District I 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

Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method

	system, below-grade tank, or proposed alternative method				
Instructions: Please submit one application (Form C-144) per in Please be advised that approval of this request does not relieve the operator of lie	ndividual pit, closed-loop system, below-grade tank or alternative request				
	ply with any other applicable governmental authority's rules, regulations or ordinances.				
Operator:Energen Resources	OGRID #:16298				
Address:2010 Afton Place, Farmington, New Mexico 87401	RCVD JUL 11 'OR				
Facility or well name:Elkhorn 101	OIL CONS. DIV.				
API Number:30-039-27450OCD Permit	Number: DIST. 3				
U/L or Qtr/QtrB Section29 Township32N Range5W County: Rio Arriba					
Center of Proposed Design: Latitude36.95639NLongitude107.38444WNAD: □1927 ⊠ 1983					
Surface Owner: ☑ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian	Allotment				
Pit: Subsection F or G of 19.15.17.11 NMAC	☑ Closed-loop System: Subsection H of 19.15.17.11 NMAC				
Temporary: Drilling Workover	☐ Drying Pad ☐ Tanks ☐ Haul-off Bins ☐ Other				
Permanent Emergency Cavitation Steel Pit	☐ Lined ☐ Unlined				
Lined Unlined	Liner type: Thicknessmil				
Liner type: Thicknessmil	Other				
Other String-Reinforced	Seams: Welded Factory Other				
Seams: Welded Factory Other	Volume:400bblyd ³				
Volume:bbl	Dimensions: Length_20 ft x Width12 ft_				
Below-grade tank: Subsection I of 19.15.17.11 NMAC	Fencing: Subsection D of 19.15.17.11 NMAC				
Volume:bbl	Chain link, six feet in height, two strands of barbed wire at top				
Type of fluid: Four foot height, four strands of barbed wire evenly spaced between					
Tank Construction material:	four feet				
Secondary containment with leak detection	Netting: Subsection E of 19.15.17.11 NMAC				
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Screen Netting Other				
☐ Visible sidewalls and liner	Monthly inspections				
☐ Visible sidewalls only	Signs: Subsection C of 19.15.17.11 NMAC				
Other	12'x24', 2' lettering, providing Operator's name, site location, and				
Liner type: Thicknessmil HDPE PVC	emergency telephone numbers				
Other	Signed in compliance with 19.15.3.103 NMAC				
Alternative Method:	Administrative Approvals and Exceptions:				
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration	Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.				
of approval.	Please check a box if one or more of the following is requested, if not leave				
Interior A TEST	blank: Administrative approval(s): Requests must be submitted to the				
A TOURN BY	appropriate division district or the Santa Fe Environmental Bureau office for				
2 RECEIVED A	consideration of approval. Exception(s): Requests must be submitted to the Santa Fe				
of approval. NA 18 19 20 27 33 27 27 27 27 27 27 27 27 27 27 27 27 27	Environmental Bureau office for consideration of approval.				
Come City 65 an cons DIV DIST. 3 ASI	2 72 12				

Page 1 of 4

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				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (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				
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				
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-Mining and Mineral Division				
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				
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 - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC				
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 (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (required 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 - 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:				

Permanená Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC				
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are				
attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment				
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC				
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC				
☐ Quality Control/Quality Assurance Construction and Installation Plan ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC				
Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC				
 Nuisance or Hazardous Odors, including H₂S, Prevention Plan Emergency Response Plan 				
☐ 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				
Type: Drilling Workover Emergency Cavitation 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 cor	sideration)			
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC				
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable				
source material are provided below. Requests regarding changes to certain siting criteria 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. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10				
NMAC for guidance.				
Ground water is less than 50 feet below the bottom of the buried waste.	☐ Yes ☐ No			
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ 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; Data obtained from nearby wells	□ NA			
Ground water is more than 100 feet below the bottom of the buried waste.	☐ Yes ☐ No			
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ NA			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa				
lake (measured from the ordinary high-water mark).				
- Topographic map; Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image				
Within 500 horizontal feet of a 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				
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	Yes No			
adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality				
Within 500 feet of a wetland. LIS Fish and Wildlife Wetland Identification many Tonographic many Visual inspection (certification) of the proposed site.	Ycs No			
- 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-Mining and Mineral Division				
Within an unstable area.	Yes No			
 Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 				
Within a 100-year floodplain.				

