

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.

12831 Pit, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

OIL CONS. DIV DIST. 3

- 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

MAR 26 2015

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: BP America Production Company OGRID #: 778
Address: 200 Energy Court, Farmington, NM 87401
Facility or well name: Mudge C 1E
API Number: 3004524719 OCD Permit Number: _____
U/L or Qtr/Qtr D Section 9 Township 31N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.917717 Longitude -108.002015 NAD: 1927 983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Pit: Subsection F, G or J of 19.15.17.11 N
Temporary: Drilling Workover
 Permanent Emergency Cavitation
 Lined Unlined Liner type: Thickness _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

DENIED
Silt trap constructed over closure area in violation of 19.15.17.13. H. (3). Please correct by 5/5/2016 and resubmit corrected C-144 Closure Permit.
BY: Jonathan Kelly DATE: 11/5/2015 (505) 334-6178 Ext. 122
Low Chloride Drilling Fluid yes no
] Other _____

3.
 Below-grade tank: Subsection I of 19.15.17.11 NMAC Tank A
Volume: 95.0 bbl Type of fluid: Produced water
Tank Construction material: Steel
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other Single walled/double bottomed; side walls not visible
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.

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.

Variations 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 ordinary high-water mark). (Applies to low chloride temporary 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. Yes No

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

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. Yes No

NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

Within 100 feet of a wetland. Yes No

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

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). Yes No

- Topographic map; Visual inspection (certification) of the proposed site

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Yes No

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

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; Yes No

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

Within 300 feet of a wetland. Yes No

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

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). Yes No

- Topographic map; Visual inspection (certification) of the proposed site

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Yes No

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

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. Yes No

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

Within 500 feet of a wetland. Yes No

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

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 H₂S, 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet of a wetland.
US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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 (inclu

DENIED

CD Conditions (see attachment)

OCD Representative Signature: _____

Approval Date: _____

Title: _____

umber: _____

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: 9/22/2010

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.*

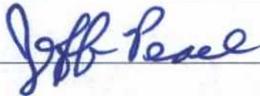
- Proof of Closure Notice (surface owner and division)
- Proof of Deed Notice (required for on-site closure for private land only)
- Plot Plan (for on-site closures and temporary pits)
- Confirmation Sampling Analytical Results (if applicable)
- Waste Material Sampling Analytical Results (required for 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 36.917717 Longitude -108.002015 NAD: 1927 1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Jeff Peace Title: Field Environmental Coordinator

Signature:  Date: March 23, 2015

e-mail address: peace.jeffrey@bp.com Telephone: (505) 326-9479

BP AMERICA PRODUCTION COMPANY
SAN JUAN BASIN, NORTHWEST NEW MEXICO

BELOW-GRADE TANK CLOSURE PLAN

Mudge C 1E

API No. 3004524719

Unit Letter D, Section 9, T31N, R11W

This plan will address the standard protocols and procedures for closure of below-grade tanks (BGTs) on BP America Production Company (BP) well sites. As stipulated in Paragraph A of 19.15.17.13 NMAC, BP shall close a BGT within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the New Mexico Oil Conservation Division (NMOCD) requires because of imminent danger to fresh water, public health, safety or the environment. If deviations from this plan are necessary, any specific changes will be included on form C-144 and approved by the NMOCD. BP shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofit with a BGT that complies with the BP NMOCD approved BGT design attached to the BP Design and Construction Plan. BP shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, if not previously retrofitted to comply with the BP NMOCD approved BGT Design attached to the BP Design and Construction Plan, prior to any sale or change in operator pursuant to 19.15.9.9 NMAC. BP shall close the permitted BGT within 60 days of cessation of the BGTs operation or as required by the transitional provisions of Subsection B, D, or E of 19.15.17.17 NMAC.

General Closure Plan

1. BP shall notify the surface owner by certified mail that it plans to close a BGT. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records demonstrates compliance with this requirement.
No notice was made due to misunderstanding of the BGT notice requirements at that time.
2. BP shall notify the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice shall include the operator's name, and the location to be closed by unit letter, section, township and range. If the BGT closure is associated with a particular well, then the notice shall also include the well's name, number and API number.
No notice was made due to misunderstanding of the BGT notice requirements at that time.
3. BP shall remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. The facilities to be used are:
 - a. BP Crouch Mesa Landfarm, Permit NM-02-003 (Solids)
 - b. JFJ Landfarm, Permit NM-01-010(B) (Solids and Sludge)
 - c. Basin Disposal, Permit NM-01-0005 (Liquids)

