

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.

16407

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

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

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Hilcorp Energy Company OGRID # 372171
Address: 382 Road 3100 Aztec NM 87410
Facility or well name: SAN JUAN 29-5 UNIT 22
API Number: 30-039-07659 OCD Permit Number: _____
U/L or Qtr/Qtr L Section 08 Township 29N Range 05W County: Rio Arriba
Center of Proposed Design: Latitude 36.738040 °N Longitude -107.386580 °W NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Pit: Subsection F, G or J of 19.15.17.11 NMAC
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: _____ Max 120 bbl Type of fluid: Produced Water
Tank Construction material: Metal
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other _____
Liner type: Thickness 45 mil HDPE PVC Other LLDPE

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' hog wire fence with a single strand of barbed wire on top

21

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.

- 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

| | |
|--|--|
| <p>Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p><u>Temporary Pit Non-low chloride drilling fluid</u></p> | |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p><u>Permanent Pit or Multi-Well Fluid Management Pit</u></p> | |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>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</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input type="checkbox"/> 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 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.*

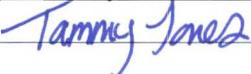
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate 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.

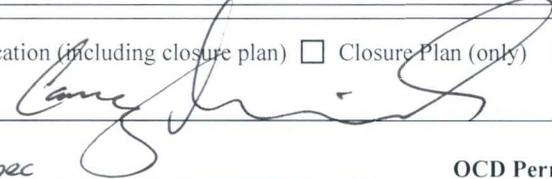
Name (Print): Tammy Jones Title: Operations/Regulatory Technician - Sr.

Signature:  Date: 6/25/2018

e-mail address: tajones@hilcorp.com Telephone: 505-324-5185

18.

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

OCD Representative Signature:  Approval Date: 6/28/18

Title: Environmental Spec 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: _____

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 _____ Longitude _____ 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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

San Juan 29-5 Unit 22 (BELOW GRADE TANK)

Hilcorp Energy Company requests a variance for the items listed below. The requested variance, per 19.15.17.15.A, provides equal or better protection of fresh water, public health & the environment.

1. Fencing

- Fencing as described in Section 5 under Alternate, Hilcorp will construct all new fences around the below grade tank utilizing 48" steel mesh field-fence (hog-wire) on the bottom with a single strand of barbed wire on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Below grade tanks will be fenced, regardless of location.

2. Geo-membrane Liner

- The geo-membrane liner consists of a 45-mil flexible LLDPE material manufactured by Brawler Industries, LLC as SuperScrim H45. SuperScrim H45 is manufactured with LLDPE and is 45 mil inch thickness and is reinforced with polyester scrim. The geomembrane liner has a hydraulic conductivity of less than 5×10^{-14} cm/s and is resistant to ultraviolet light, petroleum hydrocarbons, salts and acidic and alkaline solutions. The manufacturer specific sheet is attached.

- ### 3.
- Hilcorp will notify Public Entity Surface Owners by email in lieu of certified mail. Private Entity Surface Owners will still be notified via certified mail.



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
 O=orphaned,
 C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE)
 (quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

| POD Number | POD Sub-Code | basin | County | Q 64 | Q 16 | Q 4 | Sec | Tws | Rng | X | Y | Depth Well | Depth Water | Water Column |
|-------------------------------|--------------|-------|--------|------|------|-----|-----|-----|-----|--------|----------|------------|-------------|--------------|
| SJ 00056 | SJ | RA | | 1 | 3 | 2 | 31 | 29N | 05W | 285759 | 4062596* | 142 | 50 | 92 |
| SJ 00057 | SJ | RA | | 1 | 3 | 2 | 31 | 29N | 05W | 285759 | 4062596* | 158 | 57 | 101 |
| SJ 00422 | SJ | RA | | | | 2 | 31 | 29N | 05W | 286061 | 4062698* | 239 | 135 | 104 |
| SJ 02339 | SJ | RA | | 3 | 3 | 3 | 29 | 29N | 05W | 286585 | 4063177* | 350 | 108 | 242 |
| SJ 02383 | SJ | RA | | 1 | 1 | 1 | 32 | 29N | 05W | 286575 | 4062975* | 300 | 100 | 200 |
| SJ 03208 | SJ | RA | | 3 | 3 | 3 | 31 | 29N | 05W | 284935 | 4061614* | 220 | 160 | 60 |
| SJ 03593 | O | | RA | 4 | 2 | 4 | 21 | 29N | 05W | 289638 | 4065294 | 455 | 300 | 155 |
| SJ 03855 POD1 | SJ | RA | | 2 | 3 | 2 | 27 | 29N | 05W | 290018 | 4064139 | 385 | 120 | 265 |

