District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III
1000 Rio Brazos Road, Aztec, NM 87410 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

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.

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

Permit Closur	y grade tank registration t of a pit or proposed alternative method re of a pit, below-grade tank, or proposed alternative method fication to an existing permit/or registration	
	re plan only submitted for an existing permitted or non-permitt	ed pit, below-grade tank,
or proposed alternative meth		
	ne application (Form C-144) per individual pit, below-grade tank or	
Please be advised that approval of this request does no environment. Nor does approval relieve the operator	ot relieve the operator of liability should operations result in pollution of s of its responsibility to comply with any other applicable governmental au	surface water, ground water or the thority's rules, regulations, or ordinances.
1.		
Operator:M&G Drilling CO INC	OGRID #:141852	
Address:P.O. Box 5940 Farmington, NM 874	499	-
Facility or well name:Horseshoe #001		
API Number:30-045-25692	OCD Permit Number:	
U/L or Qtr/QtrKSection02	Township29N Range15W Co	unty:San Juan
Center of Proposed Design: Latitude36.753	321Longitude108.3894806	NAD83
Surface Owner: ⊠ Federal ☐ State ☐ Private [Tribal Trust or Indian Allotment	
2.		
☐ <u>Pit</u> : Subsection F, G or J of 19.15.17.11 N	MAC	
Temporary: Drilling Workover		•
☐ Permanent ☐ Emergency ☐ Cavitation ☐	P&A Multi-Well Fluid Management Low Chloride I	Orilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness _	mil	
☐ String-Reinforced		
Liner Seams: Welded Factory Other	bbl Dimensions	s: L x W x D
3.	7.11 NMAC	
	of fluid:Produced Water	
Tank Construction material:fiberglass_		
	☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-c	off
	walls only \(\square\) Other	
	il	
<u>a</u>		
4.		
	exceptions must be submitted to the Santa Fe Environmental Bureau o	office for consideration of approval
	xceptions must be submitted to the Santa Fe Environmental Bureau o	Thee for consideration of approval.
5. Fencing: Subsection D of 19.15.17.11 NMAC ((4	
	(Applies to permanent pits, temporary pits, and below-grade tanks)	
institution or church)	parbed wire at top (Required if located within 1000 feet of a permaner	u residence, school, hospital,
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	5
######################################		
Form C-144	Oil Conservation Division	Page 1 of 6

Netting: Subsection E of 19.15.17.11 NMAC (Applies to perma	nent 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 name, site location Signed in compliance with 19.15.16.8 NMAC	on, and emergency telephone numbers			
Variances and Exceptions: Justifications and/or demonstrations of equivalency are required. Please check a box if one or more of the following is requested. Variance(s): Requests must be submitted to the appropriation of Exception(s): Requests must be submitted to the Santa F	, if not leave blank:			
9. Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for material are provided below. Siting criteria does not apply to		ions of accepta	ble source	
General siting				
Ground water is less than 25 feet below the bottom of a low of a low of a low of the State Engineer - iWATERS databases.	chloride temporary pit or below-grade tank. use search; USGS; Data obtained from nearby wells		☐ Yes 🖾 🛚 ☐ NA	No
Ground water is less than 50 feet below the bottom of a Tem NM Office of the State Engineer - iWATERS database search; U			Yes NA	No
Within incorporated municipal boundaries or within a defined m adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Written confirmation or verification from the municipals)	Does not apply to below grade tanks)	inance	Yes 🗌 1	No
Within the area overlying a subsurface mine. (Does not apply to - Written confirmation or verification or map from the NN			☐ Yes ☐	No
Within an unstable area. (Does not apply to below grade tanks - Engineering measures incorporated into the design; NM Society; Topographic map	Bureau of Geology & Mineral Resources; USGS; NM Geolo	ogical [Yes 🗌	No
Within a 100-year floodplain. (Does not apply to below grade - FEMA map	tanks)		Yes 🗌	No
Below Grade Tanks				
Within 100 feet of a continuously flowing watercourse, signification the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the		asured	☐ Yes 🖾	No
Within 200 horizontal feet of a spring or a fresh water well used		1	☐ Yes 🏻	No
Temporary Pit using Low Chloride Drilling I	Fluid (maximum chloride content 15,000 mg/liter)			
Within 100 feet of a continuously flowing watercourse, or any o or playa lake (measured from the ordinary high-water mark). (A - Topographic map; Visual inspection (certification) of the	pplies to low chloride temporary pits.)	l, sinkhole,	☐ Yes ☐	No
Within 300 feet from a occupied permanent residence, school, h application. - Visual inspection (certification) of the proposed site; As		ı [Yes 🗌	No
Within 200 horizontal feet of a spring or a private, domestic fres watering purposes, or 300feet of any other fresh water well or sp. NM Office of the State Engineer - iWATERS database search; V	sh water well used by less than five households for domestic coring, in existence at the time of the initial application.	or stock	☐ Yes ☐	No No
Form C-144	Oil Conservation Division	Page 2 of 6		

