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

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

49	04
----	----

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

rroposed Atternative Method Fo	chilit of Closure	rian Application	
Type of action:  Permit of a pit, closed-loop syst  Closure of a pit, closed-loop syst  Modification to an existing perm  Closure plan only submitted for	stem, below-grade tank, nit	or proposed alternative method	d
below-grade tank, or proposed alternative method			
Instructions: Please submit one application (Form C-144) per indi	vidual pit, closed-loop sys	tem, below-grade tank or alternat	ive request
Please be advised that approval of this request does not relieve the operator of liabil			
environment. Nor does approval relieve the operator of its responsibility to comply	with any other applicable g	overnmental audiority's rules, regula	ations of ordinances.
Operator: BP AMERICA PRODUCTION COMPANY	OGRID #:_	778	
Address: 200 ENERGY COURT, FARMINGTON, NM 87410			
Facility or well name: SCHWERDTFEGER B 003			
API Number: 3004526989 00	CD Permit Number:		
U/L or Qtr/Qtr M Section 27 Township 31.0			
Center of Proposed Design: Latitude 36.86483	ongitude 107.7	7453 NAD:	1927 🗌 1983
Surface Owner: 🛛 Federal 🗌 State 🔲 Private 🔲 Tribal Trust or Indian All	otment		
2.			
Pit: Subsection F or G of 19.15.17.11 NMAC		RCVD JAN 1	
Temporary: Drilling Workover		OIL CONS.	DIV.
Permanent Emergency Cavitation P&A		DIST. S	3
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE	☐ HDPE ☐ PVC ☐ C	Other	
☐ String-Reinforced			
Liner Seams:	Volume:bl	ol Dimensions: Lx 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 Drillin intent)	ng (Applies to activities w	nich require prior approval of a per	rmit or notice of
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other		,	
Lined Unlined Liner type: Thickness mil LLD	PE 🗌 HDPE 🗌 PVC [	Other	
Liner Seams: Welded Factory Other			
4.			
Below-grade tank: Subsection I of 19.15.17.11 NMAC Note: Existing	ng BGT to be modified p	oursuant to attached plan	
Volume: 95 bbl Type of fluid: Produced wa	iter		
Tank Construction material: Steel			
igstyle Secondary containment with leak detection $igstyle$ Visible sidewalls, liner,			
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other			
Liner type: Thicknessmil	Other		
5.			
Alternative Method:			
Submittal of an exception request is required. Exceptions must be submitted	to the Santa Fe Environm	ental Bureau office for considerati	ion of approval.

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)	nospital,
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet	
☐ Alternate. Please specify Hogwire Fencing per attached plan	
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)	
8.	
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	
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 of consideration of approval.  Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
Siting Criteria (regarding permitting): 19.15.17.10 NMAC  Note: Pre-Existing BGT – Siting Criteria Not Applicable  Instructions: 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 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.	priate district pproval.
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 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)	Yes No
<ul> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> <li>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.</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	☐ 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
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	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 Operating and Maintenance Plan API Number:(Applies only to closed-loop system that use
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 <sub>2</sub> S, Prevention Plan   Emergency Response Plan   Gild Waste Stream Characterization   Monitoring and Inspection Plan   Erosion Control 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 Method – 19.15.17.13E – Protocols and Procedures included in attached Closure Plan  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) 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 H of 19.15.17.13 NMAC □ Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if mo facilities are required.	ore mun ino
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 activities occur on or in areas that will not be used for future service   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 G 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 the closure plan. Recommendations of acceptable source provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justificate demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	ct office or may be
NIM OF CHICARD CHICARD LINE AND A LOCARD CHICARD CHICA	☐ Yes ☐ No ☐ NA
	☐ Yes ☐ No ☐ NA
	<ul><li>☐ Yes ☐ No</li><li>☐ NA</li></ul>
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.  - 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; 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
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan.  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  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 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 I of 19.15.17.13 NMAC  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	5.17.11 NMAC

•	
Operator Application Certification:  I hereby certify that the information submitted with this application is true.	, accurate and complete to the best of my knowledge and belief.
Name (Print): BUDDY SHAW	Title: ENVIRONMENTAL COORDINATOR
Signature: Suddy Shaw	Date:JANUARY 14, 2010
e-mail address: buddy.shaw@bp.com	Telephone: (505) 326-9200
OCD Approval: Permit Application (including closure plan) Clo	sure Plan (only) OCD Conditions (see attachment)
	Approval Date: <u>3/15/φο</u>
Title: FNJino/spec	OCD Permit Number:
Closure Report (required within 60 days of closure completion): Substitutions: Operators are required to obtain an approved closure plan The closure report is required to be submitted to the division within 60 days section of the form until an approved closure plan has been obtained and	prior to implementing any closure activities and submitting the closure report.  sys of the completion of the closure activities. Please do not complete this
Closure Method:  Waste Excavation and Removal On-Site Closure Method  If different from approved plan, please explain.	Alternative Closure Method
two facilities were utilized.	ds, 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 activities performed Yes (If yes, please demonstrate compliance to the items below)	
Required for impacted areas which will not be used for future service and a Site Reclamation (Photo Documentation)  Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	operations:
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 closures)  Disposal Facility Name and Permit Number  Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  Site Reclamation (Photo Documentation)	osure)  Longitude NAD:     1927   1983
25.	
Operator Closure Certification:	osure report is true, accurate and complete to the best of my knowledge and equirements and conditions specified in the approved closure plan.
Name (Print):	
Signature:	Date:
e-mail address:	Telephone:

