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 June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

10230

Pit, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

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

Instructions: Please submit one application (Form C-144) per individual pit, 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: THOMPSON ENGINEERING & PRODUCTION CORP. OGRID #: 37581
Address: 7415 E. MAIN ST., FARMINGTON, N.M. 87402
Facility or well name: KINBETO 16 #3
API Number: 30-045-35384 OCD Permit Number: 10230
U/L or Qtr/Qtr L Section 16 Township 23N Range 10W County: SAN JUAN
Center of Proposed Design: Latitude 36.22497 N Longitude -107.90814 W NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC

RCVD NOV 14 '13
OIL CONS. DIV.
DIST. 3

Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☒ yes ☐ no
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☒ Welded ☒ Factory ☐ Other Volume: 1700 bbl Dimensions: L 80 x W 20 x D 8

3.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC NA
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

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

22

5.

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_____

6.

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)

7.

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

8.

Variances 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:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

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

9.

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. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
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. **(Does not apply to below grade tanks)** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. **(Does not apply to below grade tanks)** - 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. **(Does not apply to below grade tanks)** - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed,	

sinkhole, or playa lake (measured from the ord[illegible] high-water mark). (Applies to low chloride tempo[illegible] pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied 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 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any 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 spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.

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: _____

11.
Multi-Well Fluid Management Pit 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.

- ☐ 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
- ☐ A List of wells with approved application for permit to drill associated with the pit.
- ☐ 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
- ☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

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

12.
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

13.
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 ☐ Multi-well Fluid Management Pit ☐ 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

14.
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 C 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 H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
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 require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 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 25-50 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 more than 100 feet below the .om of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, 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
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 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

16.

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 E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K 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 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements 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 H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.

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: _____

18.

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

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 11/18/2013

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

19.

Closure Report (required within 60 days of closure completion): 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: 2/4/13

20.
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.

21.
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 for private land only)
☒ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☒ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)
On-site Closure Location: Latitude 36.22497 N Longitude -107.90814 W NAD: ☐ 1927 ☒ 1983

22.
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): PAUL C. THOMPSON Title: PRESIDENT

Signature: Paul C. Thom Date: 9/18/13

e-mail address: PAUL@WALSHENG.NET Telephone: (505) 327-4892

THOMPSON ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

September 16, 2013

CERTIFIED MAIL

Mr. Larry Roybal
New Mexico State Land Office
Oil, Gas, and Minerals Division
Santa Fe, NM 87501-2708

Re: Thompson Engineering and Production Corp.
Kinbeto 16#3
Section 16, T23N, R10W
San Juan County, NM

Dear Mr. Roybal,

Thompson Engineering and Production Corp. is notifying you that they have buried the drill cuttings in the reserve pit. The cuttings were tested according to NMOCD rules (Subsection B of 19.15.17.13 (B) (1)(b) NMAC) and found to meet all of the criteria for on-site burial. No action is required on your part. If you have any questions, please don't hesitate to call me.

Sincerely,

Paul C. Thompson, P.E.
President

Cc: Mr. Jonathon Kelly, NMOCD, Aztec

SEND 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:

New Mexico State Land Office
Oil, Gas and Minerals Division
Attn: Larry Roybal
P.O. Box 1148
Santa Fe, NM 87504

