District I
1025 N. French Dr., Hobbs, NM 88240
District II
311 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Received by OCD: 4/8/2021 12:30:49 PM

Form C-144

State of New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr.

Form C-144 Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.

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

Page 1 of 6

<u>Pit, Below-Grade Tank, or</u> <u>Proposed Alternative Method Permit or Closure Plan Application</u>

Santa Fe, NM 87505

Proposed Alternative Method Permit or Closure Plan Application
Type of action: Below grade tank registration Permit of a pit or proposed alternative method Closure of a pit, below-grade tank, or proposed alternative method Modification to an existing permit/or registration Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request
ease 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 avironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations, or ordinances.
operator:M&G Drilling CO INC OGRID #:141852
Address:P.O. Box 5940 Farmington, NM 87499
Facility or well name:Lunt #063
API Number:30-045-09773 OCD Permit Number:
U/L or Qtr/Qtr A Section07 Township30N Range13W County: San Juan
Center of Proposed Design: Latitude36.8322144Longitude108.239807NAD83
Surface Owner: Federal State Tribal Trust or Indian Allotment
Pit: Subsection F, G or J of 19.15.17.11 NMAC Temporary: □ Drilling □ Workover □ Permanent □ Emergency □ Cavitation □ P&A □ Multi-Well Fluid Management Low Chloride Drilling Fluid □ yes □ no □ Lined □ Unlined □ Liner type: Thickness _ mil □ LLDPE □ HDPE □ PVC □ Other
Tank Construction material:Steel
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: Thicknessmil
Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
5.
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)
Four foot height, four strands of barbed wire evenly spaced between one and four feet
Alternate. Please specify Four Foot height with mesh T-Post

Oil Conservation Division

6. Netting: Subsection E of 19.15.17.11 NMAC (Ap.	plies to permanent pits and permanent open top tanks)	
Screen Netting Other		
☐ Monthly inspections (If netting or screening is	not physically feasible)	
7. Signs: Subsection C of 19.15.17.11 NMAC		
☐ 12"x 24", 2" lettering, providing Operator's nat	me, site location, and emergency telephone numbers	
⊠ Signed in compliance with 19.15.16.8 NMAC		
Please check a box if one or more of the following Variance(s): Requests must be submitted to	y are required. Please refer to 19.15.17 NMAC for guidance. g is requested, if not leave blank: to the appropriate division district for consideration of approval. to the Santa Fe Environmental Bureau office for consideration of approval.	
9. Siting Criteria (regarding permitting): 19.15.17 Instructions: The applicant must demonstrate co material are provided below. Siting criteria does	mpliance for each siting criteria below in the application. Recommendations of a	cceptable source
General siting		
	tom of a low chloride temporary pit or below-grade tank. ATERS database search; USGS; Data obtained from nearby wells	☐ Yes ⊠ No ☐ NA
	tom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. base search; USGS; Data obtained from nearby wells	Yes No
adopted pursuant to NMSA 1978, Section 3-27-3,	in a defined municipal fresh water well field covered under a municipal ordinance as amended. (Does not apply to below grade tanks) the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. (Doe written confirmation or verification or magnetic states)	s not apply to below grade tanks) p from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. (Does not apply to below - Engineering measures incorporated into th Society; Topographic map	v grade tanks) e design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplain. (Does not apply to be FEMA map	below grade tanks)	Yes No
Below Grade Tanks		
Within 100 feet of a continuously flowing waterco	urse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured	☐ Yes ☒ No
from the ordinary high-water mark). - Topographic map; Visual inspection (certi-		100 2 100
	ater well used for public or livestock consumption;. RS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Temporary Pit using Low Chloride	Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing waterco or playa lake (measured from the ordinary high-water and the continuously flowing waterco or playa lake (measured from the ordinary high-water).	urse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole ater mark). (Applies to low chloride temporary pits.) fication) of the proposed site	Yes No
application.	nce, school, hospital, institution, or church in existence at the time of initial	☐ Yes ☐ No
- Visual inspection (certification) of the prop	posed site; Aerial photo; Satellite image	
watering purposes, or 300 feet of any other fresh watering	domestic fresh water well used by less than five households for domestic or stock ater well or spring, in existence at the time of the initial application. base search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Form C-144	Oil Conservation Division Page 2.0	