- d. Envirotech Inc Soil Remediation Facility, Permit NM-01-0011 (Solids and Sludge)
- e. BP Operated E.E. Elliott SWD #1, API 30-045-27799 (Liquids)
- f. BP Operated 13 GCU SWD #1, API 30-045-28601 (Liquids)
- g. BP Operated GCU 259 SWD, API 30-045-20006 (Liquids)
- h. BP Operated GCU 306 SWD, API 30-045-24286 (Liquids)
- i. BP Operated GCU 307 SWD, API 30-045-24248 (Liquids)
- j. BP Operated GCU 328 SWD, API 30-045-24735 (Liquids)
- k. BP Operated Pritchard SWD #1, API 30-045-28351 (Liquids)

All liquids and sludge in the BGT were removed and sent to one of the above NMOCD approved facilities for disposal.

- 4. BP shall remove the BGT and dispose of it in a NMOCD approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD approves. If a liner is present and must be disposed of it will be cleaned by scraping any soils or other attached materials on the liner to a de minimus amount and disposed at a permitted solid waste facility, pursuant to Subparagraph (m) of Paragraph (1) of Subsection C of 19.15.35.8 NMAC. Documentation as to the final disposition of the removed BGT will be provided in the final closure report.

The BGT was transported to a storage area for sale and re-use.

- 5. BP shall remove any on-site equipment associated with a BGT unless the equipment is required for well production.

All equipment associated with the BGT has been removed.

- 6. BP shall test the soils beneath the BGT to determine whether a release has occurred. BP shall collect at a minimum: a five (5) point composite sample and individual grab samples from any area that is wet, discolored or showing other evidence of a release and analyze for BTEX, TPH and chlorides. The testing methods for those constituents are as follows;

Constituents	Testing Method 95 bbl BGT	Release Verification (mg/Kg)	Sample results
Benzene	US EPA Method SW-846 8021B or 8260B	0.2	ND
Total BTEX	US EPA Method SW-846 8021B or 8260B	50	ND
TPH	US EPA Method SW-846 418.1	100	260
Chlorides	US EPA Method 300.0 or 4500B	250 or background	NA

Notes: mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. Chloride closure standards will be determined by which ever concentration level is greatest.

Soil under the BGT was sampled and BTEX levels were below the stated limits. TPH was 260 ppm by Method 8015. Chloride was not analyzed. Sampling data is attached.

7. BP shall notify the division District III office of its results on form C-141.
C-141 is attached.
8. If it is determined that a release has occurred, then BP will comply with 19.15.30 NMAC and 19.15.29 NMAC, as appropriate.
Sampling results indicate a release occurred. The release was addressed through the spill and release guidelines and remediation was completed on September 22, 2010.
9. If the sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then BP shall backfill the excavation, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover, re-contour and re-vegetate the location. The location will be reclaimed if it is not within the active process area
The area under the BGT was backfilled with clean soil and was covered by silt trap construction as part of final reclamation since the well was plugged and abandoned.
10. BP shall reclaim the BGT location and all areas associated with the BGT including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. BP shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC.
The area over the BGT was covered during silt trap construction as part of final reclamation since the well was plugged and abandoned.
11. The soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. The soil cover will be constructed to the site's existing grade and all practicable efforts will be made to prevent ponding of water and erosion of the cover material.
The area over the BGT was covered during silt trap construction as part of final reclamation since the well was plugged and abandoned.
12. BP shall seed the disturbed area the first growing season after closure of the BGT. Seeding will be accomplished by drilling on the contour whenever practical or by other division-approved methods. Vegetative cover will be, at a minimum, 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation), consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
The area over the BGT was covered during silt trap construction as part of final reclamation since the well was plugged and abandoned.

13. BP shall seed, plant and re-seed pursuant to Paragraph (3) of Subsection I of 19.15.17.13 NMAC, until the location successfully achieves the required vegetative cover.

BP will not seed the area as part of final reclamation since a silt trap was constructed over the former BGT site.

14. Pursuant to Paragraph (5) of Subsection I of 19.15.17.13 NMAC, BP shall notify the NMOCD when it has seeded or planted and when it successfully achieves re-vegetation.

BP will not notify NMOCD when re-vegetation is successful since the silt trap area will not be seeded.

