District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

OIL CONS. DIV DIST. 3

JUN 19 2015

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address	2. OGRID Number
Anschutz Exploration Corporation 555 17th Street, Suite 2400, Denver, CO 80202	146906
	3. API Number 30-039-31333

4. Property Code	5. Property Name	6. Well No.
315008	Schmitz	#1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	1	24N	2W		1708'	South	949'	East	Rio Arriba

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	1	24N	2W		1708'	South	949'	East	Rio Arriba

9. Pool Information

Pool Name	Pool Code
Gavilan Greenhorn-Graneros-Dakota / Gavilan - Mancos	

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
N	O	R	P	7336'
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
Y	8424'	Dakota	TBD	7/15/2015

Depth to Ground water **140'**	Distance from nearest fresh water well: **2106'**	Distance to nearest surface water **700'**

X We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Conductor	**26"**	**16"**	**42**	**50'**	**n/a**	**n/a**
Surface	12-1/4"	9-5/8"	36#/J55	625'	85 sx(254 cf) &100 sx (183 cf)	Surface
Production	8-3/4"	5-1/2"	17#/J55	8424'	1st stg: 455sx(1359cf) & 215sx(424cf) 2nd stg: 275sx(821cf)& sx(197cf)	Surface

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
11" 3M	**3M**	**3M**	**Cameron**

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐ if applicable.
Signature:

Printed name: John C. Thompson

Title: Engineer/Agent

E-mail Address: John@walsheng.net

Date: 6/5/2015 Phone: 505.327.4892

OIL CONSERVATION DIVISION

Approved By: 7-2-2015

Title: SUPERVISOR DISTRICT #3

Approved Date: JUL 02 2015 Expiration Date: JUL 02 2017

Conditions of Approval Attached

SEE ATTACHED NMOCD CONDITIONS OF APPROVAL 12

*Future Submittal use Current Forms

AV

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
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DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-039-31333	27192/27194	GAVILAN GREENHORN-GRANEROS- DAKOTA / GAVILAN-MANCOS

[4] Property Code	[5] Property Name	[6] Well Number
315008	SCHMITZ	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
146906	ANSCHUTZ EXPLORATION CORPORATION	7336'

[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
I	1	24-N	2-W		1708'	SOUTH	949'	EAST	RIO ARRIBA

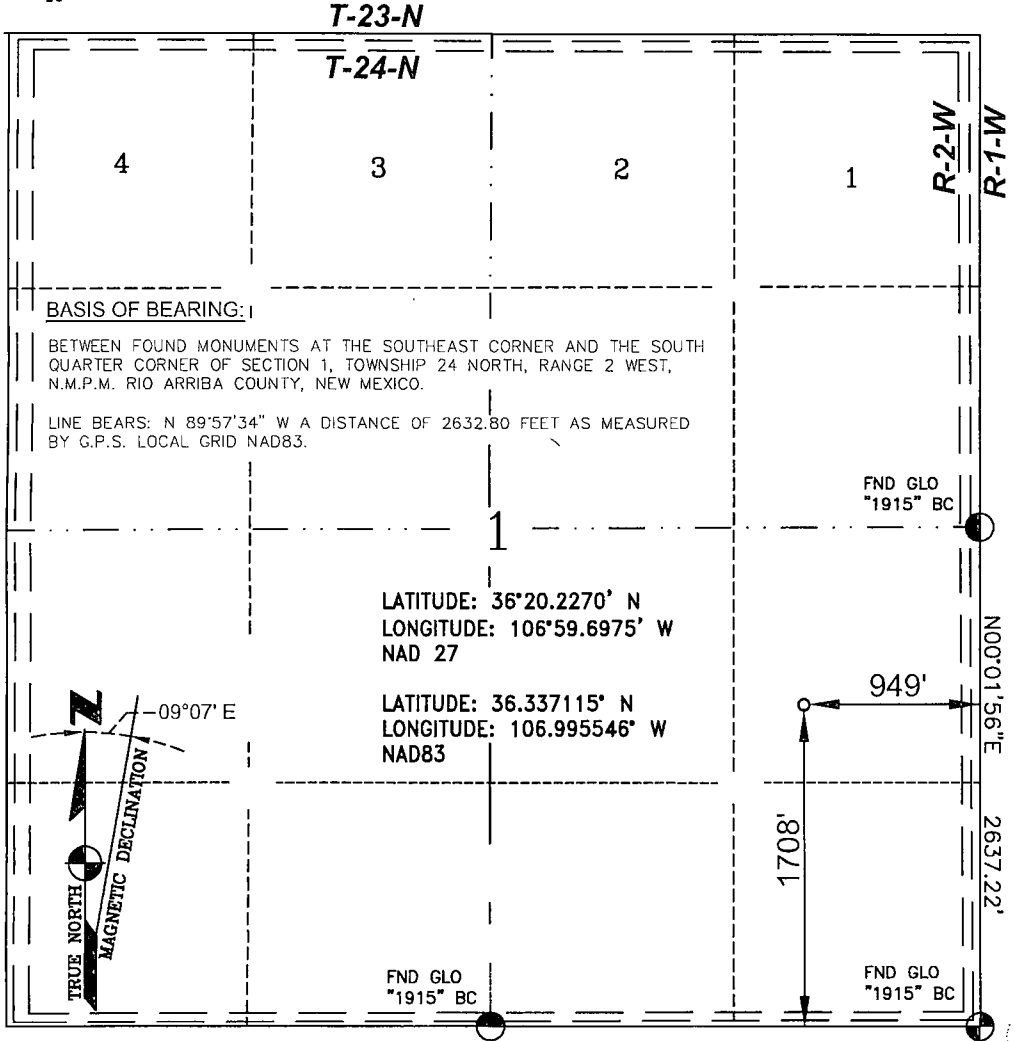
[11] Bottom Hole Location If Different From Surface