### BP AMERICA PRODUCTION COMPANY

### San Juan Basin in Northwest New Mexico Below-Grade Tank Design and Construction Plan

Pursuant to Rule 19.15.17.11 NMAC, BP America Production Company (BP) shall construct a below-grade tank (BGT) or modify an existing permitted BGT with the following requirements. Any deviations from this plan will be addressed on the New Mexico Oil Conservation Division's (NMCOD) form C-144 at the time of submittal.

- 1) The BGT will be constructed to contain liquids and prevent contamination of fresh water and protect public health and the environment as to address Subsection A of 19.15.17.11 NMAC.
- 2) A well sign in compliance with 19.15.3.103 NMAC will be posted at the well site to address, at a minimum, those requirements stipulated in Subsection C of 19.15.17.11 NMAC.
- 3) BP will fence or enclose its BGTs in a manner that prevents unauthorized access and shall maintain its fence in good repair.
- 4) BP will fence or enclose a BGT located within 1,000 feet of a permanent residence, school, hospital, institution or church according to the specifications stated in Paragraph 2 of Subsection D, 19.15.17.11 NMAC. At a minimum, a chain link security fence at least six (6) feet in height with at least two (2) strands of barbed wire at the top will be erected. BP will ensure that all gates associated with the fence are closed and locked when responsible personnel are not on-site.
- BP is requesting NMOCD's approval for an alternative fence design that provides, at a minimum, equivalent protection to the design specified in Paragraph 3 of Subsection D of 19.15.17.11 NMAC for BGTs beyond the stated distance in paragraph 4 of this document. BP's proposed design for its BGTs will utilize 48" steel mesh field-fence (hogwire) with a metal or steel top rail. Perimeter T-post will be installed roughly every 10 feet.
- Individual BGT perimeter fencing is not required if an adequate surrounding well site/facility perimeter fence that prevents unauthorized access is currently existing.
- 7) BP's BGTs will be netted, screened, or enclosed with a steel top with a screened steel hatch as to prevent a hazardous condition to wildlife, including migratory birds (addressing Subsection E of 19.15.17.11 NMAC).
- 8) The following requirements adhere to Subsection I of 19.15.17.11 NMAC.
  - a. BP's BGTs will be constructed of materials resistant to produced water, occidental condensate/hydrocarbon fluids, and damage from sunlight (manufacturer's specification documentation attached).
  - b. BP's BGTs shall have a properly constructed earthen foundation consisting of a level base free of rocks, debris, sharp edges, or irregularities as to prevent punctures, cracks or indentations of any liner (if utilized and meet the minimum requirements in Subsection I of 19.15.17.11 NMAC) or BGT bottom.
  - c. The BGT will be constructed to prevent surface water run-on by using earthen berms and/or diversion dikes. Overflow will be prevented by use of an electronic high fluid level detector that will automatically engage an electronic shut-off valve when a 1 foot freeboard is reached.
  - d. (i) BP may install a BGT according to Subparagraph (a) of Paragraph 4 of Subsection I of 19.15.17.11 NMAC(see simplistic schematic bottom of page 1). The sidewall cellars will typically be earthen or may be fortified with either wooden or steel walls. Any loss of the sidewall structural integrity will be evaluated by the monthly inspection as described in BP's Operating and Maintenance Plan for BGTs and promptly repaired. The BGT will be placed on a PVC liner, with a minimum 6-inch lift, and meet all requirements specified in Subparagraph (a) of Paragraph 4 of Subsection I of 19.15.17.11 NMAC. BP will request NMOCD approval prior to any liner installation described in this paragraph.
    - (ii) BP may install a BGT according to Subparagraph (b) of Paragraph 4 of Subsection I of 19.15.17.11 NMAC by installing a double walled/double bottom steel tank with a 2-inch diameter leak detection port (see simplistic schematic bottom of page 2). The leak detection will be monitored according to BP's NMOCD approved Operating and Maintenance Plan for BGTs.
    - (iii) BP may install a BGT according to Subparagraph (c) of Paragraph 4 of Subsection I of 19.15.17.11 NMAC. (see simplistic schematic bottom of page 3). This alternative design is simply placement of a BGT within a BGT. The outer BGT will serve as the sidewall, base and leak detection surface to the inner BGT. The inner BGT will be placed on a 6-inch minimum lift.
    - BP's BGTs constructed and installed prior to June 16, 2008 that have the side walls open for visual inspection and are placed upon a geomembrane liner but does not meet all the requirements in Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC are not required to equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as the BGT demonstrates integrity. If the existing BGT does not demonstrate integrity, then BP will promptly remove the BGT and retrofit to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC. If BGT closure is indicated, the approved closure plan for the BGT will be implemented. If a spill or release is discovered, the provisions outlined in Rule 19.15.3.116 NMAC will be followed.
  - BP's BGTs constructed and installed prior to June 16, 2008 that do not comply with Paragraph (1) through (4) of Subsection I of 19.15.17.11 NMAC or do not comply with Paragraph (5) of Subsection I of 19.15.17.11 NMAC will equip or retrofit the BGT to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, or close it according to BP's NMOCD approved closure plan, within five (5) years after June 16, 2008. If existing BGTs do not demonstrate integrity, BP will promptly remove the BGT and retrofit to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC. If a spill or release is discovered, the provisions outlined in Rule 19.15.3.116 NMAC will be followed.

