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 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
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.
Operator: Hilson Francy Company OCPID#: 372171
Address: 382 Road 3100 Aztec NM 87410
Facility or well name: SAN JUAN 27-5 UNIT 69 MAY 0 9 2019
API Number: 3003907139 OCD Permit Number: U/L or Qtr/Qtr A Section 7 Township 27N Range 5W County: Rio Arriba STR LCT 11
U/L or Qtr/Qtr A Section 7 Township 27N Range 5W County: Rio Arriba STR CT
Center of Proposed Design: Latitude 36.593143 °N Longitude -107.393974 °W NAD83
Surface Owner: ☑ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment
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: Thicknessmil □ LLDPE □ PVC □ Other □ String-Reinforced Liner Seams: □ Welded □ Factory □ Other Volume:bbl Dimensions: Lx Wx 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 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
Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
s.
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

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	
Nation States 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. <u>Siting Criteria (regarding permitting)</u> : 19.15.17.10 NMAC <u>Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptate are provided below.</u> Siting criteria does not apply to drying pads or above-grade tanks.	ptable source
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
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

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 plays lake fematisent from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fisch water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - IWATERS dalabase search; Visual inspection (certification) of the proposed site Permanent Pit or Multi-Well Fluid Management Pit Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site Permanent Pit or Multi-Well Fluid Management Pit Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Visual inspection (certification) of the proposed site Within 300 feet of a spring or a feeth water well used for domestic or stock watering purposes, in existence at the time of initial application. - Within 500 feet of a spring or a feeth water well used for domestic or stock watering purposes, in existence at the time of initial application. - MO Office of the State Engineer - IWATERS database search; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map	Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
or playa lake (measured from the ordinary high-water mark). 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 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 putposes, 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 databases search; Visual inspection (certification) of the proposed site Permanent Pit or Multi-Well Fluid Management Pit Within 300 feet of a weltand. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Permanent Pit or Multi-Well Fluid Management Pit Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map, Visual inspection (certification) of the proposed site Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site, Aerial photo; Satellite image Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. US Fish and Below-grade Tanks Permit Application. Please Indicate, by a check mark in the box, that the decuments are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the re	Temporary Pit Non-low chloride drilling fluid	
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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		
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 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 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 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 "Pemperary 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. Mydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Stiting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.10 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: Industrial application of the proposed site 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 appropriat	watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;	☐ Yes ☐ No
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 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 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. NMO Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Wetland to the proposed site in		☐ Yes ☐ No
lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 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 Data (Temporary and Emergency Pits) - 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 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Doerating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: "Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.1 NMAC Design 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. Design 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 appropriat	Permanent Pit or Multi-Well Fluid Management Pit	
Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	lake (measured from the ordinary high-water mark).	☐ Yes ☐ No
initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site		☐ Yes ☐ No
US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Yes No	initial application.	☐ Yes ☐ No
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 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number:		☐ Yes ☐ No
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	Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 Naturations: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the do 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 19.15.17.12 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 19.15.17.12 NMAC	NMAC
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:	
Previously Approved Design (attach copy of design) API Number: or Permit Number:	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 do 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 and 19.15.17.13 NMAC Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 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 F Alternative	luid Management Pit
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	
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be 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 sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. I 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
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 pby 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 Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - 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 can 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	7.11 NMAC 9.15.17.11 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 be	elief.
Name (Print): Tammy Jones Title: Operations/Regulatory Technician - S	<u>r.</u>
Signature:	
e-mail address: tajones@hilcorp.com Telephone: 505-324-5185	
18.	
OCD Approval: Permit Application (Including closure plan) Closure Plan (Only) COD Conditions (see attachment)	
OCD Approval: Permit Application (Including closure plan)	17/19
OCD Approval: Permit Application Including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 5	17/19
OCD Approval: Permit Application (Including closure plan)	17/19
OCD Approval: Permit Application Including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 5	
OCD Approval: Permit Application Including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 5/ Title: OCD Permit Number: BGT & OCD Permit Number: BGT & Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: Closure Completion Date:	
OCD Approval: Permit Application Including closure plan Closure Plat (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 5 Title: 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 is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date: Closure Completion Date:	ot complete this
OCD Approval: Permit Application Including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature:	loop systems only)
OCD Approval: Permit Application Including closure plan Closure Plan (odly) OCD Conditions (see attachment) OCD Representative Signature: Title: 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 is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please mark in the box, that the documents are attached.	loop systems only)
OCD Approval: Permit Application Including closure plan Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Title: 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 submittin The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-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 in 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)	loop systems only)
OCD Approval: Permit Application Including closure plan Closure Plan (oily) OCD Conditions (see attachment) OCD Representative Signature:	loop systems only)
OCD Approval: Permit Application Including closure plan Closure Plat (odly) OCD Conditions (see attachment) OCD Representative Signature: Title:	loop systems only)
OCD Approval: Permit Application (heluding closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Title:	loop systems only)
OCD Approval: Permit Application including closure plan Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Title:	loop systems only)
OCD Approval: Permit Application including closure plan Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Title: Lov's contractions OCD Permit Number: Approval Date: 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 submittin the closure report is required to be stabmitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed- If different from approved plan, please explain. Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please in 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	loop systems only)