Average Depth to Water: **128 feet**
 Minimum Depth: **50 feet**
 Maximum Depth: **300 feet**

Record Count: 8

PLSS Search:

Township: 29N

Range: 05W

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

DATA SHEET FOR DEEP BED CATHODIC PROTECTION WELLS
NORTHWESTERN NEW MEXICO
(SUBMIT 2 COPIES TO OCD AZTEC OFFICE)

30-039-07659

PPCO DESIGNATION: FM-035
OPERATOR: PHILLIPS PETROLEUM COMPANY
FARMINGTON, N.M. 87401
(505) 599-3400
LOCATION: L 8 29 5
LEASE NUMBER: 650111

NAME OF WELL/S OR PIPELINE SERVED: (1) SJ 29-5 UNIT #22 MV
(2) N/A

ELEVATION: NA
TOTAL DEPTH: 296 FT.
COMPLETION DATE: 10/25/76
LAND: FEDERAL

CASING INFO.: SIZE: NA IN. TYPE: NA
DEPTH: NA FT. CEMENT USED: NA

IF CEMENT OR BENTONITE PLUGS HAVE BEEN PLACED, SHOW DEPTHS & AMOUNTS:
PLUG DEPTH: NONE
PLUG AMOUNT: NONE

WATER INFORMATION:
WATER DEPTH (FT): (1) 40 (2) -0-
WATER INFORMATION: NA

DEPTHS GAS ENCOUNTERED (FT): NA

TYPE AND AMOUNT OF COKE BREEZE USED:
COKE TYPE: METALLURGICAL COKE BREEZE
COKE AMOUNT: 5719 LBS.

DEPTHS ANODES PLACED (FT):
55, 65, 95, 160, 170, 195, 210, 235, 255, 265,

DEPTH VENT PIPE PLACED (FT): 296

VENT PIPE PERFORATIONS (FT): TOP 45 BOTTOM 296

REMARKS: -0-

IF ANY OF THE ABOVE DATA IS UNAVAILABLE, PLEASE INDICATE SO. COPIES OF ALL LOGS, INCLUDING DRILLERS LOG, WATER ANALYSIS & WELL BORE SCHEMATICS SHOULD BE SUBMITTED WHEN AVAILABLE. UNPLUGGED ABANDONED WELLS ARE TO BE INCLUDED.

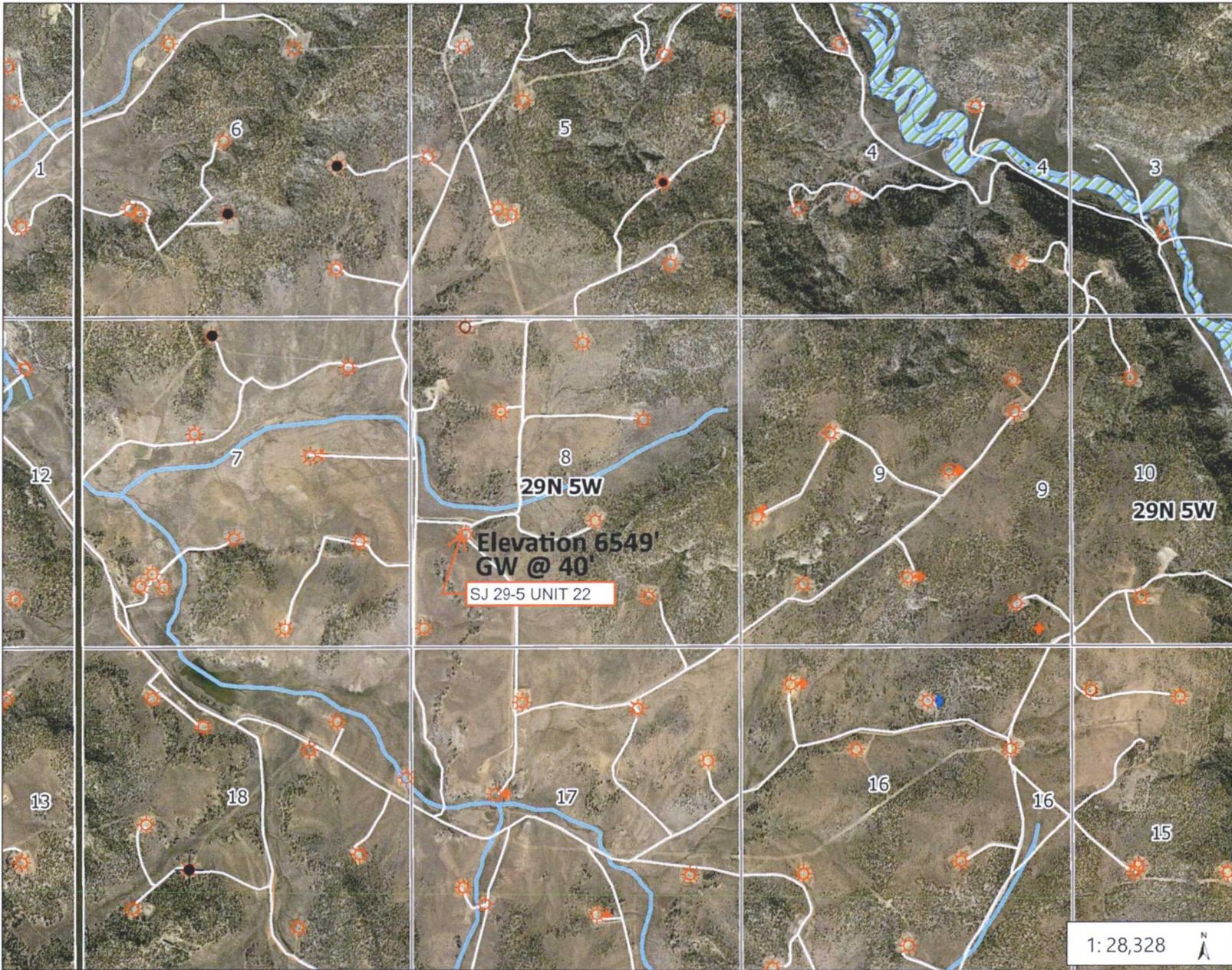
* - LAND TYPE MAY BE SHOWN: F-FEDERAL; I-INDIAN; S-STATE; P-FEE
IF FEDERAL OR INDIAN, ADD LEASE NUMBER.

