District I
1625 [illegible] 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 April 3, 2017

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.

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

16133

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: **DJR Operating, LLC** OGRID #: **371838**
Address: PO BOX 156 Bloomfield, NM 87413
Facility or well name: **Leeson #1**
API Number: **30-039-23720** OCD Permit Number:
U/L or Qtr/Qtr **K** Section **27** Township **25N** Range **3W** County: **Rio Arriba**
Center of Proposed Design: Latitude **36.366433** Longitude **-107.135209** NAD83
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: _____bbl Dimensions: L_____ x W_____ x D_____

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: **60** bbl Type of fluid: **Produced Water**
Tank Construction material: **Fiberglass**
☐ 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 wall tank**
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other

OIL CONS. DIV DIST. 3
NOV 08 2017

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 **4' tall hog wire fence with pipe rail**

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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 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. - 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 bottom 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: _____ **Approval Date:** 12/19/2017

Title: Environmental Specialist **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:** 11-6-17

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 36.366433 Longitude -107.135209 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): Amy Archuleta Title: Regulatory Supervisor

Signature: _____ Date: _____

e-mail address: aarchuleta@djrllc.com Telephone: (505) 632-3476 x201

Scope of Closure Activities:

The purpose of this closure plan is to provide the details of the activities involved in the closure of the BGT at the Leeson #1 well site. The following scope of closure activities has been designed to meet this objective:

1) DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will close all of the BGTs currently in service within the five (5) years allotted. DJR Operating, LLC does not operate any BGTs which would qualify to be upgraded or retrofitted; as such, they will be closing all their current BGT's and replacing them with above ground storage if necessary.
This closure was due by 2-26-14. It was not done until 11-6-17.

2) DJR Operating, LLC will close BGT's deemed to be an imminent danger to fresh water, public health, or the environment by an earlier date that the division requires as specified in subsection A of 19.15.17.13 NMAC

N/A

3) DJR Operating will close any BGT which demonstrates a compromise of integrity before the five (5) years allotted by the division per Paragraph (6) of subsection I of 19.15.17.11 NMAC.
N/A

4) DJR Operating, LLC will close any BGT within 60 days of cessation of the BGTs operation per Subsection A of 19.15.17.13 NMAC.
Started Closure plan on 9-7-17. Closed on 11-6-17.

5) No less than 72 hours and no greater than on (1) week prior to BGT removal DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will provide written notification to the appropriate division district office as well as a schedule of on-site activities, as in accordance with 19.15.17.13 Subsection J Paragraph (2) NMAC. Written notification will include the name of the well operator, the well's API number, the wells name and number, and the well's unit letter, section, township and range.
Attached email to OCD sent on 9-5-17.

6) No less than 24 hours and no greater than one week prior to beginning BGT closure activities DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will provide written notification to the appropriate surface owner, as in accordance with 19.15.17.13 Subsection J Paragraph (1) NMAC. DJR Operating, or a contractor acting on behalf of DJR

Operating, will notify the surface owner by certified mail, return receipt requested, that the operator plans to close a BGT. The return receipt will be used to ensure that he surface owner has received written notification no less than 25 hrs. and no greater than one week prior to the beginning of BGT closure activities. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance with this requirement. Closure activities that will take place on tribal land will have notification sent by certified mail, return receipt requested, to the appropriate tribal office. DJR Operating, or a contractor acting on behalf of DJR Operating, will notify the BLM of closure activities for wells located on federal land per a Sundry Notice, as in in accordance with 19.15.17.13 Subsection J Paragraph (1) NMAC. All notices will be sent in such a way that the surface owner received notice at least 24 hours prior to the beginning of the closure activities.
Notified Land Owner on 8-31-17. Attached signed letter.

7) DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will remove all liquids, and/or sludge, if applicable, prior to closure. Material will be disposed of at Industrial Ecosystems, Inc. (IEI) Landfarm, Permit #NM-01-0010B or Basin Disposal, Permit # NM-01-0005, depending on the consistence of the material removed, as in accordance with 19.15.17.13 Subsection E Paragraph (1) NMAC.
Contaminated soil was taken to Industrial Ecosystems, Inc. C-138 is attached.

8) DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will remove all on site equipment associated with this BGT that is no longer required for some other purpose, as in accordance with 19.15.17.13 Subsection E Paragraphs (3) NMAC.
All equipment was removed.

9) If applicable, any liners or leak detection system removed from a BGT closure will be cleaned off and disposed of at San Juan County Regional Landfill in accordance with Subparagraph (m) of Paragraph (1) of subsection D of 19.15.9.712 NMAC
There were no liners present.

10) DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will obtain prior approval from the OCD to dispose, recycle, reuse, or reclaim the BGT. DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will provide the OCD with documentation concerning the final disposition of the BGT with the closure report.
The tank was cleaned and given to the land owner, Harley Leeson.

11) Once the BGT is removed, a five (5)-point composite sample will be collected from directly below the tank or below the leak detection system if present. Grab samples will be collected from any areas that are wet, discolored, or showing other evidence of release. All samples being collected will be analyzed for benzene and total BTEX via USEAP Method 8021B, TPH via USEPA method 8015B, and chlorides, via USEPA 300.1, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.