Form C-144

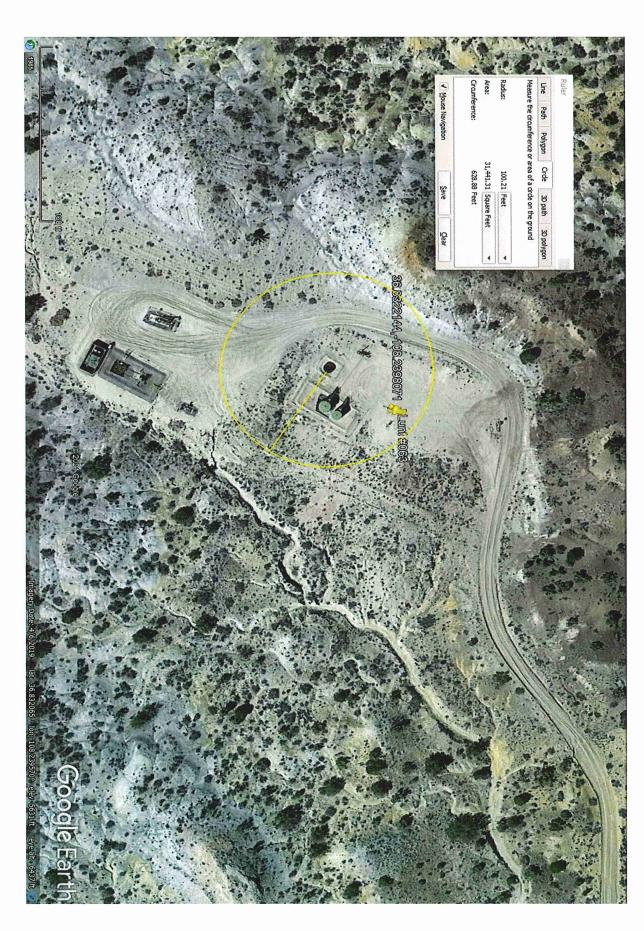
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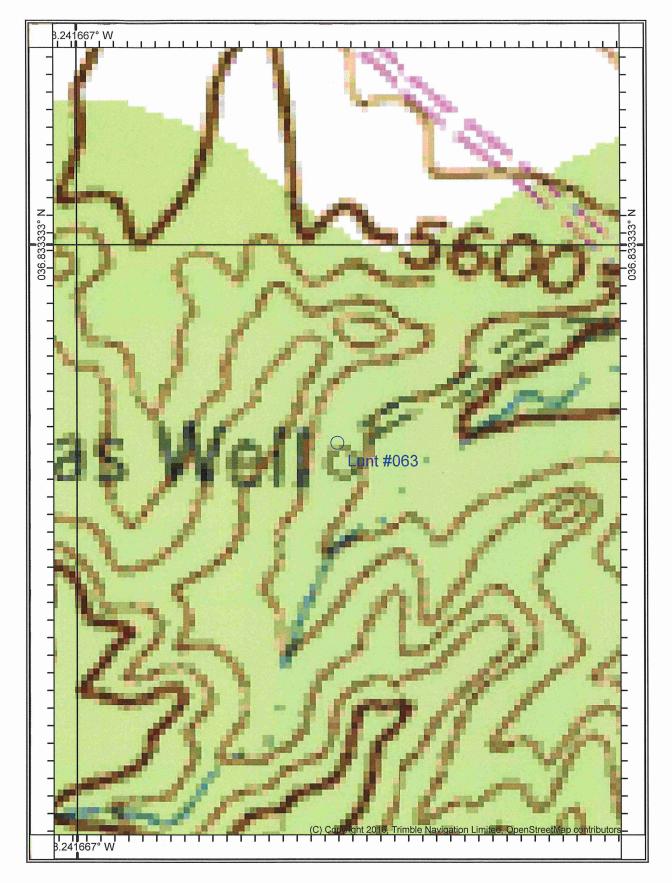
adopted pursuant to NMSA 1978, Section 3-27-3, as amende - Written confirmation or verification from the munici	ed. pality; Written approval obtained from the r	nunicipality
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the	NM EMNRD-Mining and Mineral Division	n ☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; I Society; Topographic map	NM Bureau of Geology & Mineral Resource	s; USGS; NM Geological
Within a 100-year floodplain.		☐ Yes ☐ No
- FEMA map		Yes No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Institute of the proof of Surface Owner Notice - based upon the appropriate Construction/Design Plan of Burial Trench (if applications of Construction/Design Plan of Temporary Pit (for in-platic Protocols and Procedures - based upon the appropriate Confirmation Sampling Plan (if applicable) - based upon Waste Material Sampling Plan - based upon the appropriate Soil Cover Design - based upon the appropriate requirements of Re-vegetation Plan - based upon the appropriate requirements Site Reclamation Plan - based upon the appropriate requirements.	on the appropriate requirements of 19.15.17 opriate requirements of Subsection E of 19.1 able) based upon the appropriate requirements of based upon the appropriate requirements of 19.15.17.13 NMAC on the appropriate requirements of 19.15.17.13 NMAC on the appropriate requirements of 19.15.17.13 NMAC dis, drilling fluids and drill cuttings or in case the appropriate requirements of 19.15.17.13 NMAC dis, drilling fluids and drill cuttings or in case the appropriate requirements of 19.15.17.13 NMAC dispenses of Subsection H of 19.15.17.13 NMAC dements de	.10 NMAC 5.17.13 NMAC ts of Subsection K of 19.15.17.11 NMAC appropriate requirements of 19.15.17.11 NMAC .13 NMAC on-site closure standards cannot be achieved) AC AC
Operator Application Certification: I hereby certify that the information submitted with this application: Vanessa Fields		
	Title:Regulatory Complia	nce ManagerAgent/Representative
Signature:	Date:3	(08/2021
e-mail address:vanessa@walsheng.net	Telephone:5	05-787-9100
OCD Approval: Permit Application (including closure		,
OCD Representative Signature:	ead	Approval Date: July 21, 2021
Title:Environmental Specialist	OCD Permit Number	or: BGT 3
Closure Report (required within 60 days of closure comp Instructions: Operators are required to obtain an approved The closure report is required to be submitted to the division section of the form until an approved closure plan has been	l closure plan prior to implementing any cl n within 60 days of the completion of the cl	osure activities. Please do not complete this
	☐ Closure Completion	n Date:
20. Closure Method: Waste Excavation and Removal ☐ On-Site Closure Model ☐ If different from approved plan, please explain.	1 dethod ☐ Alternative Closure Method	Waste Removal (Closed-loop systems only)
Closure Report Attachment Checklist: Instructions: Each mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure for Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicated Waste Material Sampling Analytical Results (required Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Techniq Site Reclamation (Photo Documentation)	private land only) ble) for on-site closure)	o the closure report. Please indicate, by a check
On-site Closure Location: Latitude	Longitude	NAD: □1927 □ 1983
On-site Closure Location: Latitude	Longitude	NAD: □1927 □ 1983