NA-INFORMATION NOT AVAILABLE

CC: CP FILE--FARMINGTON
HOUSTON

RECEIVED
FEB 21 1992
OIL CON. DIV.
DIST. 3

SAN JUAN 29-5 UNIT 22



Legend

Hilcorp Wells Surface Location

- Gas Well
- Oil Well
- Oil and Gas
- SWD
- Injection Well
- Abandoned Loc
- Location
- Other Location

SJB Roads

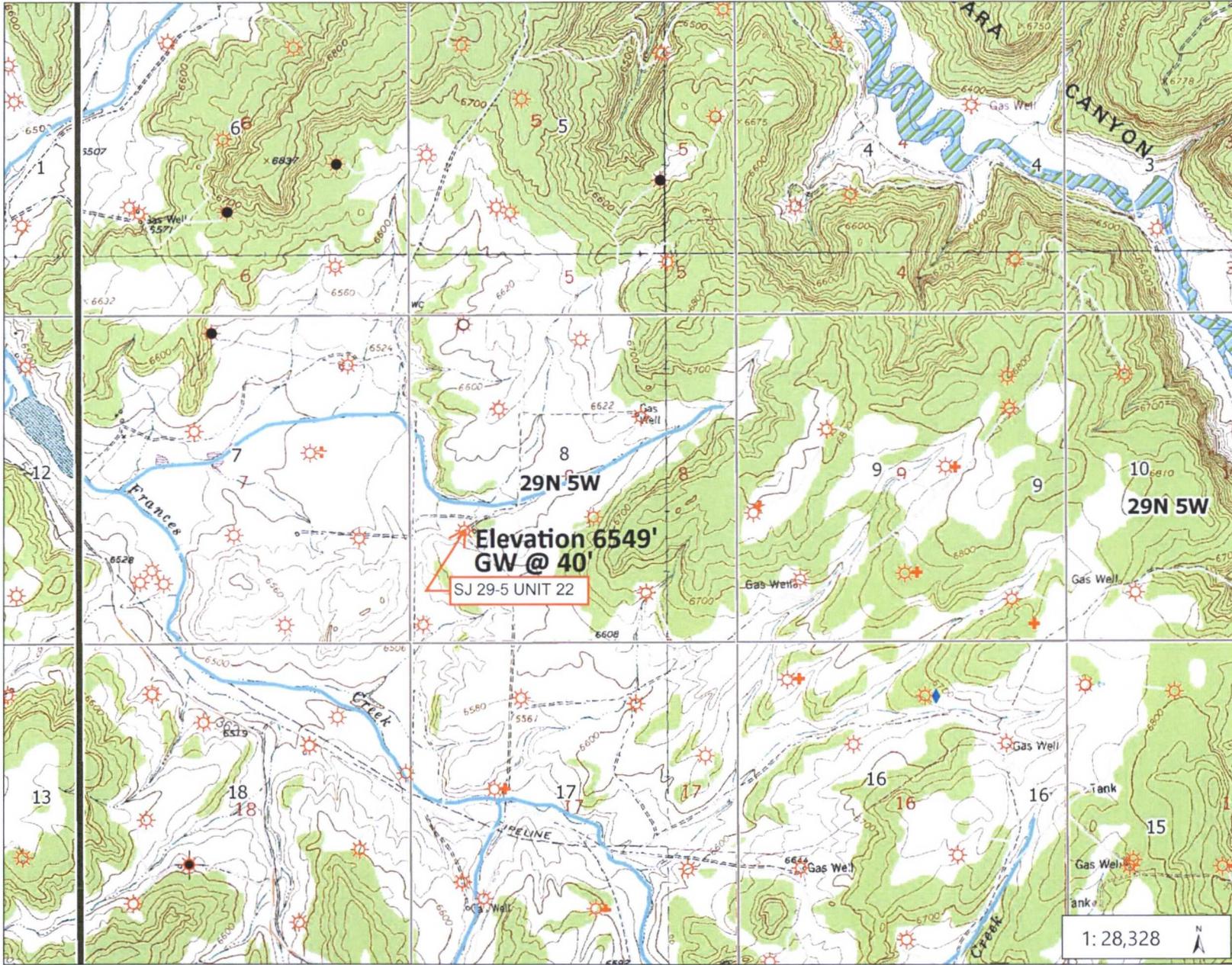
- Cathodic 2008
- CO Water Wells
- Hydrogeologic
- POD Waters
- Wetlands
- Waterways