	on: ation and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and osure complies with all applicable closure requirements and conditions specified in the approved closure plan.
Name (Print):	Title:
Signature:	Date:
e-mail address:	

SAN JUAN 27-5 UNIT 69 (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 X 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		pl.							CANCE TO		
DOD Number	Sub-		Q	Marie S		T	Bass	×	~			Water Column
POD Number RG 81026	Code basin	RA					05W		SHOUTH COLUMN TO THE TAX THE STREET	460	186	274
SJ 00046	SJ	RA	4	4	04	27N	05W	289133	4052788* 🍪	506	260	246
SJ 00199	SJ	SJ	1	2	03	27N	05W	290409	4053971* 🐝	1840		
SJ 04056 POD1	SJ	RA	2	1	24	27N	05W	293168	4048797 🍪	270	28	242

Average Depth to Water:

158 feet

Minimum Depth:

28 feet

Maximum Depth:

260 feet

Record Count: 4

PLSS Search:

Township: 27N

Range: 05W



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 Sub-		Q	Q	Q						Depth	Depth	Water
POD Number	Code	basin	County	64	16	4	Sec	Tws	Rng	X	Υ			Column
SJ 00061		SJ	RA	3	3	3	32	27N	06W	276278	4044923* 🍪	445	301	144
SJ 00062		SJ	RA	3	3	3	32	27N	06W	276278	4044923* 🍪	452	301	151
SJ 00213		SJ	RA	4	4	1	32	27N	06W	276897	4045750* 🍑	1308	485	823
SJ 02403		SJ	RA	3	1	3	30	27N	06W	274714	4047115* 🍪	505	300	205
SJ 03001 POD1	R	SJ	RA	1	2	2	07	27N	06W	276165	4052831*	141	41	100
SJ 03001 POD2		SJ	RA	1	2	2	07	27N	06W	276178	4052801 🍪	140	45	95
SJ 04031 POD1		SJ	RA	4	4	2	12	27N	06W	284287	4052043 🍪	515	224	291

Average Depth to Water: 242 feet

> Minimum Depth: 41 feet

Maximum Depth: 485 feet

Record Count: 7

PLSS Search:

Township: 27N Range: 06W

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS NORTHWESTERN NEW MEXICO (Submit 3 copies to OCD Aztec Office)

Operator MERIDIAN OIL Location: Unit NE Sec. 7 Twp 27 Rng 5
Name of Well/Wells or Pipeline Serviced SAN JUAN 27-5 UNIT #69, #76
cps 743w
Elevation 6629' Completion Date 5/24/74 Total Depth 500' Land Type* N/A
Casing, Sizes, Types & Depths N/A
If Casing is cemented, show amounts & types used N/A
If Cement or Bentonite Plugs have been placed, show depths & amounts used N/A
Depths & thickness of water zones with description of water when possible:
Fresh, Clear, Salty, Sulphur, Etc. 280'
Depths gas encountered: N/A MAY 3 1 1991
Type & amount of coke breeze used: 8600 lbs. OIL CON.
Depths anodes placed: 440', 430', 380', 370', 360', 350', 335', 325', 315', 305'
Depths vent pipes placed: N/A
Vent pipe perforations: 185'
Remarks: qb #2

If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & 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.