118			
Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification	n map; Topographic map; Visual inspection (certific	cation) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride dri	illing fluid		
Within 300 feet of a continuously flowing watercor or playa lake (measured from the ordinary high-wa - Topographic map; Visual inspection (certif	urse, or any other significant watercourse, or within ter mark). The proposed site	200 feet of any lakebed, sinkhole,	☐ Yes ☐ No
Within 300 feet from a permanent residence, schoo - Visual inspection (certification) of the prop	l, hospital, institution, or church in existence at the toosed site; Aerial photo; Satellite image	ime of initial application.	☐ Yes ☐ No
watering purposes, or 1000 feet of any other fresh	domestic fresh water well used by less than five how water well or spring, in the existence at the time of the RS database search; Visual inspection (certification)	he initial application;	☐ Yes ☐ No
Within 300 feet of a wetland US Fish and Wildlife Wetland Identification	on map; Topographic map; Visual inspection (certifi	cation) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid	Management Pit		
Within 300 feet of a continuously flowing watercollake (measured from the ordinary high-water mark - Topographic map; Visual inspection (certification)		e, or lakebed, sinkhole, or playa	Yes No
Within 1000 feet from a permanent residence, scho - Visual inspection (certification) of the prop	ool, hospital, institution, or church in existence at the bosed site; Aerial photo; Satellite image	time of initial application.	☐ Yes ☐ No
initial application.	ater well used for domestic or stock watering purpos		☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification	on map; Topographic map; Visual inspection (certifi	cation) of the proposed site	☐ Yes ☐ No
Instructions: Each of the following items must be attached. ☐ Hydrogeologic Report (Below-grade Tanks) ☐ Hydrogeologic Data (Temporary and Emerge) ☐ Siting Criteria Compliance Demonstrations - ☐ Design Plan - based upon the appropriate rec ☐ Operating and Maintenance Plan - based upon	- based upon the requirements of Paragraph (4) of Sency Pits) - based upon the appropriate requirements of 19.15.1 NMAC in the appropriate requirements of 19.15.17.12 NMAC appropriate requirements of 19.15.17.12 NMAC in the appropriate requirements of 19.15.17.12 NMAC appropriate requiremen	Check mark in the box, that the do subsection B of 19.15.17.9 NMAC oh (2) of Subsection B of 19.15.17.9 NMAC 7.10 NMAC	ONMAC
and 19.15.17.13 NMAC	, , , , , , , , , , , , , , , , , , , ,		
and 19.15.17.13 NMAC Previously Approved Design (attach copy of d	esign) API Number:		
and 19.15.17.13 NMAC Previously Approved Design (attach copy of d 11. Multi-Well Fluid Management Pit Checklist: S Instructions: Each of the following items must b attached. Design Plan - based upon the appropriate re Operating and Maintenance Plan - based up A List of wells with approved application for	esign) API Number:	or Permit Number: check mark in the box, that the do	ocuments are
and 19.15.17.13 NMAC Previously Approved Design (attach copy of d 11. Multi-Well Fluid Management Pit Checklist: S Instructions: Each of the following items must b attached. Design Plan - based upon the appropriate re Operating and Maintenance Plan - based up A List of wells with approved application for	Subsection B of 19.15.17.9 NMAC e attached to the application. Please indicate, by a quirements of 19.15.17.11 NMAC on the appropriate requirements of 19.15.17.12 NM or permit to drill associated with the pit. ough 18, if applicable) - based upon the appropriate ements of Paragraph (4) of Subsection B of 19.15.1	or Permit Number: check mark in the box, that the do AC requirements of Subsection C of 19 7.9 NMAC 17.10 NMAC	ocuments are 9.15.17.9 NMAC
and 19.15.17.13 NMAC Previously Approved Design (attach copy of d 11. Multi-Well Fluid Management Pit Checklist: S Instructions: Each of the following items must b attached. Design Plan - based upon the appropriate re Operating and Maintenance Plan - based up A List of wells with approved application for Closure Plan (Please complete Boxes 14 thr and 19.15.17.13 NMAC Hydrogeologic Data - based upon the requir Siting Criteria Compliance Demonstrations	Gubsection B of 19.15.17.9 NMAC e attached to the application. Please indicate, by a quirements of 19.15.17.11 NMAC on the appropriate requirements of 19.15.17.12 NM or permit to drill associated with the pit. ough 18, if applicable) - based upon the appropriate ements of Paragraph (4) of Subsection B of 19.15.1 - based upon the appropriate requirements of 19.15.1	or Permit Number: check mark in the box, that the do AC requirements of Subsection C of 19 7.9 NMAC 17.10 NMAC	ocuments are 9.15.17.9 NMAC

