District I 1625 N. French Dr., Hobbs, NM 88240 District II. 1301 W. Grand Avenue, Artesia, NM 88210 District III. 1000 Rio Brazos Road, Aztec, NM 87410 District IV. 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources 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.

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

Proposed Atternative Method Perint or Closure Plan Application					
Type of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method 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					
Operator: Energen Resources Corporation OGRID #:162928					
Address: 2010 Afton Place, Farmington, NM 87401					
Facility or well name: Carracas 30 B #13R					
API Number: OCD Permit Number:					
U/L or Qtr/Qtr P Section 30 Township 32N Range 04W County: Rio Arriba					
Center of Proposed Design: Latitude 36.95323 N Longitude 107.29013 W NAD: 1927 X 198	33				
Surface Owner: X Federal C State Private Tribal Trust or Indian Allotment					
7					
☑ Pit: Subsection F or G of 19.15.17.11 NMAC	ļ				
Temporary: V Drilling Workeyer					
Permanent France Covitation P&A					
☑ Lined ☐ Unlined Liner type: Thickness 20 mil ☑ LLDPE☐ HDPE☐ PVC☐ Other					
String-Reinforced					
Liner Seams: Welded X Factory Other Volume: 1500 bbl Dimensions: L 155 x W 85 x D 1	0				
Closed last Systems. Subsection II of 10.15.17.11.NMAC					
Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Diffling a party well Worksyor or Drilling (Applies to activities which require prior approval of a permit or notion.	cenf				
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: bbl Type of fluid:					
Tank Construction material:					
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 mil LLDPE HDPE PVC Other					
Little type. Timewiessimi [LEDTE[TIDLE] FVC [Other					
5					
Alternative Method:					
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.					

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				
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)				
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.				
Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bur consideration of approval.	eau office for			
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.				
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or 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 X 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 X 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 pits 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 pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes 🗷 No			
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.	☐ 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 19.15.17.11 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:
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 Quality Control/Quality Assurance Construction and Installation Plan the appropriate requirements of 19.15.17.12 NMAC Preeboard 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
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 Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) Won-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 H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation 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 Grou Instructions: Please indentify the facility or facilities for the disposal of liquids	and Steel Tanks or Haul-off Bins Only: (19.15.17.13.D. c, drilling fluids and drill cuttings. Use attachment if mor	NMAC) te than two			
facilities are required. Disposal Facility Name:	Disposal Facility Permit Number:				
Disposal Facility Name:	Disposal Facility Permit Number:				
Will any of the proposed closed-loop system operations and associated activitie operations?	s occur on or in areas that will not be used for future ser	vice and			
Yes (If yes, please provide the information below) No					
Required for impacted areas which will not be used for future service and operations: 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 I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC					
Siting Criteria (regarding on-site closure methods only: 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in provided below. Requests regarding changes to certain siting criteria may request be considered an exception which must be submitted to the Santa Fe Environ and/or demonstrations of equivalency are required. Please refer to 19.15.17.3	the closure plan. Recommendations of acceptable sour quire administrative approval from the appropriate dist mental Bureau office for consideration of approval. Ju	rict office or may			
Ground water is less than 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			
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;	Data obtained from nearby wells	Yes No			
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	X Yes □ No □ NA			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site.		Yes X No			
Within 300 feet from a permanent residence, school, hospital, institution, or chu - Visual inspection (certification) of the proposed site; Aerial photo; Sat		Yes 🔀 No			
Within 500 horizontal feet of a private, domestic fresh water well or spring that watering purposes, or within 1000 horizontal feet of any other fresh water well - NM Office of the State Engineer - iWATERS database; Visual inspect	or spring, in existence at the time of initial application.	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					
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site					
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-M.	ining 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					
Within a 100-year floodplain FEMA map		☐ Yes 🗷 No			
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan Please indicate, by a check mark in the box, that the documents are attached.					
 ∑ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ∑ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC ☐ Waste Material Sampling Plan - 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 or in case on-site closure standards cannot be achieved) ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC 					

Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate	e and complete to the best of my knowledge and belief.					
Name (Print): Nathan Smith	Title: Drilling Engineer					
Signature: Wolfe Sh	Date:11/18/2008					
c-mail address: nsmith@energen.com	Telephone: 505 324-4151					
OCD Approval: Permit Application (including closure plan) Clo						
	Approval Date: 4-23-09					
Title: Enviro /spæ 00	CD 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:						
22						
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative If different from approved plan, please explain.	Closure Method					
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized. Disposal Facility Name: Disposal Facility Permit Number:						
Disposal Facility Name:	posal Facility Permit Number:					
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below)						
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ns:					
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude						
25						
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.						
Name (Print):	Title:					
Signature:	Date:					
e-mail address:	Telephone:					

Hydrogeologic Data:

100-year Floodplain:

There is no map available from FEMA depicting a 100-year floodplain for the subject well, Carracas 30 B #13R located in that portion of Rio Arriba County, NM.

Site Specific:

The San Jose formation is the highest water bearing zone at this site with the exception of possible perched water. It is the youngest Tertiary bedrock unit in the San Basin. The formation occurs at the surface to a depth of 2,208' at the Carracas 30 B #13R location and ranges from 1,500' to 2,300' in this township and range. The bottom of Cottonwood Canyon is 2,090' to the Northwest and is 138' vertical feet below the pit location so the highest groundwater will be at least 138' below the pit bottom. The only potentially unstable areas in the region are over subsurface coal mines. This pit will not be located over a subsurface mine.

Geologic Summary:

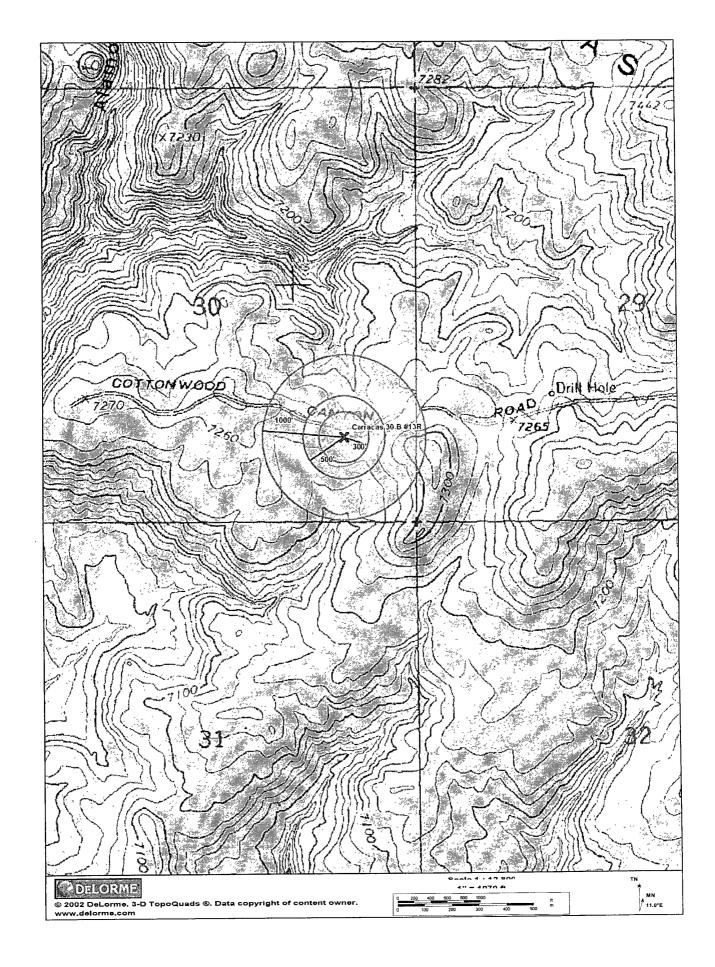
The San Jose is a sequence of interbedded sandstones and mudstones deposited in an alluvial and fluvial environment. The formation accumulated in broad, wet, alluvial aprons. Groundwater is associated with the alluvial and fluvial sandstone aquifers, hence it is controlled by the distribution of these sands. The San Jose can further be broken into four members: Cuba Mesa, Regina, Llaves, and Tapicitos (in ascending order). The first two, Cuba Mesa and Regina, are predominately sandstone and the latter two, Llaves and Tapicitos, are predominately mudstone.