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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
650.32 ~~DK=640~~ ACRE ALL SEC 1 MC=640 ACRE ALL SEC 1			

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

16



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

John C. Thompson 6/15/2015
Signature Date

John C. Thompson
Printed Name

johnecwelsheng.net
E-mail Address

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 11, 2015
Date of Survey

Signature and Seal of Professional Surveyor:

GLEN W. RUSSELL NEW MEXICO 15703 LICENSED PROFESSIONAL SURVEYOR

GLEN W. RUSSELL
Certificate Number 15703

Attachment To Application For Permit To Drill.
Drilling program

Anschutz Exploration Company

555 Seventeenth Street, Suite 2400
Denver, CO 80202
U.S.A

SCHMITZ #1

Vertical Dakota - Mancos Oil and Gas Well
Surface Location: 1708' FSL – 949' FEL
Section 1, T24N, R2W
Ungraded GL Elev = 7336'
Lat. = 36.337115 deg N
Long. = 106.995546 deg W
NAD83
Rio Arriba County, New Mexico

1. ESTIMATED TOPS FOR IMPORTANT GEOLOGICAL FORMATIONS

Formation Tops	Surface (TVD)
San Jose	Surface
Ojo Alamo	3124
Pictured Cliffs	3394
Lewis	3474
Huerfanito Bentonite	3836
Chacra	4394
Cliff House	5114
Menefee	5236
Point Lookout	5634
Mancos	5794
Ojito	6884
Greenhorn	7714
Dakota	7854
Burro Canyon	8074
Total Depth	**8424**

Drilling Plan

Drill 12 ¼" hole to 625' then set 9 5/8" casing. Drill 8 3/4" vertical hole with fresh water mud to an approximate TD of 8,424'. Run 5-1/2" casing and cement to surface in two stages.

2. ANTICIPATED DEPTHS OF PROSPECTIVE OIL GAS AND OTHER HYDROCARBONS

Primary objective is the Mancos formation encountered first at 5794' as well as the Dakota formation encountered at 7854'

See formation listings in #1 above for additional zones of interest.

3. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT

A. Wellhead Equipment 3000 PSI System (See Exhibit A)

1. 9 5/8" slip-on / welded x 11" 3,000 psi casing head.
2. One 11" 3,000 psi WP double-ram preventer with one (1) set of blind rams on top & one (1) set of pipe rams on bottom complete with hand wheels and extension arms.
3. The choke and kill lines will be connected to outlets between the bottom and top rams, utilizing either the ram body outlet or a drilling spool with side outlets for 2" kill line and minimum 3" choke line
4. One 11" x 3,000 psi WP Hydril GK (or equivalent) annular preventer.
5. Accumulator - Four Station Koomey (or equivalent) 120 gallon closing unit with remote, backup. The accumulator shall have sufficient capacity to open the hydraulically-controlled gate valve and close all rams plus the annular preventer, with a 50% safety factor and retain a minimum of 200 psi above the precharge on the closing manifold without the use of the closing unit pumps. The reservoir capacity shall be double the usable accumulator capacity, and the fluid level shall be maintained at the manufacturer's recommendations.