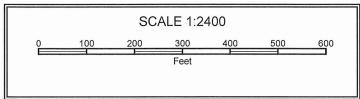
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30-045-09773 LUNT #063 Sitting Criteria



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National Flood Hazard Layer FIRMette



OTHER AREAS OF FLOOD HAZARD OTHER AREAS T30N R13W S5 Zone A AREA OF MINIMA FLOOD HAZARD
Zohe X **T30N R13W S6** T30N R13W S7

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

Without Base Flood Elevation (BFE) Regulatory Floodway

0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainag areas of less than one square mile Zone? Future Conditions 1% Annual

Area with Flood Risk due to Levee Zone D Area with Reduced Flood Risk due to Chance Flood Hazard Zone X

NO SCREEN Area of Minimal Flood Hazard Zone X **Effective LOMRs**

Area of Undetermined Flood Hazard Zon

Channel, Culvert, or Storm Sewer

GENERAL ---- Channel, Culvert, or Storn STRUCTURES | 1111111 Levee, Dike, or Floodwall

Cross Sections with 1% Annual Chance Water Surface Elevation

Coastal Transect

Limit of Study

Coastal Transect Baseline **Jurisdiction Boundary**

Hydrographic Feature Profile Baseline

OTHER FEATURES

Digital Data Available

No Digital Data Available

MAP PANELS

The pin displayed on the map is an approximate point selected by the user and does not represe an authoritative property location.

This map compiles with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap

authoritative NFHL web services provided by FEMA. This map reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or The flood hazard information is derived directly from the become superseded by new data over time. This map image is void if the one or more of the following map

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New Mexico Office of the State Engineer Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

PLSS Search:

Section(s): 07

Township: 30N

Range: 13W

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, or suitability, or suitability for any particular purpose of the data.

