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

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

Form C-144
Revised August 1, 2011

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.

8133

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: Elm Ridge Exploration Company, LLC OGRID #: 149052
Address: PO Box 156, Bloomfield, NM 87413
Facility or well name: Chacon Amigos #9
API Number: 30-043-21005 OCD Permit Number: 8959
U/L or Qtr/Qtr H Section 2 Township 22 N Range 3 W County: San Juan
Center of Proposed Design: Latitude 36.16819 Longitude -107.12020 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

RCVD JUL 16 '12
OIL CONS. DIV.
DIST. 3

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: 9,939 bbl Dimensions: L 160' x W 40' x D 10'

3.
☐ **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 _____
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 ☐ 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.

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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 19.15.16.8 NMAC

9.

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 office for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

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; Aerial 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

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: _____

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)*

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 the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

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)

15.

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

16.

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 indentify 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

17.

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

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

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

18.

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

19.
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:

20.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure ~~Plan (only)~~ ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 7/18/2012

Title: Compliance Officer **OCD Permit Number:**_____

21.
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:** April 9, 2012

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.

23.
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

24.
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) – **See attached: Closure Notices**

☒ Proof of Deed Notice (required for on-site closure) – **See attached: Proof of Deed Notice**

☒ Plot Plan (for on-site closures and temporary pits) - **See attached: Plot Plan**

☒ Confirmation Sampling Analytical Results (if applicable) – **Not Applicable – Waste Material Sampling Results below OCD Closure Standards.**

☒ Waste Material Sampling Analytical Results (required for on-site closure) – **See attached: Envirotech Analytical Results**

☒ Disposal Facility Name and Permit Number –**On-Site closure levels met standards – Waste material not removed.**

☒ Soil Backfilling and Cover Installation – **See attached: Site Photography**

☒ Re-vegetation Application Rates and Seeding Technique - **Pursuant to the BLM MOU and Approved Closure Plan**

☒ Site Reclamation (Photo Documentation) – **See attached: Site Photography**

On-site Closure Location: Latitude 36.16819 Longitude -107.12020 NAD: ☐1927 ☒ 1983

25.
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): Ms. Amy Mackey Title: Administrative Manager

Signature:_____ Date: 7-12-12

e-mail address: amackey1@elmridge.net Telephone: (505) 632-3476 Ext. 201

Elm Ridge Exploration
Lease Name: **Jicarilla 429 GD #1**
API Number: **30-043-21005**
Closure Date: **April 9, 2012**

Detailed Closure Report

In accordance with Rule 19.15.17.13 NMAC, the following information describes the closure of the temporary pit referenced above. All proper documentation regarding closure activities is being included with the C-144.

Documentation includes:

- Details on capping and covering, where applicable (see report)
- Plot Plan (Pit Diagram) (Included as an attachment)
- Inspection Reports (Included as an attachment)
- Sampling Results (Included as an attachment)
- C-105 (Included as an attachment)
- Copy of Deed Notice will be filed with County Clerk (Not required on Federal, State, or Tribal land)

Drill Pit Closure Plan Checklist

1) An operator shall close a pit within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. An operator shall close any other permitted temporary pit within six months from the date that the operator releases the drilling or work over rig. The appropriate division district office may grant an extension not to exceed three months.

   The rig release date was November 1, 2011. Closure activities were completed on April 9, 2012.

2) The operator of a temporary pit shall remove all liquids from the temporary pit prior to closure and dispose of the liquids in a division approved facility or recycle, reuse or reclaim the liquids in a manner that the appropriate division office approves. All free standing liquids will be removed before backfilling the pit and disposed of at an Elm Ridge Disposal Well or at Basin Disposal's evaporation pond.

   All recovered liquids were removed and disposed of at Carson WDW 242 prior to closure sampling on April 9, 2012.

3) On-Site Burial. The operator shall demonstrate and comply with the siting requirements in Subsection C of 19.15.17.10 NMAC and the closure requirements and standards of Subsection F of 19.15.17.13 NMAC if the proposed closure method of a temporary pit involves on-site burial. The preferred method of closure will be on-site, in place burial, assuming all criteria outlined in 19.15.17.13 (B) are met.

   The pit was closed using on-site burial. The permit of the pit was approved by the OCD on November 10, 2011. The drill pit met all requirements, and was buried in-place prior to April 9, 2012. One (1) five (5) point composite sample was collected from the drill pit using a hand auger to depths between five (5) and ten (10) feet below ground surface.

4) An alternative interim marking system will be used to allow for safer and more efficient operations. A minimum 4" O.D. steel pipe will be set at least 36" deep at the center of the

pit. A threaded collar will be on the top of the pipe. A minimum 12" x 12" steel plate will be welded atop the threaded collar. The top of the plate will be flush with ground level. The standard location information listed will be welded onto the plate, plus a notation that it marks an on-site buried, temporary pit. Upon plugging the well, the plate will be removed, and the pit will be marked as described in 19.15.17.13.F(1)(d).

A division approved in-ground marker will be placed with a four (4) foot riser upon P&A of this well location. Information welded onto the marker will include: Elm Ridge Exploration, Lease #BIA Contract 429, Unit Letter N, Sec. 23, Twn. 23N, Rng 5W, on-site burial and the date.

5) The operator shall report the exact location of the on-site burial on form C-105 filed with the division.

Please find attached the C-105 form that is filed with the division.

6) The operator shall file a deed notice identifying the exact location of the on-site burial with the county clerk in the county where the on-site burial occurs.

Due to the land being located on Jicarilla Apache Land a deed notice was not applicable.

7) Elm Ridge Exploration will stabilize or solidify the contents to a bearing capacity sufficient to support the temporary pit's final cover. Elm Ridge Exploration will mix the contents with soil or other material at a mixing ratio of no greater than 3-1, soil or other material: to drill pit contents.

Contents of drill pit were mixed at a 3:1 ratio of soil to contents of drill pit prior to backfill.

8) A five (5)-point composite sample will be taken of the pit, and all samples will be tested per Subsection B of 19.15.17.13(B)(1)(b). If the criteria are not met, then all contents will be handled per subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13. (i.e. dig and haul). If a dig and haul is required, then the disposal facility will be Envirotech's Landfarm (NM01-0011).

Initial sampling on 4/9/12 returned results that were below the NMOCD regulatory standards for all constituents analyzed; see attached laboratory results.

Sample	Chloride	Benzene (8021)	BTEX (8021)	TPH (418.1)	DRO/GRO (8015)
NMOCD Regulatory Standards	1,000 mg/kg	0.2 mg/kg	50.0 mg/kg	2,500 mg/kg	500 mg/kg
Contents	90 mg/kg	< 0.010 mg/kg	0.290 mg/kg	214 mg/kg	43.0 mg/kg

9) After completing solidification and testing, the pit area will be backfilled with compacted, waste free, earthen material. At least four (4) feet of cover will be achieved. The cover will include one (1) foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

Site was backfilled using one (1) foot of topsoil and approximately four (4) feet of non-waste containing earthen material used for cover.