15. Within 60 days of closure completion, BP shall submit a closure report on NMOCD's form C-144, and will include the following;

- a. proof of closure notification (surface owner and NMOCD)
- b. sampling analytical reports; information required by 19.15.17 NMAC;
- c. disposal facility name and permit number
- d. details on back-filling, capping, covering, and where applicable re-vegetation application rates and seeding techniques and
- e. site reclamation, photo documentation.

Closure report on C-144 form is included.

16. BP shall certify that all information in the report and attachments is accurate, truthful, and compliant with all applicable closure requirements and conditions specified in the approved closure plan.

Certification section of C-144 has been completed.

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: BP	Contact: Jeff Peace
Address: 200 Energy Court, Farmington, NM 87401	Telephone No.: 505-326-9479
Facility Name: Mudge C IE	Facility Type: Natural gas well

Surface Owner: Federal	Mineral Owner: Federal	API No. 3004524719
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LOCATION OF RELEASE

Unit Letter D	Section 9	Township 31N	Range 11W	Feet from the 815	North/South Line North	Feet from the 740	East/West Line West	County: San Juan
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Latitude 36.917717 Longitude 108.002015

NATURE OF RELEASE

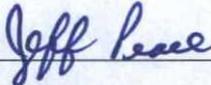
Type of Release: condensate/oil	Volume of Release: unknown	Volume Recovered: none
Source of Release: 95 bbl BGT	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: September 14, 2010; 3:15 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Sampling of the soil beneath the BGT was done during removal to ensure no soil impacts from the BGT. Soil analysis resulted in BTEX below the standards. TPH was 260 ppm by Method 8015B on the bottom of the BGT cellar and a soil sample taken from the southwest side wall was 180 ppm TPH by Method 8015B. Chloride was not analyzed.

Describe Area Affected and Cleanup Action Taken.* BGT was removed and the area underneath the BGT was sampled. Sampling results indicate a minor release occurred. The release was addressed through the spill and release guidelines and impacted soil was excavated and removed. The area over the BGT was backfilled and compacted and was covered by construction of a silt trap. The well has been plugged and abandoned.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Jeff Peace	Approved by Environmental Specialist:	
Title: Field Environmental Coordinator	Approval Date:	Expiration Date:
E-mail Address: peace.jeffrey@bp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: March 23, 2015 Phone: 505-326-9479		

* Attach Additional Sheets If Necessary

CLIENT: BP	BLAGG ENGINEERING, INC. P.O. BOX 87, BLOOMFIELD, NM 87413 (505) 632-1199	API #: 3004524719
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FIELD REPORT:

BGT CONFIRMATION TEMP. PIT CLOSURE / RELEASE INVESTIGATION
(other)

PAGE No: **1** of **1**

SITE INFORMATION:

SITE NAME: **MUDGE C # 1E**

DATE STARTED: **09/13/10**

QUAD/UNIT: **D** SEC: **9** TWP: **31N** RNG: **11W** PM: **NM** CNTY: **SJ** ST: **NM**

DATE FINISHED:

QTR-QTR/FOOTAGE: **815'N / 740'W** **NW/NW** LEASE TYPE: **FEDERAL** STATE / FEE / INDIAN

ENVIRONMENTAL SPECIALIST:

LEASE #: **SF078096** PROD. FORMATION: **DK** CONTRACTOR: **ELKHORN MBF - J. WILBORN**

NJV

REFERENCE POINT:

WELL HEAD (W.H.) GPS COORD.: **36.91763 X 108.00230** GL ELEV.: **6,190'**

1) 95 BGT (SW/DB)	GPS COORD.:	36.917717 X 108.002015	DISTANCE/BEARING FROM W.H.:	86', N80.5E
2)	GPS COORD.:		DISTANCE/BEARING FROM W.H.:	
3)	GPS COORD.:		DISTANCE/BEARING FROM W.H.:	
4)	GPS COORD.:		DISTANCE/BEARING FROM W.H.:	
5)	GPS COORD.:		DISTANCE/BEARING FROM W.H.:	

LAB INFORMATION:

CHAIN OF CUSTODY RECORD(S): **5991**

OVM READING

1) SAMPLE ID: PB @ 8' (grab)	SAMPLE DATE: 09/14/10	SAMPLE TIME: 1305	LAB ANALYSIS: 418.1/8015/8021/4500B (CI)	OVM READING: NA
2) SAMPLE ID: 4PC-SW @ 4' (comp.)	SAMPLE DATE: 09/14/10	SAMPLE TIME: 1315	LAB ANALYSIS: 418.1/8015/8021/4500B (CI)	OVM READING: NA
3) SAMPLE ID:	SAMPLE DATE:	SAMPLE TIME:	LAB ANALYSIS:	
4) SAMPLE ID:	SAMPLE DATE:	SAMPLE TIME:	LAB ANALYSIS:	
5) SAMPLE ID:	SAMPLE DATE:	SAMPLE TIME:	LAB ANALYSIS:	