3/8/21 2:53 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER

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New Mexico Office of the State Engineer Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

PLSS Search:

Section(s): 06

Township: 30N

Range: 13W

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.

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WATER COLUMN/ AVERAGE DEPTH TO WATER



New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

Well Tag **POD Number**

Q64 Q16 Q4 Sec Tws Rng 06 29N 13W X Y

SJ 02931

210395

4072124*

Driller License:

733

Driller Company:

MO-TE DRILLING, INC.

Driller Name:

Drill Start Date:

K. MOBLEY

6.00

05/05/1999

Drill Finish Date:

05/05/1999

Plug Date:

Shallow

Log File Date:

05/14/1999

PCW Rcv Date:

Source:

Pump Type:

Pipe Discharge Size:

Estimated Yield:

20 GPM

Casing Size:

Depth Well:

50 feet

Depth Water:

12 feet

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.

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POINT OF DIVERSION SUMMARY

^{*}UTM location was derived from PLSS - see Help

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M&G Drilling CO INC San Juan Basin Below Grade Tank Closure Plan

Lease Name: Lunt #063 API No.: 30-045-09773

Description: Unit A, Section 07, Township 30N, Range 13W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on M&G Drilling CO INC locations. This is M&G Drilling CO INC standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

- 1. M&G DRILLING CO INC will obtain approval of this closure plan prior to commencing closure of the below grade tank at this location pursuant to 19.15.17.13.C (1) NMAC
- 2. M&G DRILLING CO INC will notify the surface owner by certified mail, return receipt requested, that the M&G Drilling CO INC plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
 - a. Well Name
 - b. API#
 - c. Well Location
- 3. Within 60 days of cessation of operations, M&G DRILLING CO INC will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
 - a. Soils, tank bottoms, produced sand, pit sludge and other exempt wastes impacted by petroleum hydrocarbons will be disposed of at:

 Envirotech: Permit #NM01-0011 and IEI: Permit # NM01-0010B
 - b. Produced Water will be disposed of at:

 Basin Disposal: Permit # NM01-005 and M&G DRILLING CO INC owned saltwater

 Disposal Facilities

- 4. Within six (6) months of cessation of operations, M&G DRILLING CO INC will remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. If there is any equipment associated with a below-grade tank, then the M&G Drilling CO INC shall remove the equipment, unless the equipment is required for some other purpose.
- 5. M&G DRILLING CO INC will collect a closure sample of the soil beneath the location of the below grade tank that is being closed. The closure sample will consist of a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination. The closure sample will be analyzed for all constituents listed in Table I below, including DRO+GRO, Chlorides, TPH, benzene and BTEX.

		Table I	
	Closure Criteria for	Soils Impacted by a Release	
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤ 50 feet	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
51 feet-100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	10,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
>100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

- 6. If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and the M&G Drilling CO INC must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then the M&G Drilling CO INC can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.
- 7. After closure has occurred, M&G DRILLING CO INC will reclaim the former BGT area, if it is no longer being used for extraction of oil and gas, by substantially restoring the impacted surface area to the condition that existed prior to oil and gas operations. M&G DRILLING CO INC will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover materials. The soil cover shall consist of the background thickness of topsoil, or one foot of suitable materials to establish vegetation at the site, whichever is greater. All areas will be reclaimed as early as practicable, and as close to their original condition or land use as possible. They shall be maintained in a way as to control dust and minimize erosion.
- 8. M&G DRILLING CO INC will complete reclamation of all disturbed areas no longer in use when the ground disturbance activities at the site have been completed. The reseeding shall take place during the first favorable growing season after closure. Reclamation activities will be considered completed when a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of predisturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.
 - *Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above requirements, provided they provide equal or better protection of fresh water, human health and the environment.
- 9. M&G DRILLING CO INC will notify the Aztec Office of the NMOCD by email when reclamation and closure activities are completed.
- 10. Within 60 days of closure, M&G DRILLING CO INC will submit a closure report to the Aztec office of the NMOCD, filed on Form C-144. The report will include the following:
 - a. Proof of closure notice to NMOCD and surface owner
 - b. Confirmation sampling analytical results
 - c. Soil backfill and cover installation information
 - d. Photo documentation of site reclamation

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 23452

CONDITIONS

Operator:	OGRID:
M & G DRLG CO INC	141852
P.O. Box 5940	Action Number:
Farmington, NM 87499	23452
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	7/21/2021