

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
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

Form C-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOC District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOC District Office.

Pit, Below-Grade Tank, or
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

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations, or ordinances.

1.
Operator: M&G Drilling CO INC OGRID #: 141852
Address: P.O. Box 5940 Farmington, NM 87499
Facility or well name: Hammond #055A
API Number: 30-045-21735 OCD Permit Number: _____
U/L or Qtr./Qtr. I Section 26 Township 27N Range 08W County: San Juan
Center of Proposed Design: Latitude 36.542244 Longitude -107.6469803 NAD83
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **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 _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 100 bbl Type of fluid: Produced Water
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: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

4.
☐ **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

6.

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)

7.

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 19.15.16.8 NMAC

8.

Variances 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:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.

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. Siting criteria does not apply to drying pads or above-grade tanks.

General siting

Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.

- ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

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. **(Does not apply to below grade tanks)**

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)**

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area. **(Does not apply to below grade tanks)**

- 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. **(Does not apply to below grade tanks)**

- FEMA map

☐ Yes ☐ No

Below Grade Tanks

Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption.

- NM Office of the State Engineer - iWATERS 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 watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.)

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a occupied 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 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.

NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 100 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Temporary Pit Non-low chloride drilling fluid

Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any 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 spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Permanent Pit or Multi-Well Fluid Management Pit

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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

10.

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: _____

11.

Multi-Well Fluid Management Pit 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.

- ☐ 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
- ☐ A List of wells with approved application for permit to drill associated with the pit.
- ☐ 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
- ☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12. **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 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

13.

Proposed Closure: 19.15.17.13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regard to the proposed closure plan.

- Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Multi-well Fluid Management Pit
☐ 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

14.

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 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

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 source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet of a wetland.
US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> 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 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

16.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K 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 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.

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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.

OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

19.

Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ **Closure Completion Date:** 06/15/2021

20.

Closure Method:

- ☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
- ☐ If different from approved plan, please explain.

21.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure for private land only)
- ☐ Plot Plan (for on-site closures and temporary pits)
- ☒ Confirmation Sampling Analytical Results (if applicable)
- ☐ Waste Material Sampling Analytical Results (required for on-site closure)
- ☒ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36.542244 Longitude -107.6469803 NAD: ☐ 1927 ☒ 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Shawna Martinez Title: Regulatory Tech

Signature:  Date: 09/20/2021

e-mail address: Shawna@walsheng.net Telephone: 505-327-4892

Shawna Martinez

From: Vanessa Fields
Sent: Wednesday, July 21, 2021 8:52 AM
To: Shawna Martinez
Subject: FW: M&G Drilling 72 hour notification Wednesday June 16, 2021 at 9:00 am BGT removal Hammond 41A 30-045-22578 & Hammond 55 30-045-21735

From: Vanessa Fields
Sent: Sunday, June 13, 2021 7:58 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Diane Montano <dmontano@mgdrilling.com>; aatencio@qwestoffice.net; Pat Gottlieb <pgottlieb@mgdrilling.com>
Subject: M&G Drilling 72 hour notification Wednesday June 16, 2021 at 9:00 am BGT removal Hammond 41A 30-045-22578 & Hammond 55 30-045-21735

Good morning,

Walsh Engineering on behalf of M&G Drilling is providing 72 hour notification for the removal of the BGT's on the referenced locations for Wednesday June 16, 2021 at 9:00 am for the following wells:

Hammond 41A, API No. 30-045-22578

Hammond 55A, API No. 30-045-21735

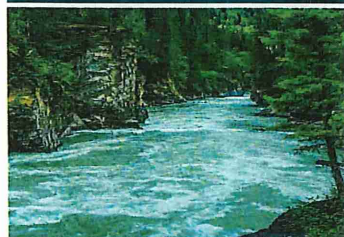
Please let me know if you should have any questions and/or concerns.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

Report to:

Alfonso Atencio



5796 U.S. Hwy 64
Farmington, NM 87401

Phone: (505) 632-1881
Envirotech-inc.com



envirotech

Practical Solutions for a Better Tomorrow

Analytical Report

M & G Drilling

Project Name: BGT Hamond 41A

Work Order: E106038

Job Number: 04033-0002

Received: 6/16/2021

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
6/23/21

Envirotech Inc. certifies the test results meet all requirements of TNI unless noted otherwise.
Statement of Data Authenticity: Envirotech Inc. attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech Inc.
Envirotech Inc. holds the Utah TNI certification NM00979 for data reported.
Envirotech Inc. holds the Texas TNI certification T104704557 for data reported.

Date Reported: 6/23/21



Alfonso Atencio
PO Box 5940
Farmington, NM 87499

Project Name: BGT Hamond 41A
Workorder: E106038
Date Received: 6/16/2021 1:18:00PM

Alfonso Atencio,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 6/16/2021 1:18:00PM, under the Project Name: BGT Hamond 41A.

The analytical test results summarized in this report with the Project Name: BGT Hamond 41A apply to the individual samples collected, identified and submitted bearing the project name on the enclosed chain-of-custody. Subcontracted sample analyses not conducted by Envirotech, Inc., are attached in full as issued by the subcontract laboratory.