10) Re-contouring of the location will match the fit, shape, line, form, and texture of the surrounding area. Re-shaping will control drainage and prevent ponds and erosion. Natural drainages will be unimpeded. Water bars and/or silt traps will be placed where needed to prevent erosion on a large scale. Final re-contour will have a uniform appearance with smooth surface, fitting the natural landscape.

The site was re-contoured to match the fit, shape, line and form of the surrounding area. It was re-shaped to prevent ponding and erosion, and in such a way that natural drainage was unimpeded. Water bars or silt traps were not needed to prevent erosion. The final re-contour has a uniform appearance and a smooth surface, and fits the natural landscape. See attached photos of site re-contouring.

11) Notice will be sent to the OCD when the reclaimed area is seeded.

Elm Ridge Exploration will comply with the BLM's re-seeding requirements in this area in accordance with the federal rules and regulations as allowed by the BLM/OCD Memorandum of Understanding. Reseeding will occur or has occurred on (Date: 6/13/12).

12) The operator shall notify the surface owner by certified mail, return receipt requested, that the operator plans to close a temporary pit, a permanent pit, a below grade tank or where the operator has approval for on-site closure. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance with this requirement.

Due to a misunderstanding and miscommunication of the notification of closure to surface owner, Elm Ridge Exploration will send notification that on-site closure activities have occurred. Elm Ridge Exploration will be sure to send notification prior to closure activities in the future. See attached Land Owner Notification.

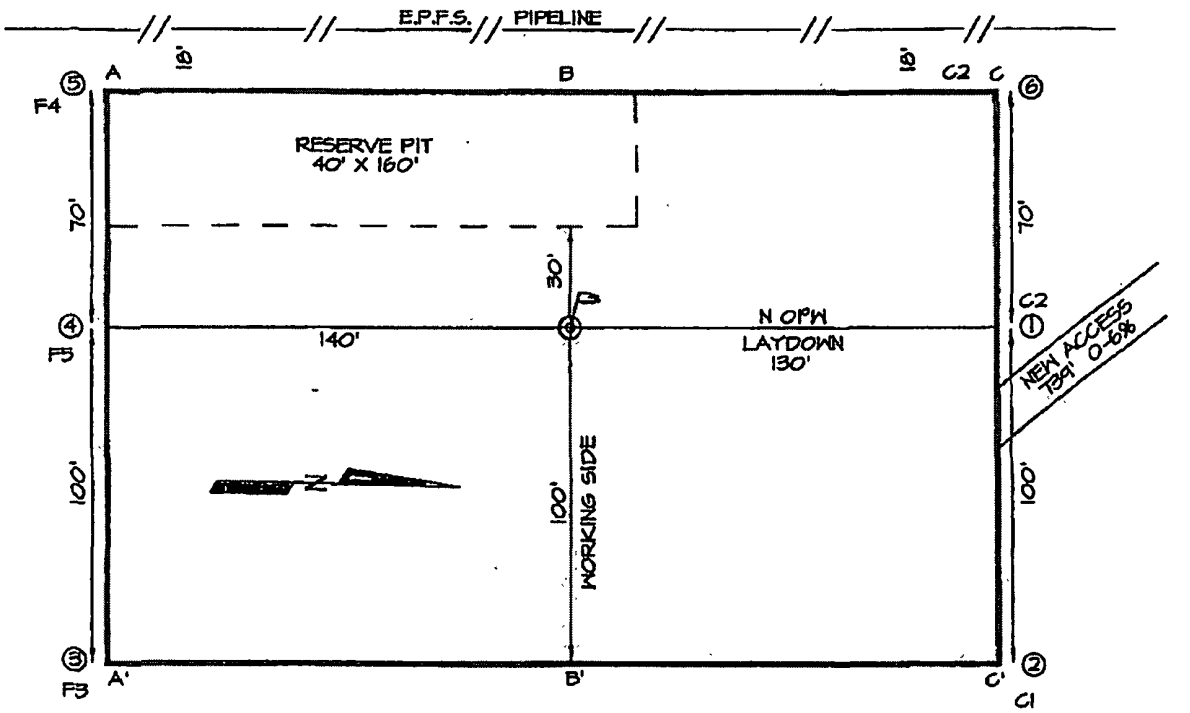
13) After approval of this application, Elm Ridge Exploration will notify the OCD verbally, or by other means, at least 72 hours, but not more than one week, prior to any closure operations. The notice shall include the operator's name and the location to be closed by unit letter, section, township and range, well name and number and API number.

Due to a misunderstanding and miscommunication of the notification of closure to the OCD, Elm Ridge Exploration will send notification that on-site closure activities have occurred. Elm Ridge Exploration will be sure to send notification prior to closure activities in the future. See attached OCD notification.

14) Elm Ridge Exploration will close the pit in accordance with OCD rules 19.15.17.12 &13. Post closure documents will be submitted within 60 days of pit closure and will include forms C-105 and C-144, cover details, pit diagram, inspection report and closure sampling results.

See attached C-105, C-144, pit diagrams, closure sampling results. Cover was installed in accordance with 19.15.17.12 &13.

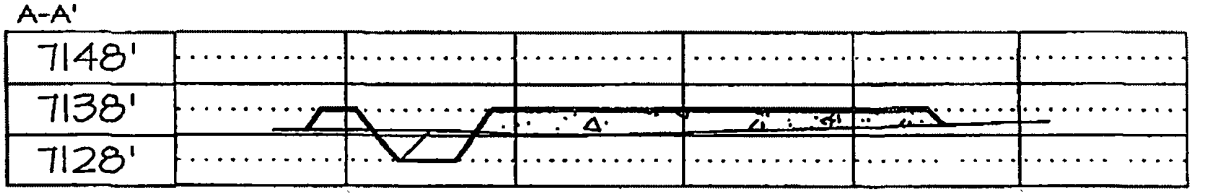
ELM RIDGE EXPLORATION COMPANY, LLC: CHACON AMIGOS #9
1615' FNL & 820' FEL, SECTION 2, T22N, R3W, NMPM
SANDOVAL COUNTY, NEW MEXICO ELEVATION: 7138'



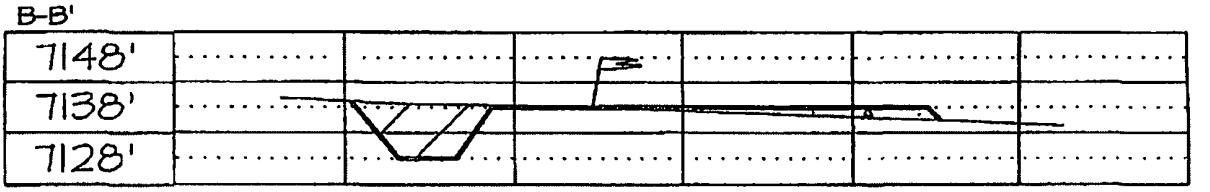
LATITUDE: 36.16847°
LONGITUDE: 107.11934°
DATUM: NAD1927

NOTE:
BEFORE ANY CONSTRUCTION BEGINS, CONTRACTOR IS ADVISED TO CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED PIPELINES OR CABLES IN THE AREA OF THIS PROJECT.