12) Depending on soil sample results, the area will be either backfilled or the area will be excavated.

    a. If soil samples do not exceed the regulatory standards of .02 mg/kg benzene, 50 mg/kg BTEX, 100 mg/kg TPH, and 250 mg/kg or background concentration of chlorides, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
        i. DJR Operating, or a contractor acting on behalf of DJR Operating, shall submit a Form C-141 with the laboratory results so that the division may review the results to determine if additional delineation is required in accordance with Paragraph (5) of subsection E of 19.15.17.13 NMAC. **No other requirements, per email from Cory Smith.**
        ii. DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will backfill the excavation or impacted area with nonwasted containing, earthen material, in accordance with 19.15.17.13 Subsection E Paragraph (6) NMAC. A soil cover shall be installed for all backfilled excavation consisting of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater in accordance with Subsection H of 19.15.17.13 NMAC. The operator shall construct soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material. **Soil from Land Owner was used to backfill location.**
        iii. All areas of the well site that are no longer utilized on a day to day basis for the production of oil and/or gas, DJR Operating, or a contractor acting on behalf of DJR Operating, will substantially restore, recontour, and revegetate the areas, in accordance with 19.15.17.13 Subsections G and I NMAC. The

operator shall notify the division when it has been re-seeded and when it has achieved successful re-vegetation. For re-vegetation methods, please see attached re-vegetation plan. **Area is still in use and will not be re-vegetated at this time.**

b. If soil samples exceed the regulatory standards stated above. **N/A**
   i. DJR Operating will submit a Release Notification by Form C-141 with the appropriate analytical laboratory results to the appropriate division district office, in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
   ii. In accordance with Paragraph (5) of Subsection E of 19.15.17.13 NMAC, once the operator or the OCD has determined that the release has occurred, DJR Operating, LLC, or a contractor acting on behalf of DJR Operating, will comply with rule 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate.

C-141 attached with Analytical results.

Reporting

DJR Operating, LLC will submit a closure report within 60 days following the BGT closure. The closure report will consist of a form C-144 with all supporting data☒ and a form C-141 with all supporting data☒. The supporting data will include proof of closure notice to the surface owner and the OCD ☒, confirmation of sampling analytical results☒, a site diagram☐, soil backfilling and cover installation☐, revegetation rates☐, re-seeding techniques☐, and a site reclamation photo documentation☐, if applicable, along with all other information related to onsite activities☐.

Amy Archuleta
Regulatory Supervisor
DJR Operating, LLC

From: Powell, Brandon, EMNRD [mailto:Brandon.Powell@state.nm.us]
Sent: Friday, July 14, 2017 7:07 AM
To: Amy Archuleta <aarchuleta@djrllc.com>
Cc: Perrin, Charlie, EMNRD <charlie.perrin@state.nm.us>; Terry Lindeman <TLindeman@elmridge.net> (TLindeman@elmridge.net) <TLindeman@elmridge.net>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: FW: Leeson #1 bgt

Good morning Amy,

Attached are recent inspection photos of the Below grade tank (BGT) for the Leeson #1 well, API# 30-039-23720. The BGT side walls were not visible during the inspection and they did not appear to be designed to be visible. Due to the apparent design a permit review was performed. The review determined in accordance with the C-144 permit and OCD Rule 19.15.17.11.I(6) this tank should have been closed by June 16, 2013. This requirement was acknowledged in the C-144 submitted by Elm Ridge in 2009.

A statement in the C-144 "Elm Ridge Exploration does not operate any BGTs which would qualify to be upgraded or retrofitted; as such, they will be closing all their current BGTs and replacing them with above ground storage tanks." Indicates there are additional sites out of compliance.

In lieu of issuing a Notice of Violation for the tank being out of compliance for over 4 years, we are requiring this **BGT to be closed by October 13, 2017**. Elm Ridge is also required to submit a **list of the other tanks out of compliance by October 13, 2017**. The list should include a proposed schedule to bring the tanks into compliance. The required information will be evaluated. If Elm Ridge fails to meet these timelines additional Enforcement action may be taken.

Elm Ridge submitted permit language;

1) Elm Ridge Exploration, or a contractor acting on behalf of Elm Ridge Exploration, will close all of the BGTs currently in service within the five (5) years allotted. Elm Ridge Exploration does not operate any BGTs which would qualify to be upgraded or retrofitted; as such, they will be closing all their current BGTs and replacing them with above ground storage tanks.

OCD Rule language;
19.15.17.11.I(6) The operator of a single walled below-grade tank constructed and installed prior to June 16, 2008 and where any portion of the tank sidewall is below the ground surface and not visible shall equip or retrofit the below-grade tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, or close it, by June 16, 2013. If the existing below-grade tank does not demonstrate integrity, the operator shall promptly drain the below-grade tank, remove it from service and comply with the closure requirements of 19.15.17.13 NMAC.

Thank You

Brandon Powell
Office: (505) 334-6178 ext. 116

Amy Archuleta

From: aarchuleta@djrllc.com
Sent: Tuesday, September 5, 2017 1:56 PM
To: Smith, Cory, Emnrd
Subject: Lesson 1 and Leeson 2

Hi Cory,

I was on vacation over the weekend and had bad service. This email never went out to you. We had the land owner sign the notification paper on the 31st of August. So if you need the 72 hour notice, should I have them resign, or will these suffice? I have it all scheduled for the 7th, but I can move it to Friday if needed or Monday if needed.

~~~~~~

Hi Cory,

DJR plans to remove these BGTs and test the soil for closure on September 7th, 2017.

Leeson 1
API 30-039-23720
1740' FSL x 1800' FWL
Sec 27 T25N R3W
Rio Arriba county NM

Leeson 2
API 30-039-23880
1855' FNL x 515' FWL
Sec 27 T25N R3W
Rio Arriba county NM

Thank you,

Amy Archuleta
DJR Operating, LLC
~~~~~~

DJR Operating

August 31, 2017

To Whom It May Concern:

Per the Below Grade Tank Closure Plan that was submitted to the NMOCD in January 2009. DJR Operating, LLC is required to give no less then 24 hours and no more than one (1) weeks notice that DJR Operating, LLC plans to close the Below Grade Tank (BGT) on the Leeson #1 located at "K" Section 27-T25N-R3W, Lat: 36.366433 Long: -107.135209 API: 30-039-23720.