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* | C. Date of Delivery

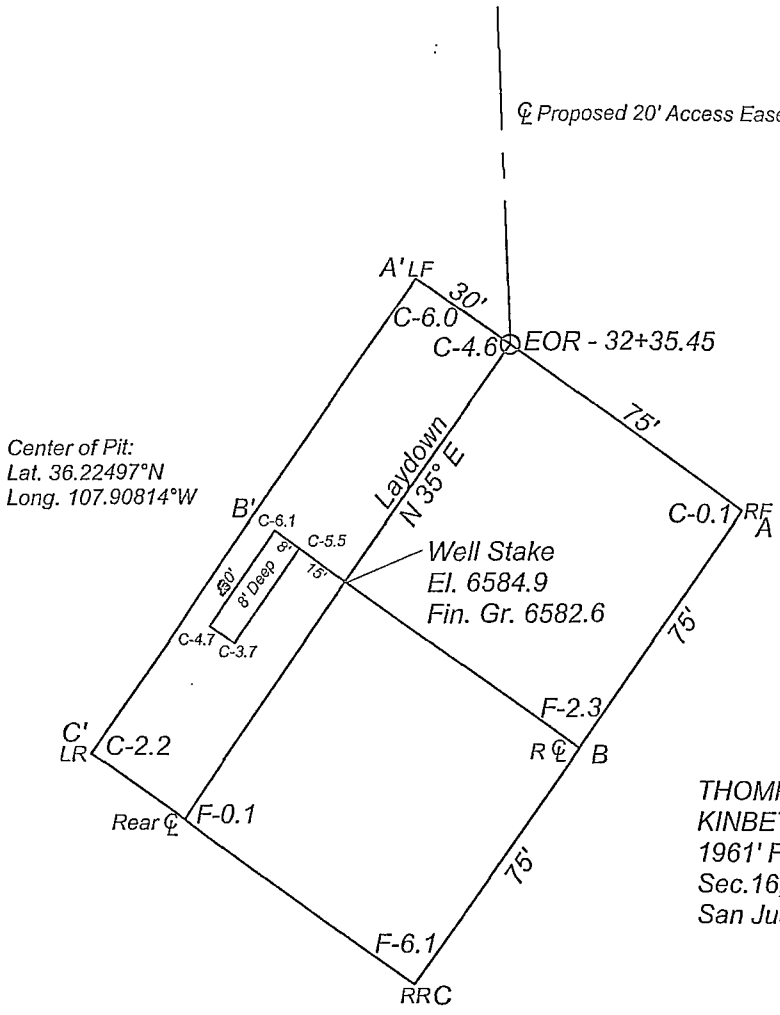
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☑ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7012 2920 0002 4432 0998

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



Center of Pit:
Lat. 36.22497°N
Long. 107.90814°W

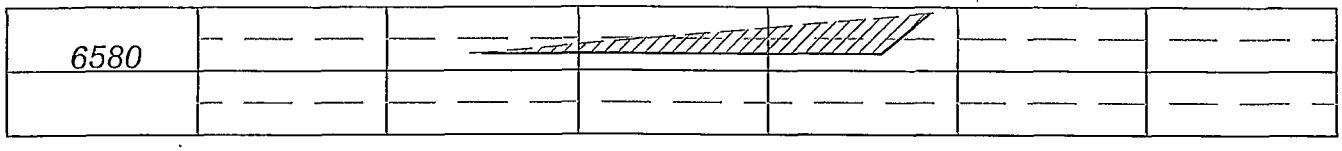
Ref. Stake
200' East
El. 6576.6

THOMPSON ENGINEERING & PRODUCTION CORP.
KINBETO 16 #3
1961' FSL & 768' FWL
Sec.16, T23N, R10W, NMPM
San Juan Co., NM

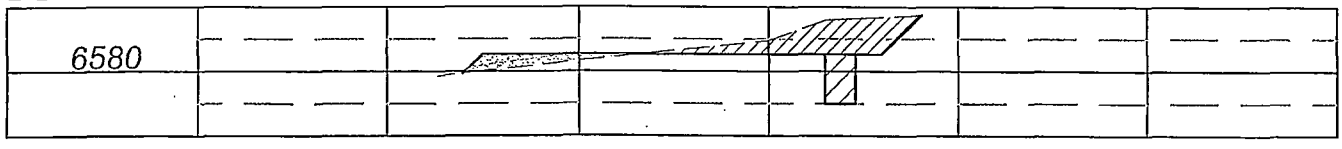
Ref. Stake
200' South
El. 6569.9

Scale : 1"=50'