Hilcorp

NAD_1927_StatePlane_New_Mexico_West_FIPS_3003

© Hilcorp

SAN JUAN 27-5 UNIT 69 - 3003907139



1:8,000

Legend

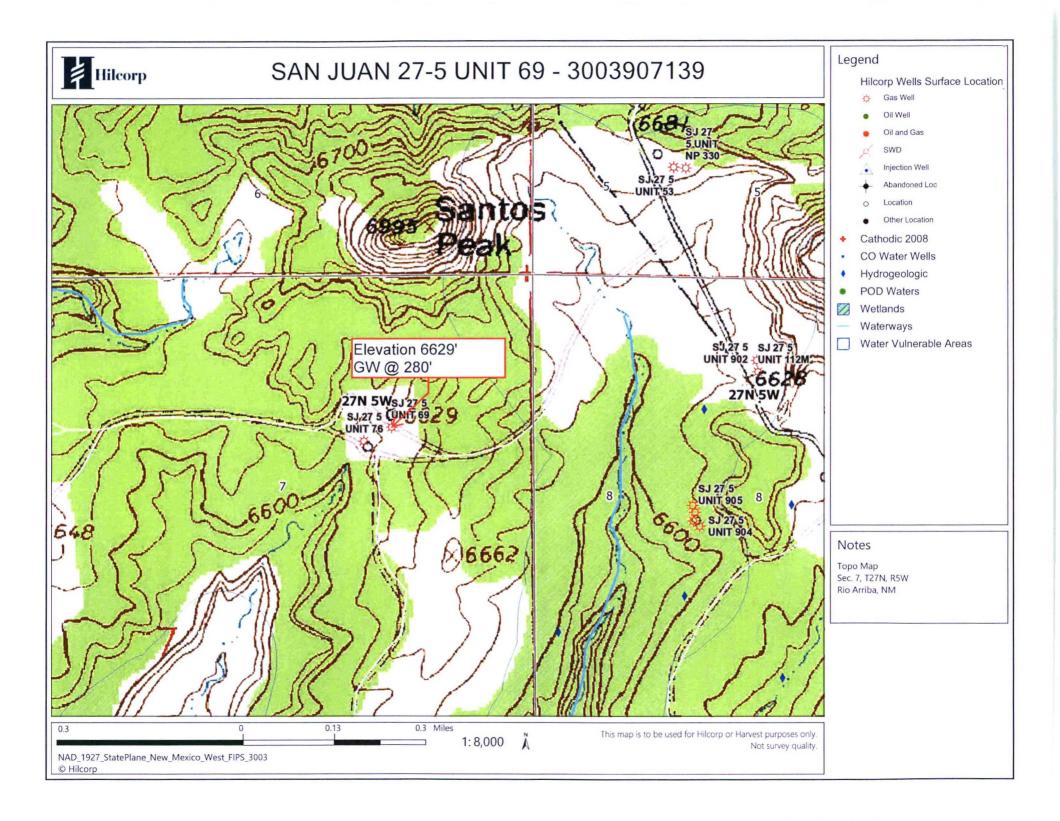
Hilcorp Wells Surface Location

- Gas Well
- Oil Well
- Oil and Gas
- SWD
- Injection Well
- Abandoned Loc
- Location
- Other Location
- Cathodic 2008
- CO Water Wells
- Hydrogeologic
- **POD Waters**
- Wetlands
 - Waterways
 - Water Vulnerable Areas

Notes

Not survey quality.

