District I 1625 N. French Dr., Hobbs, NM 88240 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

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

	Pit, Closed-Loop System, Below-Grade Tank, or
Propo	sed Alternative Method Permit or Closure Plan Application
faction:	Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method

Type of Leaving of a pit, closed-loop system, below-grade tank, or proposed alternative method | Closure of a price of the Modification to an existing permit

Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, 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.
t. Operator:McElvain Oil & Gas Properties, IncOGRID #:22044
Address:1050 17th Street, Suite 1800, Denver, CO 80265
racinity of well fame. Bauget 11#1
API Number:30-039-26774OCD Permit Number:U131. 3
U/L or Qtr/Qtr _ K Section _ 11 _ Township25N _ Range _ 2W County: Rio Arriba
Center of Proposed Design: Latitude36.4094444 N Longitude107 0211111W NAD: ☑1927 ☐ 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
Pet: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A 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. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:95

6. 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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify 4 "Hog wire w/ top rail = 4"	hospital.					
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other_Expanded Metal Monthly inspections (If netting or screening is not physically feasible)						
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 19.15.3.103 NMAC						
9. Administrative Approvals 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: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for					
10. Siting Criteria (regarding permitting): 19.15.17.10 NMAC Listructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.						
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search: USGS; Data obtained from nearby wells	☐ 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	☐ Yes ☑ No					
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation puts and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☑ NA					
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent puts) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No 図 NA					
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search: Visual inspection (certification) of the proposed site	☐ Yes 🛛 No					
Within 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 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ 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					

11. 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:
Closed-loop Systems 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. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - 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
Previously Approved Operating and Maintenance Plan API Number:
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control 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
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the upplicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: □ Drilling □ Workover □ Emergency □ Cavitation □ P&A □ Permanent Pit ☑ Below-grade Tank □ Closed-loop System □ 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 (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
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 F 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 II of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Groun Instructions: Please indentify the facility or facilities for the disposal of liquid facilities are required.	d Steel Tanks or Haul-off Bins Only: (19.15.17.13.1 s, drilling fluids and drill cuttings. Use attachment if	D NMAC) more than two
Disposal Facility Name:	Disposal Facility Permit Number:	
Disposal Facility Name:		
Will any of the proposed closed-loop system operations and associated activities Yes (If yes, please provide the information below) No		
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection Plan -	nte requirements of Subsection H of 19.15 17.13 NMA on Lof 19.15.17.13 NMAC	С
57. Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may requested an exception which must be submitted to the Santa Fe Environmen demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	re closure plan. Recommendations of acceptable sour tire administrative approval from the appropriate dist. tal Bureau office for consideration of approval. Justi	rict office or may be
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; D	ata obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; D	ata 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; D	ata obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other s lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ignificant watercourse or lakebed, sinkhole, or playa	Yes No
Within 300 feet from a permanent residence, school, hospital, institution, or chur - Visual inspection (certification) of the proposed site; Aerial photo: Satell		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that h watering purposes, or within 1000 horizontal feet of any other fresh water well of NM Office of the State Engineer - iWATERS database; Visual inspection	spring, in existence at the time of initial application.	Yes No
Within incorporated municipal boundaries or within a defined municipal fresh was adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality: Written appre		Yes No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Vis	ual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mini	ng and Mineral Division	Yes No
Within an unstable area. - Engineering measures incorporated into the design: NM Bureau of Geold Society: Topographic map	gy & Mineral Resources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map		☐ Yes ☐ No
18. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements. Construction/Design Plan of Burial Trench (if applicable) based upon the Construction/Design Plan of Temporary Pit (for in-place burial of a drying Protocols and Procedures - based upon the appropriate requirements of 19. Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection	equirements of 19.15.17.10 NMAC of Subsection F of 19.15.17.13 NMAC appropriate requirements of 19.15.17.11 NMAC pad) - based upon the appropriate requirements of 19. 15.17.13 NMAC equirements of Subsection F of 19.15.17.13 NMAC of Subsection F of 19.15.17.13 NMAC I drill cuttings or in case on-site closure standards cann in H of 19.15.17.13 NMAC	15.17.11 NMAC
Site Reclamation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection		