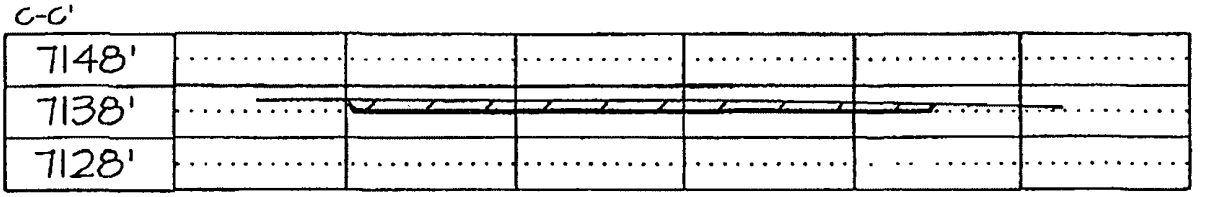
A-A'



B-B'



C-C'



DATE DRAWN: 4/19/05	FILENAME: ELM019CF	DRAWN BY: KER	CHECKED BY: JCE

EXHIBIT F

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-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2005 DEC 7 AM 11 02

☐ AMENDED REPORT

RECEIVED
070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
30-043-21005	39189	LINDRITH GALLUP - DAKOTA, WEST

⁴Property Code	⁵Property Name	⁶Well Number
22998	CHACON AMIGOS	9

⁷OGRID No	⁸Operator Name	⁹Elevation
149052	ELM RIDGE RESOURCES, INC.	7138

¹⁰ Surface Location

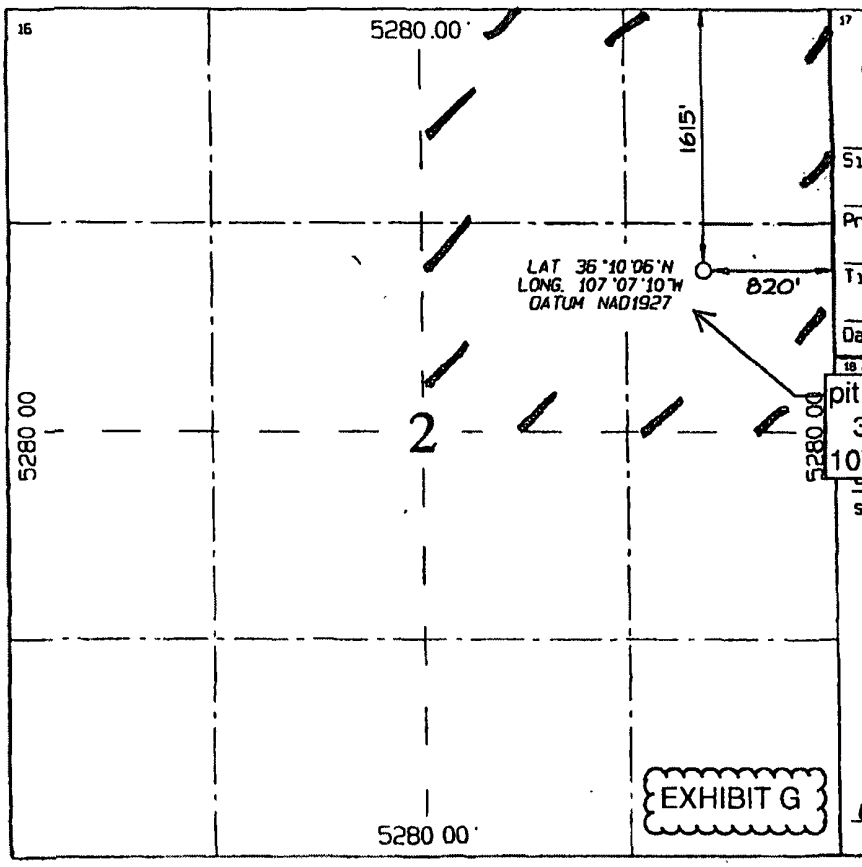
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	2	22N	3W		1615	NORTH	820	EAST	SANDOVAL

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

¹²Dedicated Acres	¹³Joint or Infill	¹⁴Consolidation Code	¹⁵Order No
160			

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

Signature

Printed Name: BRIAN WOOD

Title: CONSULTANT

Date: DEC. 6, 2005

¹⁸ SURVEYOR CERTIFICATION

...well location ...plotted from field ...made by me or under ... the same is true ... of my belief

Date of Survey: APRIL 6, 2005

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS

Certificate Number 15269

From: brian wood <brian@permitswest.com>
Subject: **Elm Ridge Chacon Amigos 9 pit closure notice**
Date: September 12, 2011 6:35:49 PM MDT
To: ANNETTE TORIVIO <annettetorivio@jicarillaoga.com>

As required by NMOCD pit rule Subsection F of 19.15.17.13 NMAC,
I am notifying the Jicarilla Apache Nation that Elm Ridge plans to close its temporary (reserve) pit after it is built and used using on site closure (burial) in the same pit.
The well is staked at 1615 FNL & 820 FEL 2-22n-3w
The well is on lease BIA 360
API # 30-043-21005
Please call me if you have any questions.

Brian Wood
Permits West, Inc.
37 Verano Loop, Santa Fe, NM 87508
Phone: 505 466-8120
FAX: 505 466-9682
Cellular Phone: 505 699-2276

EXHIBIT H

ELM RIDGE EXPLORATION CO., LLC

November 1, 2011

Brandon Powell
Environmental
New Mexico Oil and Gas Conservation Division
1000 Rio Brazos
Aztec, NM 87410

RE: Chacon Amigos #9 (30-043-21005) and Chacon Amigos #10 (30-043-21006)

Mr. Powell,

Elm Ridge Exploration Co LLC request drilling the above referenced wells utilizing a lined pit rather than a closed loop system for the following reasons.

Test holes were drilled on both locations to a depth of 87 feet. Probes were run and no water was detected. Hole problems prevented reaching 115' on the Chacon Amigos #9 well. However, 115' was reached on the Chacon Amigos #10 well and water was still not detected. (See attached MO-TE drilling log).

The water used in drilling these wells has chlorides at plus/minus 300 MPL. If we continually monitor the drilling fluids there should be no problem staying under 500 MPL while drilling these wells using a lined pit rather than a closed loop system.