This is our official notice that on Saturday, September 5, 2017 we will removing this BGT. We then plan to test to the soil and upon acceptable results we will backfill the BGT. I have attached a copy of the closure plan for you to view.

If you have any questions of concerns, please feel free to contact me, Amy Archuleta at 505-320-6917 or Wendell Tixier at 505-320-1990.

Best Regards,

Amy Archuleta
Regulatory Supervisor
DJR Operating, LLC

Please sign and date this letter as record of notification.

Print Name: Harley Leeson

Signature: H. G. Leeson

Date: 8/30/17

Amy Archuleta

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Wednesday, September 27, 2017 3:51 PM
To: Amy Archuleta
Cc: Fields, Vanessa, EMNRD
Subject: RE: Leeson 1 and Leeson 2 results

Amy,

Since these are 2008 pit closure you follow the closure standards 10 Benzene, 50 BTEX, 100 TPH, and 250 Chlorides.

The Lesson 1 is below the closure standards on all constituents and no further action is needed other than your closure report.

The Leeson 2 is above the closure standards for TPH, and confirms that a release has occurred. As per the pit rule Elm Ridge Needs to Follow 19.15.29 NMAC.
What this means that in your closure report when you document the results on the C-141 indicate that a release has occurred.

Now, since the spill is now in 19.15.29 Elm Ridge has performed a site ranking and determined that no additional remediation is required, so just complete a Final C-141 and state that position and include the laboratory results.

If you have any questions let me know.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Amy Archuleta [mailto:aarchuleta@djrllc.com]
Sent: Tuesday, September 26, 2017 2:39 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: Leeson 1 and Leeson 2 results

Hello Cory,

Attached are the results for the **Leeson 1** (30-039-23720) and the **Leeson 2** (30-039-23880).

The siting criteria for these location is greater than 50' to groundwater and I show that the results pass.

If you have anything you need to add, please contact me. I will be talking with Terry and Wendell on a plan of action and I will send that to you when they decide.
What is the deadline to finish the work on this location? I show it to be 60 days from the date we moved the tanks and took the tests, which is a due date of 11-7-17, is that correct?

Thank you,
Amy

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 April 3, 2017

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: **DJR Operating, LLC**	Contact: **Amy Archuleta**
Address: **PO BOX 156 Bloomfield, NM 87413**	Telephone No.: **505-632-3476 x201**
Facility Name: **Leeson #1**	Facility Type: **Oil well**

Surface Owner: **Private**	Mineral Owner: **Private**	API No.: **30-039-23720**

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	**27**	**25N**	**03W**	**1855'**	**North**	**515'**	**West**	**Rio Arriba**

Latitude 36.366433 **Longitude** -107.135209 NAD83

NATURE OF RELEASE

Type of Release: **None**	Volume of Release: NONE	Volume Recovered: NONE
Source of Release **BGT Testing 60 bbl Fiberglass tank**	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? ☐ Yes ☒ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? ☐ Yes ☒ 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 results in TPH, BTEX, and chlorides are below the 100 PPM standard. Analysis is attached.

Describe Area Affected and Cleanup Action Taken.*

No further action is required. The backfilled area is still currently in use. The soil samples are within the boundaries of the OCD's closure criteria.

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:	OIL CONSERVATION DIVISION
Printed Name: **Amy Archuleta**	Approved by Environmental Specialist:
Title: **Regulatory Supervisor**	Approval Date: / Expiration Date:
E-mail Address: **aarchuleta@djrllc.com**	Conditions of Approval: / Attached ☐
Date: **11-6-17** Phone: **505-632-3476 x201**	

* Attach Additional Sheets If Necessary

75 Suttle Street
Durango, CO 81303
970.247.4220 Phone
970.247.4227 Fax
www.greenanalytical.com

Leeson #1
30-039-25720

26 September 2017

Amy Archuleta
DJR Operating
#20 CR 5060
Bloomfield, NM 87413

RE: TPH Ext.

Enclosed are the results of analyses for samples received by the laboratory on 09/08/17 13:25.
If you need any further assistance, please feel free to contact me.

Sincerely,

Debbie Zufelt

Debbie Zufelt
Reports Manager

All accredited analytes contained in this report are denoted by an asterisk (*). For a complete list of accredited analytes please do not hesitate to contact us via any of the contact information contained in this report. All of our certifications can be viewed at http://greenanalytical.com/certifications/

Green Analytical Laboratories is NELAP accredited through the Texas Commission on Environmental Quality. Accreditation applies to drinking water and non-potable water matrices for trace metals and a variety of inorganic parameters. Green Analytical Laboratories is also accredited through the Colorado Department of Public Health and Environment and EPA region 8 for trace metals, Cyanide, Fluoride, Nitrate, and Nitrite in drinking water.