10)

### BP AMERICA PRODUCTION COMPANY

### San Juan Basin in Northwest New Mexico Below-Grade Tank Operating and Maintenance Plan

Pursuant to Rule 19.15.17.12 NMAC, BP America Production Company (BP) shall maintain and operate a below-grade tank (BGT) with the following requirements. Any deviations from this plan will be addressed with the submittal to the New Mexico Oil Conservation Division's (NMOCD) form C-144 at the time of the BGT permit or modification to an existing permitted BGT application.

- 1) BP's BGTs will be operated and maintained to promptly identify a release or potential release. BP will use existing automated high fluid level alarms tied to a central dispatch center if a high level (less than 1 foot freeboard) is detected. If such a level is alarmed, discharge to the BGT will be automatically terminated by closing an automatic shut-off valve. A visual inspection of the site will then be conducted to confirm a high fluid level and coordinate removal of BGT liquids, if indicated.
- 2) BP will not knowingly discharge or store any hazardous waste into a BGT.
- 3) If a BGT develops a leak, or a release occurs due to mechanical failure or vandalism, or if any penetration for whatever unforeseeable reason of a BGT occurs below the liquid's surface, BP will attempt to 1) evacuate all liquids from the BGT or, at a minimum, above the damage or leak line within 48 hours, 2) notify the NMOCD's District III office within 48 hours of the discovery or within the allowable timeframe stipulated in 19.15.3.116 NMAC and 3) repair the damage or retrofit the BGT as specified within BP's NMOCD approved Design and Construction Plan for BGT's. If remedial actions due to environmental impacts are necessary, the provisions outlined in Rule 19.15.3.116 NMAC will be followed. If BGT closure is required then the approved closure plan for the site will be implemented.
- 4) BP will install its BGTs following the approved Design and Construction Plan, which fully addresses control of surface water run on and overflow prevention.
- 5) The following requirements adhere to Subsection D of 19.15.17.12 NMAC.
  - a. BP will minimize the potential for a BGT overflow or surface water run-on by following the practices as described in Paragraphs 1 through 5 of this document.
  - b. BP will remove any visible or measurable layer of oil from the fluid surface of any of its BGTs.
  - c. BP will inspect its BGTs at least monthly. The personnel will conduct a walk-around of the BGT to observe any abnormalities to the daily operation of the BGT. When applicable, monitoring of the BGT's double wall double bottom inspection port will be conducted using either a measuring stick or an electronic device capable of detecting fluids (specifications will be noted on inspection reports). Personnel will record any BGT integrity deficiencies and report to BP Dispatch Office immediately if an imminent danger to fresh water, public heath, or to the environment is observed. BP will maintain a written record (generally referred to as Green Day reports) of each inspection for at least five (5) years. A draft template inspection sheet is attached.
  - d. BP will maintain at a minimum, a one (1) foot freeboard to prevent overtopping of its BGT.

### BP AMERICA PRODUCTION COMPANY

### SAN JUAN BASIN, NORTHWEST NEW MEXICO

### **BELOW-GRADE TANK CLOSURE PLAN**

As stipulated in Rule 19.15.17.13 NMAC, the following information adheres to the requirements established in closing below-grade tanks (BGTs) on BP America Production Company (BP) well sites. This plan will address the standard protocols and procedures for closure of BGTs. If deviations from this plan are necessary, any specific changes will be included with New Mexico Oil Conservation Division (NMOCD) form C-144.

BP shall close its BGTs within the time periods provided in 19.15.13 NMAC, or by an earlier date that the NMOCD requires due to imminent danger to fresh water, public heath or the environment. BP shall close its existing BGTs that do not meet the requirements of Paragraphs (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 (5) years after June 16, 2008, if not retrofitted to comply with Paragraph (1) through (4) of Subsection I of 19.15.17.11 NMAC. BP shall close its permitted BGTs within 60 days of cessation of the BGTs operation or as required by the transitional provisions of Subsection B, D, or E of 19.15.17.17 NMAC in accordance with this closure plan after receiving NMOCD's division District III office approval.