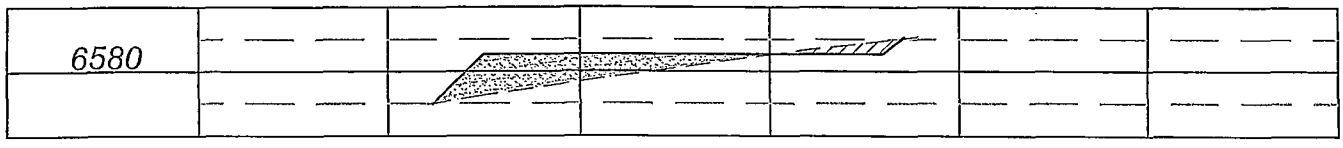
A-A' Vert.:1"=30' Horiz.:1"=50'



B-B'



C-C'



envirotech
Analytical Laboratory

Wellfile

Report Summary

Client: Thompson Engineering

Chain of Custody Number: 14676

Samples Received: 11-16-12

Job Number: 07173-0001

Sample Number(s): 63725

Project Name/Location: Kinbeto 16 #3

Entire Report Reviewed By: Dane Zazzo Date: 11-27-12

The analytical results in this report are based upon information supplied by you, the client, and are for your exclusive use. If you have any questions regarding this data package, please do not hesitate to call.

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

Client:	Thompson Engineering	Project #:	07173-0001
Sample ID:	Kinbeto 16 #3	Date Reported:	11-19-12
Laboratory Number:	63725	Date Sampled:	11-16-12
Chain of Custody No:	14676	Date Received:	11-16-12
Sample Matrix:	Soil	Date Extracted:	11-19-12
Preservative:	Cool	Date Analyzed:	11-19-12
Condition:	Intact	Analysis Requested:	8015 TPH

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

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: **Kinbeto 16 #3**

envirotech
Analytical Laboratory

EPA ethod 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	1119TCAL QA/QC	Date Reported:	11-19-12
Laboratory Number:	63726	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	11-19-12
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	11-19-12	9.9960E+02	1.0000E+03	**0.04%**	**0 - 15%**
Diesel Range C10 - C28	11-19-12	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**	**274**	**110%**	**75 - 125%**
Diesel Range C10 - C28	**ND**	**250**	**253**	**101%**	**75 - 125%**

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: **QA/QC for Samples 63709-63712 and 63725-63729**

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:	Thompson Engineering	Project #:	07173-0001
Sample ID:	Kinbeto 16 #3	Date Reported:	11-20-12
Laboratory Number:	63725	Date Sampled:	11-16-12
Chain of Custody:	14676	Date Received:	11-16-12
Sample Matrix:	Soil	Date Analyzed:	11-19-12
Preservative:	Cool	Date Extracted:	11-19-12
Condition:	Intact	Analysis Requested:	BTEX
		Dilution:	50

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**10.0**
Toluene	**10.9**	**10.0**
Ethylbenzene	**ND**	**10.0**
p,m-Xylene	**ND**	**10.0**
o-Xylene	**ND**	**10.0**
Total BTEX	**10.9**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**92.4 %**
	1,4-difluorobenzene	**102 %**
	Bromochlorobenzene	**105 %**

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: **Kinbeto 16 #3**

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EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	1119BCAL QA/QC	Date Reported:	11-20-12
Laboratory Number:	63692	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	11-19-12
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	8.9328E-05	8.9969E-05	0.007	ND	0.2
Toluene	7.7910E-05	7.8385E-05	0.006	ND	0.2
Ethylbenzene	8.0877E-05	8.0640E-05	0.003	ND	0.2
p,m-Xylene	6.7694E-05	6.7694E-05	0.000	ND	0.2
o-Xylene	8.6641E-05	8.6775E-05	0.002	ND	0.2

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	11.2	11.5	0.03	0 - 30%	10
Toluene	ND	ND	0.00	0 - 30%	10
Ethylbenzene	ND	ND	0.00	0 - 30%	10
p,m-Xylene	ND	ND	0.00	0 - 30%	10
o-Xylene	ND	ND	0.00	0 - 30%	10

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	11.2	2500	2560	102	39 - 150
Toluene	ND	2500	2630	105	46 - 148
Ethylbenzene	ND	2500	2600	104	32 - 160
p,m-Xylene	ND	5000	5220	104	46 - 148
o-Xylene	ND	2500	2690	108	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 63692, 63709-63712 and 63725-63729**