6. The BOP system shall have two (2) independent power sources (electric and air) available for powering the closing unit pumps. Sufficient nitrogen bottles are suitable as a backup power source only, and shall be recharged when the pressure falls below manufacturer's specification.
7. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

All BOP equipment will be hydraulically operated with controls accessible both on the rig floor.

The wellhead BOP equipment will be nippled-up on the 9-5/8" x 11" 3,000 psi WP casing head prior to drilling out from under surface casing. All ram preventers and related equipment will be tested to 3,000 psi for 10 minutes. Annular preventers will be tested to 50% of rated working pressure for 10 minutes. Surface casing will be tested to 70% of internal yield pressure. All preventers and surface casing will be tested before drilling out of surface casing. BOP equipment will be tested every 14 days, after any repairs are made to the BOP equipment, and after the BOP equipment is subjected to pressure. Annular preventers will be functionally operated at least once per week. Pipe rams will be activated daily and blind rams shall be activated each trip or at least weekly. The New Mexico Oil & Gas Conservation Commission Will be notified 24 hours in advance of testing of BOPE.9 5/8" slip-on / welded x 11" 3,000 psi casing head.

4. PROPOSED BIT AND CASING PROGRAM

A. Bit Program
26" Conductor = surface to 50'
12 1/4" Surface Hole = Surface to 625'
8 3/4" = 8,424'

B. Casing Program – all casing stings are new casing

Casing & Hole Size	Weight	Grade	Coupling	Setting Depth (MD)	Comments
16" Conductor				0' - 60-ft BGL	New casing.
9-5/8" (12 1/4")	36 ppf	K-55	LT&C	0' - 625'	New casing. Cement to surface.
5-1/2" (8 ¾")	17 ppf	J55	LT&C	0' - 8424'	New Casing. Cement to surface.

Casing strings below the conductor casing will be tested to .22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield.

Minimum casing design factors used: Collapse - 1.125
Burst - 1.0
Jt. Strength - 1.60

Surface casing shall have a guide shoe, 2 joint shoe track, float collar. One BS centralizer stop-locked on the first joint, then on BS centralizer on each of the next two joints then one on every other joint to surface. Approximately 8 BS centralizers total.

The production casing will have a float shoe, 2 joint shoe track, float collar, casing to DV tool. **DV tool placed at ~ 3480**, then casing to surface. Production casing will be centralized using 1 BS centralizer stop locked in the middle of the first joint, one BS centralizer for the next two joints, one BS centralizer every 4th join to ~ 5663'. Run 1 BS centralizer below and above the DV tool. Run 1 BS centralizer every 4th joint to 2800'. Will run approximately 23 BS centralizers total. Will strategically place 2 cement baskets below the DV tool.

5. PROPOSED CEMENTING PROGRAM

The proposed cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

a) The proposed cementing program is as follows:

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, inner string cement method, etc. shall be utilized to help

isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

Surface Casing Single Stage Job – (0-625'):
Excess – 100% over gauge hole – 12-1/4" hole and 9-5/8" casing (0.3132ft3/ft)
Top of Cement - Surface

Lead – 85 sx (254 cf)– 11.5 ppg, conventional cement containing:
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 2.989 cuft/sx

Tail - 100 sx (183 cf) – 13.5 ppg, conventional cement containing:
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 1.831 cuft/sx

Compressive strength: 24 hr – 1000+ psi

Total sacks of cement pumped = 185 sx

Production Casing – Two Stage Job (0-8425'):
Excess – 20% over gauge hole – 8-3/4" hole and 5-1/2" casing (0.2526 ft3/ft)
Top of Cement – Surface.