Sincerely,

Terry Lindeman
District Superintendent

20 CR 5060 • Bloomfield, NM 87413 • (505) 632-3476 • Fax (505) 632-8151
Mailing Address. PO Box 156 • Bloomfield, NM 87413

envirotech
Analytical Laboratory

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	Elm Ridge Exploration	Project #:	03056-0362
Sample ID:	Pit Composite	Date Reported:	04-11-12
Laboratory Number:	61635	Date Sampled:	04-09-12
Chain of Custody No:	13711	Date Received:	04-09-12
Sample Matrix:	Soil	Date Extracted:	04-10-12
Preservative:	Cool	Date Analyzed:	04-11-12
Condition:	Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**0.9**	**0.2**
Diesel Range (C10 - C28)	**42.1**	**0.1**
Total Petroleum Hydrocarbons	**43.0**	

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: **Chacon Amigos #9 Pit Closure**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	0411TCAL QA/QC	Date Reported:	04-11-12
Laboratory Number:	61632	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	04-11-12
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	04-11-12	9.9960E+02	1.0000E+03	**0.04%**	**0 - 15%**
Diesel Range C10 - C28	04-11-12	9.9960E+02	1.0000E+03	**0.04%**	**0 - 15%**

Blank Conc. (mg/L - mg/Kg)	Concentration	Detection Limit
Gasoline Range C5 - C10	**ND**	**0.2**
Diesel Range C10 - C28	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
Gasoline Range C5 - C10	**ND**	**ND**	**0.0%**	**0 - 30%**
Diesel Range C10 - C28	**ND**	**ND**	**0.0%**	**0 - 30%**

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	**ND**	**250**	**272**	**109%**	**75 - 125%**
Diesel Range C10 - C28	**ND**	**250**	**252**	**101%**	**75 - 125%**

ND - Parameter not detected at the stated detection limit.

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

Comments: **QA/QC for Samples 61632-61635**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	Elm Ridge Exploration	Project #:	03056-0362
Sample ID:	Pit Composite	Date Reported:	04-13-12
Laboratory Number:	61635	Date Sampled:	04-09-12
Chain of Custody:	13711	Date Received:	04-09-12
Sample Matrix:	Soil	Date Analyzed:	04-12-12
Preservative:	Cool	Date Extracted:	04-10-12
Condition:	Intact	Analysis Requested:	BTEX
		Dilution:	50

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**10.0**
Toluene	**52.7**	**10.0**
Ethylbenzene	**61.4**	**10.0**
p,m-Xylene	**137**	**10.0**
o-Xylene	**38.7**	**10.0**
Total BTEX	**290**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**95.5 %**
	1,4-difluorobenzene	**102 %**
	Bromochlorobenzene	**100 %**

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: **Chacon Amigos #9 Pit Closure**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	0412BCAL QA/QC	Date Reported:	04-13-12
Laboratory Number:	61632	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	04-12-12
Condition:	N/A	Analysis:	BTEX
		Dilution:	50

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF: Accept. Range 0-15%	%Diff.	Blank Conc	Detect. Limit
Benzene	4.5808E-06	4.5855E-06	0.001	ND	0.2
Toluene	4.2066E-06	4.2131E-06	0.002	ND	0.2
Ethylbenzene	4.6321E-06	4.6321E-06	0.000	ND	0.2
p,m-Xylene	3.4478E-06	3.4450E-06	0.001	ND	0.2
o-Xylene	4.9214E-06	4.9214E-06	0.000	ND	0.2

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	29.5	30.5	0.03	0 - 30%	10
Toluene	100	122	0.21	0 - 30%	10
Ethylbenzene	65.8	73.5	0.12	0 - 30%	10
p,m-Xylene	142	131	0.08	0 - 30%	10
o-Xylene	81.8	78.6	0.04	0 - 30%	10

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	29.5	2500	2310	91.3	39 - 150
Toluene	100	2500	2280	87.7	46 - 148
Ethylbenzene	65.8	2500	2170	84.6	32 - 160
p,m-Xylene	142	5000	4790	93.1	46 - 148
o-Xylene	81.8	2500	2210	85.6	46 - 148

ND - Parameter not detected at the stated detection limit.

Dilution: Spike and spiked sample concentration represent a dilution proportional to sample dilution.

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, *Aromatic and Halogenated Volatiles by Gas Chromatography Using* Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: **QA/QC for Samples 61632-61635 and 61637-61641**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	Elm Ridge Exploration	Project #:	03056-0362
Sample ID:	Pit Composite	Date Reported:	04/16/12
Laboratory Number:	61635	Date Sampled:	04/09/12
Chain of Custody No:	13711	Date Received:	04/09/12
Sample Matrix:	Soil	Date Extracted:	04/10/12
Preservative:	Cool	Date Analyzed:	04/10/12
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**214**	**7.4**

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: **Chacon Amigos #9 Pit Closure**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS
QUALITY ASSURANCE REPORT

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	04-11-12
Laboratory Number:	04-10-TPH.QA/QC 61632	Date Sampled:	N/A
Sample Matrix:	Freon-113	Date Analyzed:	04-10-12
Preservative:	N/A	Date Extracted:	04-10-12
Condition:	N/A	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	03-20-12	04-10-12	1,850	1,720	7.0%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	7.4

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	177	148	16.7%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	177	2,000	2,290	105%	80 - 120%

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: **QA/QC for Samples 61632-61635, 61637-61641, 61643-61644.**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

Chloride

Client:	Elm Ridge Exploration	Project #:	03056-0362
Sample ID:	Pit Composite	Date Reported:	04-13-12
Lab ID#:	61635	Date Sampled:	04-09-12
Sample Matrix:	Soil	Date Received:	04-09-12
Preservative:	Cool	Date Analyzed:	04-11-12
Condition:	Intact	Chain of Custody:	13711

Parameter	Concentration (mg/Kg)
Total Chloride	**90**

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: **Chacon Amigos #9 Pit Closure**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

13711

CHAIN OF CUSTODY RECORD

Client:	Project Name / Location:
Elm Ridge	Chacon Amigos #9 Pit closure
Email results to: Kasy Peine	Sampler Name: Kasy Peine
Client Phone No.:	Client No.: 03056-0362

ANALYSIS / PARAMETERS

Sample No./ Identification	Sample Date	Sample Time	Lab No.	No./Volume of Containers	Preservative: $HgCl_2$	Preservative: HCl	Preservative: Cool	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
Pit composite	4-9-12	11:15	61635	1 4oz Jar			X	X	X							X	X				X	X

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
Kasy Peine	4-9-12	15:40	Ariana S Hammer	4-9-12	3:45
Relinquished by: (Signature)			Received by: (Signature)		

Sample Matrix

Soil ☑ Solid ☐ Sludge ☐ Aqueous ☐ Other ☐ _____

☐ Sample(s) dropped off after hours to secure drop off area.