The following outline addresses all requirements for closure of BP's BGTs;

- 1. BP shall notify the surface owner by certified mail, return receipt requested, that it plans to close a BGT. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is understood to demonstrate compliance with this requirement.
- 2. In addition, notification will also be given to the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice shall include the well name and number to be closed, legal description utilizing unit letter, section, township, range, and API number.
- Remove liquids and sludge from the BGTs prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. A list of BP approved disposal facilities is included at the end of this document.
- 4. Remove the BGT and dispose of it in a NMOCD's division-approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD's division District III office approves. If a liner is present and must be disposed it will be cleaned by scraping any soils or other attached materials on the liner to a de minimus amount and disposed at a permitted solid waste facility, pursuant to Subparagraph (n) of Paragraph (1) of Subsection D of 19.15.9.712 NMAC.
- Remove any on-site equipment associated with a BGT unless the equipment is required for some other purpose.
- 6. BP will test the soils beneath the BGTs to determine whether a release has occurred. At a minimum, a five (5) point composite sample and individual grab samples from any area that is wet, discolored or showing other evidence of a release will be analyzed for BTEX, TPH and chlorides. The testing methods and closure standards for those constituents are as follows;

Constituents	Testing Method	Closure Standards (mg/Kg)
Benzene	US EPA Method SW-846 8021B or 8260B	0.2
Total BTEX	US EPA Method SW-846 8021B or 8260B	50
TPH	US EPA Method SW-846 418.1	100
Chlorides	US EPA Method 300.0 or 4500B	250 or background

Notes:

mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons. Other EPA method that the division approves may be applied to all constituents listed. Chloride closure standards will be determined by which ever concentration level is greatest.

- BP will notify the division District III office of its results on form C-141. NMOCD may require additional delineation upon review of the results.
- 8. If it is determined that a release has occurred, then BP will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

- 9. If the confirmation sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then BP will backfill the excavation, with NMOCD's approval, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site. The NMOCD prescribed soil cover, recontouring and re-vegetation requirements shall comply with Subsections G, H and I of 19.15.17.13 NMAC.
- 10. Reclamation will follow 19.15.17.13G (1) and (2).
  - a. Once the BGT has been approved for closure by NMOCD, the BGT location and all areas associated with the BGT including associated access roads will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. It is understood that BP shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, recontour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC.
- 11. Soil cover will follow 19.15.17.13H (1) and (3).
  - a. The soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.
  - b. The soil cover will be constructed to the site's existing grade and all possible efforts will be conducted to prevent ponding of water and erosion of the cover material.
- 12. Revegetation will follow 19.15.17.13I (1), (2), (3), (4) and (5).
  - a. Revegetation of the BGT location and any associated access road(s) will be attempted during the first growing season after closure of the BGT with seeding or planting of the disturbed areas. Seeding will be accomplished by tilling/plowing on the contour whenever practical or by other division-approved methods. Vegetative cover will be, at a minimum, 70% of the native perennial vegetative 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, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
  - b. Seeding or planting will be repeated until it successfully achieves the required vegetative cover.
  - c. When conditions are not favorable for the establishment of vegetation, such as periods of drought, the division may allow sufficient time to delay seeding or planting until soil moisture conditions become favorable. In addition, the division may require BP to use additional cultural techniques such as mulching, fertilizing, irrigating, fencing or other practices.
  - d. Notification will be given to the division District III office when seeding or planting has been successfully achieved.
- 13. Within 60 days of closure completion, submittal of a closure report on NMOCD's form C-144, with necessary attachments to document all closure activities including proof of closure notification (surface owner and NMOCD) sampling analytical reports; information required by 19.15.17 NMAC; a plot plan; details on back-filling, capping, covering, and where applicable re-vegetation application rates and seeding techniques and photo documentation. BP will certify that all information in the report and attachments is accurate, truthful, and compliant with all applicable closure requirements and conditions specified in the approved closure plan.

#### Proposed waste disposal sites:

BP Crouch Mesa Landfarm, Permit NM-02-003

JFJ Landfarm, Permit NM-01-010(B)