1st Stage

Lead: 455 sx (1359 cf) – 11.5 ppg, conventional cement containing:
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 2.989 cuft/sx

Compressive strength: 24 hr – 1000+ psi

Tail: 215 sx (424 cf) – 12.0 ppg, conventional cement containing:
Cement – Halliburton HALCEM
0.05% sa-1015
5 LBM Kol-Seal
0.125 Poly-E-Flake
Yield – 1.97 ft3/sx,
Compressive strength: 24 hr – 1500+ psi

2nd Stage

Lead: 275 sx (821 cf) – 11.5 ppg, conventional cement containing:
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 2.989 cuft/sx

Compressive strength: 24 hr – 1000+ psi

Tail: 100 sx (197 cf) – 12.0 ppg, conventional cement containing:
Cement – Halliburton HALCEM
0.05% sa-1015
5 LBM Kol-Seal
0.125 Poly-E-Flake
Yield – 1.97 cuft/sx

Compressive strength: 24 hr – 1500+ psi

Total sacks of cement pumped = 1045 sx
Cement volumes are minimums and may be adjusted based on caliper log results & hole conditions.

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected.

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

6. PROPOSED DRILLING FLUIDS PROGRAM

a) Vertical Portion

Hole Size (in)	TVD (ft)	Mud Type	Density (lb/gal)	Viscosity (sec/qt)	Fluid Loss (cc)
12 1/4"	0-625'	Fresh Water	8.3-9.4	28-42	NC
8 3/4"	625'-3836'	Fresh Water LSND	8.6-9.2	35 - 70	8-10
8 3/4"	3836'-8424'	Fresh Water LSND	8.6-9.2	40-54	< 6

b) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually and with electronic pit volume totalizers. Mud tests shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

✓c) A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals, including fresh water and oil-based operations. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Drill cuttings will be buried on site in compliance with NMOCD Rule 19. Any waste water not utilized in the drilling process will be disposed of properly at TnT Environmental Disposal facility.

7. TESTING, CORING and LOGGING

a) Drill Stem Testing - None anticipated
b) Coring - None anticipated.
c) Mud Logging – Mud loggers will be on location from surface casing point to TD.
d) Logging – 8-3/4" section only, See Below

Open Hole Logs: Triple Combo w/ Dipole Sonic (TD to surface casing). NMR Log, ES Image log, Dielectric log, MDT/SPT (over selected intervals)

8. ABNORMAL PRESSURES & HYDROGEN SULFIDE

The maximum anticipated bottom hole pressure is +/- 2970 psi based on a 9.0 ppg at 8295' (Total Depth). No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H_2S is encountered, the guidelines in Onshore Order No. 6 will be followed.

9. ANTICIPATED START DATE AND DURATION OF OPERATIONS

Drilling is estimated to commence on July 15, 2015. It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

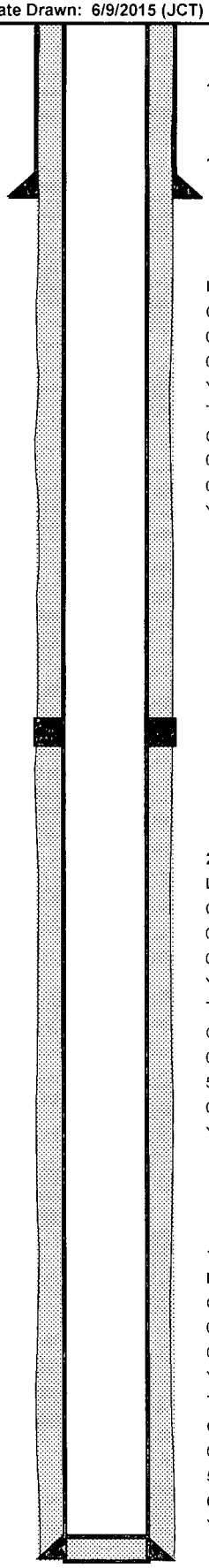
It is anticipated that the drilling of this well will take approximately 12 days.

Well/Facility:	Schmitz #1	Well Status:	Proposed
Operator:	Anschutz	Orig Oper:	
Lease/Op Agmt:	Private	Prod Interval:	
Field:	Gavilan GR/DK/Mancos	API #:	
County:	Rio Arriba	GR/KB:	7336' GL
State:	NM	TD:	8424' KB
Spud:		PBTD:	
Comp. Date:		WI:	
1st Prod:		NRI:	
Xmas tree:			
Surface Loc:	1708' fsl & 949' fel Section 1, T24N, R2W		
Sec-Twn-Rge:	Section 1, T24N, R2W		
Comments:			

Date Drawn: 6/9/2015 (JCT)