SOIL DESCRIPTION:

SOIL TYPE: SAND SILTY SAND SILT SILTY CLAY CLAY / GRAVEL OTHER **BEDROCK (shale)**

SOIL COLOR: **GRAYISH ORANGE TO BLACK**

DISCOLORATION/STAINING OBSERVED: YES NO EXPLANATION - **MEDIUM GRAY TO BLACK**

COHESION (ALL OTHERS): NON COHESIVE SLIGHTLY COHESIVE COHESIVE HIGHLY COHESIVE

CONSISTENCY (NON COHESIVE SOILS): LOOSE FIRM DENSE VERY DENSE

PLASTICITY (CLAYS): NON PLASTIC SLIGHTLY PLASTIC COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC

DENSITY (COHESIVE CLAYS & SILTS): SOFT / FIRM STIFF VERY STIFF / HARD

HC ODOR DETECTED: YES NO EXPLANATION - **APPARENT & STRONG FROM DISCOLORED SOILS & BEDROCK SURFACE ONLY.**

MOISTURE: DRY SLIGHTLY MOIST MOIST WET / SATURATED / SUPER SATURATED

SAMPLE TYPE: GRAB COMPOSITE - # OF PTS. **5**

ADDITIONAL COMMENTS: **EAST SIDEWALL CONTAINED ~ 3' - 4' OF DISCOLORED SOIL/BEDROCK AT BASE, REMAINING SIDEWALLS APPEAR TO BE FREE OF ANY OBVIOUS DISCOLORATION. BOTTOM - SHALE, SLIGHTLY FRIABLE, VERY HARD. GAS WELL TO BE PLUGGED & ABANDONED.**

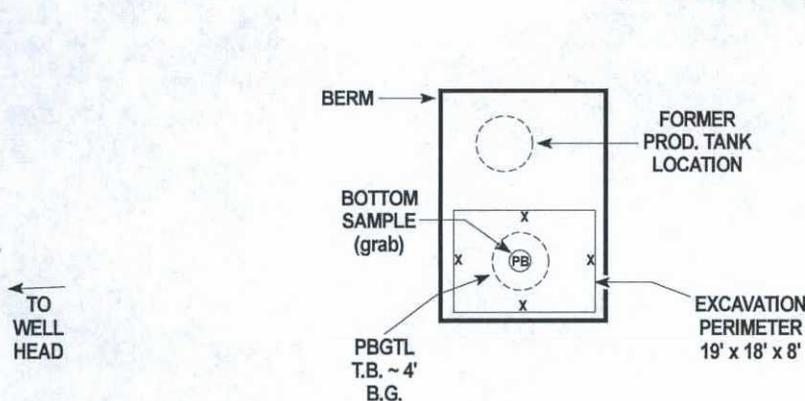
EXCAVATION DIMENSIONS (if applicable): **19** ft. X **18** ft. X **4** ft. cubic yards excavated (if applicable): **~ 50 - 60**

SITE SKETCH

OVM CALIB. READ. =	ppm	RF = 0.52
OVM CALIB. GAS =	ppm	
TIME: _____	am/pm	DATE: _____

PLOT PLAN
circle: **Attached**

MISCELL. NOTES



WO: N1023504

PAYKEY: ZEGJ01RIGS

SW - SINGLE WALLED

DB - DOUBLE BOTTOM

X - S.P.D.

NOTES: BGT = BELOW-GRADE TANK; E.D. = EXCAVATION DEPRESSION; B.G. = BELOW GRADE; B = BELOW; T.H. = TEST HOLE; ~ = APPROX.; T.B. = TANK BOTTOM; PBGTL = PREVIOUS BELOW-GRADE TANK LOCATION; SPD = SAMPLE POINT DESIGNATION; R.W. = RETAINING WALL

MAGNETIC DECLINATION @ 10° E

TRAVEL NOTES: CALLOUT: **09/13/10 - Morn.** ONSITE: **09/13/10 - After. (Sched.), 09/14/10**

Hall Environmental Analysis Laboratory, Inc.

