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

Alternative Method:

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

	Santa Fe, NM 8/505	District Office	ce		
~ 01	osed-Loop System, Below-G				
Proposed Alteri	native Method Permit or Clo	sure Plan Appli	<u>cation</u>		
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	on (Form C-144) per individual pit, closed-	loop system, below-grad	le tank or alternative request		
Please be advised that approval of this request does not reenvironment. Nor does approval relieve the operator of					
Operator WPX Energy Production	duction, LLC O	GRID #·	120782		
Address PO Box 640 / 721 S Main					
Facility or well name Cox Canyon 009A					
API Number <u>3009A511368</u> get form PDS or	NMOCD web-sites_ 30-045-22098CD	Permit Number			
U/L or Qtr/Qtr D Section 20	Township <u>31N</u> Range	11W County.	San Juan		
Center of Proposed Design Latitude36	975033 Longitude	-108 016864	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	<u>,</u>		RCVD JUN 14'12		
Temporary. Drilling Workover			OIL CONS. DIV.		
Permanent Emergency Cavitation Pe			DIST. 3		
Lined Unlined Liner type Thickness	mil 🗵 LLDPE 🗌 HDPE 🗌 PVC	Uther			
String-Reinforced Liner Seams	Valuma	hhl Dimonorous C	at from Diata I		
Line Seams weided Factory Other	v olulle		et from Frais L x w x D		
Closed-loop System: Subsection H of 19.15 1	7 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 Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other					
Liner Seams					
4.					
Below-grade tank: Subsection 1 of 19.15.17 1	1 NMAC				
Volume 120 bbl Type of	f fluid Produced Water				
Tank Construction material <u>Double wall, d</u>	ouble bottom, Steel				
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off					
☐ Visible sidewalls and liner ☐ Visible sidewal					
Liner type: Thicknessmil	☐ HDPE ☐ PVC ☐ Other				

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

17

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, matteriors or character.)					
Institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet					
✓ Alternate Please specify As per BLM specifications					
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)					
Monthly hispections (if fletting of screening is not physically leasible)					
8 Simon Subsection Confidential NAAC					
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 of consideration of approval Exception(s). Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	office 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. - 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 significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No				
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ⊠ No ☐ NA				
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (Applies to permanent pits) - Visual inspection (certification) of the proposed site, Acrial photo, Satellite image	☐ Yes ☐ No ☐ NA				
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application - NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site	☐ Yes ⊠ No				
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	☐ Yes ⊠ No				
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site	☐ Yes 🏻 No				
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes 🛭 No				
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map	☐ Yes ⊠ No				
Within a 100-year floodplain - FEMA map	☐ Yes ⊠ No				

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are
attached. ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17 9 NMAC ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17 9 NMAC ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 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
12
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 17.11 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 Glosure Response Plan Oil Field Waste Stream Characterization Montoring 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 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)
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 G of 19 15 17 13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Instructions: Please identify the facility or facilities for the disposal of liquids, drilling facilities are required.		
•	osal Facility Permit Number	
	osal Facility Permit Number	
Will any of the proposed closed-loop system operations and associated activities occur of Yes (If yes, please provide the information below) No	n or in areas that will not be used for future ser	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 1 of 1 Site Reclamation Plan - based upon the appropriate requirements of Subsection G	9 15 17 13 NMAC	C
Siting Criteria (regarding on-site closure methods only): 19 15 17 10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closus provided below. Requests regarding changes to certain siting criteria may require admic considered an exception which must be submitted to the Santa Fe Environmental Bure demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for gu	ninistrative approval from the appropriate dist eau 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 obta	ancd 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 obta	aned 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 obta	aned from nearby wells	☐ Yes ⊠ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	nt watercourse or lakebed, sinkhole, or playa	☐ Yes ⊠ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in ex - Visual inspection (certification) of the proposed site, Aerial photo, Satellite imag		☐ Yes ☑ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, - NM Office of the State Engineer - iWATERS database, Visual inspection (certification)	, in existence at the time of initial application	☐ Yes ⊠ No
Within incorporated municipal boundaries or within a defined municipal fresh water well adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained in the section of the municipality.	·	☐ Yes ☒ No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual insp	pection (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 N	Mineral Division	☐ Yes ☒ No
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & M Society, Topographic map	Inneral 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 folioby a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Subset Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - Protocols and Procedures - based upon the appropriate requirements of 19.15.17 12 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subset Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cure Soil Cover Design - based upon the appropriate requirements of Subsection H of 1 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.	ents of 19 15 17 10 NMAC ection F of 19 15 17 13 NMAC rate requirements of 19 15 17 11 NMAC based upon the appropriate requirements of 19 3 NMAC ents of Subsection F of 19 15 17 13 NMAC ection F of 19.15 17 13 NMAC attings or in case on-site closure standards cannot 9.15 17 13 NMAC	15.17 11 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					
Name (Print) Vanessa Fields Title EH&S Coordinator					
Signature Date. 6/14/2012					
c-mail address					
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 05/2012 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 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					
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					
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:					