Please review the Chain-of-Custody (COC) and Sample Receipt Checklist (SRC) for any issues regarding sample receipt temperature, containers, preservation etc. To best understand your test results, review the entire report summarizing your sample data and the associated quality control batch data.

All reported data in this analytical report were analyzed according to the referenced method(s) and are in compliance with the latest NELAC/TNI standards, unless otherwise noted. Samples or analytical quality control parameters not meeting specific QC criteria are qualified with a data flag. Data flag definitions are located in the Notes and Definitions section of this analytical report.

If you have any questions concerning this report, please feel free to contact Envirotech, Inc.

Respectfully,

Walter Hinchman
Laboratory Director
Office: 505-632-1881
Cell: 775-287-1762
whinchman@envirotech-inc.com

Raina Schwanz
Laboratory Administrator
Office: 505-632-1881
rainaschwanz@envirotech-inc.com

Alexa Michaels
Sample Custody Officer
Office: 505-632-1881
labadmin@envirotech-inc.com

Field Offices:

Southern New Mexico Area
Lynn Jarboe
Technical Representative/Client Services
Office: 505-421-LABS(5227)
Cell: 505-320-4759
ljjarboe@envirotech-inc.com

West Texas Midland/Odessa Area
Tom Brown
Technical Representative
Cell: 832-444-7704
tbrown@envirotech-inc.com

Envirotech Web Address: www.envirotech-inc.com

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Sample Summary

M & G Drilling	Project Name:	BGT Hamond 41A	Reported:
PO Box 5940	Project Number:	04033-0002	
Farmington NM, 87499	Project Manager:	Alfonso Atencio	06/23/21 13:13

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
41A Hammond	E106038-01A	Soil	06/16/21	06/16/21	Glass Jar, 4 oz.
Hammond 55A	E106038-02A	Soil	06/16/21	06/16/21	Glass Jar, 4 oz.



Sample Data

M & G Drilling	Project Name:	BGT Hamond 41A	Reported: 6/23/2021 1:13:27PM
PO Box 5940	Project Number:	04033-0002	
Farmington NM, 87499	Project Manager:	Alfonso Atencio	

41A Hammond

E106038-01

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatiles Organics by EPA 8021B						
	mg/kg	mg/kg		Analyst: RKS		Batch: 2125021
Benzene	ND	0.0250	1	06/17/21	06/19/21	
Ethylbenzene	ND	0.0250	1	06/17/21	06/19/21	
Toluene	ND	0.0250	1	06/17/21	06/19/21	
o-Xylene	ND	0.0250	1	06/17/21	06/19/21	
p,m-Xylene	ND	0.0500	1	06/17/21	06/19/21	
Total Xylenes	ND	0.0250	1	06/17/21	06/19/21	
Surrogate: 4-Bromochlorobenzene-PID	90.0 %	70-130		06/17/21	06/19/21	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg		Analyst: RKS		Batch: 2125021
Gasoline Range Organics (C6-C10)	ND	20.0	1	06/17/21	06/19/21	
Surrogate: 1-Chloro-4-fluorobenzene-FID	98.5 %	70-130		06/17/21	06/19/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg		Analyst: JL		Batch: 2125026
Diesel Range Organics (C10-C28)	144	50.0	2	06/18/21	06/18/21	
Oil Range Organics (C28-C36)	181	100	2	06/18/21	06/18/21	
Surrogate: n-Nonane	124 %	50-200		06/18/21	06/18/21	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg		Analyst: RAS		Batch: 2126006
Chloride	ND	20.0	1	06/21/21	06/22/21	



Sample Data

M & G Drilling
PO Box 5940
Farmington NM, 87499

Project Name: BGT Hamond 41A
Project Number: 04033-0002
Project Manager: Alfonso Atencio

Reported:
6/23/2021 1:13:27PM

Hammond 55A

E106038-02

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatiles by EPA 8021B						
	mg/kg	mg/kg		Analyst: RKS		Batch: 2125021
Benzene	ND	0.0250	1	06/17/21	06/19/21	
Ethylbenzene	ND	0.0250	1	06/17/21	06/19/21	
Toluene	ND	0.0250	1	06/17/21	06/19/21	
o-Xylene	ND	0.0250	1	06/17/21	06/19/21	
p,m-Xylene	ND	0.0500	1	06/17/21	06/19/21	
Total Xylenes	ND	0.0250	1	06/17/21	06/19/21	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>						
	90.1 %	70-130		06/17/21	06/19/21	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg		Analyst: RKS		Batch: 2125021
Gasoline Range Organics (C6-C10)	ND	20.0	1	06/17/21	06/19/21	
<i>Surrogate: 1-Chloro-4-fluorobenzene-FID</i>						
	95.3 %	70-130		06/17/21	06/19/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg		Analyst: JL		Batch: 2125026
Diesel Range Organics (C10-C28)	194	125	5	06/18/21	06/18/21	
Oil Range Organics (C28-C36)	768	250	5	06/18/21	06/18/21	
<i>Surrogate: n-Nonane</i>						
	121 %	50-200		06/18/21	06/18/21	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg		Analyst: RAS		Batch: 2126006
Chloride	ND	20.0	1	06/21/21	06/22/21	



QC Summary Data

M & G Drilling	Project Name:	BGT Hamond 41A	Reported:
PO Box 5940	Project Number:	04033-0002	
Farmington NM, 87499	Project Manager:	Alfonso Atencio	6/23/2021 1:13:27PM