Notes

SAN JUAN 29-5 UNIT 22
 30-039-07659
 L-08-29N-5W
 Elevation 6549'
 GW @ 40'

0.9 0 0.45 0.9 Miles

SAN JUAN 29-5 UNIT 22



- Legend**
- Hilcorp Wells Surface Location**
- Gas Well
 - Oil Well
 - Oil and Gas
 - SWD
 - Injection Well
 - Abandoned Loc
 - Location
 - Other Location
- SJB Roads**
- Cathodic 2008
 - CO Water Wells
 - Hydrogeologic
 - POD Waters
 - Wetlands
 - Waterways

1: 28,328



This map is to be used for internal Hilcorp or Harvest purposes only.
Not survey quality.

Notes
 SAN JUAN 29-5 UNIT 22
 30-039-07659
 L-08-29N-5W
 Elevation 6549'
 GW @ 40'

Below Grade Tank (BGT) Siting Criteria and Compliance Demonstrations

Well Name: San Juan 29-5 Unit 22

1. Depth to groundwater (should not be less than 25 feet):

The nearest recorded well with available water-depth information is the **San Juan 29-5 Unit 22** with groundwater @ 40' as indicated in the **Cathodic Data Sheet** attached. The subject well is the same in elevation making depth to groundwater at 40'.

2. Distance to watercourse (should not be within 100 feet of a continuously flowing watercourse, other significant watercourse, lakebed, sinkhole, wetland or playa lake [measured from the ordinary high-water mark]):

Aerial map attached indicates that there are **no** lakebeds, sinkholes, playa lakes, or watercourses within 100 feet of the proposed Below Grade Tank.

3. Distance to springs or wells (should not be within 200 feet of a spring or a fresh water well used for public or livestock consumption):

Aerial map attached indicates that the Below Grade Tank will **not** be within 200 feet of any recorded well or spring.

Hydrogeological report for San Juan 29-5 Unit 22

Regional Hydrogeological context:

The San Jose Formation of Eocene age occurs in New Mexico and Colorado, and its outcrop forms the land surface over much of the eastern half of the central basin. It overlies the Nacimiento Formation in the area generally south of the Colorado-New Mexico State line and overlies the Animas Formation in the area generally north of the State line.

The San Jose Formation was deposited in various fluvial-type environments. In general, the unit consists of an interbedded sequence of sandstone, siltstone, and variegated shale. Thickness of the San Jose Formation generally increases from west to east (200 feet in the west and south to almost 2,700 feet in the center of the structural basin).

Ground water is associated with alluvial and fluvial sandstone aquifers. Thus, the occurrence of ground water is mainly controlled by the distribution of sandstone in the formation. The distribution of such sandstone is the result of original depositional extent plus any post-depositional modifications, namely erosion and structural deformation. Transmissivity data for San Jose Formation are minimal. Values of 40 and 120 feet squared per day were determined from two aquifer tests (Stone et al, 1983, table 5). The reported or measured discharge from 46 water wells completed in San Jose Formation ranges from 0.15 to 61 gallons per minute and the median is 5 gallons per minute. Most of the wells provide water for livestock and domestic use.

