a BGT is constructed of materials resistant from damage by sunlight and the BGT's particular contents.

6. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall ensure that the BGT system has a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.

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- 7. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall not allow a BGT to overflow or allow surface water run-on to enter the BGT.
- 8. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will construct and use a BGT that does not have double walls. The BGT side walls will be open for visual inspection for leaks. The BGT bottom is elevated a minimum of six inches above the underlying ground surface and the BGT is underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
- 9. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, shall equip BGTs designed in this manner with a properly operating automatic high level shut-off control device and manual controls to prevent overflow.
- 10. Elm Ridge Exploration, or a contractor representing Elm Ridge Exploration, will ensure that the geomembrane liner consists of 30-mil flexible PVC of 60-mil HDPE liner, or an equivalent liner material that the appropriate division district office approves. The geomembrane liner shall have a hydraulic conductivity no greater than 1 x 10⁻⁹ cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 Method 9090A.
- 11. The general specification for design and construction is attached as *Figure C, BGT Design and Construction*.

Figure C, BGT Design and Construction