Our affiliate laboratory, Cardinal Laboratories, is also NELAP accredited through the Texas Commission on Environmental Quality for a variety of organic constituents in drinking water, non-potable water and solid matrices. Cardinal is also accredited for regulated VOCs, TTHM, and HAA-5 in drinking water through the Colorado Department of Public Health and Environment and EPA region 8.

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www.GreenAnalytical.com

DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
Leeson #1	1709068-01	Solid	09/07/17 11:00	09/08/17 13:25
Leeson #2	1709068-02	Solid	09/07/17 10:45	09/08/17 13:25

Green Analytical Laboratories

Debbie Zufelt

Debbie Zufelt, Reports Manager

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www.GreenAnalytical.com

DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

Leeson #1

1709068-01 (Solid)

Analyte	Result	RL	MDL	Units	Dilution	Analyzed	Method	Notes	Analyst
Soluble (DI Water Extraction)									
Chloride	**89.8**	10.0	1.43	mg/kg wet	10	09/22/17	EPA300.0		JDA
Subcontracted -- **Cardinal Laboratories**									
Volatile Organic Compounds by EPA Method 8021									
Benzene*	<0.050	0.050	0.002	mg/kg	50	09/18/17	8021B		MS
Toluene*	<0.050	0.050	0.002	mg/kg	50	09/18/17	8021B		MS
Ethylbenzene*	<0.050	0.050	0.004	mg/kg	50	09/18/17	8021B		MS
Total Xylenes*	<0.150	0.150	0.010	mg/kg	50	09/18/17	8021B		MS
Total BTEX	<0.300	0.300	0.018	mg/kg	50	09/18/17	8021B		MS
Surrogate: 4-Bromofluorobenzene (PID)			*102 %*	*72-148*		*09/18/17*	*8021B*		MS
Petroleum Hydrocarbons by GC FID									
GRO C6-C10	<10.0	10.0	3.53	mg/kg	1	09/15/17	8015B		MS
DRO >C10-C28	**22.0**	10.0	2.04	mg/kg	1	09/15/17	8015B		MS
EXT DRO >C28-C36	<10.0	10.0	2.04	mg/kg	1	09/15/17	8015B		MS
Surrogate: 1-Chlorooctane			*86.9 %*	*28.3-164*		*09/15/17*	*8015B*		MS
Surrogate: 1-Chlorooctadecane			*86.4 %*	*34.7-157*		*09/15/17*	*8015B*		MS

Green Analytical Laboratories

Debbie Zufelt

Debbie Zufelt, Reports Manager

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www.GreenAnalytical.com

DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

Leeson #2

1709068-02 (Solid)

Analyte	Result	RL	MDL	Units	Dilution	Analyzed	Method	Notes	Analyst
Soluble (DI Water Extraction)									
Chloride	**241**	10.0	1.43	mg/kg wet	10	09/22/17	EPA300.0		JDA
Subcontracted -- **Cardinal Laboratories**									
Volatile Organic Compounds by EPA Method 8021									
Benzene*	<0.050	0.050	0.002	mg/kg	50	09/18/17	8021B		MS
Toluene*	<0.050	0.050	0.002	mg/kg	50	09/18/17	8021B		MS
Ethylbenzene*	<0.050	0.050	0.004	mg/kg	50	09/18/17	8021B		MS
Total Xylenes*	<0.150	0.150	0.010	mg/kg	50	09/18/17	8021B		MS
Total BTEX	<0.300	0.300	0.018	mg/kg	50	09/18/17	8021B		MS
Surrogate: 4-Bromofluorobenzene (PID)			*101 %*	*72-148*		*09/18/17*	*8021B*		MS
Petroleum Hydrocarbons by GC FID									
GRO C6-C10	<10.0	10.0	3.53	mg/kg	1	09/15/17	8015B		MS
DRO >C10-C28	**74.8**	10.0	2.04	mg/kg	1	09/15/17	8015B		MS
EXT DRO >C28-C36	**50.2**	10.0	2.04	mg/kg	1	09/15/17	8015B		MS
Surrogate: 1-Chlorooctane			*87.8 %*	*28.3-164*		*09/15/17*	*8015B*		MS
Surrogate: 1-Chlorooctadecane			*91.7 %*	*34.7-157*		*09/15/17*	*8015B*		MS

Green Analytical Laboratories

Debbie Zufelt

Debbie Zufelt, Reports Manager

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DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

Soluble (DI Water Extraction) - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch B709128 - General Prep - Wet Chem										
Blank (B709128-BLK1)				Prepared: 09/18/17 Analyzed: 09/22/17						
Chloride	ND	10.0	mg/kg wet							
LCS (B709128-BS1)				Prepared: 09/18/17 Analyzed: 09/22/17						
Chloride	242	10.0	mg/kg wet	250		96.8	85-115			
LCS Dup (B709128-BSD1)				Prepared: 09/18/17 Analyzed: 09/22/17						
Chloride	240	10.0	mg/kg wet	250		95.9	85-115	0.980	20	