Date: 22-Sep-10

CLIENT: Blagg Engineering
 Lab Order: 1009674
 Project: Mudge C #1E
 Lab ID: 1009674-01

Client Sample ID: 4 PC- SW @ 4'- 95 BBL BGT
 Collection Date: 9/14/2010 1:15:00 PM
 Date Received: 9/15/2010
 Matrix: SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	180	10		mg/Kg	1	9/19/2010 6:05:14 PM
Surr: DNOP	91.8	61.7-135		%REC	1	9/19/2010 6:05:14 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: NSB
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	5	9/21/2010 4:19:53 PM
Surr: BFB	179	60.2-161	S	%REC	5	9/21/2010 4:19:53 PM
EPA METHOD 8021B: VOLATILES						Analyst: NSB
Benzene	ND	0.25		mg/Kg	5	9/21/2010 4:19:53 PM
Toluene	ND	0.25		mg/Kg	5	9/21/2010 4:19:53 PM
Ethylbenzene	ND	0.25		mg/Kg	5	9/21/2010 4:19:53 PM
Xylenes, Total	ND	0.50		mg/Kg	5	9/21/2010 4:19:53 PM
Surr: 4-Bromofluorobenzene	117	88.9-151		%REC	5	9/21/2010 4:19:53 PM

Qualifiers:

- * Value exceeds Maximum Contaminant Level
- E Estimated value
- J Analyte detected below quantitation limits
- NC Non-Chlorinated
- PQL Practical Quantitation Limit
- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- MCL Maximum Contaminant Level
- ND Not Detected at the Reporting Limit
- S Spike recovery outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Date: 22-Sep-10

CLIENT: Blagg Engineering
 Lab Order: 1009674
 Project: Mudge C #1E
 Lab ID: 1009674-02

Client Sample ID: PB @ 8'-95 BBL BGT
 Collection Date: 9/14/2010 1:05:00 PM
 Date Received: 9/15/2010
 Matrix: SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	260	10		mg/Kg	1	9/19/2010 6:39:22 PM
Surr: DNOP	93.3	61.7-135		%REC	1	9/19/2010 6:39:22 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: NSB
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	10	9/21/2010 5:20:25 PM
Surr: BFB	156	60.2-161		%REC	10	9/21/2010 5:20:25 PM
EPA METHOD 8021B: VOLATILES						Analyst: NSB
Benzene	ND	0.50		mg/Kg	10	9/21/2010 5:20:25 PM
Toluene	ND	0.50		mg/Kg	10	9/21/2010 5:20:25 PM
Ethylbenzene	ND	0.50		mg/Kg	10	9/21/2010 5:20:25 PM
Xylenes, Total	ND	1.0		mg/Kg	10	9/21/2010 5:20:25 PM
Surr: 4-Bromofluorobenzene	128	88.9-151		%REC	10	9/21/2010 5:20:25 PM

Qualifiers:

* Value exceeds Maximum Contaminant Level
 E Estimated value
 J Analyte detected below quantitation limits
 NC Non-Chlorinated
 PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
 H Holding times for preparation or analysis exceeded
 MCL Maximum Contaminant Level
 ND Not Detected at the Reporting Limit
 S Spike recovery outside accepted recovery limits

QA/QC SUMMARY REPORT

Client: Blagg Engineering
 Project: Mudge C #1E

Work Order: 1009674

Analyte	Result	Units	PQL	SPK Val	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
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Method: EPA Method 8015B: Diesel Range Organics

Sample ID: MB-23806		MBLK									
Diesel Range Organics (DRO)	ND	mg/Kg	10								
Sample ID: LCS-23806		LCS									
Diesel Range Organics (DRO)	43.28	mg/Kg	10	50	0	86.6	64.6	116			
Sample ID: LCSD-23806		LCSD									
Diesel Range Organics (DRO)	46.23	mg/Kg	10	50	0	92.5	64.6	116	6.60	17.4	

Method: EPA Method 8015B: Gasoline Range

Sample ID: MB-23783		MBLK									
Gasoline Range Organics (GRO)	ND	mg/Kg	5.0								
Sample ID: LCS-23783		LCS									
Gasoline Range Organics (GRO)	27.30	mg/Kg	5.0	25	0	109	74.2	136			