Operator Application Certification: I hereby certify that the information submitted with the	is application is true, accurate and complete to the best of my knowledge and belief.									
Name (Print): Deborah K Powell	Title: _Engineering Tech Supervisor									
Signature: Debut 10 Pouls	Date: 8/18/2008									
e-mail address:DebbyP@McElvain.com	Telephone: 303-893-0933									
	losure plan) Closure Plan (only) OCD Conditions (see attachment)									
OCD Representative Signature:	Approval Date: 9-2-08									
Title: Envirolspec	OCD Permit Number:									
Closure Report (required within 60 days of closure completion): Subsection K of 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:									
Closure Method: Waste Excavation and Removal On-Site Clo. If different from approved plan, please explain.	sure Method Alternative Closure Method Waste Removal (Closed-loop systems only)									
	For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than									
Disposal Facility Name:										
Disposal Facility Name										
Were the closed-loop system operations and associated Yes (If yes, please demonstrate compliance to the	activities performed on or in areas that will not be used for future service and operations? le items below) \(\sum_{\text{No}}\) No									
Required for impacted areas which will not be used for Site Reclamation (Photo Documentation)	future service and operations:									
Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Te	chnique									
mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and divisor Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pite) Confirmation Sampling Analytical Results (if ap) Waste Material Sampling Analytical Results (red) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Te	re) s) plicable) quired for on-site closure)									
Operator Closure Certification:	ibmitted with this closure report is true, accurate and complete to the best of my knowledge and									
	applicable closure requirements and conditions specified in the approved closure plan.									
Name (Print):	Title:									
Signature:										
e-mail address:	Talanhaisa									

Oistrict I P.O Br.x 1980. Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec. NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Depar

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21. 1994 Instructions on back Submit to Appropriate District Office State Lease – 4 Copies Fee Lease – 3 Copies

JULY 5, 2001

Certificate Remograsion

6857

Date of Survey

AMENDED REPORT

			WELL	LOCAT	ONA, NOI) A(CREAGE	DED:	ICA	TION PL	_AT		
	API Numbe	er.		*Pool Co 7231	- 1	Pool Name BLANCO MESAVERDE							
Property Code Property Name Well Num COYOTE COM 9											1 Number		
OGRID I	'OGRID' No. Operator Name Elevation												
operator homo										7343			
					¹⁰ Surfac	ce l	Locatio	n				<u> </u>	
UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the								st line	RIO				
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			ottom		ocation					om Surf			
Ut or lot no.	Section	Township	Range	Lot Idn	Feet Iron t	the	North/South	i line	Fe	it from the	East/we	est line	County
Dedicated Acres			<u> </u>	<u> </u>	13 Joint or Inf	511	14 Consolidation	Code	15 Onde	- No.			<u> </u>
NO ALLOW	ABLE W				IS COMPLE UNIT HAS							EN CON	SOLIDATED
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5280.0				9 -	***************************************				5280.	I hereby certi	ify that the for field not uperfision a	well location tes of actual and that the	FICATION on shown on this of i surveys made by a same is true and
				1		2							

5280.661

New Mexico Office of the State Engineer POD Reports and Downloads

NAD27 X: Y: Zone: Search Radius: County: Basin: Number: Suffix: Owner Name: (First) (Last) C Non-Domestic C Domestic C All	Township: 25N Range: 02W Sections:
	NAD27 X: Y: Zone: Search Radius:
Owner Name: (First) (Last) C Non-Domestic C Domestic C All	County: Basin: Number: Suffix:
	Owner Name: (First) (Last) C Non-Domestic C Domestic C All
POD / Surface Data Report: Avg Depth to Water Report: Water Column Report:	POD / Surface Data Report : Avg Depth to Water Report : Water Column Report
Clear Form	Clear Form