Hydrogeological Report WPX Energy Production, LLC. Cox Canyon 009A

Regional Hydrological Context

Referenced Well Location:

The referenced well and pit is located on Bureau of Land Management land within Farmington Field Office (FFO) jurisdiction in Rio Arriba County, New Mexico. This site is positioned in the northeastern portion of the San Juan Basin, an asymmetrical syncline that extends from northwestern New Mexico into southwestern Colorado (Carson National Forest FEIS, 2008). Elevation of the referenced well is approximately 6,644 feet MSL

General Regional Groundwater Description:

As a portion of the San Juan Basin, the FFO region is underlain by sandstone aquifers of the Colorado Plateau. The primary aquifer of potential concern at this location is the Uinta-Animas Aquifer, composed primarily of Lower Tertiary rocks in the San Juan Basin. The aquifer consists of the San Jose Formation; the underlying Animas formation and its lateral equivalent, the Nacimiento formation; and the Ojo Alamo Sandstone The thickness of the Uinta-Animas aquifer generally increases toward the central part of the basin. In this region, the maximum thickness of the aquifer is approximately 3500 feet (USGS, 2001). This aquifer contains fresh to moderately saline water.

Groundwater generally flows toward the San Juan River and its tributaries, where it becomes alluvial groundwater or is discharged to stream flow. Additional information regarding the hydrogeologic setting can be found in the provided references.

Site Specific Information:

Surface Hydrology: The pit is located on an northwestern facing slope within Martin

Glade. Drainage from the proposed location flows to the northwest for approx.. 260 feet into the Martin Glade Wash, then west-northwest for approx.. 0.7 mile into Farmington Glade

Wash then into San Juan River

1st Water Bearing Formation: San Jose, Tertiary
Formation Thickness: Approximately 1,900 ft

Underlying Formation: Nacimiento, Tertiary

Depth to Groundwater: Depth to groundwater is estimated at 50 feet below bottom of

pit liner. Within a one-mile radius of this location, there is an iWATERS well with recorded water depth of 155 ft. Also, this well is a cathodic well showing depth to moisture at 50 feet (see

Siting Criteria Map I for details)

References:

Allen, Erin Undated. Colorado Plateau Aquifers http://academic.emporia.edu/schulmem/hydro/TERM%20PROJECTS/2007/Allen/Aquifer.html.

New Mexico Energy, Minerals and Natural Resources Department, Division of Mining and Minerals. Database. 2010 Internet accessed January 2010.

New Mexico Office of the State Engineer 2011. iWaters database. Internet accessed June 2011.

New Mexico WQCC. 2005. State of New Mexico Water Quality Act and the Water Control Commission Regulations.

United States Department of Agriculture, Forest Service. 2008 Final Environmental Impact Statement for Surface Management of Gas Leasing and Development. Jicarilla Ranger District, Carson National Forest, Rio Arriba County, New Mexico

United States Department of the Interior. Bureau of Land Management. 2003. Final Farmington Resource Management Plan and Final Environmental Impact Statement. Farmington Field Office, Farmington, New Mexico.