envirotech
Analytical Laboratory

5795 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 • laboratory@envirotech-inc.com

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Revised August 1, 2011

1. WELL API NO. 30-04321043
2. Type of Lease ☐ STATE ☐ FEE ☒ FED/INDIAN
3. State Oil & Gas Lease No. BIA CONTRACT 429

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **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: Jicarilla 429 GD
6. Well Number: 1

7. Type of Completion: ☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator: Elm Ridge Exploration
9. OGRID: 149052
10. Address of Operator: Post Office Box 156, Bloomfield, New Mexico, 87413
11. Pool name or Wildcat

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	N	23	23N	5W		835	S	1660	W	Sandoval
BH:										

13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released	16. Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc.)
12/29/11		1/11/2012	5/14/12	

18. Total Measured Depth of Well	19. Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run
6760'	6691'		

22. Producing Interval(s), of this completion - Top, Bottom, Name
6095'-6340' Basin Mancos; 5391'-5622' Basin Mancos

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24# J55	378'	12 ¼"	280 sks to surface	
5 1/2"	15.5# J55	6733	7 7/8"	1200 sks to surface	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	6079'	

26. Perforation record (interval, size, and number)
6095'-6340' Size: .46 Number: 252
5391'-5622' Size: .46 Number: 252

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6095'-6340'	
5391'-5622'	

28. **PRODUCTION**

Date First Production	Production Method (*Flowing, gas lift, pumping - Size and type pump*)	Well Status (*Prod. or Shut-in*)
5/14/2012	Flowing	Producing

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 36.203666 Deg N Longitude 107.334588 Deg W NAD 1927 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 Ms. Amy Mackey Title Administrative Manager Date

E-mail Address amackey1@elmridge.net

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T.Todilto	
T. Abo	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....

No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology		From	To	Thickness In Feet	Lithology

June 28, 2012

ELM RIDGE EXPLORATION CO., LLC

Mr. Jonathan Kelly
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: DRILL PIT CLOSURE NOTIFICATIONS FOR THE MULTIPLE WELL SITES, SANDOVAL AND RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Kelly,

Drill pit closure activities were conducted at the following well sites in Sandoval County, New Mexico on April 9, 2012.

1) Chacon Amigos #9, API: 30-043-21005, Unit H, Section 2, Township 22N, Range 3W
2) Chacon Amigos #10, API: 30-043-21006, Unit D, Section 12, Township 22N, Range 3W
3) Jicarilla 429 GD #1, API: 30-043-21043, Unit N, Section 23, Township 23N, Range 5W
4) Bonanza #9, API: 30-043-21002, Unit J, Section 12, Township 22N, Range 3W

Drill pit closure activities were conducted at the following well site in Rio Arriba County, New Mexico on April 17, 2012.

1) Jicarilla 40 GD #3, API: 30-039-30248, Unit J, Section 35, Township 24N, Range 5W

Pre-construction notifications of the on-site closure activities of a temporary drill pit were made during the permit application process. Unfortunately, notification of drill pit closure activity dates were not submitted to the Jicarilla Apache Nation Oil and Gas Administration or the New Mexico Oil Conservation Division (NMOCD). Re-vegetation application rates and seeding techniques were conducted in pursuant to the BLM MOU and the NMOCD Approved Closure Plan. Drill pit closure activities were conducted in conformance to the requirements stated in NMAC 19.15.17.13 Closure Requirements for a Permitted Temporary Pit.

We truly apologize for our oversight to provide notification of drill pit closure activities, and will ensure that notifications will be sent prior to drill pit closure activities in the future. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Respectfully submitted,
ELM RIDGE RESOURCES

Amy Mackey
Elm Ridge Resources
amymackey@elmridge.net

ConocoPhillips
Hancock (hBr) Well Site
92115-1296

June 28, 2012

Ms. Annette Torivio
Jicarilla Apache Nation
Oil and Gas Administration
#6 Dulce Rock Road
Dulce, New Mexico 87528

Phone: (575) 759-3485

RE: DRILL PIT CLOSURE NOTIFICATIONS FOR THE MULTIPLE WELL SITES, SANDOVAL AND RIO ARRIBA COUNTY, NEW MEXICO

Dear Ms. Torivio,

Drill pit closure activities were conducted at the following well sites in Sandoval County, New Mexico on April 9, 2012.

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Respectfully submitted,
ELM RIDGE RESOURCES

Amy Mackey
Elm Ridge Resources
amymackey@elmridge.net

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70071490000053987592		Delivered	July 05, 2012, 9:19 am	DULCE, NM 87528	Certified Mail™
		Notice Left	July 02, 2012, 11:32 am	DULCE, NM 87528	
		Depart USPS Sort Facility	June 30, 2012	ALBUQUERQUE, NM 87101	
		Processed through USPS Sort Facility	June 29, 2012, 11:38 pm	ALBUQUERQUE, NM 87101	

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Chacon Amigos #10
Drill pit closure

Sent To: Ms. Annette Torivio
Street, Apt. No., or PO Box No.: Jicarilla Apache Nation Oil & Gas Admi
City, State, ZIP+4: #6 Dulce Rock Road
Dulce, NM 87528

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Annette Torivio
Jicarilla Apache Nation Oil & Gas Admin
#6 Dulce Rock Road
Dulce, NM 87528

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Shannon Largo ☐ Agent ☐ Addressee

B. Received by (Printed Name) Shannon Largo
C. Date of Delivery 7/5/12

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If YES, enter delivery address below: ☐ No

3. Service Type
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☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7007 1490 0000 5398 7592

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ELM RIDGE EXPLORATION
CHACON AMIGOS #9
SITE RESTORATION PHOTOGRAPHY
JOB NUMBER: 03056-0362
PHOTOS TAKEN: APRIL 9, 2012