Volatile Organic Compounds by EPA Method 8021 - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 7091507 - Volatiles										
Blank (7091507-BLK1)				Prepared: 09/15/17 Analyzed: 09/18/17						
Surrogate: 4-Bromofluorobenzene (PID)	*0.0506*		mg/kg	*0.0500*		*101*	*72-148*			
Benzene	ND	0.050	mg/kg							
Ethylbenzene	ND	0.050	mg/kg							
Toluene	ND	0.050	mg/kg							
Total BTEX	ND	0.300	mg/kg							
Total Xylenes	ND	0.150	mg/kg							
LCS (7091507-BS1)				Prepared: 09/15/17 Analyzed: 09/18/17						
Surrogate: 4-Bromofluorobenzene (PID)	*0.0504*		mg/kg	*0.0500*		*101*	*72-148*			
Benzene	1.93	0.050	mg/kg	2.00		96.3	79.5-124			
Ethylbenzene	1.84	0.050	mg/kg	2.00		92.1	77.7-125			
Toluene	1.77	0.050	mg/kg	2.00		88.4	75.5-127			
Total Xylenes	5.54	0.150	mg/kg	6.00		92.3	70.9-124			
LCS Dup (7091507-BSD1)				Prepared: 09/15/17 Analyzed: 09/18/17						
Surrogate: 4-Bromofluorobenzene (PID)	*0.0495*		mg/kg	*0.0500*		*99.0*	*72-148*			
Benzene	1.91	0.050	mg/kg	2.00		95.4	79.5-124	0.932	6.5	
Ethylbenzene	1.81	0.050	mg/kg	2.00		90.7	77.7-125	1.53	7.83	
Toluene	1.74	0.050	mg/kg	2.00		86.9	75.5-127	1.78	7.02	
Total Xylenes	5.45	0.150	mg/kg	6.00		90.8	70.9-124	1.66	7.78	
Matrix Spike (7091507-MS1)		**Source: H702435-03**		Prepared: 09/15/17 Analyzed: 09/18/17						
Surrogate: 4-Bromofluorobenzene (PID)	*0.0504*		mg/kg	*0.0500*		*101*	*72-148*			
Benzene	2.12	0.050	mg/kg	2.00	ND	106	70.9-127			

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DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

Volatile Organic Compounds by EPA Method 8021 - Quality Control (Continued)

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 7091507 - Volatiles (Continued)										
Matrix Spike (7091507-MS1) (Continued)		**Source: H702435-03**		Prepared: 09/15/17 Analyzed: 09/18/17						
Ethylbenzene	2.03	0.050	mg/kg	2.00	ND	101	38.8-164			
Toluene	1.96	0.050	mg/kg	2.00	ND	97.8	46-161			
Total Xylenes	6.08	0.150	mg/kg	6.00	0.013	101	41.9-151			
Matrix Spike Dup (7091507-MSD1)		**Source: H702435-03**		Prepared: 09/15/17 Analyzed: 09/18/17						
Surrogate: 4-Bromofluorobenzene (PID)	*0.0508*		mg/kg	*0.0500*		*102*	*72-148*			
Benzene	2.10	0.050	mg/kg	2.00	ND	105	70.9-127	0.677	3.45	
Ethylbenzene	2.01	0.050	mg/kg	2.00	ND	101	38.8-164	0.968	4.92	
Toluene	1.95	0.050	mg/kg	2.00	ND	97.7	46-161	0.116	5.27	
Total Xylenes	6.04	0.150	mg/kg	6.00	0.013	100	41.9-151	0.792	6.95	

Green Analytical Laboratories

Debbie Zufelt

Debbie Zufelt, Reports Manager

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dzufelt@greenanalytical.com p: 970.247.4220 f: 970.247.4227 75 Suttle Street Durango, CO 81303
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DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

Petroleum Hydrocarbons by GC FID - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 7091403 - General Prep - Organics										
Blank (7091403-BLK1)			Prepared: 09/14/17 Analyzed: 09/15/17							
Surrogate: 1-Chlorooctadecane	*52.5*		mg/kg	*50.0*		*105*	*34.7-157*			
Surrogate: 1-Chlorooctane	*47.3*		mg/kg	*50.0*		*94.5*	*28.3-164*			
DRO >C10-C28	ND	10.0	mg/kg							
EXT DRO >C28-C35	ND	10.0	mg/kg							
EXT DRO >C28-C36	ND	10.0	mg/kg							
GRO C6-C10	ND	10.0	mg/kg							
Total TPH C6-C28	ND	10.0	mg/kg							
LCS (7091403-BS1)			Prepared: 09/14/17 Analyzed: 09/15/17							
Surrogate: 1-Chlorooctadecane	*52.6*		mg/kg	*50.0*		*105*	*34.7-157*			
Surrogate: 1-Chlorooctane	*52.2*		mg/kg	*50.0*		*104*	*28.3-164*			
DRO >C10-C28	188	10.0	mg/kg	200		93.9	81.4-124			
GRO C6-C10	196	10.0	mg/kg	200		97.9	76.6-119			
Total TPH C6-C28	384	10.0	mg/kg	400		95.9	79.4-121			
LCS Dup (7091403-BSD1)			Prepared: 09/14/17 Analyzed: 09/15/17							
Surrogate: 1-Chlorooctadecane	*60.4*		mg/kg	*50.0*		*121*	*34.7-157*			
Surrogate: 1-Chlorooctane	*55.9*		mg/kg	*50.0*		*112*	*28.3-164*			
DRO >C10-C28	222	10.0	mg/kg	200		111	81.4-124	16.9	9.83	QR-04
GRO C6-C10	208	10.0	mg/kg	200		104	76.6-119	6.06	7.94	
Total TPH C6-C28	431	10.0	mg/kg	400		108	79.4-121	11.5	8.57	QR-04
Matrix Spike (7091403-MS1)		**Source: H702440-03**	Prepared: 09/14/17 Analyzed: 09/15/17							
Surrogate: 1-Chlorooctadecane	*53.1*		mg/kg	*50.0*		*106*	*34.7-157*			
Surrogate: 1-Chlorooctane	*51.3*		mg/kg	*50.0*		*103*	*28.3-164*			
DRO >C10-C28	176	10.0	mg/kg	200	3.39	86.2	18.2-177			
GRO C6-C10	181	10.0	mg/kg	200	ND	90.3	39.3-131			QM-07
Total TPH C6-C28	356	10.0	mg/kg	400	3.39	88.3	30-150			QM-07
Matrix Spike Dup (7091403-MSD1)		**Source: H702440-03**	Prepared: 09/14/17 Analyzed: 09/15/17							
Surrogate: 1-Chlorooctadecane	*55.5*		mg/kg	*50.0*		*111*	*34.7-157*			
Surrogate: 1-Chlorooctane	*53.0*		mg/kg	*50.0*		*106*	*28.3-164*			
DRO >C10-C28	181	10.0	mg/kg	200	3.39	89.0	18.2-177	3.18	22.5	
GRO C6-C10	185	10.0	mg/kg	200	ND	92.5	39.3-131	2.48	18.5	QM-07
Total TPH C6-C28	367	10.0	mg/kg	400	3.39	90.8	30-150	2.82	117	QM-07