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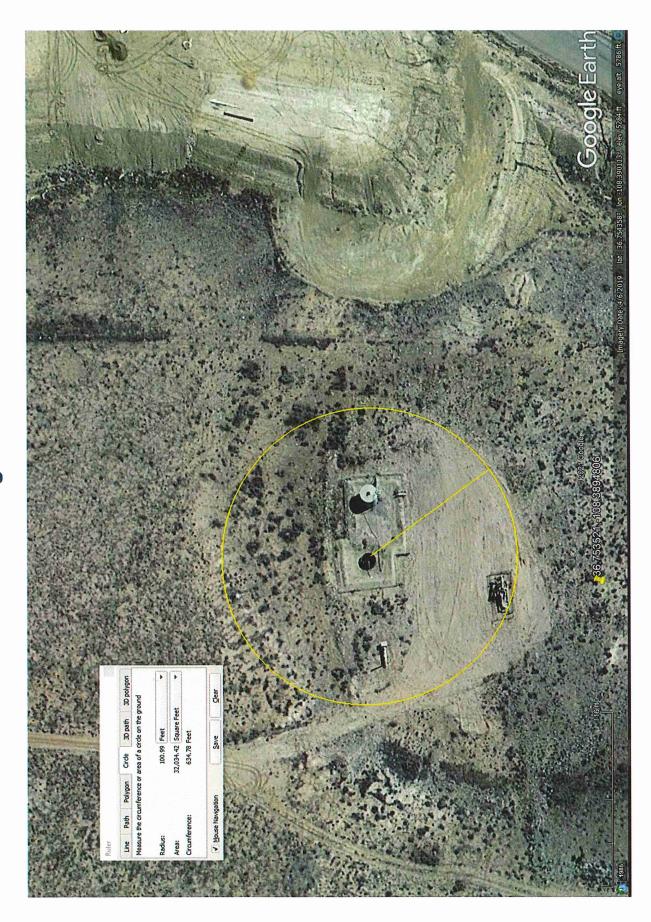
f I		
4 900	Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the destroyled	ocuments are
	attached. Hydrogeologic Report - based upon the requirements 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 ☐ Oil Field Waste Stream Characterization 	
	 ☐ Monitoring and Inspection Plan ☐ Erosion Control Plan ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC 	
	Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.	
	Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well FlAlternative 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	uid Management Pit
	Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be a 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 C 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 H of 19.15.17.13 NMAC □ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	attached to the
	15. 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 sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. P 19.15.17.10 NMAC for guidance.	
	Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
	Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
	Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No☐ NA
2.38 PM	Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
12.2	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
4/8/202	Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, 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
	Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
O ad po	Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Coin	Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	
R	Form C-144 Oil Conservation Division Page 4 o	f 6

adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipal confirmation of the section 3-27-3.		n the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the	NM EMNRD-Mining and Mineral D	ivision	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; N Society; Topographic map	NM Bureau of Geology & Mineral Re	sources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplain FEMA map			Yes No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Institute by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon Proof of Surface Owner Notice - based upon the appropriate Construction/Design Plan of Burial Trench (if applical Construction/Design Plan of Temporary Pit (for in-plane Protocols and Procedures - based upon the appropriate Confirmation Sampling Plan (if applicable) - based upon Waste Material Sampling Plan - based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements. Site Reclamation Plan - based upon the appropriate requirements.	on the appropriate requirements of 19 priate requirements of Subsection E of ble) based upon the appropriate requirements of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC on the appropriate requirements of 19 priate requirements of 19.15.17.13 NI ds, drilling fluids and drill cuttings or ements of Subsection H of 19.15.17.1 rements of Subsection H of 19.15.17.1	2.15.17.10 NMAC of 19.15.17.13 NMAC rements of Subsection K of 19.15.17 on the appropriate requirements of 19 0.15.17.13 NMAC MAC in case on-site closure standards can 3 NMAC 13 NMAC	7.11 NMAC 9.15.17.11 NMAC
Operator Application Certification: I hereby certify that the information submitted with this appl Name (Print): Vanessa Fields Signature:	Title:Regulatory C	to the best of my knowledge and be compliance ManagerAgent/Repre3/01/2021	
e-mail address:vanessa@walsheng.net	Telephor	ne:505-787-9100	
OCD Approval: Permit Application (including closure OCD Representative Signature:			ly 21, 2021
Title: Environmental Specialist	OCD Permit	POT 4	
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 n within 60 days of the completion o	f the closure activities. Please do n have been completed.	
20. Closure Method: Waste Excavation and Removal ☐ On-Site Closure N ☐ If different from approved plan, please explain.	Method	thod 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 applical 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) On-site Closure Location: Latitude	private land only) ble) I for on-site closure)	nched to the closure report. Please NAD: 1927 1983	indicate, by a check
Form C-144	Oil Conservation Division	Page 5	of 6

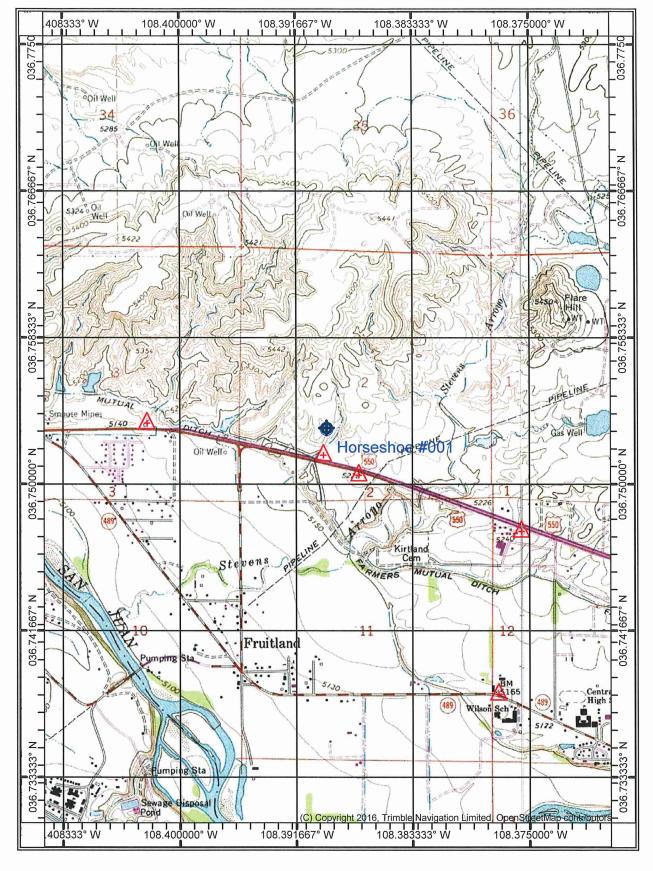
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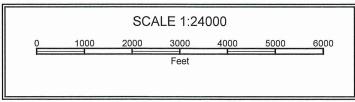
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30-045-25692 HORSESHOE #001 Sitting Criteria