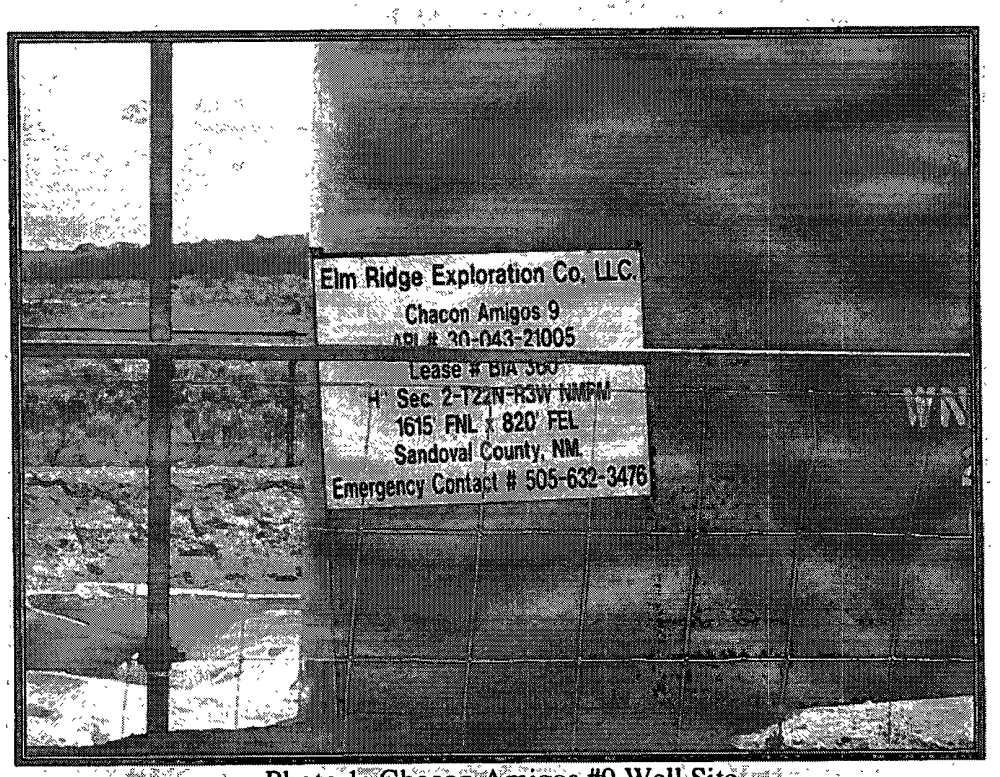

Photo 1: Chacon Amigos #9 Well Site

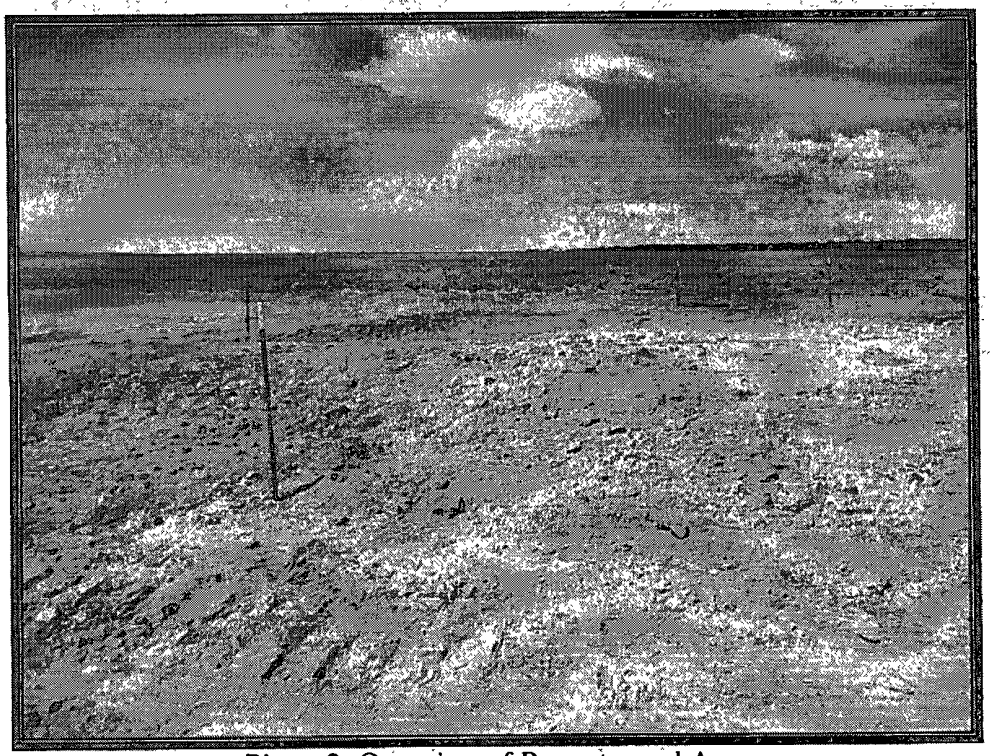

Photo 2: Overview of Recontoured Area

ELM RIDGE EXPLORATION
CHACON AMIGOS #9
SITE RESTORATION PHOTOGRAPHY
JOB NUMBER: 03056-0362
PHOTOS TAKEN: APRIL 9, 2012

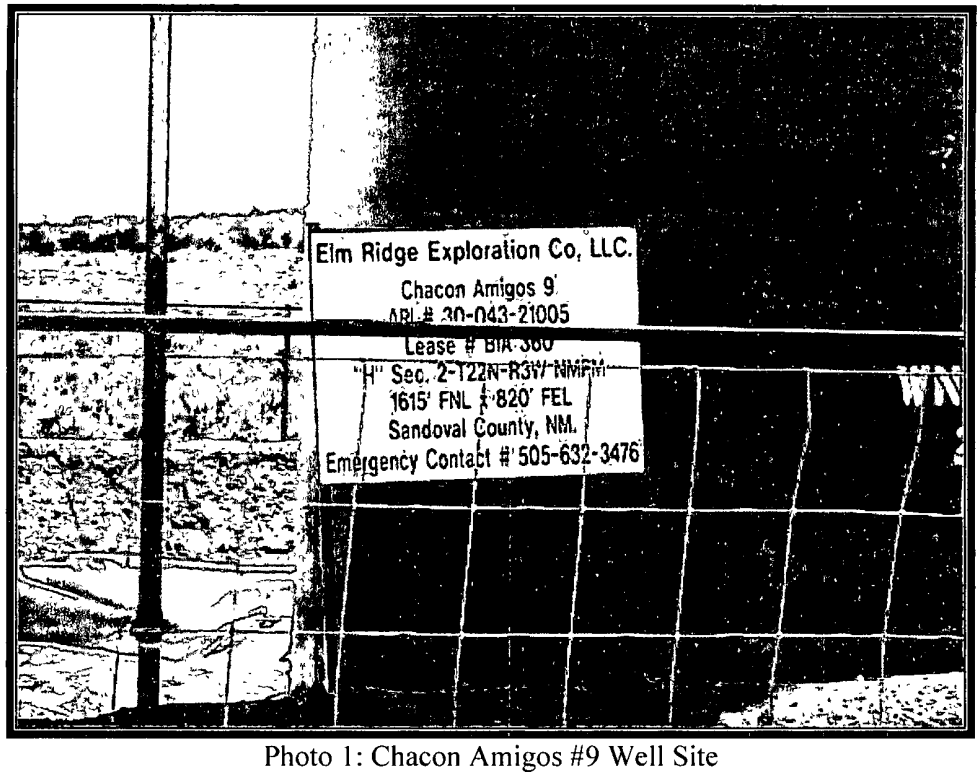

Photo 1: Chacon Amigos #9 Well Site

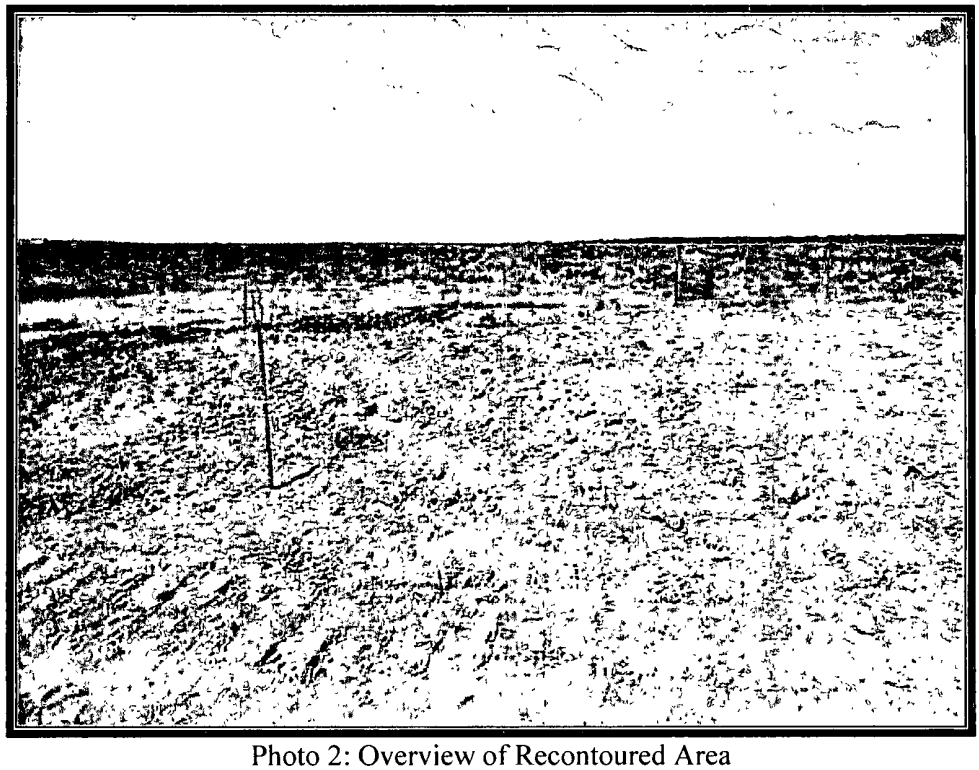
Photo 2: Overview of Recontoured Area

ELM RIDGE EXPLORATION
CHACON AMIGOS #9
SITE RESTORATION PHOTOGRAPHY
JOB NUMBER: 03056-0362
PHOTOS TAKEN: APRIL 9, 2012

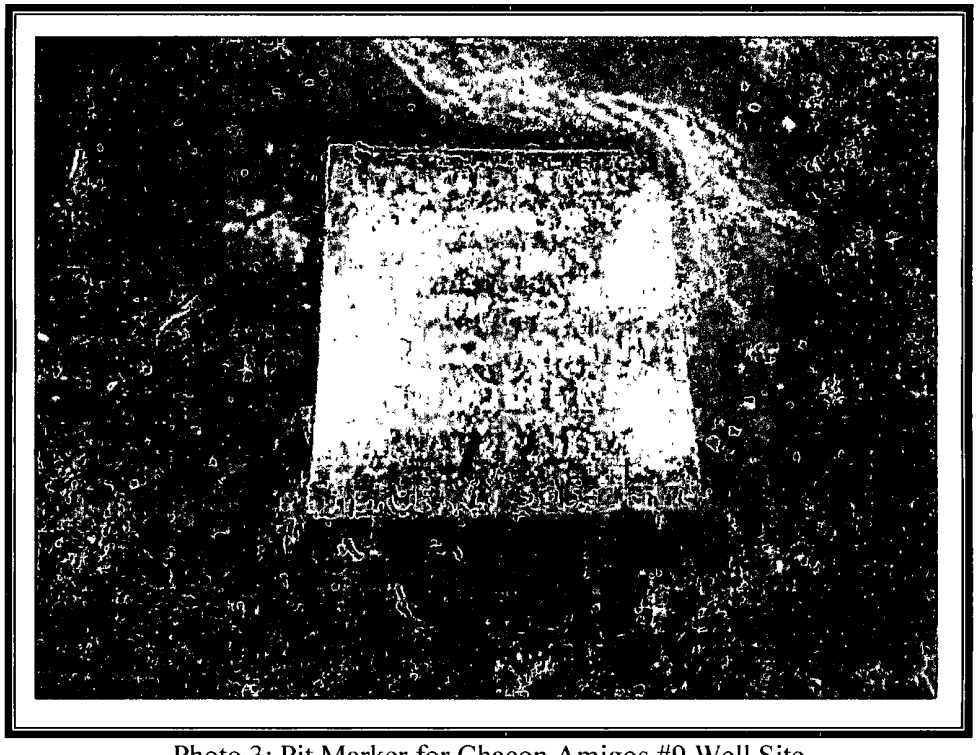

Photo 3: Pit Marker for Chacon Amigos #9 Well Site

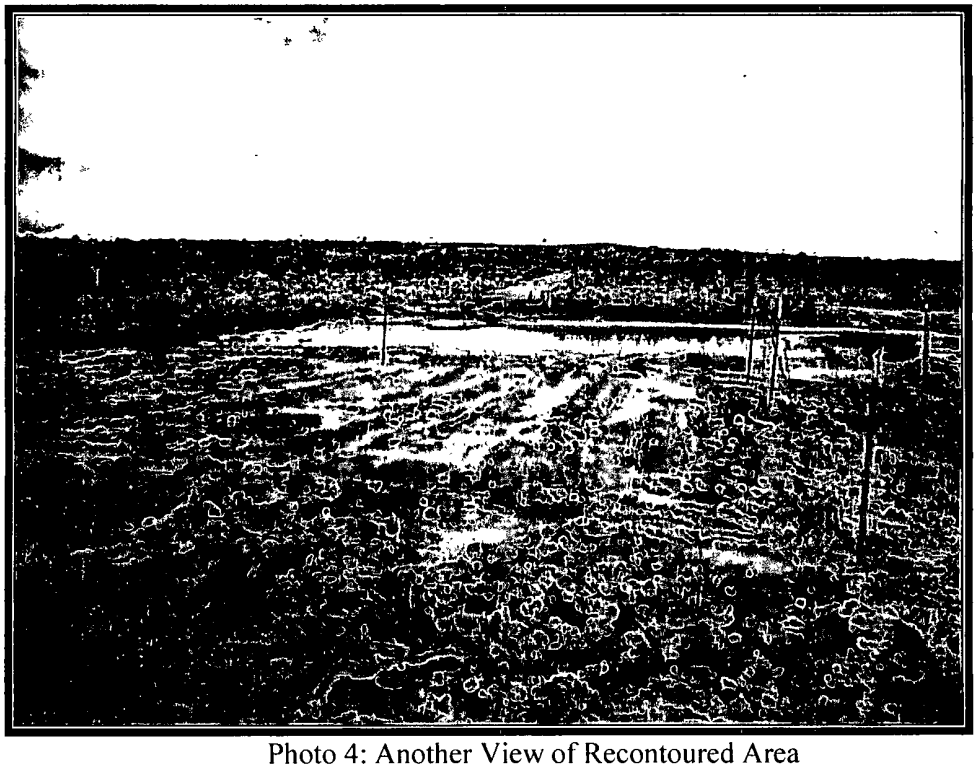

Photo 4: Another View of Recontoured Area

ELM RIDGE EXPLORATION
CHACON AMIGOS #9
SITE RESTORATION PHOTOGRAPHY
JOB NUMBER: 03056-0362
PHOTOS TAKEN: APRIL 9, 2012

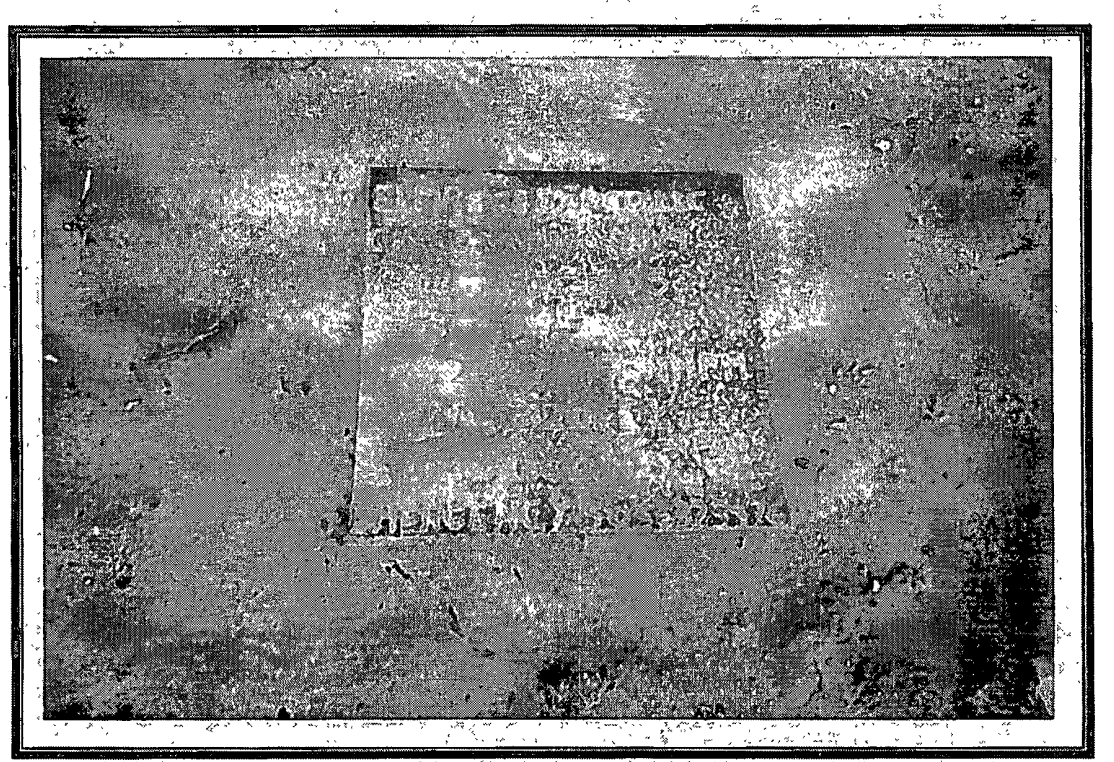

Photo 3: Pit Marker for Chacon Amigos #9 Well Site

OPEN PIT INSPECTION FORM

WELL NAME: Chaves Amigos 9

30-045-21805

INSPECTOR Johnny Arrendondo

DATE 10/11 10/24/11

*Please request for pit extention after 26 weeks

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9
	PIT STATUS	☑ Drilled ☐ Completed ☐ Clean-Up	☑ Drilled ☐ Completed ☐ Clean-Up	☑ Drilled ☐ Completed ☐ Clean-Up	☑ Drilled ☐ Completed ☐ Clean-Up	☑ Drilled ☐ Completed ☐ Clean-Up	☑ Drilled ☐ Completed ☐ Clean-Up	☐ Drilled ☐ Completed ☐ Clean-Up	☐ Drilled ☐ Completed ☐ Clean-Up	☑ Drilled ☑ Completed ☐ Clean-Up