The San Jose Formation is a very suitable unit for recharge from precipitation because soils that form on the unit are sandy and highly permeable and therefore readily adsorb precipitation. However, low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the San Jose Formation by the San Juan River and its tributaries all tend to reduce the effective recharge to the unit.

Stone et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico: Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

Below Grade Tank Design and Construction

In accordance with NMAC 19.15.17 the following information describes the design and construction of below-grade tanks on Hilcorp Energy Company, hereinafter known as HEC, locations. This is HEC's standard procedure for all below grade tanks (BGT). A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

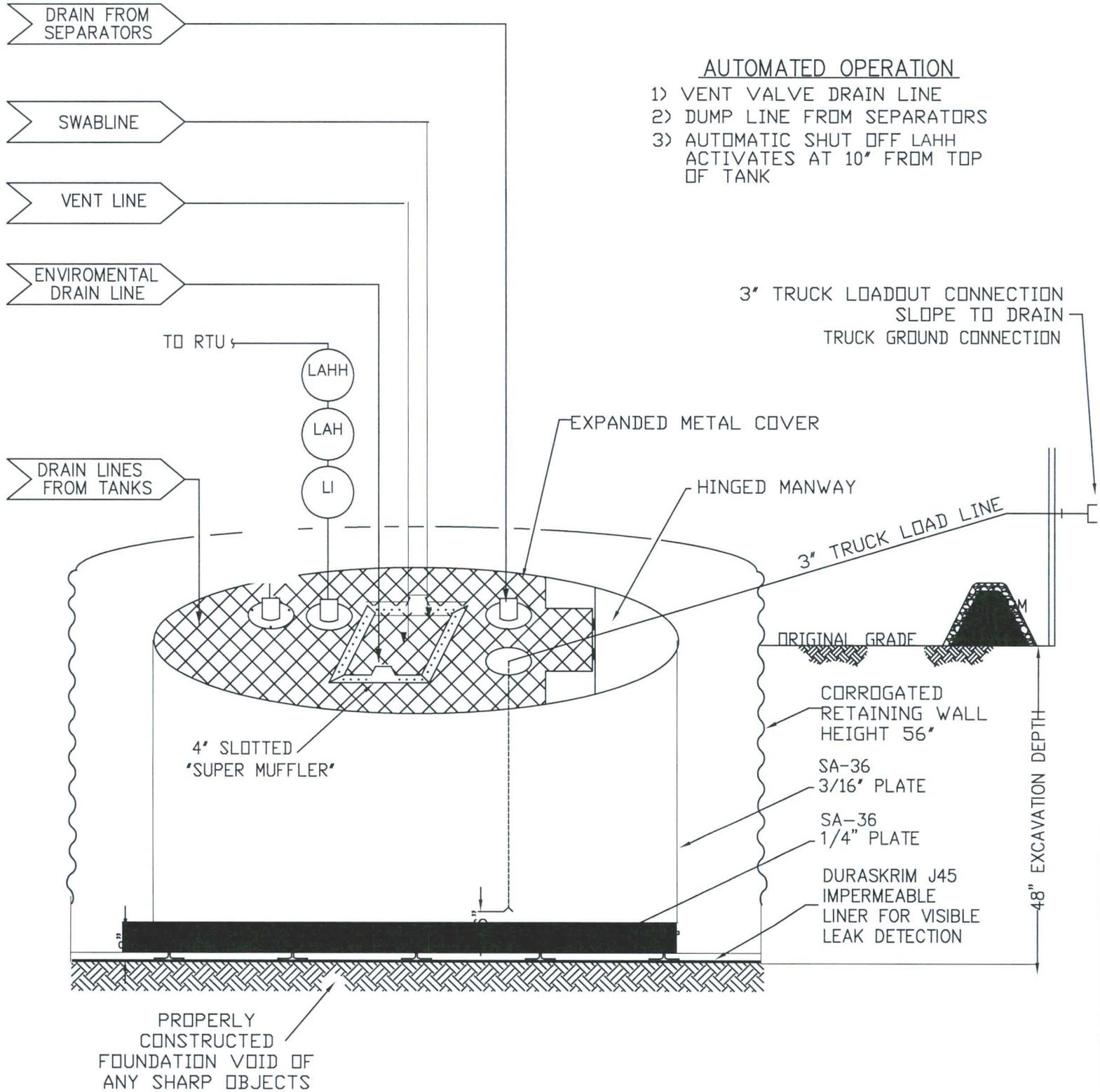
1. HEC will design and construct a properly sized and approved BGT which will contain liquids and should prevent contamination of fresh water to protect the public health and environment.
2. HEC signage will comply with 19.15.17.11.C NMAC.
3. HEC is requesting approval of an alternative fencing to be used on BGT tank locations. HEC requests to utilize 48" steel mesh field-fence (hog-wire) on the bottom with a single strand of barbed wire on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. BGTs will be fenced, regardless of location.
 - a. If the BGT is located within 1000' of an occupied permanent residence, school, hospital, institution or church, HEC will construct A 6' chain link fence with two strands of barbed wire on top. The operator shall ensure that all gates associated with the fence are closed and locked when responsible personnel are not onsite.
4. HEC will construct a screened, expanded metal covering, on the top of the BGT.
5. HEC will ensure that a BGT is constructed of materials resistant to the BGT's particular contents and resistant to damage from sunlight as shown on design drawing and specification sheet.
6. The HEC BGT system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom as shown on design drawing.
7. HEC shall operate and install the BGT to prevent the collection of surface water run-on. HEC has built in shut off devices that do not allow a BGT to overflow. HEC constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the BGT as shown on the design plan.
8. If HEC needs to modify/retrofit the existing BGT it will meet the below specifications.
9. HEC will construct and use a BGT that does not have double walls. The BGT's side walls will be open for visual inspection for leaks, the BGT's bottom is elevated a minimum of six inches above the underlying ground surface and the BGT is underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
10. HEC will equip below grade tanks with a properly functioning, automatic high-level shut off control device, as well as manual controls, to prevent overflows.
11. HEC will utilize a geomembrane liner manufactured by Brawler Industries, LLC as SuperScrim H45. SuperScrim H45 is manufactured with LLDPE and is 45 mil inch thickness and is reinforced with polyester scrim. The geomembrane liner has a hydraulic conductivity of less than 5×10^{-14} cm/s and is resistant to ultraviolet light, petroleum hydrocarbons, salts and acidic and alkaline solutions. The manufacturer specific sheet is attached.
12. The general specification for design and construction are attached