Reference:

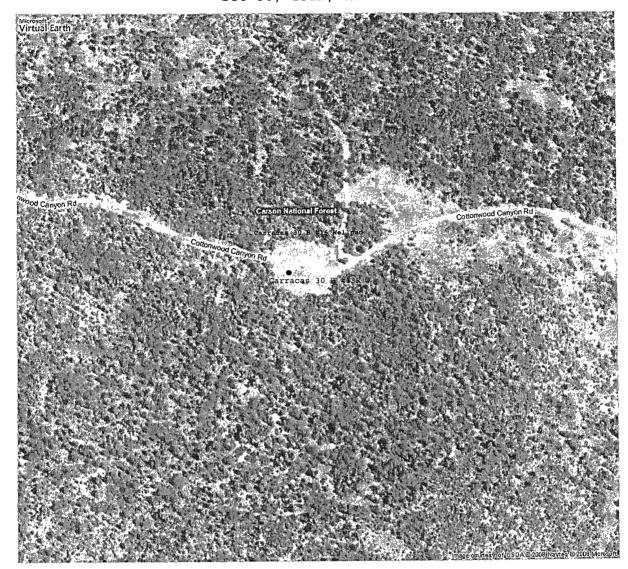
Stone W.J., Lyford F.P., Frenzel P.F., Mizell N.H., and Padgett E.T.: Hydrology and water resources of San Juan Basin, New Mexico Hydrologic Report 6, 1983.

Excavated Pit Soil Storage

The soil excavated for the proposed temporary drilling reserve pit will be stored on location and will be more than 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake.



Carracas 30 B #13R Sec 30, T32N, R4W



New Mexico Office of the State Engineer POD Reports and Downloads

	Towns	hip: 32N	Range: 04W	Sections: 30			
	NAD27	X:	Y:	Zone:	Search	Radius:	
	County: RA	Basin	n: SJ(San Juan)	*. *	Number:	Suffix:	
	Owner Name: (First)	(Last)		_ ○Non-Do	omestic ODomestic	All
	POD / Surface	Data Repor	t Avg	Depth to Water	Report	Water Column Report	
			Clear Form	iWATERS Me	nu Help		
or handed. Mellinguages, and the second mellinguages are an extensive and	rtin a law can with a states, new last the American territorial literature American American Al		approximate to the transporter strategy of the strategy of the strategy of	THE STREET WAS A STREET CONTRACTOR OF THE STRE	an v annannenniggsprangannennen vergyggsvager avna op at 10 km	and the control community and the second control control control control control control control control control	
	(acre ft per a	POD ,	/ SURFACE DATA	A REPORT 11/	19/2008	• •	1=NW 2=NE 3=SW 4=SE biggest to smallest

POD Number

Source Tws Rng Sec q q q

No Records found, try again

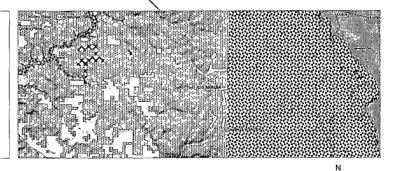
Use Diversion Owner

DB File Nbr

MMQonline Public Version











Temporary Pit Design Plan:

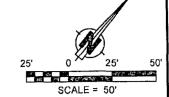
The pit will be designed and constructed in the following manner:

- 1) Top soil will be stripped, stockpiled and stored as designated on the attached well sight layout schematic.
- 2) A sign will be posted on location in accordance with 19.15.3.103 NMAC.
- 3) A four strand barbwire fence will be constructed around the perimeter of the pit with the strands evenly spaced between one and four feet from the ground. This fence will be used to excluded livestock from inadvertently entering the pit. The side of the fence adjacent to the rig will be removed during operations. This fence if located within 1000 feet of a permanent residence, school, hospital, institution or church will be a six foot chain link fence with two strands of barbed wire at the top.
- 4) The pit will be designed to confine liquids, prevent unauthorized releases by constructing a foundation with interior slopes consisting of a firm and unyielding base that are smooth and free of rocks, debris or other sharp edges to prevent liner damage. The slopes will be constructed with a 2:1 ratio of vertical to horizontal with a changing slope within five feet of the shale shakers trending towards horizontal. The volume of the pit will no exceed 10 acre feet including freeboard. The pit will be lines with a LLDPE geomembrane liner with a thickness of no less then 20mm. The liner material will be compatible with EPA SW-846 method 9090A. Liner seams will be orientated along the dump axis and will be factory manufactured with an overlap of four to six inches. If needed a geotextile will be place under the liner to reduce localized stress-strain that may compromise liner integrity. The edges of the liner will be anchored in the bottom of a compacted earth-filled trench no less the 18 inches deep.
- 5) To prevent runon of surface water a berm no less then 12 inches high will be constructed around the perimeter of the pit. With drainage ditches being directed to the runoff requirements set forth in the APD Condition of Approval.

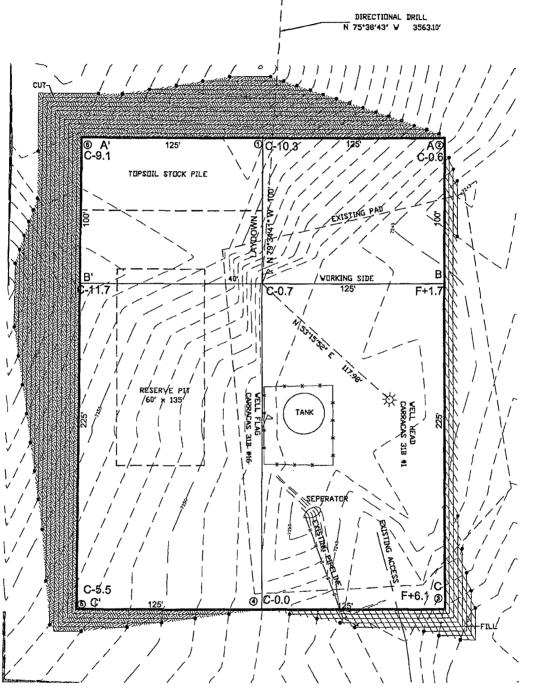
LATITUDE: 36.95323°N LONGITUDE: 107.29013°W DATUM: NAD 83

ENERGEN RESOURCES CORPORATION

CARRACAS 30B #13 R
990' FSL & 915' FEL
LOCATED IN THE SE/4 SE/4 OF SECTION 30,
T32N, R4W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 7248', NAVD 88



FINISHED PAD ELEVATION: 7247.0', NAVD 88



1 FOOT CONTOUR INTERVAL SHOWN

SCALE: 1" = 50' JOB No.: ERG202 DATE: 07/3/08



Russell Surveying 1409 W. Aztec Blvd. #2 Aztec, New Mexico 87410 (505) 334-8637

Temporary Pit Operations Plan:

The pit will be operated and maintained; to contain liquids and solids, to insure liner and secondary containment integrity, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. To attain this goal the following steps will be followed;

- 1) The fluids in the pit remaining after rig release will be vacuumed out and transported to active drilling locations to be reused or disposed of with Agua Moss LLC in the Pretty Lady #1 (Disposal API Number # 30-048-30922) within 30 days. Residual fluids after vacuuming will be allowed to evaporate.
- 2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the pit. Only fluids or cuttings used or generated in the drilling process will be placed or stored in the pit.
- 3) The division district office will be notified within 48 hrs of the discovery of compromised liner integrity. Upon the discovery of the compromised liner repairs will be enacted immediately.
- 4) The division district office will be notified within 48 hrs of the discovery of compromised liner integrity below the fluid level unless more then 25 bbls is released in which case Rule 116's 24 hr notification will apply. All liquid above the damaged liner section will be removed to a level below the damage within 48 hrs and repairs will be enacted.
- 5) Precautionary measures will be taken to insure no liner damage is caused when adding or removing fluids and solids from the pit. This will be accomplished by gradually increasing the slope of the pit from negligible underneath the shale shakers to the 2:1 ratio required by 19.15.17.11 within five feet. A perforated pipe will be installed in the corner of the pit so that a vacuum hose can be run through it to remove fluids without damaging the liner.
- 6) Perimeter berms and ditches will be constructed around the exterior of the pit to prevent surface water run-on but the rig side may be left open to allow location drainage.
- 7) A oil absorbent boom will be maintained on site to remove oil from the pit's surface if necessary. Immediately on the cessation of drilling any accumulated oil will be removed from the surface of the pit.
- 8) A minimum of two feet of freeboard will be maintained at all times. Once fluid levels have the possibility of rising above the minimum freeboard fluid will be vacuumed out of the pit.
- 9) All of the above operations will be inspected and a log will be signed and dated. During drilling operations the inspection will be daily and after rig release they will be carried out weekly as log as there is fluid in the pit.