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 N	IMAC) 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				
Confirmation Sampling Plan (if applicable) - based upon the appropr				
 ☑ Disposal Facility Name and Permit Number (for liquids, drilling fluid ☑ Soil Backfill and Cover Design Specifications - based upon the approximation 	is and drift cuttings)			
Re-vegetation Plan - based upon the appropriate requirements of Sub				
Site Reclamation Plan - based upon the appropriate requirements of S				
	Bins Only: (19.15.17.13.D NMAC) Instructions: Please indentify the facility			
or facilities for the disposal of liquids, drilling fluids and drill cuttings.				
Disposal Facility Name: Envirotech.; EUL Canyon SWD#1 Dispos				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each	ch 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 appropri				
Proof of Surface Owner Notice - based upon the appropriate requiren				
☐ Construction and Design of Burial Trench (if applicable) based upon ☐ Protocols and Procedures - based upon the appropriate requirements	of to 15 17 12 NMAC			
Confirmation Sampling Plan (if applicable) - based upon the appropri				
Waste Material Sampling Plan - based upon the appropriate requirem	ents of Subsection F of 19.15.17.13 NMAC			
Disposal Facility Name and Permit Number (for liquids, drilling fluid	ds and drill cuttings or in case on-site closure standards cannot be achieved)			
Soil Cover Design - based upon the appropriate requirements of Subs				
Re-vegetation Plan - based upon the appropriate requirements of Sub				
Site Reclamation Plan - based upon the appropriate requirements of S				
Operator Application Contifications				
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): Pat Sanchez	Title:District Engineer			
rvanic (1 mile).	_			
Signatura Sala MC Ma	Date: 7-10-2008			
Signature:	Date.			
and allow the second se	Talanhama: 505 224 4141			
e-mail address:psanchez@energen.com Telephone:505.324.4141				
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Closed-loop Design Plan:

Our closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will entail an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be of sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1) Fencing is not required for an above ground closed-loop system.
- 2) It will be signed in compliance with 19.15.3.103 NMAC.
- 3) A frac tank will be on location to store fresh water.

Closed-loop Operating and Maintenance Plan:

The closed-loop tank will be operated and maintained; to contain liquids and solids, 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 liquids will be vaccumed out and disposed of at the Eul Canyon SWD#1 facility (Disposal API Number 30-039-26214). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM-01-0011) on a periodic basis to prevent over topping.
- 2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank.
- 3) The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately.
- 4) All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.

Closed-loop Closure Plan:

The closed loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit Number NM-01-0011) following rig operations. All remaining liquids will be transported and disposed of in the Eul Canyon SWD#1 facility (Disposal API number 30-039-26214). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.

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

1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised June 10, 2003

Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

1220 S. St. France	icis Dr., Sant	a Fe, NM 87	505		•			X A	AMENDED REPORT
	· · · · · · · · · · · · · · · · · · ·	WI	ELL LOCA	TION A	ND ACREA	GE DEDICA	ATION PLA		
¹ API Number			² Pool Code		³ Pool Name				
3	30-039-27450			71629 Basin Fruitland Coal					
⁴ Propert	⁴ Property Code			⁵ Property Name				⁶ Well Number	
				Elk Horn				#101	
7OGRI	⁷ OGRID No. ⁸ Operator Name					⁹ Elevation			
162928			Energen Resources Corporation		6815				
				10	Surface Locat	tion			
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West lin	ne County
В	29	3211	5W		755	North	2375	East	Rio Arriba
			11 Botto	m Hole L	ocation If Diff	erent From Sur	rface		
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West lin	ne County
A	29	32N	5W		1524	North	1129	East	Rio Arriba
12 Dedicated Acre	res 13 Joir	nt or Infill	14 Consolidation C	Code 15 Ord	er No.				
E/2	- 1	J	ı	j					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A