MANUAL OPERATION

- 1) PRODUCTION TANKS DRAINLINE
- 2) SWABLINE
- 3) ENVIROMENTAL DRAIN LINE FROM COMPRESSOR SKID

AUTOMATED OPERATION

- 1) VENT VALVE DRAIN LINE
- 2) DUMP LINE FROM SEPARATORS
- 3) AUTOMATIC SHUT OFF LAHH ACTIVATES AT 10" FROM TOP OF TANK



PRODUCED WATER PIT TANK
OPEN TOP GRAVITY FLOW TANK
INTERNALLY COATED WITH
12-14 MILS AMERON AMERCOAT 385

SuperScrim™ H Product Specifications

This product meets GRI GM 25 Specifications

| Properties | Test Method | Frequency | Minimum Average Values | | |
|--|--------------------------------|-------------|------------------------|---------------|---------------|
| | | | H30 | H36 | H45 |
| Thickness, Nominal (mils) Min. Ave. (mils) | ASTM D5199 | Per roll | 30 27 | 36 32 | 45 40 |
| Weight Nominal (lb/1000, ft ²) Min. Ave. (lb/1000, ft ²) | ASTM D5261 | Per roll | 140 125 | 168 151 | 210 189 |
| Grab Tensile Strength (lb), min. ave. Elongation (%), min. ave. | ASTM D7004 (each direction) | 30,000 lb | 300 25 | 310 25 | 320 25 |
| Tongue Tear (lb), min. ave. | ASTM D5884 (each direction) | 30,000 lb | 130 | 130 | 130 |
| Index Puncture (lb), min. ave. | ASTM D4833 | 30,000 lb | 85 | 103 | 105 |
| Ply Adhesion (lb), min. ave. ⁽¹⁾ | ASTM D6636 | 30,000 lb | 20 | 25 | 25 |
| Oxidative Induction Time (OIT) ⁽²⁾ (a) Standard OIT Or (b) High Pressure OIT | ASTM D3895 ASTM D5885 | Formulation | >100 >1000 | >100 >1000 | >100 >1000 |
| Standard Roll Dimensions | | | | | |
| Roll Width ⁽³⁾ , ft | | | 11.83 | 11.83 | 11.83 |
| Roll Length ⁽³⁾ , ft | | | 1500 | 1230 | 1000 |
| Roll Area, ft ² | | | 17,745 | 14,551 | 11,830 |

⁽¹⁾Alternatively, an acceptable ply adhesion is to have a film tearing bond occur within the sheet material.