LOCATION	Is the location marked with the proper flagging? (Const. Zone, poles, pipelines, etc.)	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is the temporary well sign on location and visible from access road?	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
ENVIRONMENTAL COMPLIANCE	Is the access road in good driving condition? (deep ruts, bladed)	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Are the culverts free from debris or any object preventing flow?	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is the top of the location bladed and in good operating condition?	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is the fence stock-proof? (fences tight, barbed wire, fence clips in place?	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is the pit liner in good operating condition? (no tears, up-rooting corners, etc.)	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is the the location free from trash, oil stains and other materials? (cables, pipe threads, etc.)	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Does the pit contain two feet of free board? (check the water levels)	☑ Yes ☐ No	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is there any standing water on the blow pit? N/A	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Are the pits free of trash and oil?	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Are there diversion ditches around the pits for natural drainage?	☐ Yes ☑ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is there a Manifold on location?	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	Is the Manifold free of leaks? Are the hoses in good condition?	☑ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
OCD	Was the OCD contacted?	☐ Yes ☑ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	PICTURE TAKEN	☑ Yes ☑ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
	COMMENTS	No ditches no repairs	10/14/11 rig on location	11/1/11 Rig off of location	Road and location muddy ruts pit has debri and hose in it	Pit has debri trash tanks on loc pipeline crew on location Rig moving onlocation	Ditches debri in it location Needs bladed on ditches roads rough no ditches	rig on location	Rig onlocation	Sample pit took pictures location needs bladed

E-MAILED 6/15/12

ELM RIDGE EXPLORATION CO., LLC

June 25th, 2012

Mr. Jonathan Kelly
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

RE: Drill Pit Inspections

Dear Mr. Kelly,

The Drill Pit Permit required daily inspections of the pit liner for all open pits. Visual inspections were done during drilling operations, but there was no documentation done. As you are aware there has been little to no drilling activity in the San Juan Basin for the past couple years. Due to the low activity, the employees that were hired by the drilling company are inexperienced,and they failed to document the drill pit inspections.

Now that we are aware that the rig crew failed to follow the proper procedures; we have taken measures to ensure that all required paper work is thoroughly read and the rules are followed.

Best Regards,

Amy J Mackey
Elm Ridge Exploration CO LLC
Amackey1@elmridge.net