Method: EPA Method 8021B: Volatiles

Sample ID: MB-23783		MBLK									
Benzene	ND	mg/Kg	0.050								
Toluene	ND	mg/Kg	0.050								
Ethylbenzene	ND	mg/Kg	0.050								
Xylenes, Total	ND	mg/Kg	0.10								
Sample ID: LCS-23783		LCS									
Benzene	0.9632	mg/Kg	0.050	1	0.0167	94.7	83.3	107			
Toluene	0.8771	mg/Kg	0.050	1	0	87.7	74.3	115			
Ethylbenzene	0.9372	mg/Kg	0.050	1	0.0119	92.5	80.9	122			
Xylenes, Total	2.863	mg/Kg	0.10	3	0	95.4	85.2	123			

Qualifiers:

- E Estimated value
- J Analyte detected below quantitation limits
- ND Not Detected at the Reporting Limit
- H Holding times for preparation or analysis exceeded
- NC Non-Chlorinated
- R RPD outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Sample Receipt Checklist

Client Name **BLAGG**

Date Received:

9/15/2010

Work Order Number 1009674

Received by: TLS

Checklist completed by:

Anthony M. Gallagos 9/15/10
Signature Date

Sample ID labels checked by:

Initials *UB*

Matrix:

Carrier name: FedEx

- Shipping container/cooler in good condition? Yes No Not Present
- Custody seals intact on shipping container/cooler? Yes No Not Present Not Shipped
- Custody seals intact on sample bottles? Yes No N/A
- Chain of custody present? Yes No
- Chain of custody signed when relinquished and received? Yes No
- Chain of custody agrees with sample labels? Yes No
- Samples in proper container/bottle? Yes No
- Sample containers intact? Yes No
- Sufficient sample volume for indicated test? Yes No
- All samples received within holding time? Yes No
- Water - VOA vials have zero headspace? Yes No VOA vials submitted Yes No
- Water - Preservation labels on bottle and cap match? Yes No N/A
- Water - pH acceptable upon receipt? Yes No N/A
- Container/Temp Blank temperature? **0.4°** <6° C Acceptable
If given sufficient time to cool.

Number of preserved bottles checked for pH: _____
<2 >12 unless noted below.

COMMENTS:

Client contacted _____ Date contacted: _____ Person contacted _____

Contacted by: _____ Regarding: _____

Comments: _____

Corrective Action _____

Chain-of-Custody Record

Client: GLASS ENGR. / BP AMERICA

Mailing Address: P.O. BOX 87

BLFD. NM 87413

Phone #: (505) 632-1199

email or Fax#:

QA/QC Package:

Standard Level 4 (Full Validation)

Accreditation

NELAP Other _____

EDD (Type) _____

Turn-Around Time:

Standard Rush

Project Name: MUOSE C # 1E

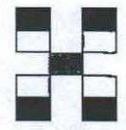
Project #:

Project Manager: NELSON VELEZ

Sampler: NELSON VELEZ

On Ice: Yes No

Sample Temperature: 4



HALL ENVIRONMENTAL ANALYSIS LABORATORY

www.hallenvironmental.com

4901 Hawkins NE - Albuquerque, NM 87109

Tel. 505-345-3975 Fax 505-345-4107

Analysis Request

Date	Time	Matrix	Sample Request ID	Container Type and #	Preservative Type	HEAL No.	BTEX + MTBE + TMBs (8021)	BTEX + MTBE + TPH (Gas only)	TPH Method 8015B (Gas/Diesel)	TPH (Method 418.1)	EDB (Method 504.1)	8310 (PNA or PAH)	RCRA 8 Metals	Anions (F, Cl, NO ₃ , NO ₂ , PO ₄ , SO ₄)	8081 Pesticides / 8082 PCB's	8260B (VOA)	8270 (Semi-VOA)	GRAB SAMPLE	4 PT. COMPOSITE SAMPLE	Air Bubbles (Y or N)
9/14/10	1315	SOIL	4PC-SWC 4' - 95 BBL BGT	4oz. - 1	COOL	10091674	✓	✓	✓									✓		
9/14/10	1305	SOIL	PB @ 8' - 95 BBL BGT	4oz. - 1	COOL		✓	✓										✓		

Date: 9/14/10 Time: 1520 Relinquished by: [Signature]

Received by: [Signature] Date: 9/15/10 Time: 1015

Remarks: TPH (8015) - GRAB & DTD ONLY.

Date: _____ Time: _____ Relinquished by: _____

Received by: _____ Date: _____ Time: _____

Remarks: _____

If necessary, samples submitted to Hall Environmental may be subcontracted to other accredited laboratories. This serves as notice of this possibility. Any sub-contracted data will be clearly notated on the analytical report.

MUDGE C 001E