Aerial Map Sec. 7, T27N, R5W Rio Arriba, NM



Below Grade Tank (BGT) Siting Criteria and Compliance Demonstrations

Well Name:	SAN JUAN 27-5 UNIT 69
well name:	SAN JUAN 27-5 UNIT 09

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

The nearest recorded well with available water-depth information is the **San Juan 27-5 Unit 69** with groundwater @ 280' as indicated in the **Cathodic Data Sheet** attached. The subject well's elevation is 6629' making depth to groundwater at 280'.

2. <u>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]):</u>

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

3. <u>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):</u>

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 27-5 UNIT 69

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.

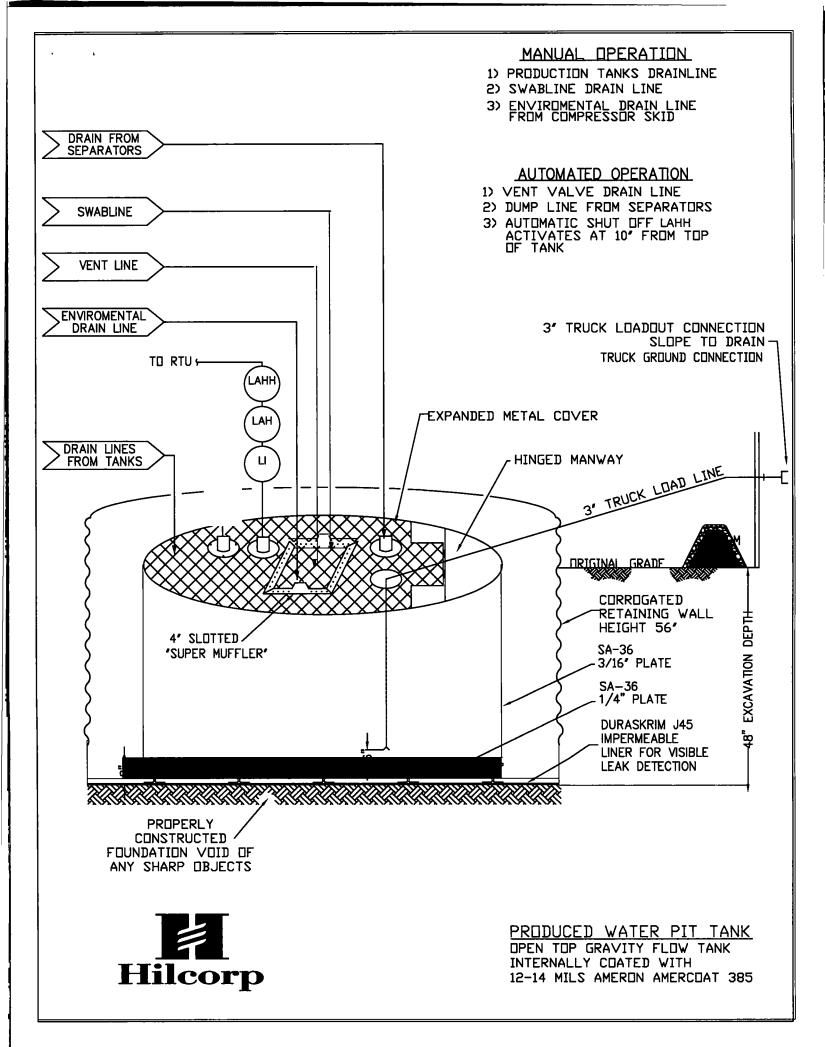
Stone et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico: Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

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 X 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