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	Thompson Engineering	Project #:	07173-0001
Sample ID:	Kinbeto 16 #3	Date Reported:	11-19-12
Laboratory Number:	63725	Date Sampled:	11-16-12
Chain of Custody No:	14676	Date Received:	11-16-12
Sample Matrix:	Soil	Date Extracted:	11-19-12
Preservative:	Cool	Date Analyzed:	11-19-12
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**222**	**6.4**

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: **Kinbeto 16 #3**

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS
QUALITY ASSURANCE REPORT

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	11-19-12
Laboratory Number:	11-19-TPH.QA/QC 63693	Date Sampled:	N/A
Sample Matrix:	Freon-113	Date Analyzed:	11-19-12
Preservative:	N/A	Date Extracted:	11-19-12
Condition:	N/A	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	11-15-12	11-19-12	1,680	1,720	2.4%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	6.7

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	92.8	94.1	1.4%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	92.8	2,000	1,820	87.0%	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 63692-63696, 63725.**

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Chloride

Client:	Thompson Engineering	Project #:	07173-0001
Sample ID:	Kinbeto 16 #3	Date Reported:	11-26-12
Lab ID#:	63725	Date Sampled:	11-16-12
Sample Matrix:	Soil	Date Received:	11-16-12
Preservative:	Cool	Date Analyzed:	11-19-12
Condition:	Intact	Chain of Custody:	14676

Parameter	Concentration (mg/Kg)
Total Chloride	**915**

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: **Kinbeto 16 #3**

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laboratory@envirotech-inc.com

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W. Grand Ave , 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-103
June 19, 2008

WELL API NO.
30-045-35384

5. Indicate Type of Lease
STATE X FEE

6. State Oil & Gas Lease No.
VO 8066

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

7. Lease Name or Unit Agreement Name
Kinbeto 16

1. Type of Well: Oil Well ☐ Gas Well X Other

8. Well Number 3

2 Name of Operator
Thompson Engineering and Production Corp.

9. OGRID Number
37581

3 Address of Operator
7415 East Main Street, Farmington, NM 87402

10. Pool name or Wildcat
Basin Fruitland Coal

4. Well Location
Unit Letter L : 1955 feet from the South line and 840 feet from the West line
Section 16 Township 23N Range 10W NMPM San Juan County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
6583' GR 6588' KB

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	X	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	X		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			OTHER: Spud	X		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/13/12 D&D Services drilled a 12-1/4" surface hole to 178' KB. Ran 4 jts (168.85') of 8-5/8", 24#, J-55, ST&C casing and set at 175' KB Cemented with 115 sx (135 cu.ft.) of Cl "G" cement with 2% $CaCl_2$ and 1/8 #/sk polyflake. Circulated 4 bbls of good cement to surface

7/14/12 Nippled up the bradenhead and BOP. Pressure tested the BOP and casing to 600 psi for 30 min. – held OK. ✓

7/17/12 TD 7-7/8" production hole at 1025' KB. Ran 28 jts (1015') of 5-1/2", 17#, J-55, LT&C casing and set at 1020' KB with the insert float at 1005' KB. Cemented with 150 sx (317 cu.ft.) of Cl "G" cement with 2% SMS, 5 #/sk gilsonite, and 1/8 pps polyflake, and tailed with 75 sx (86 cu ft) of Cl "G" cement with 1/8 pps polyflake. Bumped the plug to 1500 psi – float held OK. Circulated out 25 bbls of good cement to surface. Rig released at 1600 hrs 7/17/12. Note: Casing wt change from 15.5 to 17.0 #/ft was verbally approved by C. Perrin

RCVD JUL 20 '12
OIL CONS. DIV.
DIST. 3

Spud Date: 7/13/12 Rig Release Date: 7/17/12

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Paul C. Thomp TITLE President DATE 7/17/12

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net PHONE: 505-327-4892

For State Use Only

APPROVED BY: TITLE Deputy Oil & Gas Inspector, District #3 DATE 7/24/12

Conditions of Approval (if any):

AV

Thompson Engineering and Production Company
Pit Closure Activities
Kinbeto 16 #3

RCVD NOV 14'13
OIL CONS. DIV.
DIST. 3

Closure Activities:

1 The free standing liquids in the pit were allowed to evaporate.

2 A five point composite sample was taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). The samples were mixed with native soils in a 3:1 ratio. The resultant sample was tested by Envirotech Analytical Laboratory and the results are attached.