⁽²⁾The Manufacturer has the option to select either one of the OIT methods listed to evaluate the antioxidant effectiveness in the geomembrane.

⁽³⁾Roll widths and lengths have a tolerance of $\pm 1\%$

*Custom material thicknesses also available

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This is a preliminary data sheet based upon laboratory testing of initial manufacturing lots and may be changed without notice as additional product testing data becomes available.



MILES CITY, MT
 184 Hwy 59 N
 Miles City, MT . 59301
 800.488.3592
 406.234.1680

MIDLAND, TX
 11701 Co. Rd. 125 W
 Midland, TX . 79711
 800.583.6005
 432.563.4005

PLEASANTON, TX
 4300 S Hwy 281
 Pleasanton, TX . 78064
 830.569.4005

HOUSTON, TX
 8615 Golden Spike Ln
 Houston, TX . 77086
 800.364.7688
 281.272.1660



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SuperScrim™ WC Product Specifications

| Properties | Test Method | Minimum Average Values | | | | | |
|---------------------------------|-------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | 9 mil | 12 mil | 16 mil | 20 mil | 24 mil | 30 mil |
| Weight | D5261 | 5.4 oz/yd ² | 5.7 oz/yd ² | 7.2 oz/yd ² | 9.6 oz/yd ² | 11.5 oz/yd ² | 13.4 oz/yd ² |
| Thickness | | 9 mil | 12 mil | 16 mil | 20 mil | 24 mil | 30 mil |
| Grab Tensile (lbs.) | D751 | MD 200 CD 135 | MD 210 CD 176 | MD 230 CD 210 | MD 330 CD 286 | MD 352 CD 300 | MD 352 CD 300 |
| Mullen Burst | D6241 | 300 psi | 350 psi | 400 psi | 600 psi | 680 psi | 780 psi |
| Accelerated UV Weathering | D4355 | >80% after 2000 hrs exposure | >90% after 2000 hrs exposure |
| Standard Roll Dimensions | | | | | | | |
| Roll Length ⁽²⁾ , Ft | | 3,000 | 3,000 | 4,000 | 3,000 | 2,250 | 2,250 |
| Roll Width ⁽²⁾ , Ft | | 12 | 12 | 12 | 12 | 12 | 12 |
| Roll Area, Ft ² | | 36,000 | 36,000 | 48,000 | 36,000 | 27,000 | 27,000 |

⁽¹⁾9 of 10 views shall be Category 1 or 2. No more than 1 view from Category 3.

⁽²⁾Roll widths and lengths have a tolerance of ± 1%

Custom material thicknesses also available

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 830.569.4005

HOUSTON, TX
 8615 Golden Spike Ln
 Houston, TX . 77086
 800.364.7688
 281.272.1660



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**Hilcorp Energy Company
San Juan Basin
Below Grade Tank Maintenance and Operating Plan**

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of a below-grade tank (BGT) on a Hilcorp Energy Company (HEC) location. This is HEC's standard procedure for all BGT's. A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

1. HEC will operator and maintain a BGT to contain liquids and solids and maintain the integrity of the liner, liner system and secondary containment system to prevent contamination of fresh water and protect public health and the environmental. HEC will perform an inspection on a monthly basis, install cathodic protection and automatic overflow shutoff devices as seen on the design plan.
2. HEC will not discharge into or store any hazardous waste in the BGT.
3. HEC shall operator and install the BGT to prevent the collection of surface water run-on. HEC has built in shut-off devices that do not allow a BGT to overflow. HEC constructs berms and corrugated retained walls at least 6" above grade to keep surface water run-on from entering the BGT as shown on the design plan.
4. As per 19.15.17.12.D(3), HEC will inspect the BGT for leakage and damage at least monthly. The operator will document the integrity of each tank at least annually and maintain a written record for 5 years. Inspections may include 1) containment berms adequate and no oil present, 2) tanks had no visible leaks or sign of corrosion, 3) tank valves, flanges, and hatches had no visible leaks and 4) no evidence of significant spillage of produced liquids. HEC shall remove any visible or measurable layer of oil from the fluid surface of the BGT in an effort to prevent significant accumulation of oil overtime.
5. HEC shall maintain adequate freeboard to prevent overtopping of the BGT.
6. If a BGT develops a leak, then HEC shall removal all liquid above the damage or leak within 48 hours of discovery, notify the appropriate division office pursuant to 19.15.29 NMAC and repair the damage or replace BGT as applicable.
7. If HEC discovers a BGT designed in accordance with 19.15.17.11.I(5) has lost integrity the BGT will promptly be drained and removed from service and HEC will follow the approved closure plan. If HEC discovers a retrofitted BGT designed in accordance with 19.15.17.11.I(4)(a-c), does not demonstrate integrity or that the BGT develops any of the conditions identified in Paragraph (5) of Subsection A of 19.15.17.12 NMAC shall repair the damage or close the existing BGT pursuant to the closure requirements of 19.15.17.13 NMAC.
8. If HEC equips or retrofits the existing BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, HEC shall visually inspect the area beneath the BGT during the retrofit and document any areas that are wet, discolored or showing other evidence of a release on form C-141. HEC shall measure and report to the division the concentration of contaminants in the wet or discolored soil with respect to the standards set forth in Table I of 19.15.17.13 NMAC. If there is no wet or discolored soil or if the concentration of contaminants in the wet or discolored soil is less than the standard set forth in Table I of 19.15.17.13 NMAC, then HEC will proceed with the closure requirements of 19.15.17.13 NMAC prior to initiating the retrofit or replacement.