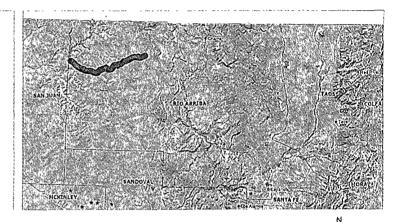
WATER COLUMN REPORT 07/25/2008

(qu	arter	s are	e 1=	NW	2=1	1E	3=SW	4=SE)							
(qu	arter	s are	e bi	gg	əst	to	smal	lest)			Depth	Depth	Water	(in	feet)
POD Number	awT	Rng	Sec	đ	qq	1	Zone	Х		Y	Well	Water	Column		
RG 53087	25N	02W	27	2	1						3'80	70	310		
SJ 01752	25N	02W	02	4	4 4	l .					210	85	125		
SJ 01861	25N	02W	04	1	4 2	2					303	100	203		
SJ 01861 CLW228229	2511	02W	04	i	4 2	5					200	100	100		
SJ 01473	25N	05M	80	4	4 3	3					240				
SJ 02477	25N	02W	09	4	3 1	L					260	100	160		
SJ 02736	25N	02W	10	4	1 1	Ļ					375	60	315		
SJ 01751	25N	02W	11	1	2 3						372	90	282		
SJ 03461	25N	02W	11	1	2/3	3 [C	272432	197160	9	265	160	105		
SJ 01758	25N	02W	12	1	3						235	80	155		
SJ 03212	25N	02W	13	1	4 2	2					430	180	250		
SJ 01754	25N	02W	14	3							192	90	102		
SJ 03292	25N	02W	14	3	3 4	ŀ					260				
SJ 03028	25N	02W	16	1	1 1						230	105	125		
SJ 02355	25N	02W	17	2	4 3	ļ					260	80	180		
SJ 02911	25N	02W	17	3	4 1						240	85	155		
SJ 02091 X	25N	02W	25	4	3						345	120	225		
SJ 01089	25N	02W	26	1							240	90	150		
SJ 02342	25N	02W	27	2	1						380	70	310		
SJ 03498	25N	02W	27	3	1 4						560	340	220		
SJ 02917	25N	02W	28	1	2 3						1200				
SJ 02986	25N	02W	28	2	2 2						270	140	130		
SJ 02738	25N	02W	28	3	2 2						650	265	385		
SJ 00326	25N	02W	29	2	4						205	160	4.5		
SJ 00279	25N	02W	31								210	85	125		
SJ 03647	25N	02W	34					362117	107021	.6	667	280	387		

Record Count: 26

Rio Arriba Mines, Mills And Quarries Web Map

Mines, Mil	ls & Quarries Commodity Groups
۸	Aggregate & Stone Mines
•	Coal Mines
*	Industrial Minerals Mines
Ø	Industrial Minerals Mills
2	Metal Mines and Mill Concentrate
W	Potash Mines & Refineries
6.0	Smelters & Refinery Ops.
*	Hranium Mines