Green Analytical Laboratories

Debbie Zufelt

Debbie Zufelt, Reports Manager

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www.GreenAnalytical.com

DJR Operating	Project: TPH Ext.	
#20 CR 5060	Project Name / Number: Leeson #1 / BGT Closure	**Reported:**
Bloomfield NM, 87413	Project Manager: Amy Archuleta	09/26/17 12:54

Notes and Definitions

QR-04	The RPD for the BS/BSD was outside of historical limits.
QM-07	The spike recovery was outside acceptance limits for the MS and/or MSD. The batch was accepted based on acceptable LCS recovery.
DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis
	*Results reported on as received basis unless designated as dry.
RPD	Relative Percent Difference
LCS	Laboratory Control Sample (Blank Spike)
RL	Report Limit
MDL	Method Detection Limit

Green Analytical Laboratories

Debbie Zufelt

Debbie Zufelt, Reports Manager

Green Analytical Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

(970) 247-4220
Fax: (970) 247-4227

service@greenanalytical.com or dzufelt@greenanalytical.com
75 Suttle St Durango, CO 81303

Company Name: DSR Operating LLC	Bill to (if different):
Project Manager: Amy Archuleta	P.O. #:
Address: PO Box 156	Company:
City: Bloomfield State: NM Zip: 87412	Attn:
Phone #: 505-632-3476 Email: aarchuleta@dsrllc.com	Address:
Additional Report To:	City:
Project Name: Leeson #1 / BGT Closure	State: Zip:
Project Number:	Phone #:
Sampler Name (Print): Amy Archuleta	Fax or Email:

ANALYSIS REQUEST: 8021B - BTEX; [struck out]; 300.1 - Chlorides; 8015-TPH DRO, GRO, MRO

Lab I.D. (FOR LAB USE ONLY)	Sample Name or Location	Collected Date	Collected Time	GROUNDWATER	SURFACEWATER	WASTEWATER	PRODUCEDWATER	SOIL	OTHER:	No preservation (general)	HNO_3	HCl	H_2SO_4	Other:	Other:	Other:	8021B - BTEX	[struck out]	300.1 - Chlorides		8015-TPH DRO, GRO, MRO					
1709-068-01	Leeson #1	9-7-17	10:am					X									X	X	X		X					
-02	Leeson #2	9-7-17	10:45 AM					X									X	X	X		X					

PLEASE NOTE: GAL's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by GAL within 30 days after completion. In no event shall GAL be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by GAL, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By:	Date / Time	Received By:
[signature]	Date: 9/8/17 Time: 1325	Christie Clair
Relinquished By: Christie Clair	Date: 9/11/17 Time: 1600	Received By: Fed Ex
Relinquished By:	Date: Time:	Received By:

ADDITIONAL REMARKS:

Report to State? (Circle) Yes **No** (circled)

Delivered By: (Circle One) Sampler - UPS - FedEx - Kangaroo - Other:

Temperature at reciept: -3.4°C [illegible]

CHECKED BY: [initials]

† GAL cannot always accept verbal changes. Please fax or email written change requests.
* Chain of Custody must be signed in "Reliquished By:" as an acceptance of services and all applicable charges.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

emailed 8/30/17

Form C-138
Revised 08/01/11

*Surface Waste Management Facility Operator and Generator shall maintain and make this documentation available for Division inspection.