7. Following removal of the tank and any liner material, HEC will test the soils beneath the BGT as follows:
 - a. At a minimum, a five-point composite sample will be taken to include any obvious stained or wet soils or any other evidence of contamination.
 - b. The laboratory sample shall be analyzed for the constituents listed in Table I of 19.15.17.13.

| Table I | | | |
|---|-------------|----------------------------------|--------------|
| Closure Criteria for Soils Beneath Below-Grade Tanks, Drying Pads Associated with Closed-Loop Systems and Pits | | | |
| where Contents are Removed | | | |
| Depth below bottom of pit to groundwater less than 10,000 mg/l TDS | Constituent | Method* | Limit** |
| <div style="border: 1px solid blue; border-radius: 50%; width: 100px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> ≤50 feet </div> | Chloride | EPA 300.0 | 600 mg/kg |
| | TPH | EPA SW-846 Method 418.1 | 100 mg/kg |
| | BTEX | EPA SW-846 Method 8021B or 8260B | 50 mg/kg |
| | Benzene | EPA SW-846 Method 8021B or 8015M | 10 mg/kg |
| 51 feet-100 feet | Chloride | EPA 300.0 | 10,000 mg/kg |
| | TPH | EPA SW-846 Method 418.1 | 2,500 mg/kg |
| | GRO+DRO | EPA SW-846 Method 8015M | 1,000 mg/kg |
| | BTEX | EPA SW-846 Method 8021B or 8260B | 50 mg/kg |
| | Benzene | EPA SW-846 Method 8021B or 8015M | 10 mg/kg |
| > 100 feet | Chloride | EPA 300.0 | 20,000 mg/kg |
| | TPH | EPA SW-846 Method 418.1 | 2,500 mg/kg |
| | GRO+DRO | EPA SW-846 Method 8015M | 1,000 mg/kg |
| | BTEX | EPA SW-846 Method 8021B or 8260B | 50 mg/kg |
| | Benzene | EPA SW-846 Method 8021B or 8015M | 10 mg/kg |

*Or other test methods approved by the division

**Numerical limits or natural background level, whichever is greater

(19.15.17.13 NMAC-Ro, 19.15.17.13 NMAC 3/28/2013)

8. If the Division District Office and/or HEC determine there is a release, HEC will comply with 19.15.17.13.C.3b.
9. Upon completion of the tank removal, pursuant to 19.15.17.13.C.3c, if all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, the excavation will be backfilled with non-waste containing earthen material compacted and covered with a minimum of one foot top soil, or background thickness of top soil, whichever is greater. The surface will then be re-contoured to match the native grade, prevent ponding of water, and prevent erosion of cover material.
10. For those portions of the former BGT area no longer required for production activities, HEC will seed the disturbed area in the first favorable growing season following the closure of the BGT. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division District Office approved methods. HEC will notify the Division District Office when reclamation and re-vegetation is complete.

Reclamation of the BGT shall be considered complete when:

- Established vegetative cover reflects a life form ratio of +/- 50% of pre disturbance levels.
- Total plant cover is at least 70% of pre-disturbance levels (Excluding noxious weeds) OR
- Pursuant to 19.15.17.13.H.5d HEC will comply with obligations imposed by other applicable federal or tribal agencies in which there re-vegetation and reclamation requirements provide equal or better protection of fresh water, human health and the environment.

11. For those portions of the former BGT area required for production activities, reseeding will be done at well abandonment, and following the procedure noted above.

Closure Report:

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the BGT closure on a Closure Report using Division District Office Form C-144. The Report will include the following:

- Proof of Closure Notice (surface owner and Division District Office)
- Backfilling & cover installation
- Confirmation Sampling Analytical Results
- Application Rate & Seeding techniques
- Photo Documentation of Reclamation