Volatile Organics by EPA 8021B

Analyst: RKS

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
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Blank (2125021-BLK1)

Prepared: 06/17/21 Analyzed: 06/18/21

Benzene	ND	0.0250
Ethylbenzene	ND	0.0250
Toluene	ND	0.0250
o-Xylene	ND	0.0250
p,m-Xylene	ND	0.0500
Total Xylenes	ND	0.0250

Surrogate: 4-Bromochlorobenzene-PID 7.25 8.00 90.6 70-130

LCS (2125021-BS1)

Prepared: 06/17/21 Analyzed: 06/18/21

Benzene	5.03	0.0250	5.00	101	70-130
Ethylbenzene	5.00	0.0250	5.00	100	70-130
Toluene	5.21	0.0250	5.00	104	70-130
o-Xylene	5.15	0.0250	5.00	103	70-130
p,m-Xylene	10.2	0.0500	10.0	102	70-130
Total Xylenes	15.3	0.0250	15.0	102	70-130

Surrogate: 4-Bromochlorobenzene-PID 7.43 8.00 92.9 70-130

Matrix Spike (2125021-MS1)

Source: E106029-02 Prepared: 06/17/21 Analyzed: 06/18/21

Benzene	5.06	0.0250	5.00	0.0659	99.9	54-133
Ethylbenzene	5.05	0.0250	5.00	0.0455	100	61-133
Toluene	5.25	0.0250	5.00	0.0639	104	61-130
o-Xylene	5.20	0.0250	5.00	0.0412	103	63-131
p,m-Xylene	10.3	0.0500	10.0	0.0812	102	63-131
Total Xylenes	15.5	0.0250	15.0	0.122	102	63-131

Surrogate: 4-Bromochlorobenzene-PID 7.68 8.00 96.0 70-130

Matrix Spike Dup (2125021-MSD1)

Source: E106029-02 Prepared: 06/17/21 Analyzed: 06/18/21

Benzene	4.95	0.0250	5.00	0.0659	97.6	54-133	2.32	20
Ethylbenzene	4.92	0.0250	5.00	0.0455	97.4	61-133	2.62	20
Toluene	5.11	0.0250	5.00	0.0639	101	61-130	2.67	20
o-Xylene	5.05	0.0250	5.00	0.0412	100	63-131	2.85	20
p,m-Xylene	10.0	0.0500	10.0	0.0812	99.3	63-131	2.64	20
Total Xylenes	15.1	0.0250	15.0	0.122	99.6	63-131	2.71	20

Surrogate: 4-Bromochlorobenzene-PID 7.66 8.00 95.8 70-130



QC Summary Data

M & G Drilling	Project Name:	BGT Hamond 41A	Reported:
PO Box 5940	Project Number:	04033-0002	
Farmington NM, 87499	Project Manager:	Alfonso Atencio	6/23/2021 1:13:27PM

Nonhalogenated Organics by EPA 8015D - GRO

Analyst: RKS

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
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Blank (2125021-BLK1)

Prepared: 06/17/21 Analyzed: 06/18/21

Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.74		8.00		96.7	70-130			

LCS (2125021-BS2)

Prepared: 06/17/21 Analyzed: 06/18/21

Gasoline Range Organics (C6-C10)	51.1	20.0	50.0		102	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.69		8.00		96.1	70-130			

Matrix Spike (2125021-MS2)

Source: E106029-02 Prepared: 06/17/21 Analyzed: 06/18/21

Gasoline Range Organics (C6-C10)	52.2	20.0	50.0	ND	104	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.85		8.00		98.1	70-130			

Matrix Spike Dup (2125021-MSD2)

Source: E106029-02 Prepared: 06/17/21 Analyzed: 06/18/21

Gasoline Range Organics (C6-C10)	51.8	20.0	50.0	ND	104	70-130	0.906	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.97		8.00		99.7	70-130			



QC Summary Data

M & G Drilling	Project Name:	BGT Hamond 41A	Reported:
PO Box 5940	Project Number:	04033-0002	
Farmington NM, 87499	Project Manager:	Alfonso Atencio	6/23/2021 1:13:27PM

Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: JL

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
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Blank (2125026-BLK1)

Prepared: 06/18/21 Analyzed: 06/18/21

Diesel Range Organics (C10-C28)	ND	25.0							
Oil Range Organics (C28-C36)	ND	50.0							
Surrogate: n-Nonane	51.8		50.0		104	50-200			

LCS (2125026-BS1)

Prepared: 06/18/21 Analyzed: 06/18/21

Diesel Range Organics (C10-C28)	431	25.0	500		86.2	38-132			
Surrogate: n-Nonane	50.5		50.0		101	50-200			

Matrix Spike (2125026-MS1)

Source: E106038-01 Prepared: 06/18/21 Analyzed: 06/18/21

Diesel Range Organics (C10-C28)	678	50.0	500	144	107	38-132			
Surrogate: n-Nonane	60.7		50.0		121	50-200			

Matrix Spike Dup (2125026-MSD1)

Source: E106038-01 Prepared: 06/18/21 Analyzed: 06/18/21

Diesel Range Organics (C10-C28)	684	50.0	500	144	108	38-132	0.867	20	
Surrogate: n-Nonane	63.1		50.0		126	50-200			