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. **Generator Name and Address:**
DJR Operating, LLC PO BOX 156, Bloomfield NM 87413

2. **Originating Site:**
Leeson 1 API# 30-039-23720 and Leeson 2 API # 30-039-23880

3. **Location of Material (Street Address, City, State or ULSTR):**
Section 27 – T25N-R03W Rio Arriba County, NM (Lat: 36.3664446261 Long: -107.135184963)
(Lat: 36.3710738307, Long: -107.138566687

4. **Source and Description of Waste:**
Contaminated Soil from removal of below grade pit containing sulfites, hydrocarbons and water

Estimated Volume 60 yd³ / bbls Known Volume (to be entered by the operator at the end of the haul) 105 yd³ / bbls

5. **GENERATOR CERTIFICATION STATEMENT OF WASTE STATUS**

I, Nicole Alley, representative or authorized agent for DJR Operating, LLC do hereby
Generator Signature
certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is: (Check the appropriate classification)

☒ RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste. ***Operator Use Only: Waste Acceptance Frequency*** ☒ ***Monthly*** ☐ ***Weekly*** ☐ ***Per Load***

☐ RCRA Non-Exempt: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFR 261.21-261.24, or listed hazardous waste as defined in 40 CFR, part 261, subpart D, as amended. The following documentation is attached to demonstrate the above-described waste is non-hazardous. (Check the appropriate items)

☐ MSDS Information ☐ RCRA Hazardous Waste Analysis ☐ Process Knowledge ☐ Other (Provide description in Box 4)

GENERATOR 19.15.36.15 WASTE TESTING CERTIFICATION STATEMENT FOR LANDFARMS

I, _____, representative for DJR Operating, LLC authorize IEI to
Generator Signature
complete the required testing/sign the Generator Waste Testing Certification.

I, _____, representative for _____ do hereby certify that
Representative/Agent Signature
Representative samples of the oil field waste have been subjected to the paint filter test and tested for chloride content and that the samples have been found to conform to the specific requirements applicable to landfarms pursuant to Section 15 of 19.15.36 NMAC. The results of the representative samples are attached to demonstrate the above-described waste conform to the requirements of Section 15 of 19.15.36 NMAC.

6. **Transporter: C&J Trucking**

OCD Permitted Surface Waste Management Facility

Name and Facility Permit #: **JFJ Land farm/Industrial Ecosystems, Inc. * Permit #: NM 01-0010B**

Address of Facility: **49 CR 3150 Aztec, NM 87410**

Method of Treatment and/or Disposal:

☐ Evaporation ☐ Injection ☐ Treating Plant ☒ Landfarm ☐ Landfill ☐ Other

Waste Acceptance Status:

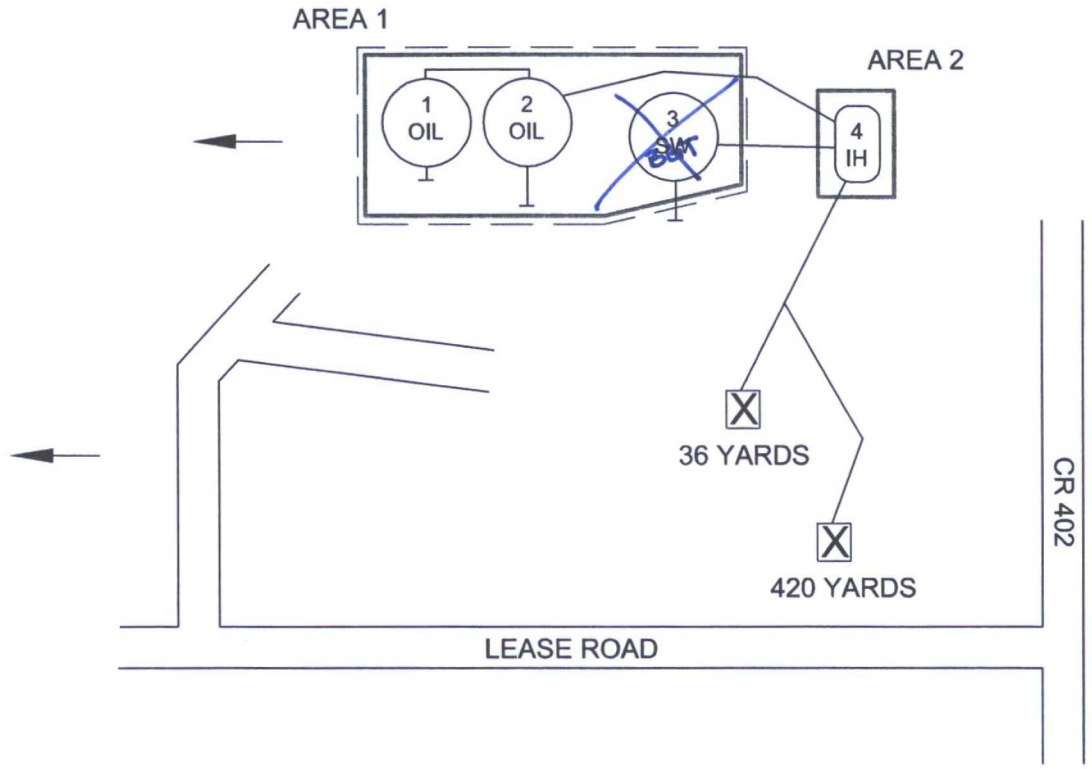
☒ **APPROVED** ☐ **DENIED** (Must Be Maintained As Permanent Record)

PRINT NAME: KW Wellings TITLE: Clerk DATE: 8/30/17

SIGNATURE: KW Wellings TELEPHONE NO.: 632-1782
Surface Waste Management Facility Authorized Agent

8/30/17

N



Notes:

- *The tanks in this diagram are numbered. The corresponding volume and contents of each numbered tank are located on* ***Tables 7-1, 7-2, 7-3.***
- *The berm calculations of dike Areas are located on* ***Table 7-4***