United States Geological Survey. 2001 Ground Water Atlas of the United States: Arizona, Colorado, New Mexico and Utah USGS Publication HA 730-C, http://capp.water usgs.gov

Page 8 of 15 Cox Canyon 009A



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file)

(R=POD has been replaced, O=orphaned,

C=the file is

(quarters are 1=NW 2=NE 3=SW 4=SE) closed)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

- · · · · · · · · · · · · · · · · · · ·	•				_						
POD Number	POD Code Subbasin County	Q 0			Tws	Rng	x	Y	•	Depth W Water Co	
SJ 00017	SJ		2	24	32N	11W	238546	4096052*	105		
SJ 00020	SJ		3	29	32N	11W	231467	4093877*	588		
SJ 00021	SJ		3	23	32N	11W	236177	4095304*	585		
SJ 00026	SJ		2	33	32N	11W	233717	4092955*	321		
SJ 01327	SJ	3 2	2	23	32N	11W	237092	4096187*	90	50	40
SJ 01360	SJ	2	2	19	32N	11W	230954	4096508*	180	155	25
SJ 03865	SJ	2 3	4	20	32N	11W	232217 Avera	4095306 age Depth to		102 fee	et
								- '			

Minimum Depth: 50 feet

155 feet

Maximum Depth

Record Count: 7

PLSS Search:

Township: 32N

Range: 11W

*UTM location was derived from PLSS - see Help

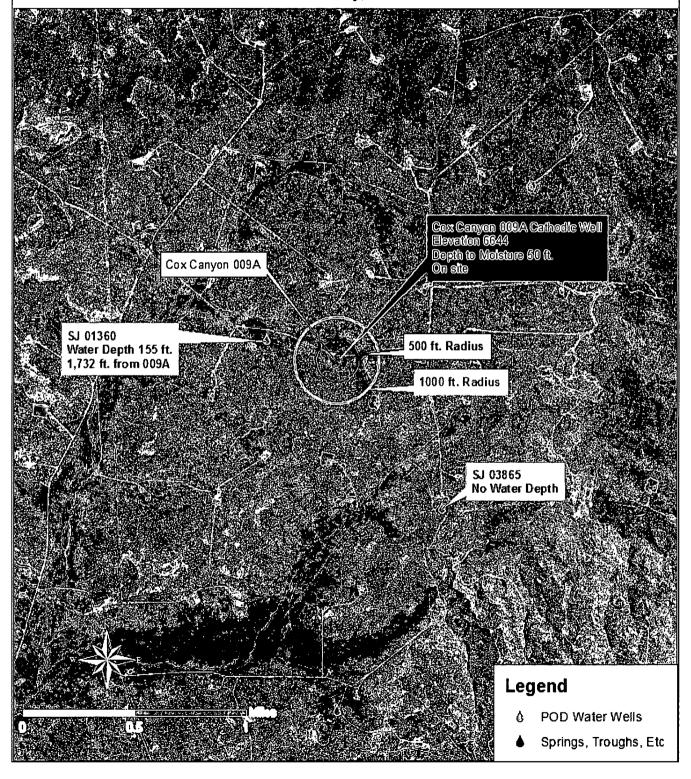
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data