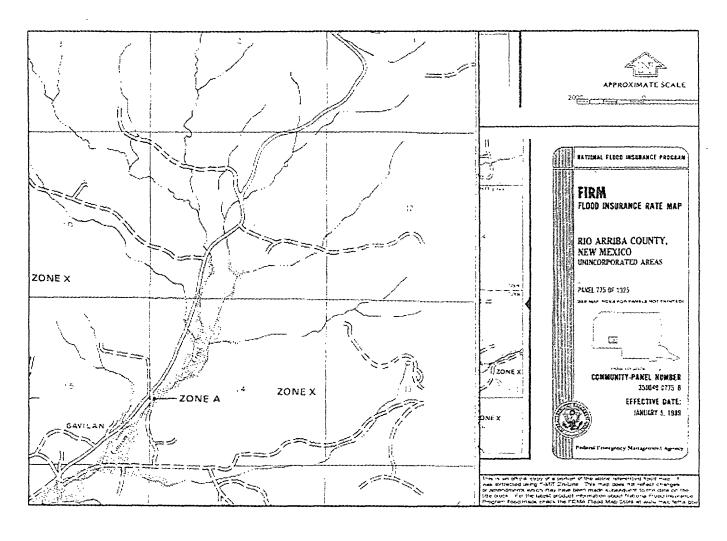




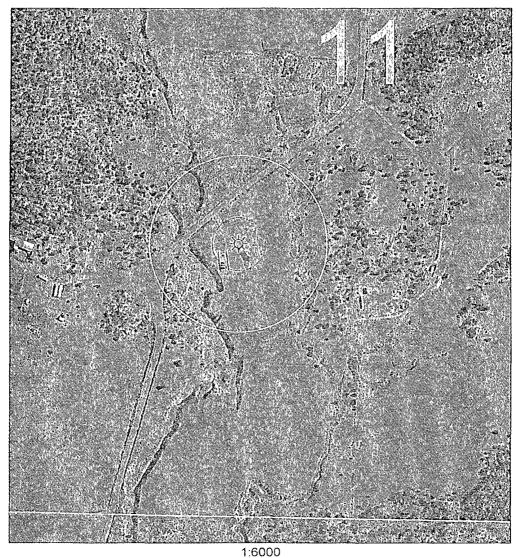








Aerial Map



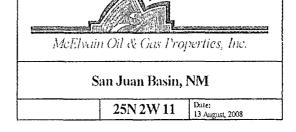
McElvain Well & 1000' Radius

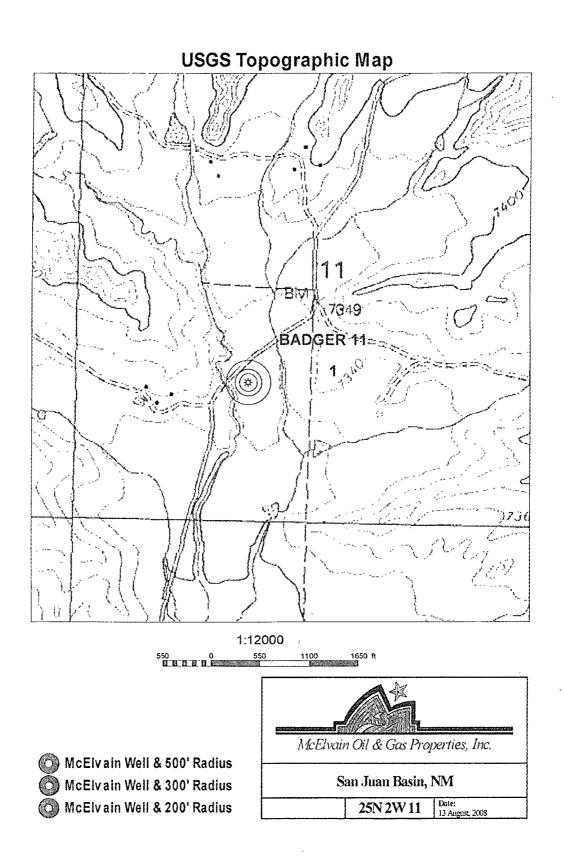
McElvain Well & 300' Radius

Aerial Source-NM Resource Geographic Information System Program made available by the Univ. of NM and the State of NM.

State of NM.

2005-2006 vintage Digital Orthophoto
Quarter-Quadrangles were derived
from the NM Statewide
Orthophotography Project source
imagery flown at 35,000' above average
ground.





Siting Criteria Compliance Demonstrations

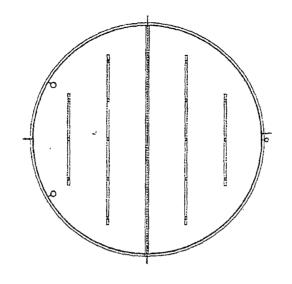
The Badger Com 11-1 well is not located in an unstable area. The location is not over a mine and is not on the side of a hill. The location of the excavated pit material is not located within 300° of any continuously flowing watercourse or 200° from any other water course.

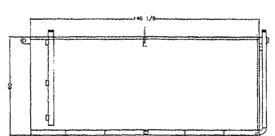
McElvain Oil & Gas Properties, Inc. San Juan Basin Below Grade Tank Design and Construction

In accordance with Rule 19.15.17 NMAC the following describes the as-built construction of the Below Grade Tank on the McElvain Oil & Gas Properties, Inc (MOG) Badger Com 11-1 well located in the NESW of Sec 11, T25N, 2W.