QC Summary Data

M & G Drilling	Project Name:	BGT Hamond 41A	Reported:
PO Box 5940	Project Number:	04033-0002	
Farmington NM, 87499	Project Manager:	Alfonso Atencio	6/23/2021 1:13:27PM

Anions by EPA 300.0/9056A

Analyst: RAS

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
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Blank (2126006-BLK1)

Prepared: 06/21/21 Analyzed: 06/22/21

Chloride ND 20.0

LCS (2126006-BS1)

Prepared: 06/21/21 Analyzed: 06/22/21

Chloride 246 20.0 250 98.3 90-110

Matrix Spike (2126006-MS1)

Source: E106038-01 Prepared: 06/21/21 Analyzed: 06/22/21

Chloride 252 20.0 250 ND 101 80-120

Matrix Spike Dup (2126006-MSD1)

Source: E106038-01 Prepared: 06/21/21 Analyzed: 06/22/21

Chloride 253 20.0 250 ND 101 80-120 0.103 20

QC Summary Report Comment:

Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values may differ slightly.



Definitions and Notes

M & G Drilling
PO Box 5940
Farmington NM, 87499

Project Name: BGT Hamond 41A
Project Number: 04033-0002
Project Manager: Alfonso Atencio

Reported:
06/23/21 13:13

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

RPD Relative Percent Difference

DNI Did Not Ignite

Note (1): Methods marked with ** are non-accredited methods.

Note (2): Soil data is reported on an "as received" weight basis, unless reported otherwise.



Project Information

Chain of Custody

Page 1 of 1

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envirotech

Envirotech Analytical Laboratory

Printed: 6/17/2021 11:27:13AM

Sample Receipt Checklist (SRC)

Instructions: Please take note of any NO checkmarks.

If we receive no response concerning these items within 24 hours of the date of this notice, all the samples will be analyzed as requested.

Client:	M & G Drilling	Date Received:	06/16/21 13:18	Work Order ID:	E106038
Phone:	(505)325-6779	Date Logged In:	06/17/21 11:22	Logged In By:	Alexa Michaels
Email:	aatencio@qwestoffice.net	Due Date:	06/23/21 17:00 (5 day TAT)		

Chain of Custody (COC)

1. Does the sample ID match the COC? Yes
2. Does the number of samples per sampling site location match the COC? Yes
3. Were samples dropped off by client or carrier? Yes
4. Was the COC complete, i.e., signatures, dates/times, requested analyses? Yes
5. Were all samples received within holding time? Yes

Carrier: Alfonso Atencio

Note: Analysis, such as pH which should be conducted in the field,
i.e., 15 minute hold time, are not included in this discussion.

Comments/ResolutionSample Turn Around Time (TAT)

6. Did the COC indicate standard TAT, or Expedited TAT? Yes

Sample Cooler

7. Was a sample cooler received? Yes
8. If yes, was cooler received in good condition? Yes
9. Was the sample(s) received intact, i.e., not broken? Yes
10. Were custody/security seals present? No
11. If yes, were custody/security seals intact? NA
12. Was the sample received on ice? If yes, the recorded temp is 4°C, i.e., 6°±2°C Yes

Note: Thermal preservation is not required, if samples are received w/i 15
minutes of sampling

13. If no visible ice, record the temperature. Actual sample temperature: 4°C

Sample Container

14. Are aqueous VOC samples present? No
15. Are VOC samples collected in VOA Vials? NA
16. Is the head space less than 6-8 mm (pea sized or less)? NA
17. Was a trip blank (TB) included for VOC analyses? NA
18. Are non-VOC samples collected in the correct containers? Yes
19. Is the appropriate volume/weight or number of sample containers collected? Yes

Field Label

20. Were field sample labels filled out with the minimum information:
 - Sample ID? Yes
 - Date/Time Collected? Yes
 - Collectors name? Yes

Sample Preservation

21. Does the COC or field labels indicate the samples were preserved? No
22. Are sample(s) correctly preserved? NA
24. Is lab filtration required and/or requested for dissolved metals? No

Multiphase Sample Matrix

26. Does the sample have more than one phase, i.e., multiphase? No
27. If yes, does the COC specify which phase(s) is to be analyzed? NA

Subcontract Laboratory

28. Are samples required to get sent to a subcontract laboratory? No
29. Was a subcontract laboratory specified by the client and if so who? NA Subcontract Lab: NA

Client Instruction

Email- Diane Montanio

Signature of client authorizing changes to the COC or sample disposition.

Date



envirotech Inc.