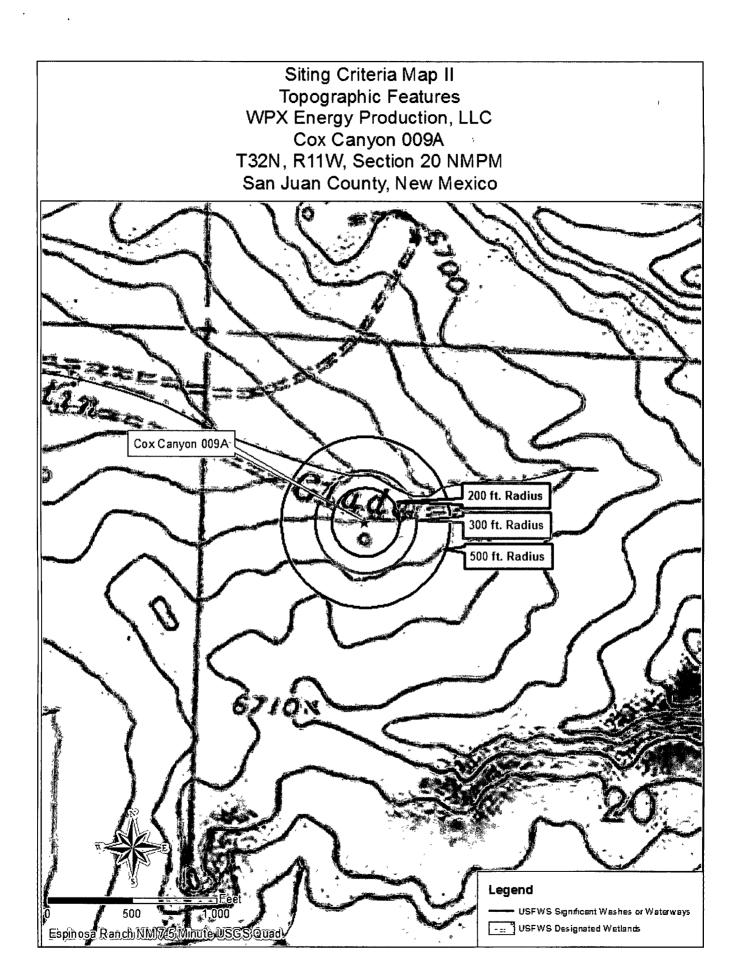
6/1/12 9:46 AM

Page 1 of 1

WATER COLUMN/ AVERAGE **DEPTH TO WATER**

Siting Criteria Map I
Water Wells, Cathodic Wells, & Springs
WPX Energy Production, LLC
Cox Canyon 009A
T32N, R11W, Section 20 NMPM
San Juan County, New Mexico



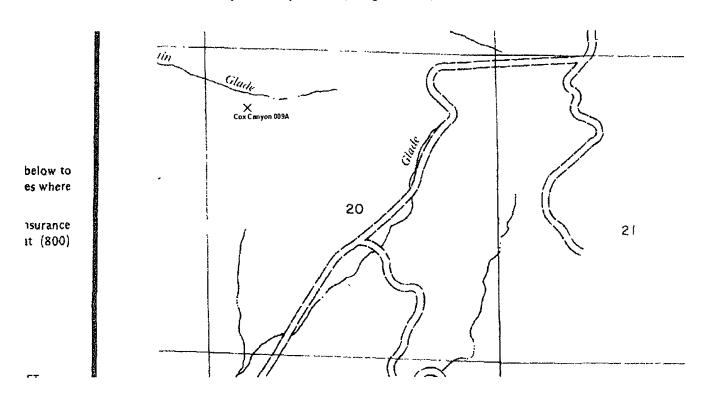


FEMA Map - 100-Year Floodplain:

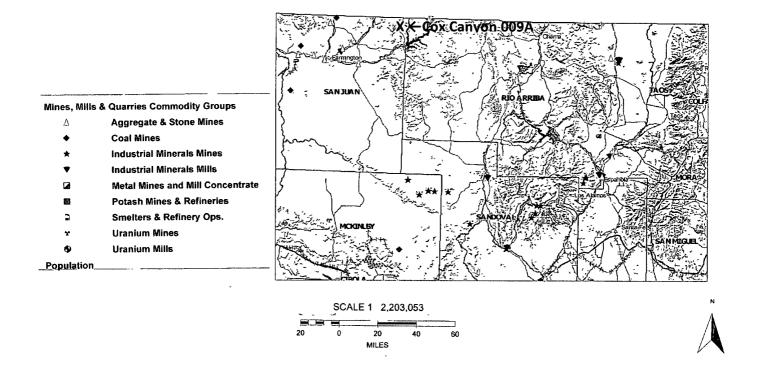
According to FEMA records, this site is not located in a 100-year floodplain (see attached FEMA map).

Siting Criteria Compliance Demonstrations:

The Cox Canyon 009A well is not located in an unstable area. The location is not situated over a mine or a steep slope. Excavated pit material will not be located within 300 feet of a continuously flowing water course or within 200 feet of any other significant water course, lakebed, sinkhole, or playa lake (see Siting Criteria Map II). The site is not within 500 feet of any reported riparian areas or wetlands (see attached USFWS wetland map); within 500 feet of any private, domestic fresh water well or spring; or within 1000 feet of any other fresh water well or spring (see Siting Criteria Map I). The pit will not be within any incorporated municipal boundaries or defined municipal freshwater well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. The location of the proposed pit is not within 300 feet of any permanent residence, school, hospital, institution, or church.