As-built Installation:

- 1. The existing tank pit consists of an approximate 15 foot by 5 foot hole into which a 12 foot by 5 foot double bottom, single wall 95 bbl tank with leak detection is installed.
- 2. The tank walls are open for visual inspection to identify the occurance of leaks.
- 2. The tank pit is surrounded by a 30ft X 30ft X 2ft berm that is contained within a 50 ft X 140 ft berm that encloses the tank battery to prevent overflow or surface water run-on.
- 3. A general location sign is displayed on site.
- 4. The pit tank is fenced with 4 foot woven (hog) wire topped with a top rail.





5		PGG								
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			<u> </u>	S44	CUSTOMER					
		5-17-09	0-0 M	PIE.	Ì					

McElvain Oil & Gas Properties, Inc. San Juan Basin Below Grad Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 NMAC the following describes the below grade tank operation and maintenance plan for the McElvain Oil & Gas Properties, Inc (MOG) on the Badger Com 11-1 well located in the NESW of Sec 11, T25N, 2W.

General Plan:

- 1. MOG shall operate and maintain the below grade tank to contain liquids and solids and prevent contamination of fresh water to protect the public health and environment.
- 2. MOG shall not allow a below grade tank to overflow or allow surface water run-on to enter the below grade tank.
- 3. MOG shall continuously remove any visible or measurable layer of oil from the fluid surface of a below grade tank in an effort to prevent significant accumulation of oil over time.
- 4. MOG shall inspect the below grade tank monthly and maintain a written record of each inspection for five years.
- 5. MOG shall maintain adequate freeboard to prevent overtopping of the below grade tank.

McElvain Oil & Gas Properties, Inc. San Juan Basin Closure Plan

In accordance with Rule 19.15.17.1 NMAC the following procedure describes the closure plan for the McElvain Oil & Gas Properties, Inc (MOG) below grade tank on the Badger Com 11-1 well located in the NESW of Sec 11, T25N, 2W.

Closure Requirements:

- 1. MOG shall close the below grade tank within the time periods provided in 19.15.17.13 NMAC or by an earlier date that the division requires because of imminent danger to fresh water, public health, or the environment.
- 2. MOG shall close an existing below grade tank that does not meet the requirements of Paragraph (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008 if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- 3. MOG shall close a permitted below grade tank within 60 days of cessation of the below ground tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on C-144.
- 4. All liquids will be removed from the temporary permit prior to closure and the liquids disposed of in a division approved facility.
- 5. MOG shall remove the below grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.
- 6. MOG will remove any on-site equipment associated with the below grade tank unless the equipment is required for some other purpose.
- 7. MOG shall test the soils beneath the below grade tank to determine whether a release has occurred. MOG shall collect a five point composite sample and individual grab samples from any area that is wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH, and chlorides to demonstrate that the benzene concentration as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration as determined by EPA method 418.1 or other EPA method that the division approves does not exceed 100 mg/kg; and the chloride concentration as determined by EPA

- method 300.1 or other EPA method that the division approves does not exceed 250 mg/kg or the background concentration, whichever is greater. MOG shall notify the division of its results on form C-141.
- 8. If MOG or the division determines that a release has occurred, then MOG shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate.
- 9. If contamination is confirmed by field sampling. MOG will follow the Guidelines For Remediation Of Leaks, Spills, and Releases NMOCD August 1993 when remediating identified contaminants.
- 10. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then MOG shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; re-contour, and re-vegetate the site.
- 11. Notice of closure will be given to the Aztec Division office between 72 hours and one week of closure via email or verbally. The notification of closure will include the following:
 - · Operator's name
 - · Location by Unit Letter, Section Township, and Range.
 - · Well name and API number
- 12. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the blow grade tank. The closure report will be filed on C-144 and incorporate the following:
 - · Details on capping and covering where applicable
 - · Inspection reports
 - · Sampling results
- 13. The site will be re-contoured to match the surrounding area. Natural drainages will be unimpeded and erosion control will be utilized where necessary.
- 14. MOG shall seed the disturbed areas the first growing season with a division approved seed mixture after pit closure. Seeding will be accomplished by drilling on the contour whenever possible or by other division approved methods. Repeat seeding or planting will be continued until successful vegetative growth occurs.
- 15. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the thickness of the topsoil native to the area, whichever is greater.

16. The surface owner shall be notified of MOG's closing of the below grade tank as per the approved closure plan using certified mail with return receipt requested.