SuperScrim™ H Product Specifications

This product meets GRI GM 25 Specifications

	This product meets artifum 25 openmentions									
Properties	Test Method	Frequency	Minimu	m Average	Values					
Control of the late			H30	H36	H45					
Thickness, Nominal (mils) Min. Ave. (mils)	ASTM D5199	Per roll	30 27	36 32	45 40					
Weight Nominal (lb/1000, ft²) Min. Ave. (lb/1000, ft²)	ASTM D5261	Per roll	140 125	168 151	210 189					
Grab Tensile Strength (lb), min. ave. Elongation (%), min. ave.	ASTM D7004 (each direction) (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	ASTM D3895	Formulation	>100	>100	>100					
(b) High Pressure OIT	ASTM D5885		>1000	>1000	>1000					
No. of the second	Standard Roll D	imensions								
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

This data is provided for informational purposes only. Brawler Industries, LLC makes no warranties as to the suitability of the fitness for a specific use or merchantability of products referred to, no guarantee of satisfactory results upon contained information or recommendations and disclaims all liability from resulting loss or damage. This information is subject to change without notice, please check with Brawler Industries, LLC for current updates.

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.



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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



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 Dimensio	ns	TATE I					
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.

Custom material thicknesses also available

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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

 $^{^{(2)}}$ Roll widths and lengths have a tolerance of \pm 1%

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 all ow 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.

Hilcorp Energy Company San Juan Asset Production BGT Closure Plan

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general closure requirements of a below-grade tank (BGT) on any Hilcorp Energy Company (HEC) location in the San Juan Asset. This is HEC's standard closure procedure for all BGT's regulated under Rule 19.15.17 NMAC and operated by HEC. For those closures which do not conform to this standard closure plan, a separate BGT specific closure plan will be developed and utilized.

Closure Conditions and Timing for BGT:

- Within 60 days of cessation of operation HEC will:
 - o Remove all liquids and sludge and dispose in a division approved manner.
- Within 72 hours or 1 week prior to closure HEC will:
 - o Give notice to surface owners by certified mail. For public entities by email as specified on the variance page.
 - o Give notice to Division District Office verbal or in writing/email.
- Within 6 months of cessation of operation HEC will:
 - o Remove BGT and dispose, recycle, reuse, or reclaim in a division approved manner.
 - o Remove unused onsite equipment associated with the BGT.
- Within 60 days of closure HEC will:
 - o Send the Division District Office a Closure Report per 19.15.17.13.F (1).

General Plan Requirements:

- Prior to initiating any BGT closure, except in the case of an emergency, HEC will notify the surface owner of
 the intent to close the BGT by certified mail no later than 72 hours or 1 week before closure and a copy of this
 notification will be included in the closure report. In the case of an emergency, the surface owner will be
 notified as soon as practical.
- 2. Notice of closure will be given to the Division District office between 72 hours and 1 week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name
 - b. Well Name and API Number
 - c. Location
- 3. All liquids will be removed from the BGT following cessation of operation. Produced water will be disposed of at one of HEC's approved Salt Water Disposal facilities or at a Division District Office approved facility.
- 4. Solids and sludge's will be shoveled and/or vacuumed out for disposal at one of the Division District Office approved facilities, depending on the proximity of the BGT site: Envirotech Land Farm (Permit #NM-01-011), Industrial Ecosystems Inc. JFJ Land Farm (Permit #NM-01-0010B), and Basin Disposal (Permit #NM-01-005).
- 5. HEC will obtain prior approval from the Division District Office to dispose, recycle, reuse, or reclaim the BGT and provide documentation of the disposition of the BGT in the closure report. Steel materials will be recycled or reused as approved by the Division District Office. Fiberglass tanks will be empty, cut up or shredded, and EPA cleaned for disposal as solid waste. Liner materials will be cleaned without soils or contaminated material for disposal as solid waste. Fiberglass tanks and liner materials will meet the conditions of 19.15.35 NMAC. Disposal will be at a licensed disposal facility, presently San Juan County Landfill operated by Waste Management under NMED Permit SWM-052426.
- 6. Any equipment associated with the BGT that is no longer required for some other purpose, following the closure, will be removed.

- 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			
groundwater less than 10,000			
mg/I TDS			
≤50 feet	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
	ТРН	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

(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.

^{**}Numerical limits or natural background level, whichever is greater

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