Basin Disposal, Permit NM-01-0005

BP Operated E.E. Elliott SWD #1, API 30-045-27799

BP Operated 13 GCU SWD #1, API 30-045-28601

BP Operated GCU 259 SWD, API 30-045-20006

BP Operated GCU 306 SWD, API 30-045-24286

BP Operated GCU 307 SWD, API 30-045-24248

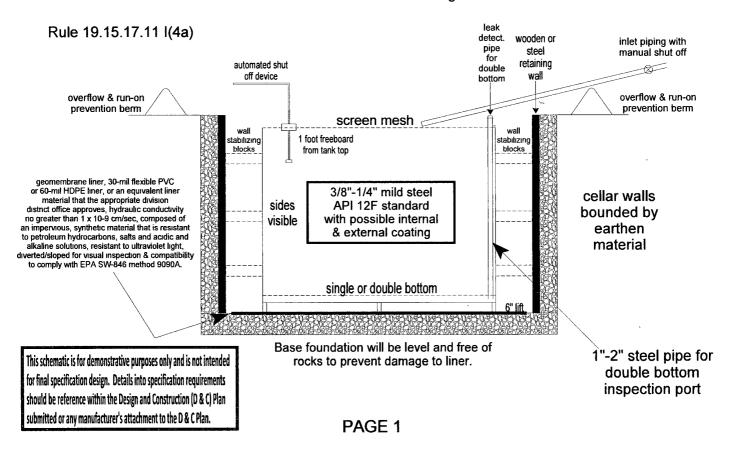
BP Operated GCU 328 SWD, API 30-045-24735

BP Operated Pritchard SWD #1, API 30-045-28351

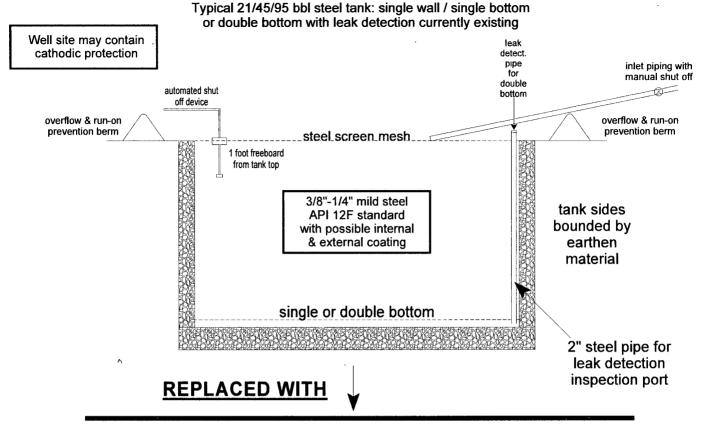
# SIMPLISTIC SCHEMATIC OF A MODIFICATION TO AN EXISTING BELOW-GRADE TANK

Typical 21/45/95 bbl steel tank: single wall / single bottom or double bottom with leak detection currently existing Well site may contain leak cathodic protection detect pipe inlet piping with for manual shut off double automated shut bottom off device overflow & run-on overflow & run-on prevention berm prevention berm steel screen mesh 1 foot freeboard from tank top 3/8"-1/4" mild steel tank sides API 12F standard bounded by with possible internal & external coating earthen material single or double bottom 2" steel pipe for double bottom inspection port **RETROFITTED TO** 

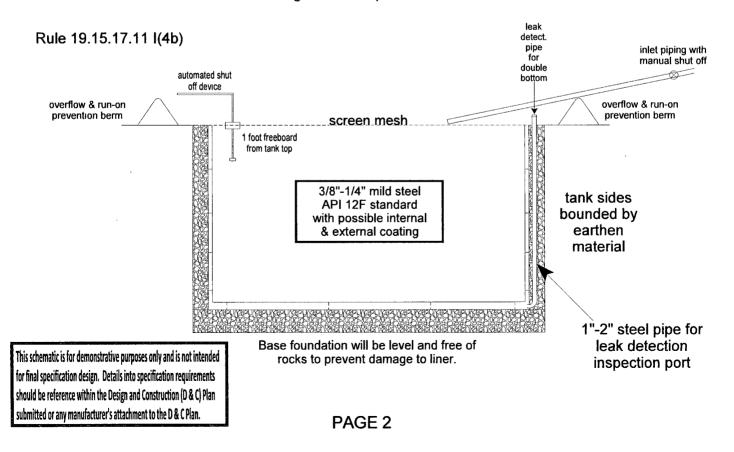
21/45/95 bbl steel tank: single wall / single bottom or double bottom with leak detection / visible sides / 6" lift / geomembrane liner



# SIMPLISTIC SCHEMATIC OF A MODIFICATION TO AN EXISTING BELOW-GRADE TANK



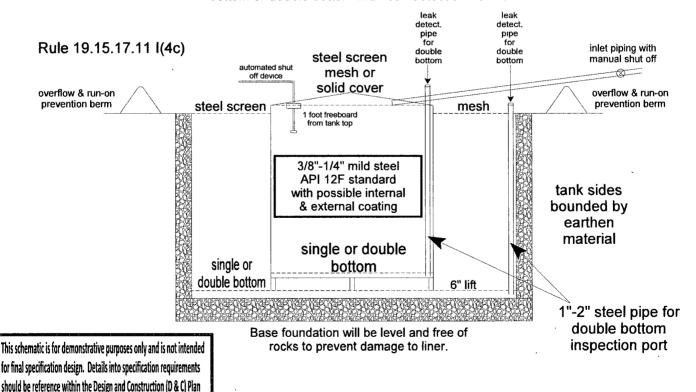
21/45/95 bbl steel tank: double wall / double bottom with single or double port leak detection