WALSH ENGINEERING FARMINGTON, NM

Geologic Markers	
MD	Formation
Surface	San Jose
3124'	Ojo Alamo
3394'	Pictured Cliffs
3474'	Lewis
3836'	Huerfanito Bentonite
4394'	Chacra
5114'	Cliff House
5236'	Menefee
5634'	Point Lookout
5794'	Mancos Shale
6884'	Ojito
7714'	Greenhorn
7854'	Graneros
8074'	Dakota
8274'	Burro Canyon



16" conductor to 50'

12-1/4" Hole

Surface Casing:
9-5/8", 36#, J55 at 625'

Lead – **85 sx (254 cf)**– 11.5 ppg,
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 2.989 cuft/sx
Tail - **100 sx (183 cf)** – 13.5 ppg,
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 1.831 cuft/sx

DV tool at: 3480'

2nd stage
Lead: 275 sx (821 cf) – 11.5 ppg,
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 2.989 cuft/sx
Tail : 100 sx (197 cf) – 12.0 ppg
Cement – Halliburton HALCEM
0.05% sa-1015
5 LBM Kol-Seal
0.125 Poly-E-Flake
Yield – 1.97 cuft/sx

Hole Size: 8-3/4"

1 stage:
Lead: 455 sx (1359 cf) – 11.5 ppg,
Cement – Halliburton VARICEM CEMENT
0.125# Poly-E-Flake
0.25# Kwick Seal
Yield – 2.989 cuft/sx
Tail - (8295' – 7500'): 215 sx (424 cf) – 12.0 ppg,
Cement – Halliburton HALCEM
0.05% sa-1015
5 LBM Kol-Seal
0.125 Poly-E-Flake
Yield – 1.97 ft3/sx,

5-1/2", 17#, J55 at 8424'

Pickford, Katherine, EMNRD

From: John Thompson <john@walsheng.net>
Sent: Thursday, June 25, 2015 10:47 PM
To: Pickford, Katherine, EMNRD
Cc: Deidre O'Callaghan
Subject: RE: Schmitz #1 30-039-31333 APD

Hi Kate,

I'm going to copy the info I got regarding the pools and the spacing from the Anschutz land department (see below). Also, I will update the drilling plan to include some language regarding the protection of the fractured Mancos formation and get that to you via email if that's OK.

The Schmitz location falls within the Gavilan-Mancos pool, which provides for 640 acre spacing for the Mancos formation. Anschutz has applied for a non-standard unit for the Dakota, requesting a 640 acre unit for the Dakota formation, to conform the spacing unit to the Mancos unit, and intends to request an order to comingle the production, if appropriate, after testing is complete. The hearing for this application was held on June 11th, but Anschutz has not yet received the approved order from the OCD. Anschutz is requesting that the permit be approved with the spacing to be subject to the pending order from the OCD.

Let me know if that sounds OK to you or if you need more info.

Thanks!

John C. Thompson

Walsh Engineering & Production Corp.
O 505.327.4892
C 505.320.1748
E john@walsheng.net

Pickford, Katherine, EMNRD

From: Pickford, Katherine, EMNRD
Sent: Monday, June 22, 2015 11:52 AM
To: 'John@walsheng.net'
Cc: McMillan, Michael, EMNRD; Jones, William V, EMNRD
Subject: Schmitz #1 30-039-31333 APD

John,
I am reviewing the APD for the above well, submitted by you on behalf of Anschutz. In reviewing the special pool rules (order R-7745) for the Gavilan Greenhorn-Graneros-Dakota, there are a few issues that appear to be in conflict with the application. It appears that the application proposes to DHC the Gavilan Greenhorn-Graneros-Dakota and the Gavilan Mancos. According to the noted rule, Production from the Gavilan Greenhorn-Graneros-Dakota shall not be downhole commingled with production from any other pool. Additionally, the spacing unit for both the Gavilan Greenhorn-Graneros-Dakota and the Gavilan Mancos are 320 acres. The application dedicates 640 acres to each formation. There are also criteria in the order related to protection of the fractured Mancos formation in the mud and cementing programs. The mud program does not specify the need for these protections. Please review the above order and let me know how you would like to proceed with this application.
Thanks

Kate Pickford
Geoscientist
OCD District III
1000 Rio Brazos Rd
Aztec, NM 87410
505-334-6178 Ext 114
505-334-6170 (fax)