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LEGEND

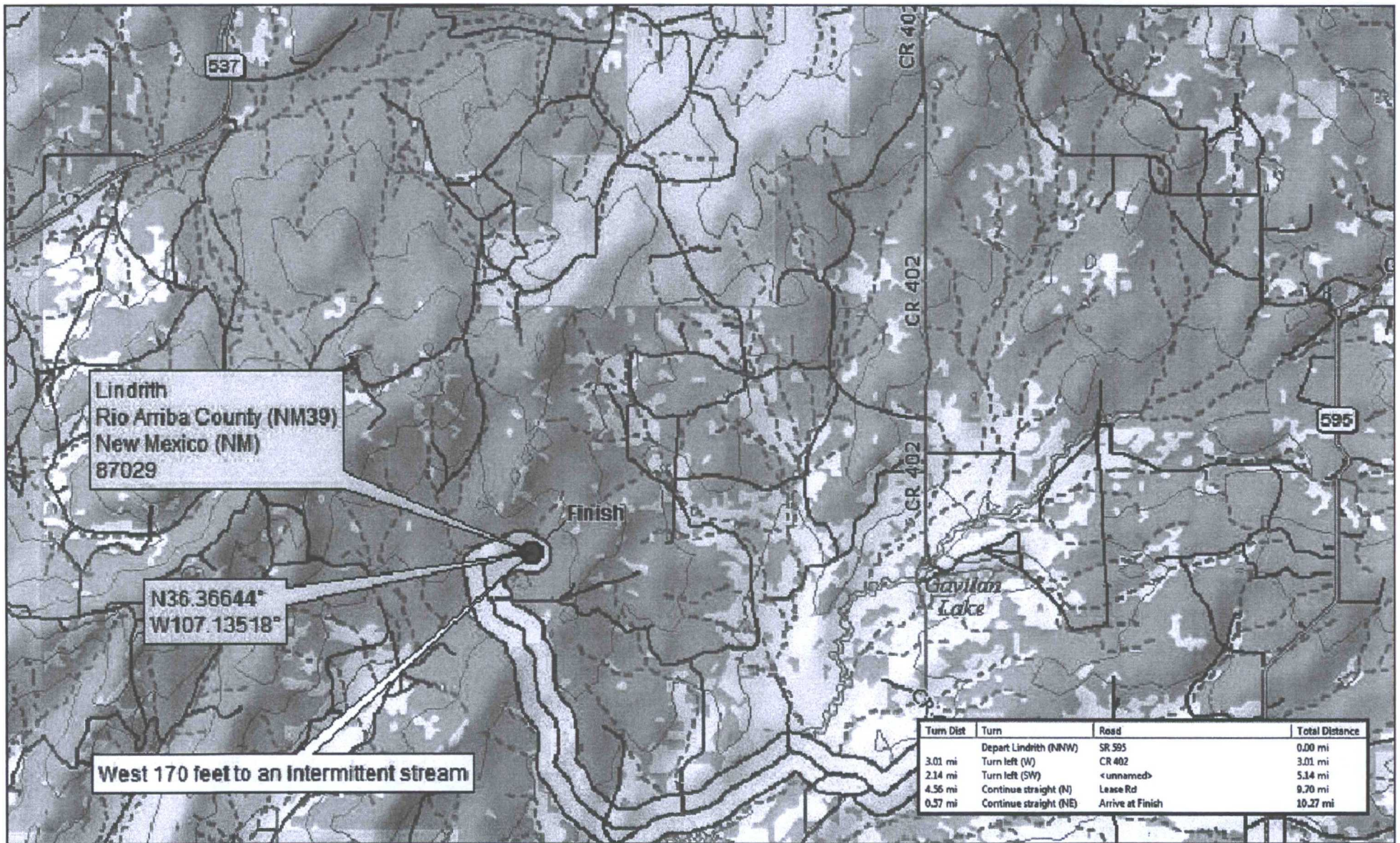
FENCE	ELECTRIC BOX	BERM			
ELECTRIC LINE	FLOW METER	PROPOSED BERM			
DRAINAGE	ELECTRIC POLE	CHEMICAL TANK OUTSIDE BERM IN TUB			
PUMP	ELECTRIC PANEL	PRODUCING WELL			
TRANSFORMER	DIKE DRAIN	INJECTION WELL			
LOAD LINE	CHEMICAL TANK	COMPRESSOR			
DRIP BUCKET	CHEMICAL TANK IN TUB	HEADER			

N

DSR Operating LLC

LEESON 1

Date Drawn:	4/25/2013
Revison:	N/A
Field Engineer:	Jackie Smith
Drawn By:	David Giles
Scale:	NOT DRAWN TO SCALE



Turn Dist	Turn	Road	Total Distance
	Depart Lindrith (NNW)	SR 595	0.00 mi
3.01 mi	Turn left (W)	CR 402	3.01 mi
2.14 mi	Turn left (SW)	<unnamed>	5.14 mi
4.56 mi	Continue straight (N)	Lease Rd	9.70 mi
0.57 mi	Continue straight (NE)	Arrive at Finish	10.27 mi

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- Interstate Highway
- Limited Access Road
- Local Road
- Major Connector
- Minor Connector
- Non Limited Access Interstate
- Primary State Route
- State Route
- Toll Road
- U.S. / National Route
- Unclassified Road
- Unimproved Road

Elm Ridge Exploration

LEESON 1

Date Drawn: 4/25/2013
Revison: N/A
Field Engineer: Jackie Smith
Drawn By: David Giles
Scale: NOT DRAWN TO SCALE


Leeson 1 Before


Leeson 1 After