3 Detrick Services performed the reclamation activities on this location. They think they called the OCD Aztec office prior to starting the clean-up activities but they were not able to provide any documentation. Written documentation (or confirming emails) will be requested in the future.

4 Pit contents were mixed with native soils in order to achieve the solidification process. The mixing ratio did not exceed 3 parts clean soil to 1 part pit contents. After mixing the contents were determined to be safe and stable.

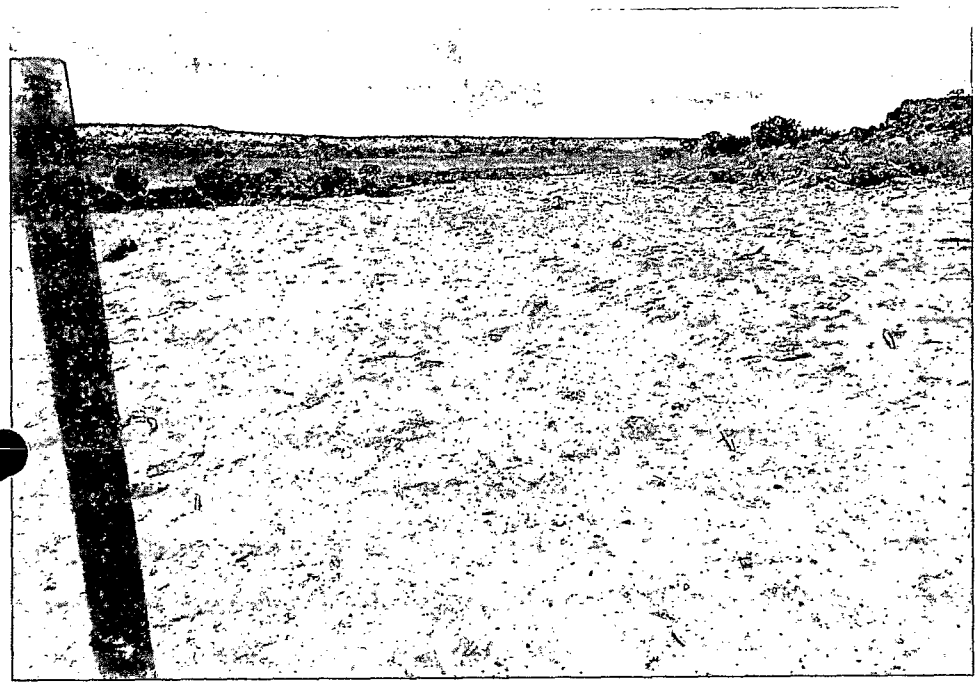
5 The temporary pit liner was removed above "mud level" after stabilization. The part of the liner that was removed was disposed of at the Waste Management landfill on Crouch Mesa.