Project Information

Chain of Custody

Page -

[illegible]

envirotech

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
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

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party M&G Drilling Co., Inc	OGRID 141852
Contact Name Agent/ Shawna Martinez	Contact Telephone 505-327-4892
Contact email shawna@walsheng.net	Incident # (assigned by OCD) N/A
Contact mailing address 332 RD 3100, Aztec, NM 87410	

Location of Release Source

Latitude 36.542244 _____ Longitude -107.6469803 _____
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Hammond #055A	Site Type Gas
Date Release Discovered N/A	API# 30-045-21735

Unit Letter	Section	Township	Range	County
I	26	27N	08W	San Juan

Surface Owner: ☐ State ☒ Federal ☐ Tribal ☐ Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

<input type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Cause of release: **On June 16, 2021 M&G Drilling removed the steel below grade tank on the Hammond #055A. When the BGT was removed no visible signs of staining or wet soil was observed. M&G Drilling collected (1) (5) point composite sample from where the BGT was removed. The closure samples were analyzed by Envirotech Labs in referenced to Table 1 Closure standards. Analytical results complied with Table 1 closure standards.**

Analytical Results:

Benzene: Non-Detect
BTEX: Non-Detect
GRO: Non-Detect
DRO: 194 mg/kg
ORO: 768 mg/kg
Chloride: Non-Detect

Was this a major release as defined by 19.15.29.7(A) NMAC?

☐ Yes ☒ No

If YES, for what reason(s) does the responsible party consider this a major release?

If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

- ☐ The source of the release has been stopped.
- ☐ The impacted area has been secured to protect human health and the environment.
- ☐ Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
- ☐ All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

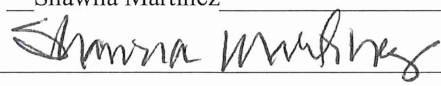
N/A no release occurred

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Shawna Martinez Title: Regulatory Tech
Signature:  Date: 07/21/2021
email: shawna@walsheng.net Telephone: 505-327-4892

OCD Only

Received by: _____ Date: _____

Incident ID	
District RP	
Facility ID	
Application ID	

Closure

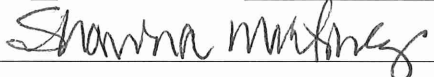
The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: *Each of the following items must be included in the closure report.*

- ☐ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☐ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☐ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- ☐ Description of remediation activities

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Shawna Martinez Title: Regulatory Tech

Signature:  Date: 07/21/2021

email: shawna@walsheng.net Telephone: 505-327-4892

OCD Only

Received by: _____ Date: _____

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: _____ Date: _____

Printed Name: _____ Title: _____

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

Lease Name: Hammond #055A

API No.: 30-045-21735

Description: Unit I, Section 26, Township 27N, Range 08W, 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

72 Hour Notice was provided to the NMOCD District III Office and to the Farmington BLM Field Office. Attached is a copy of the notification. A BLM representative was onsite to witness the sampling confirmation.

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

All liquids that were in the BGT were removed and sent to one of their referenced Division approved 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.

All referenced equipment associated with the BGT removal has been removed and utilized for reuse.

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.

On June 16, 2021 M&G Drilling removed the steel below grade tank on the Hammond 055A. When the BGT was removed no visible signs of staining or wet soil was observed. M&G Drilling collected (1) (5) point composite sample from where the BGT was removed. The closure samples were analyzed by Envirotech Labs in referenced to Table 1 Closure standards. Analytical results complied with Table 1 closure standards.

Analytical Results:

Benzene: Non-Detect

BTEX: Non-Detect

GRO: Non-Detect

DRO: 194 mg/kg

ORO: 768 mg/kg

Chloride: Non-Detect

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.

On June 16, 2021 M&G Drilling removed the steel below grade tank on the Hammond #055A. When the BGT was removed no visible signs of staining or wet soil was observed. M&G Drilling collected (1) (5) point composite sample from where the BGT was removed. The closure samples were analyzed by Envirotech Labs in referenced to Table 1 Closure standards. Analytical results complied with Table 1 closure standards.

Analytical Results:

Benzene: Non-Detect

BTEX: Non-Detect

GRO: Non-Detect

DRO: 194 mg/kg

ORO: 768 mg/kg

Chloride: Non-Detect

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.

The area of the BGT removal has been returned to grade surface. The area will be reclaimed once the well has been plugged and abandoned.

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 reseedling 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 pre-disturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.

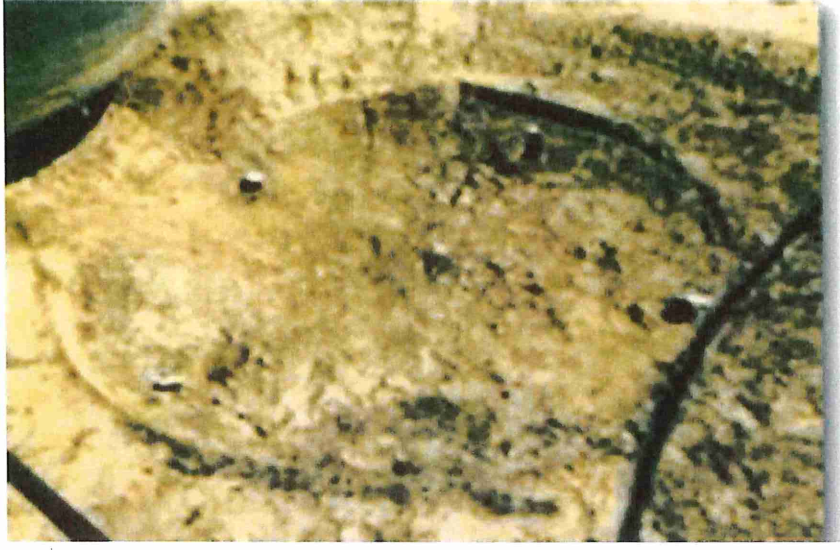
*Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above

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

The area has been backfilled and returned to grade surface. The area will be reclaimed once the well has been plugged and abandoned.