Temporary Pit Closure Plan:

The pit will be closed with in place burial. The surface owner will be notified prior to closure by certified mail and the return receipt will be included in the closure packet. The OCD will be verbally or by other means notified at least 72 hours and not more then one week prior to the pit closing. The following process will be used to close the pit:

- 1) The contents will be solidified to a bearing capacity sufficient to support the final cover. This will be accomplished by mixing the contents with soil at a mixing ratio no greater then 3:1 soil to contents.
- 2) The liner will be cut off at the mudline.
- 3) Sampling will be done by collecting a minimum of a five-point composite sample of the contents after stabilization. If the ground water is less then 100 feet below the pit but greater then 50 feet testing for Chlorides will be done to the lower limit. The sample will be analyzed for the following components;

	Components	Tests Method	Limit (mg/Kg)
-[Benzene	EPA SW-846 8021B or 8260B	0.2
	BTEX	EPA SW-846 8021B or 8260B	50
	TPH	EPA SW-846 418.1	2500
	GRO/DRO	EPA SW-846 8015M	500
	Chlorides	EPA 300.1	1000/500

- 4) After demonstrating that the stabilized contents are under the limits listed above the contents will be covered with compacted non-waste containing earthen material to a minimum of three feet. If stabilized contents exceed a volume that can be covered with three feet of earth and a foot of topsoil the excess contents will be removed and sent to Envirotech (Permit NM-01-0011). If the stabilized contents do no meet the above stated limits the stabilized contents will all be hauled to Envirotech pursuant to excavation and removal guidelines (19.15.17.13 B1)
- 5) After the stabilized contents have been covered, the stockpiled topsoil will replaced to a minimum depth of one foot. Topsoil cover will be graded to prevent ponding of water and erosion of the cover material. This will be accomplished within six months of rig release.
- 6) The exact location of the on-site burial will be reported to the Aztec field office on the C-105 form. A deed notice identifying the exact location of the on-site burial will be filed with the county clerk. The final closure report (C-144) will be filled within 60 days of closure completion and include sampling results, plot plan, details on back filling, covering and inspections during the life of the pit.
- 7) The disturbed area will be seeded or planted the first growing season after closing the pit. Seed will be drilled on the contour whenever practical or by other division-approved methods. The being to obtain vegetative cover that equals 70% of the native cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation) consisting of at least three native plant species, including at least one grass but not including noxious weeds. Cover will be maintained through two successive growing seasons. During the

- two growing seasons that prove viability there shall be no artificial irrigation of the vegetation. Seeding or planting will continue until the required cover is reached. If conditions are not favorable to establishment of vegetation due to periods of drought or similar problems then the Aztec office of the OCD will be notified. The Aztec office of the OCD will also be notified when the disturbed ground successfully achieves re-vegetation.
- 8) Until the abandonment of the wells on the pad where the pit is located a steel marker no less then four inches in diameter will be cemented in a hole three feet deep in the center of the onsite burial. The top of this marker will be flush with the ground to allow access of the pad as well as safety concerns. Once all wells on the pad are abandoned a four foot tall riser will be welded on top of the marker with; operator name, lease name, well name and number, unit number, section, township and rage, and a designation that it is an onsite burial location