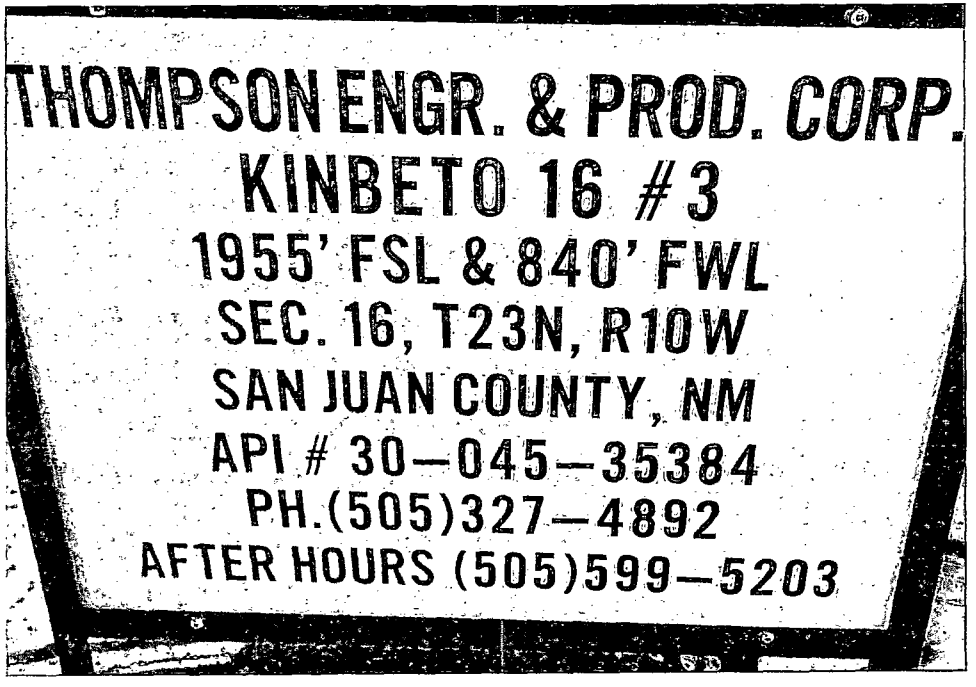
6 After the solidification and testing, the pit area was backfilled with compacted, non-waste containing, earthen material with a minimum of four feet of cover. The top foot of cover was the top soil that was stock-piled during the construction of the pit.

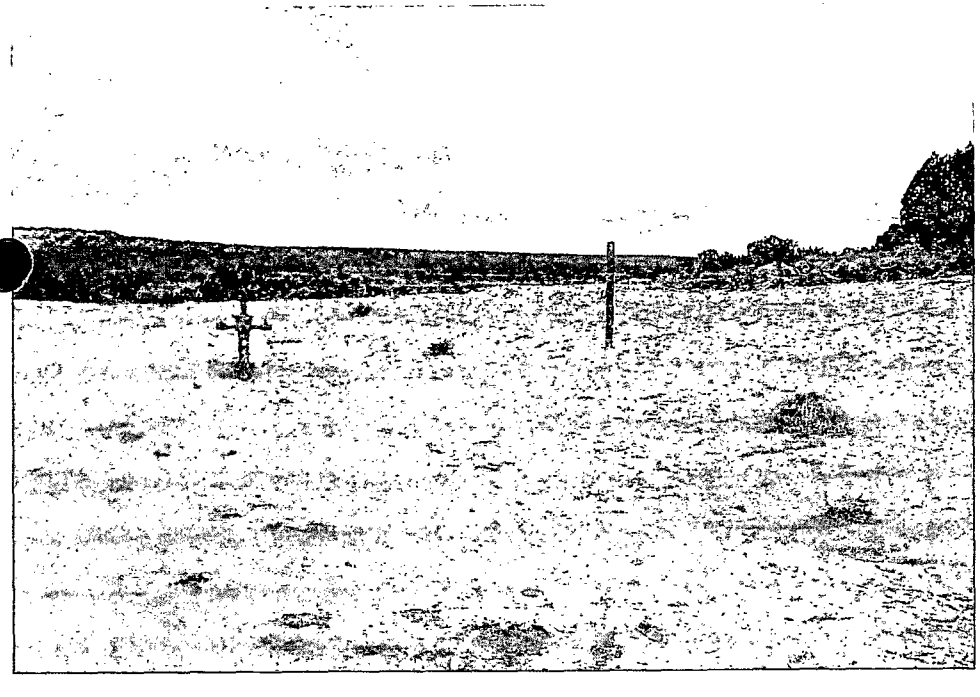
7 The pit area and cut and fill slopes were re-contoured to match fit, shape, line, form and texture of the surrounding area. Drainage ditches were cut above the cut slope to prevent ponding and erosion.

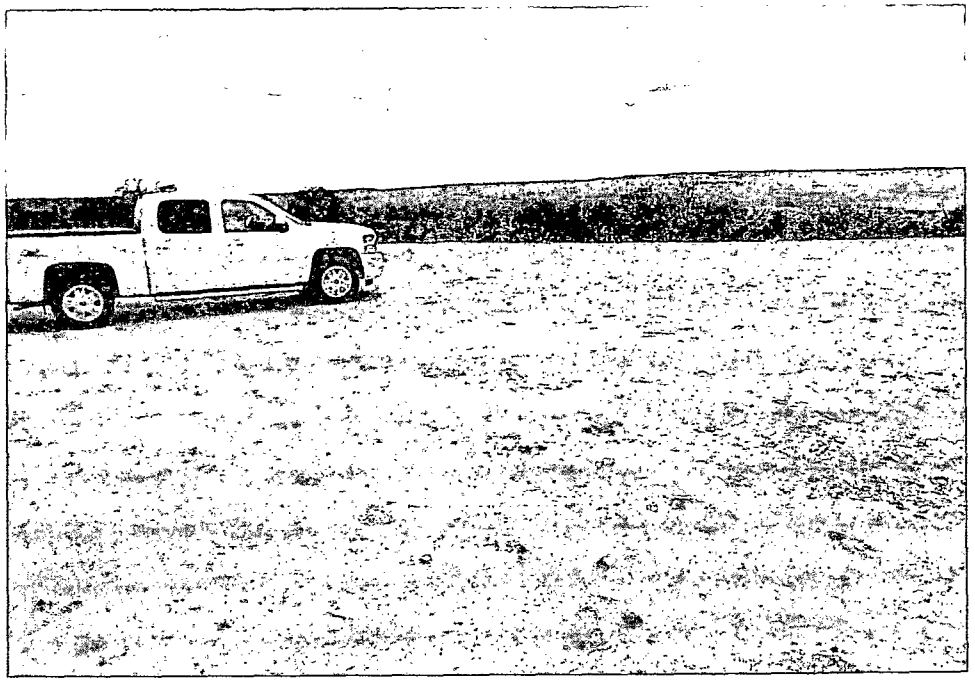
8 Thompson Engineering and Production seeded the re-claimed areas in May of 2013 using a disc-less drill tool. Seeding was accomplished on the contour using a BLM stipulated seed mixture consisting of Western wheatgrass, Indian ricegrass, Slender wheatgrass, Crested wheatgrass, bottlebrush squirreltail, and four-wing saltbush with an 80% purity rating. A total of 26# of bulk seed was used on this location.

9 A 4" diameter steel marker was installed in the center of the temporary pit. The marker contained the following information: Operator Name, Lease Name, Well Name and Number, unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location




THOMPSON ENGR. & PROD. CORP.
KINBETO 16 #3
1955' FSL & 840' FWL
SEC. 16, T23N, R10W
SAN JUAN COUNTY, NM
API # 30-045-35384
PH.(505)327-4892
AFTER HOURS (505)599-5203





THOMPSON ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

November 14, 2013

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

Re: Closure Permit #10230
Kinbeto 16 #3

Dear Mr. Kelly,

Please find attached a C-144 with the requested corrections described on your email of November 8, 2013. The well has not been completed so I have not filed a C-105. Please refer to the C-103 that was filed at the completion of drilling (attached) which lists the rig release date of 7/17/12. Please let me know if you need any additional information.

Sincerely,

Paul C. Thompson

Paul C. Thompson, P.E.

October 31, 2013

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

RCVD NOV 7 '13
OIL CONS. DIV.
DIST. 3

Re: Closure Permit #10230
Kinbeto 16 #3

Dear Mr. Kelly,

Please find attached a C-144 with the requested corrections described on your email of October 28, 2013. The well has not been completed so I have not filed a C-105. Please refer to the C-103 that was filed at the completion of drilling which lists the rig release date of 7/17/12. Please let me know if you need any additional information.

Sincerely,

Paul C. Thompson, P.E.