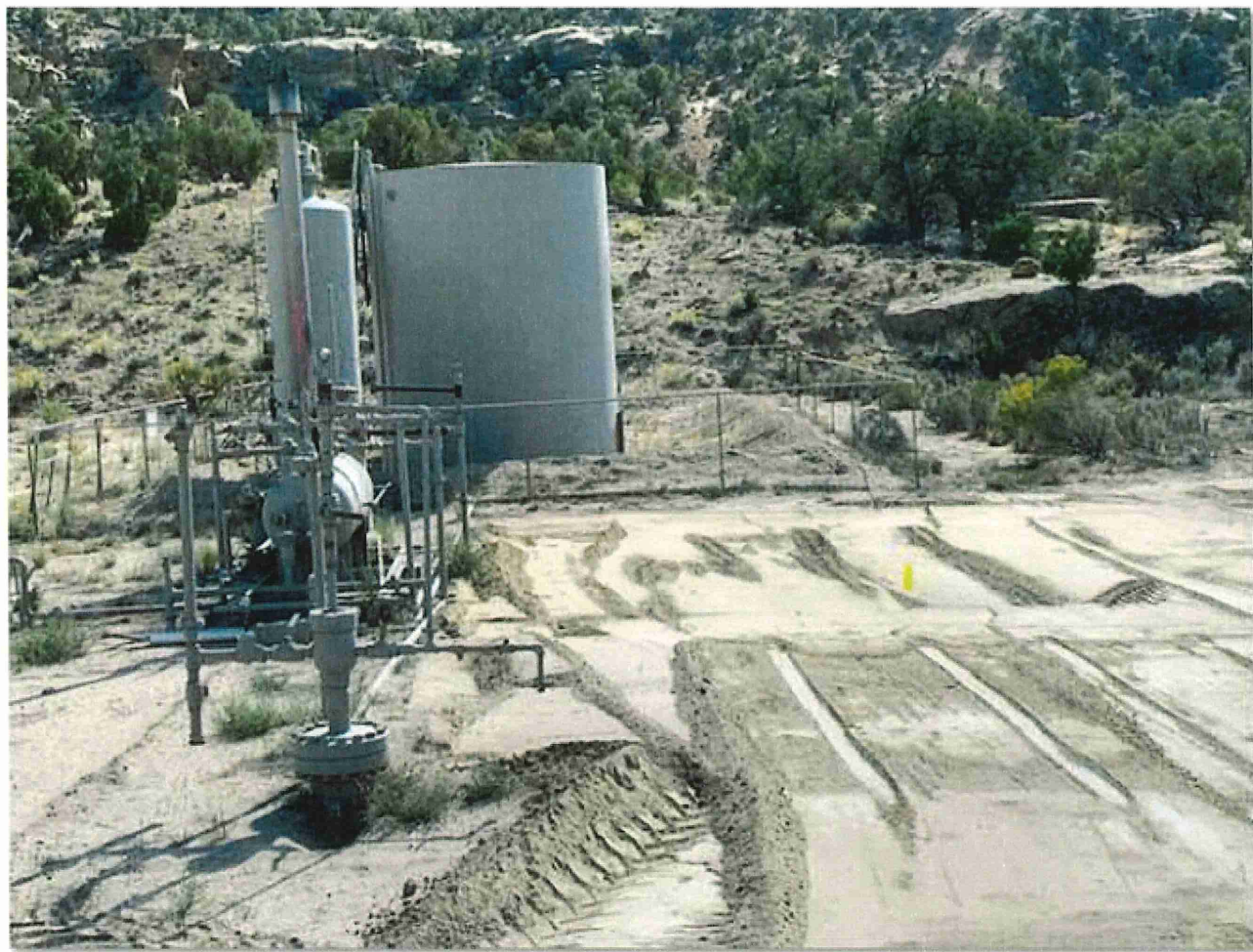


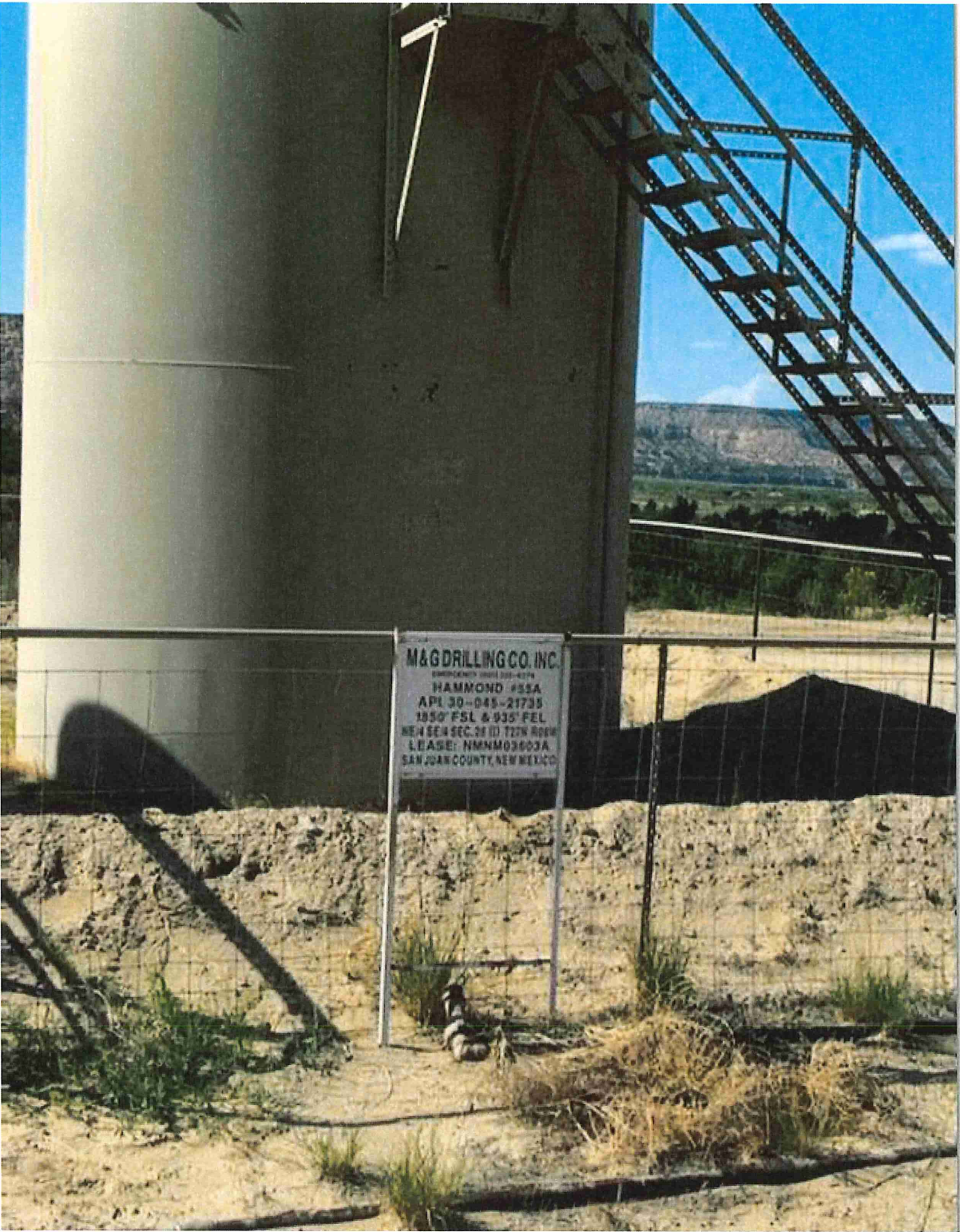


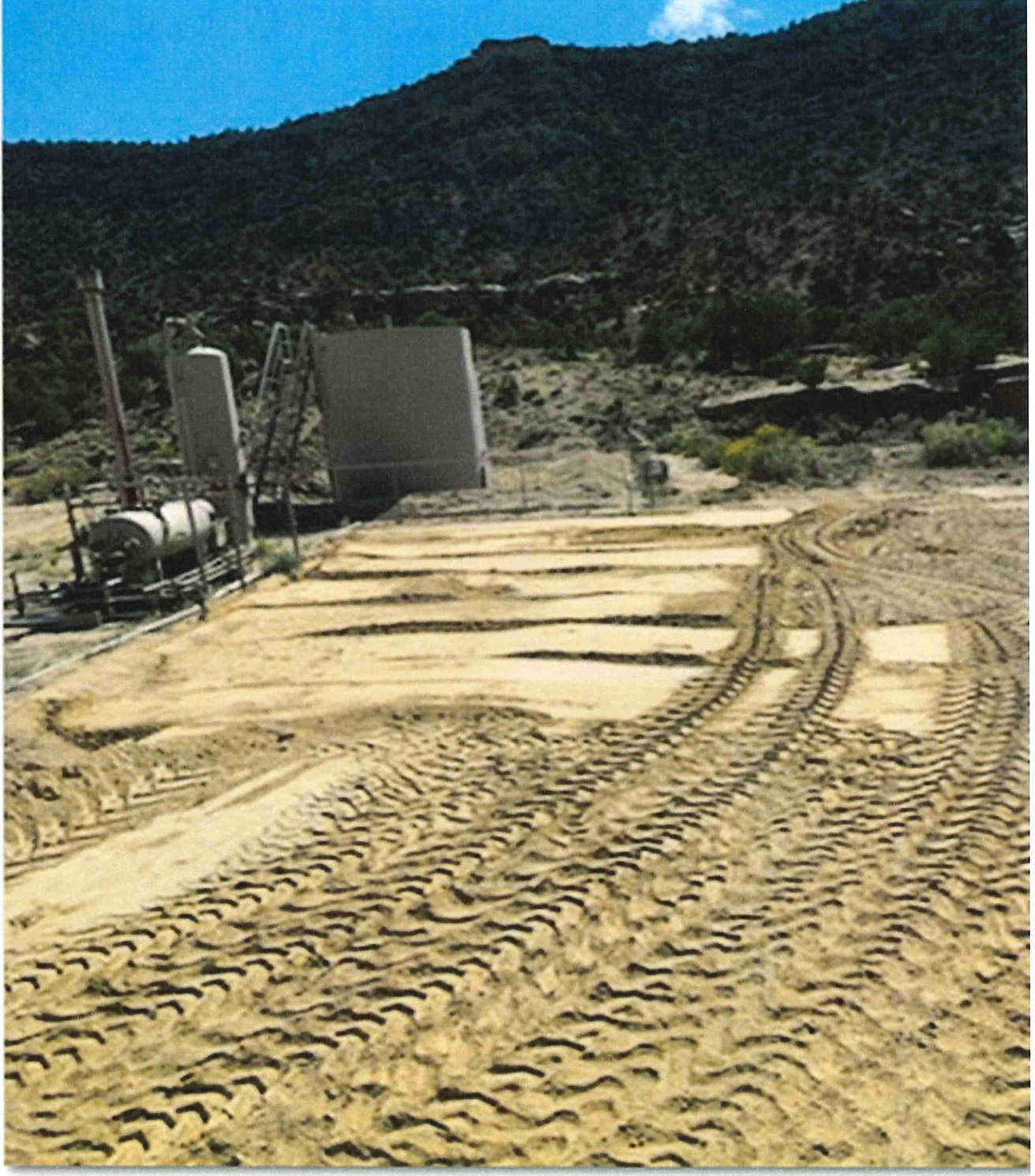


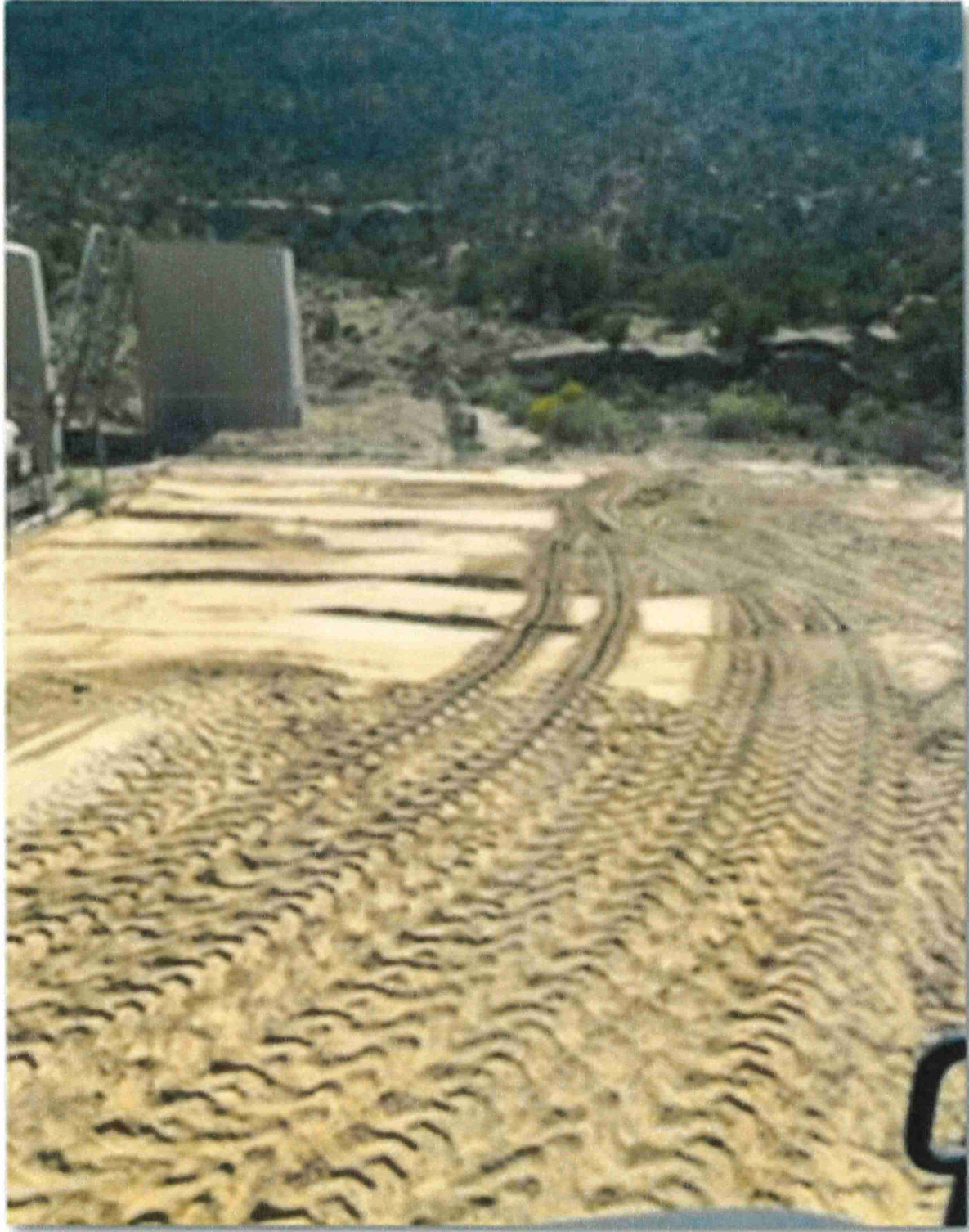












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1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 51670

CONDITIONS

Operator: M & G DRLG CO INC P.O. Box 5940 Farmington, NM 87499	OGRID: 141852
	Action Number: 51670
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	10/12/2021