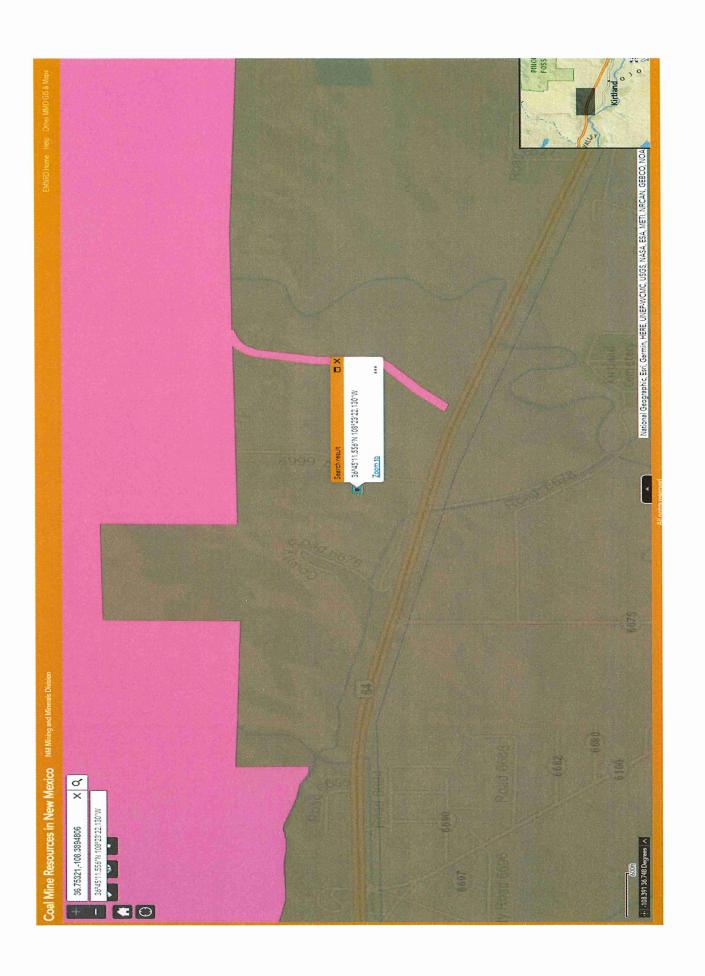


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New Mexico Office of the State Engineer Water Column/Average Depth to Water

(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): 02

Township: 29N

Range: 15W

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.

3/5/21 10:45 AM

WATER COLUMN/ AVERAGE DEPTH TO WATER



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): 02

Township: 28N

Range: 15W

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.

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WATER COLUMN/ AVERAGE DEPTH TO WATER





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): 02

Township: 30N

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.

3/5/21 10:45 AM

WATER COLUMN/ AVERAGE DEPTH TO WATER



New Mexico Office of the State Engineer

Wells with Well Log Information

SJ 03015	SJ 02392	SJ 00876	DO Number		
		500	Sub) -	
DOM	PUB SJ	DOM			
S	હ	S			(quarte
DOM SJ Shallow 4 3 4 35 30N 16W		DOM SJ Shallow 4 2 35 30N 16W	POINT	(quarters :	(quarters are 1=NW 2=NE 3=SW 4=SE)
4 3 4	4	4	9 q q	are sm	₩ 2=N
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301	30	30,7	1	to larç	SW 4:
16W	4 2 35 30N 16W	16W	R R R	jest)	₽SE)
18§377	188709	18870	-	(quarters are smallest to largest) (NAD83 UTM in meters)	٠ ٩
4074432*	407	407	<	f in meters)	
4074432* 06/22/2000 06/22/2000	08/07/1992	06/27/1979	Start Date		
06/22/2000	4075324* 08/07/1992 08/10/1992	4075324* 06/27/1979 06/30/1979	Finish Date		
07/03/2000	09/04/1992	07/11/1979	Log File	1	*~
43	133	77	Well Water	(in feet)	
17		57	Water	vet)	

Record Count: 3

PLSS Search:

Township: 30N

OV

Range: 16W

*UTM location was derived from PLSS - see Help

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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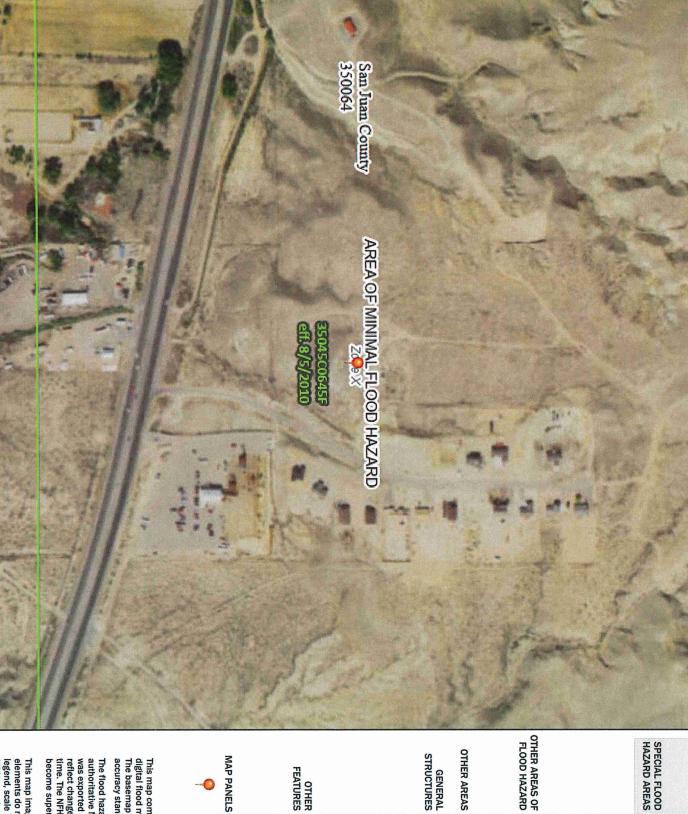
Page 1 of 1

WELLS WITH WELL LOG INFORMATION

National Flood Hazard Layer FIRMette

108°23'41"W 36°45'27"N





Legend

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







Regulatory Floodway With BFE or Depth Zone AE, AO, AH, VE, AR Without Base Flood Elevation (BFE) Zone A. V, A99



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



Levee. See Notes. Zone X Area with Reduced Flood Risk due to Chance Flood Hazard Zone X **Future Conditions 1% Annual**

Area with Flood Risk due to Levee Zone D



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

Channel, Culvert, or Storm Sewer

Area of Undetermined Flood Hazard Zone

STRUCTURES | 1111111 Levee, Dike, or Floodwall GENERAL ---





No Digital Data Available

Unmapped

FEATURES

OTHER



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

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

become superseded by new data over time. was exported on 3/5/2021 at 5:02 PM and does not authoritative NFHL web services provided by FEMA. This map The flood hazard information is derived directly from the lime. The NFHL and effective information may change or eflect changes or amendments subsequent to this date and

Received by OCD: 4/8/2021 12: 22socionPMAtembas unmapped and unmodernized areas cannot be used for FIRM panel number, and FIRM effective date. Map images for elements do not appear: basemap imagery, flood zone labels, egend, scale bar, map creation date, community identifiers, This map image is void if the one or more of the following map

1,000

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

Lease Name: Horseshoe #001 API No.: 30-045-25692

Description: Unit K, Section 02, Township 29N, Range 15W, 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

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- 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	
		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 23447

CONDITIONS

Operator:	OGRID:
M & G DRLG CO INC	141852
P.O. Box 5940	Action Number:
Farmington, NM 87499	23447
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

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