# SIMPLISTIC SCHEMATIC OF A MODIFICATION TO AN EXISTING BELOW-GRADE TANK

Typical 95 bbl steel tank: single wall/single bottom or double bottom with leak detection currently existing Well site may contain cathodic protection detect. pipe inlet piping with manual shut off double automated shut hottom off device overflow & run-on overflow & run-on prevention berm prevention berm steel screen mesh 1 foot freeboard from tank top 3/8"-1/4" mild steel tank sides API 12F standard bounded by with possible internal & external coating earthen material single or double bottom 2" steel pipe for double bottom inspection port **RETROFITTED TO** 

21/45/50 bbl steel tank: single wall / single bottom or double bottom with leak detection inserted into 95 bbl steel tank: single wall / single bottom or double bottom with leak detection / 6" lift



PAGE 3

submitted or any manufacturer's attachment to the D & C Plan.

### **General Geology and Hydrology**

The San Juan Basin is situated in the Navajo section of the Colorado Plateau and is characterized by broad open valleys, mesas, buttes, and hogbacks. Away from major valleys and canyons topographic relief is generally low. Native vegetation is sparse and shrubby. Drainage is mainly by the San Juan River, the only permanent stream in the Navajo Section of the Colorado Plateau; the San Juan River is a tributary of the Colorado River. Major tributaries include the Animas, Chaco, and La Plata Rivers. Flow of the San Juan River across the basin is regulated by the Navajo Dam, located about 30 miles northeast of Farmington, New Mexico. The climate is arid to semiarid with an average annual precipitation of 8–10 in. (Circular 154—Guidebook to coal geology of northwest New Mexico By E. C. Beaumont, J. W. Shomaker, W. J. Stone, and others, 1976). Soils within the basin consist of weathered parent rock derived from predominantly physical means mostly from eolian depositional system with fluvial having a lesser impact.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aguifers in the San Juan Basin (Stone, et al., 1983). The San Jose Formation of Eocene age occurs in both 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 border and overlies the Animas Formation in the general area 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 shale. Thickness of the San Jose increases from west to east. Groundwater is associated with alluvial and fluvial sandstone aquifers. The occurrence of groundwater is mainly controlled by distribution of sandstone in the formation. The reported or measured discharge from numerous water wells completed in the formation range from 0.15 to 61 gallons per minute (gpm) and with a median of 5 gpm. Most of wells provide water for livestock and domestic purposes. The formation is suitable for recharge from precipitation due to overlying soils being sandy, highly permeable, and absorbent. Low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the formation by the San Juan River and its main tributaries all tend to reduce the effective recharge to the formation. Aguifers within the coarser and continuous sandstone bodies of the Nacimiento Formation of Paleocene age are between 0 and 1,000 feet deep in the majority of the basin as well (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).

### **BP America Production Company**

Well Site: SCHWERDTFEGER B 003

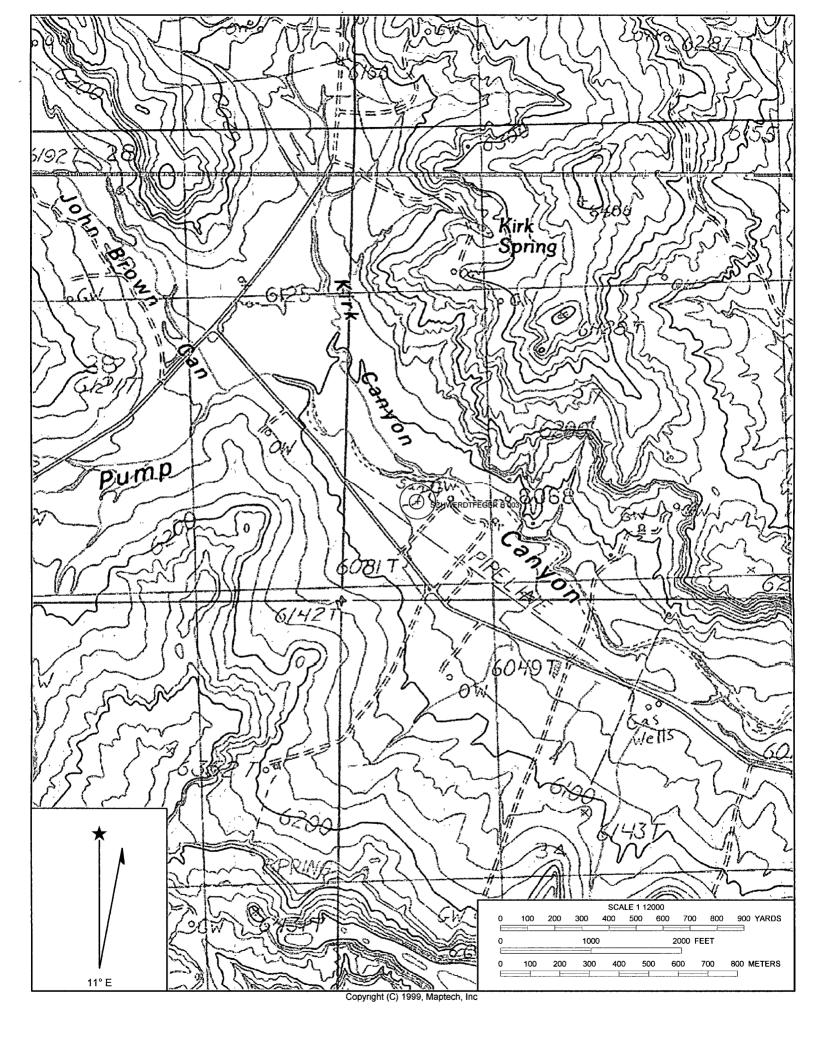
Legals: (M) Section 27 – T31N – R09W, San Juan County, NM