MMQonline Public Version



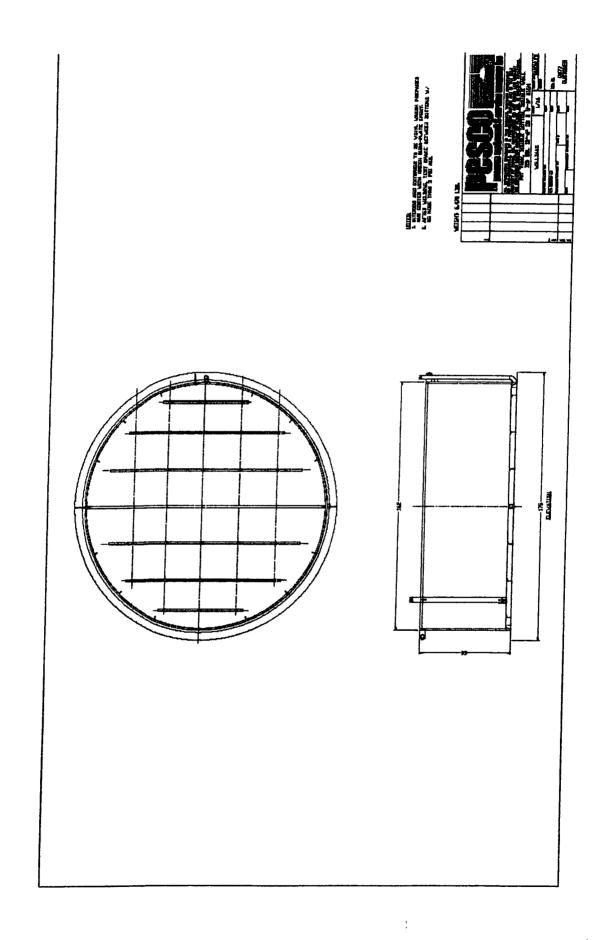
Williams Production Co., LLC San Juan Basin: New Mexico Assets

Production Pit: Buried Double-Wall Steel Tank Design and Construction Plan

In accordance with Rule 19.15.17 NMAC, the following plan describes the general design and construction (D&C) of production pits using buried double-wall steel tanks on Williams Production Co, LLC (WPX) locations in the San Juan Basin of New Mexico. For those production pits which do not conform to this standard plan, a separate well-specific D&C plan will be developed and utilized.

General Plan Requirements:

- 1. WPX will design and construct a production pit to contain liquids associated with the dehydration and compression of produced natural gas, which will prevent contamination of fresh water resources and protect public health and the environment.
- 2. The pit will be located as close as possible to the well and associated production/process equipment to minimize surface disturbance. Prior to excavation for the pit, topsoil will be stripped and stockpiled on the well location.
- 3. The excavation will have a firm compacted bottom and sidewalls that are stable for the soil conditions.
- 4. The BGT will be placed in the excavation such that there is a minimum 12 inch free board between the surrounding soils and the tank top. Backfilled soils will be carefully compacted to avoid damaging the tank.
- 5. The buried BGT will be constructed of steel with double-walls and double-bottom, welded following appropriate API and industry codes, coated with an epoxy based paint, covered with a steel #9 mesh screen, and equipped with an EFM to monitor high liquid levels and automatically shut off liquid discharges.
- 6. A solid riser pipe will be installed to allow withdrawal of liquids by suction. The riser will draw from the bottom of the BGT, capped when not in use and sloped to the pit to allow drainage of liquids not collected during withdrawal operations.
- 7. A solid riser pipe will be installed between the interstitial space of the double-walls to allow monthly inspection to determine tank integrity.
- 8. The BGT will be protected from run-on by the construction of a compacted earthen berm.
- Fencing will be constructed to protect livestock/wildlife as specified by the federal Surface Management Agency or, if not federal land/minerals, NMOCD rule 17 requirements.
- 10. WPX will post a well sign in accordance with the federal Surface Management Agency and rule 19.15.3.103.



Williams Production Co., LLC San Juan Basin: New Mexico Assets

Production Pit: Buried Double-Wall Steel Tank
Operations and Maintenance Plan

In accordance with Rule 19.15.17 NMAC, the following plan describes the general operations and maintenance (O&M) of production pits using subgrade tanks on Williams Production Co, LLC (WPX) locations in the San Juan Basin of New Mexico. For those production pits which do not conform to this standard O&M plan, a separate well specific O&M plan will be developed and utilized.

- 1. WPX will only allow produced liquids meeting the RCRA exemption for O&G wastes to be stored in the SGT. WPX will not discharge or store any hazardous waste as defined under RCRA 40CFR 261 and 19.15.1.7.W(3) NMAC in any temporary pit.
- 2. Produced water will be disposed by evaporation or transport any of the following NMOCD approved facilities depending on the well location: Basin Disposal, Inc in Bloomfield, New Mexico (Permit # NM-01-005), Williams Rosa SWD#1 (Permit # SWD-916), Williams Rosa #94 (Permit # SWD-758), Burlington Resources Jillson SWD#1 (Permit #R10168A), or other NMOCD approved water disposal facilities.
- 3. WPX shall maintain sufficient freeboard for to prevent overtopping. Discharges to the pit will be shutoff automatically if the high-level alarm is triggered from the EFM or manually if the EFM is not functional.
- 4. Any oil or hydrocarbon collecting on the pit will be removed. Saleable condensate will be returned to the sales tank. Slop oil from compression will be recycled with Safety Kleen, Farmington, NM or Hydropure, Aztec, NM (No Permit Required).
- 5. If the tank integrity is compromised:
 - a. All discharges will be shut off to the pit.
 - b. All liquids will be removed as soon as possible but no more that within 24 hours of discovery
 - c. WPX will notify and report to NMOCD as follows:
 - i. If the release is less than 25 bbls, the Aztec District Office by phone or email within 48-hours of discovery and repair.
 - ii. If the release is suspected to be greater than 25 bbls, the Aztec District Office and the Environmental Bureau Chief by phone for immediate verbal notification pursuant to 19.15.3.116.B (1)(d).
 - d. Written Spill/Release reports will be submitted on Form C-141 per 19.15.3.116.C NMAC within 15 days to the Aztec District Office.
- 6. Berms around the perimeter of the pit shall be maintained as protection from runon.
- 7. WPX will inspect the SGT pit monthly. Electronic copies of the inspections will be kept at the WPX San Juan Basin office for a minimum of five years following completion. Copies of the inspections will be available to NMOCD upon request.

Williams Production Co., LLC San Juan Basin: New Mexico Assets

Production Pit: Buried Double-Wall Steel Tank
Closure Plan

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general closure requirements of below-grade tanks (BGT) on Williams Production Co, LLC (WPX) locations in the San Juan Basin of New Mexico. This is WPX's standard closure procedure for all BGTs regulated under Rule 19.15.17 NMAC and operated by WPX. For those closures which do not conform to this standard closure plan, a separate well/pit specific closure plan will be developed and utilized.

Closure Conditions and Timing:

Pursuant to 19.15.17.13 (A) NMAC, WPX will initiate closure of any BGT should any one of these conditions occur:

- The Division requires closure because of imminent danger to fresh water, public health or the environment.
- The integrity of the BGT fails. Notification will be within 48 hours to the Division and closure will be schedule as specified in 19.15.17.12 (A)(5) NMAC.
- WPX chooses to take the BGT out-of-service due to operational needs. Closure
 under these conditions will be closed within 60 days of cessation of the BGT's
 operation.
- BGTs installed prior to June 16, 2008 that do not meet the requirements under 19.15.17.11.1(6) NMAC and WPX chooses not to retrofit or upgrade. Closure under these conditions will be completed within five years (by June 16, 2013).

General Plan Requirements:

- 1. Prior to initiating any BGT Closure except in the case of an emergency, WPX will review County Tax Records for the current surface owner of record. The surface owner of record will be notified of the intent to close the BGT by certified mail and a copy of this notification will be included in the closure report. In the case of an emergency, the surface owner of record will be notified as soon as practical.
- 2. Notice of Closure will be given to the Aztec District office between 72 hours and one week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name (WPX)
 - b. Well Name and API Number
 - c. Location (USTR)
- 3. All piping will be rerouted to an alternative produced water storage/disposal location (e.g. surface tanks, temporary frac tank, ...). The well will be temporarily shut in until the rerouting is completed.
- 4. All produced water will be removed from the BGT following discharge-pipe rerouting. Produced water will be disposed at one of the following NMOCD approved facilities depending on the proximity of the BGT site: Rosa Unit SWD #1 (Order: SWD-916, API: 30-039-27055), Rosa Unit #94 (Order: SWD-3RP-1003-0, API: 30-039-23035), Jillson Fed. SWD #001 (Order: R10168/R10168A, API: 30-039-25465), Middle Mesa SWD #001 (Order: SWD-350-0, API: 30-045-27004) and/or Basin Disposal (Permit: NM-01-0005).
- 5. Solids and sludges will be shoveled and /or vacuumed out for disposal at Envirotech (Permit Number NM-01-0011).
- 6. WPX will obtain prior approval from NMOCD to dispose, recycle, reuse, or reclaim the BGT and provide documentation of the disposition of the BGT in the closure report. Steel materials will be recycled or reused as approved by the Division. Fiberglass tanks will be empty, cut up or shredded, and EPA cleaned for disposal as solid waste.

Liners materials win Le cleaned without soils or contaminate material for disposal as solid waste. Fiberglass tanks and liner materials will meet the conditions of paragraph 1 subsection D of 19.15.9.712 NMAC. Disposal will be at a licensed disposal facility, presently San Juan Regional Landfill operated by Waste Management under NMED Permit SWM-052426.

- 7. Any equipment associated with the BGT that is no longer required for some other purpose, following the closure will be removed from the location.
- 8. Following removal of the tank and any liner material, a five-point composite sample will be taken of the excavation and tested per 19.15.17.13(E)(4) NMAC as identified in Table 1. Grab samples will be collected from any area that is wet, discolored or showing other evidence of a release. Results will be reported to the Division following receipt from the lab on Form C-141.

Table 1: Closure Criteria for BGTs

Components	Testing Methods	Closure Limits (mg/Kg)
Benzene	EPA-SW-846 Method 8021B or 8260B	0.2
BTEX	EPA SW-846 Method 8021B or 8260B	50
TPH	EPA SW-846 Method 418.1(1)	100
Chlorides	EPA SW-846 Method 300.1(1)	250(2)

⁽¹⁾ Method modified for solid waste.

- 9. If the Division and/or WPX determine there is a release, WPX will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC.
- 10. Upon completion of the tank removal, the excavation will be backfilled with non-waste earthen material compacted and covered with a minimum of one foot of top soil or background thickness whichever is greater and to existing grade. The surface will be re-contoured to match the native grade and prevent ponding.
- 11. For those portions of the former pit area no longer required for production activities, WPX will seed the disturbed areas the first growing season after the pit is covered. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division-approved methods. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintained that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs. Note: If a surface owner agreement requires reseeding or other surface restoration that do not meet the re-vegetation requirements of 19.15.17.13.I NMAC then WPX will submit the proposed alternative with written documentation that the surface owner agrees to the alternative, for Division approval.
- 12. For those portions of the former pit area required for production activities, reseeding will be done at well abandonment, and following the procedure noted above.

Closure Report:

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the BGT closure on a Closure Report using Division Form C-144. The Report will include the following:

- Proof of Closure Notice (surface owner & NMOCD)
- Backfilling & Cover Installation
- Site Diagram with coordinates
- Available Inspection reports

- Confirmation Sampling Analytical Results
- Disposal Facility Name(s) and Permit Number(s)
- Application Rate & Seeding techniques
- Photo Documentation of Reclamation

⁽²⁾ If background concentration of Chlorides greater than 250 mg/Kg, then higher concentration will be used for closure.