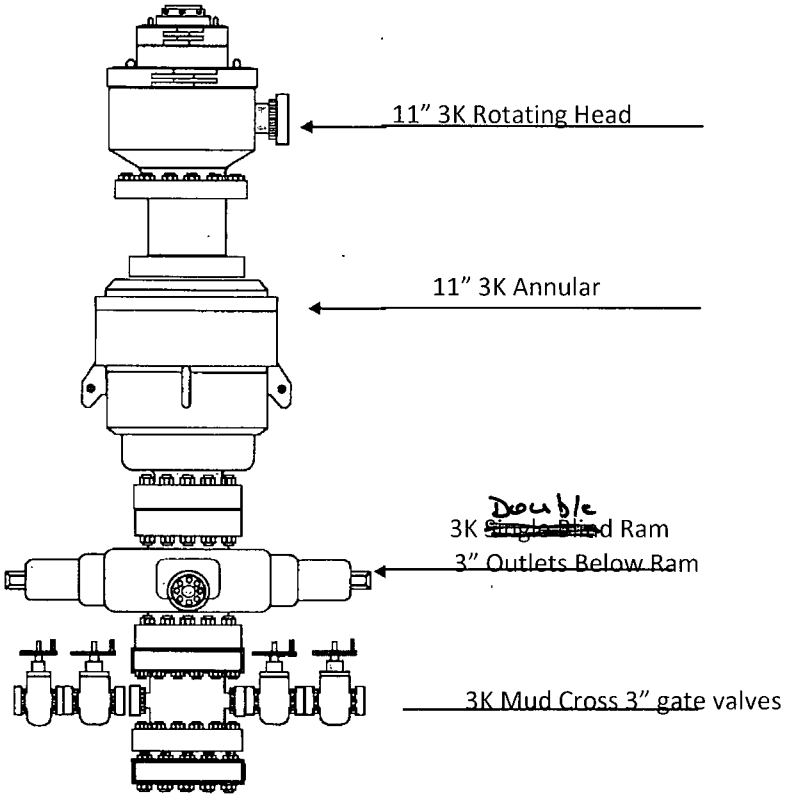
Directions from the Intersection of
Hwy 550 & Hwy 64 in Bloomfield, NM
To:

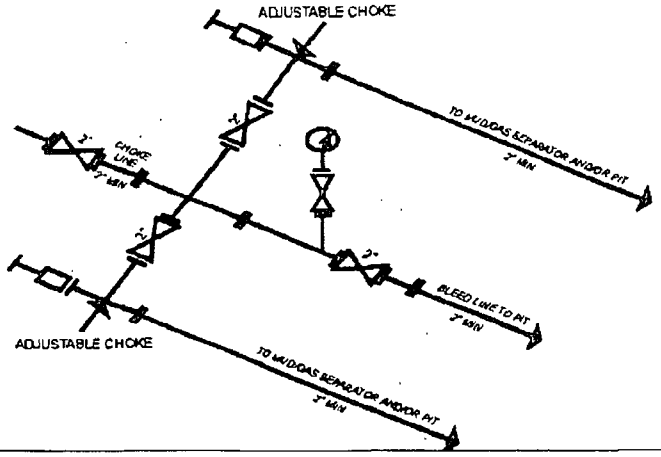
ANSCHUTZ EXPLORATION CORPORATION
SCHMITZ #1
1708' FSL & 949' FEL,
Section 1, T24N, R2W, N.M.P.M.,
Rio Arriba County, New Mexico
Latitude: 36° 20' 13.615" N
Longitude: 106° 59' 43.967" W
NAD 83

Go south on Hwy 550 for 83.65 miles to Hwy 96,
Turn left (north) on Hwy 96 11.9 miles to Hwy 95,
Turn left (west-northwesterly) on Hwy 95 for 12.8 miles
to CR 408,
Turn right (easterly) on CR 408 for 1.8 miles,
Which then becomes CR 395,
Continue (easterly) on CR 395 for 0.5 miles
Stay left (northeasterly) on CR 395 for 0.6 miles,
To the beginning of new access, which continues (southerly) for
264.8' to the new well location.

Exhibit A

WELLHEAD BLOWOUT CONTROL SYSTEM





State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach
Division Director
Oil Conservation Division

New Mexico Oil Conservation Division Conditions of Approval (C-101 Application for permit to drill)

- ✓ Notify Aztec OCD 24hrs prior to casing & cement.
- o Hold C-104 for directional survey & "As Drilled" Plat
- ✓ Hold C-104 for NSL, NSP, DHC
- o Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- o Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- o Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ✓ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ✓ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ✓ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8. KC