API #: 30-045-26989

### **Site Specific Evaluation**

 Topography: The well site is located approximately 12.5 miles east-northeast of Aztec, New Mexico. The proposed below-grade tank modification (PBGTM) is located on a flat portion southwest of the well head. Little Pump Canyon wash lies north and northeast of the site, trending/flowing in the southeast direction and is greater than 200 lateral feet from the PBGTM.

- 2) <u>Soils</u>: Surface soil at the proposed PBGTM site is comprised primarily of coarse grained sand. The thickness of this sand at the site is unknown. Bedrock outcrop is primarily observed at the canyon walls to the northeast and southwest (see Geology, below).
- 3) Geology: Review of geologic maps published by the New Mexico Bureau of Geology and Mineral Resources, 2003, indicates the outcrop at the site is the Nacimiento Formation of Paleocene age. This formation is described as a gray and brown shale and tan, medium grained and conglomeratic sandstone with a thickness as much as 240 meters. Its origin developed from fluvial and lacustrine type environments. Geomorphologic features of the surrounding area are predominantly gentle sloping hills and valleys with surficial channeling of varying size washes and arroyos created by earlier glacial events and recently, in terms of geologic time, by short, sometimes heavy precipitation during the spring and summer portions of the year.
- 4) <u>Surface Hydrology</u>: Surface run-off at the site is towards the southeast (see attached topography map). Visual inspection of the site did not present evidence of any recent storm run-on/run-off in the vicinity of the PBGTM location. In addition, no new manmade ponds, ditches, or any other surface depressions for surface water accumulation purposes were observed in the immediate vicinity.
- 5) Groundwater Hydrology: Information researched in the New Mexico State Engineer's (NMSE) well database did not report any water wells within 1,000 lateral feet of the PBGTM site. Based on monitor wells installed in 1992 at BP's Pritchard #5 well site (B-34-31-9 & approximately ¾ miles down slope from the PBGTM), groundwater depth is estimated between 40-50 feet below surface grade. NMSE records data search is attached.
- 6) <u>Private residences, springs, schools, hospitals, institutions, and churches</u>: The site was inspected for evidences of buildings, springs, etc. No such structures exist within 1,000 lateral feet of the PBGTM.
- 7) Wetlands and FEMA Flood Zones: U. S. Fish and Wildlife Wetlands Maps and FEMA FIRM Flood Zone Maps were reviewed to identify any such zones for the PBGTM location. The PBGTM does lay within 500 lateral feet of an Intermittent Riverine type wetland and within a Zone A type flood area. Maps of the data search are attached.





### New Mexico Office of the State Engineer

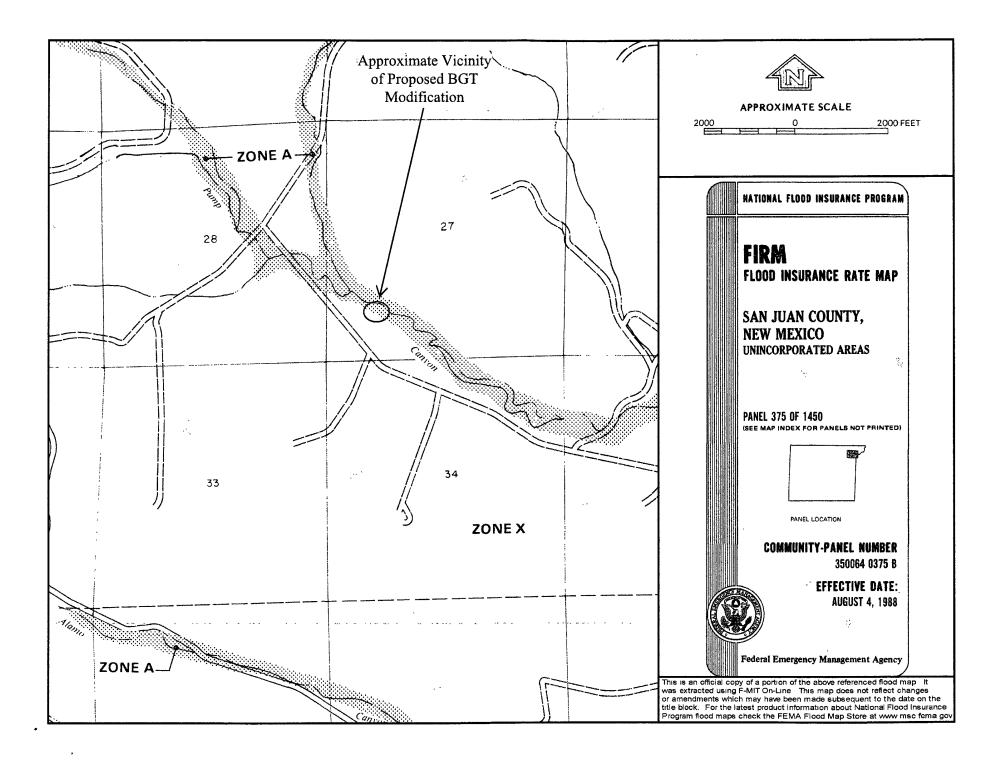
### **Wells with Well Log Information**

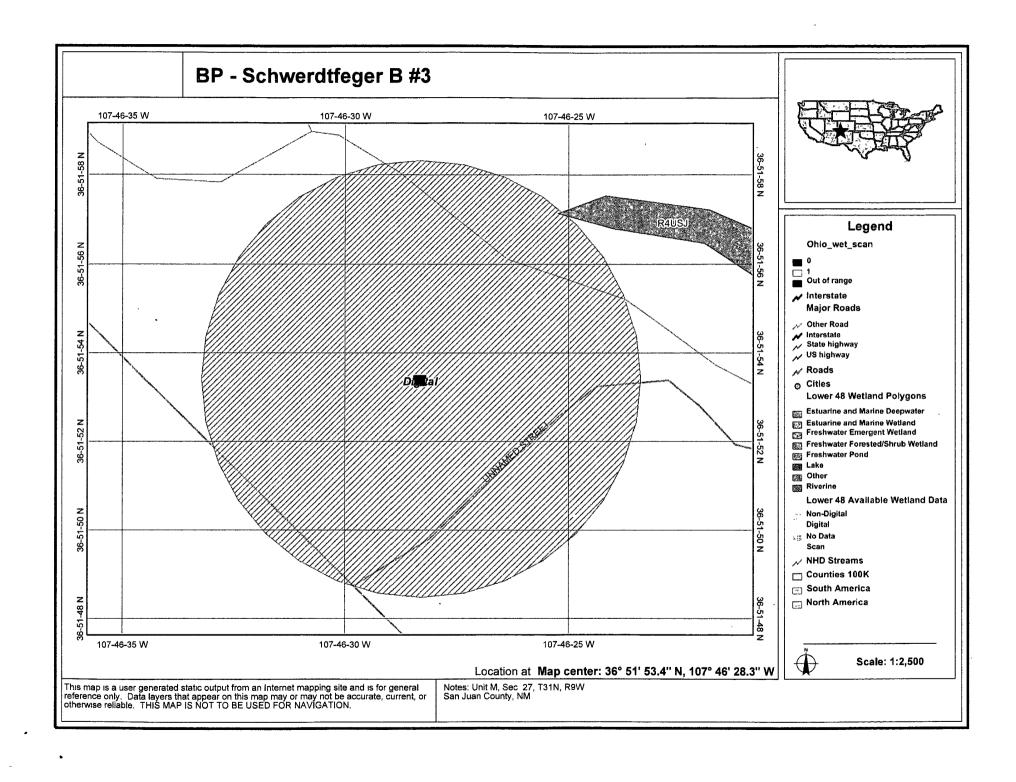
No wells found.

**PLSS Search:** 

Q16: SW Q4: SW Section(s): 27, 28, 33, 34 Township: 31N Range: 09W

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





### **Definitions of FEMA Flood Zone Designations**

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map

Each zone reflects the severity or type of flooding in the area

### **Moderate to Low Risk Areas**

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

ZONE DESCRIPTION		DESCRIPTION
	B, C, and X	Areas outside the 1-percent annual chance floodplain, areas of 1% annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1% annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1% annual chance flood by levees No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones.

### **High Risk Areas**

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas, no depths or base flood elevations are shown within these zones
AE, A1-A30	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. In most instances, base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
АН	Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
ÁO	River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.
AR	Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.
A99	Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones

#### High Risk - Coastal Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	ZONE DESCRIPTION	
v	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones	
VE, V1 - 30	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.	

#### **Undetermined Risk Areas**

ZONE	DESCRIPTION
D	Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk