

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
BGT EAST ☐ 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: Hilcorp Energy Company OGRID #: 372171
Address: 382 Road 3100 Aztec, NM 87410
Facility or well name: San Juan 28-7 Unit 247 East BGT
API Number: 30-039-21650 OCD Permit Number: _____
U/L or Qtr/Qtr N Section 11 Township 28 Range 7 County: Rio Arriba
Center of Proposed Design: Latitude 36.67093 Longitude -107.54503 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: 120 bbl Type of fluid: Produced Water
Tank Construction material: Metal
☐ 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 Unspecified

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 _____

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, lake bed, 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 regards 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): Kandis Roland Title: Operations/Regulatory Technician – Sr.

Signature: Kandis Roland Date: 12/10/2021

e-mail address: kroland@hilcorp.com Telephone: 713-757-5246

18.

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

OCD Representative Signature: CR Whitehead Approval Date: December 13, 2021

Title: Environmental Specialist OCD Permit Number: BGT EAST

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: _____

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 _____ Longitude _____ 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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Kandis Roland

From: Whitehead, Christopher , EMNRD <Chris.Whitehead@state.nm.us>
Sent: Friday, December 10, 2021 10:26 AM
To: Kandis Roland
Cc: Mandi Walker
Subject: RE: [EXTERNAL] FW: SAN JUAN 28-7 UNIT 247 - INC

Yes, for this circumstance, that is accepted.

Christopher Whitehead • Environmental Specialist
Environmental Bureau • EMNRD - OCD

From: Kandis Roland <kroland@hilcorp.com>
Sent: Friday, December 10, 2021 9:14 AM
To: Whitehead, Christopher , EMNRD <Chris.Whitehead@state.nm.us>
Cc: Kandis Roland <kroland@hilcorp.com>; Mandi Walker <mwalker@hilcorp.com>
Subject: [EXTERNAL] FW: SAN JUAN 28-7 UNIT 247 - INC

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Chris,

I am working on this Historical BGT to clean up the paperwork. This location had 2 BGTs that were closed in 2013. Both BGTs were never permitted and closure reports were never submitted to OCD. Attached is the sample report that was taken in 2013 for both BGTs.

I just want to confirm that I am good to file 2 (one for each tank) C-144LB Closure Plan Onlys followed by 2 C-144LB Closure Permits in order to clean-up the historical records.

Thanks,

Kandis Roland
HILCORP ENERGY
San Juan East/South Regulatory
713.757.5246
kroland@hilcorp.com

From: Clara Cardoza <ccardoza@hilcorp.com>
Sent: Thursday, November 5, 2020 10:48 AM
To: Kandis Roland <kroland@hilcorp.com>; Trey Sullivan <tsullivan@hilcorp.com>; Ryan Frost <rfrost@hilcorp.com>
Cc: Cheryl Weston <cweston@hilcorp.com>
Subject: RE: SAN JUAN 28-7 UNIT 247 - INC

This closure report has two BGTs in it. See page 7 for the locations.

From: Kandis Roland

Sent: Thursday, November 5, 2020 9:44 AM

To: Trey Sullivan <tsullivan@hilcorp.com>; Clara Cardoza <ccardoza@hilcorp.com>; Ryan Frost <rfrost@hilcorp.com>; Mark McKnight <mmcknight@hilcorp.com>

Cc: Kandis Roland <kroland@hilcorp.com>; Cheryl Weston <cweston@hilcorp.com>

Subject: SAN JUAN 28-7 UNIT 247 - INC

Today's Date:	11/5/2020				
Well Name:	SAN JUAN 28-7 UNIT 247	Location:	Sec: 11	Twn: 028N	Rng: C
API Number:	30.039.21650	Footage:	825' FSL & 1970' FWD		
Operator:	Hilcorp Energy Company	Area/Run/MSO:	10	1006	Cliff H
Meter #:	90-410-01		Pipeline:	ENT	
INC Number:	Verbal.JK.1152020	Agency:	OCD	Inspector:	Jonatha
Type of INC:	Verbal	Photos Required:	Yes	Due Date:	
Issue of Concern:	Review of prior inspections and historic aerals found that location had 2 BGTs that were closed between no C-144 BGT Permits/Registrations in well file and no BGT C-144 Closures found in well file.				

Kandis Roland

HILCORP ENERGY

San Juan South Regulatory

505.324.5149

kroland@hilcorp.com

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While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

BGT CLOSURE PLAN ONLY VARIANCE

Variance:

1. The BGT was installed prior to 2008 Pit Rule and was missed being permitted in the 2008 BGT permitting project.
2. Since siting criteria for the subject well was not provided, Hilcorp Energy Company understands that during removal of the BGT, if contamination is discovered, Hilcorp will provide siting criteria.
3. Hilcorp will notify Public Entity Surface Owners by e-mail in lieu of certified mail. Private Entity Owners will still be notified via certified mail.

**Hilcorp Energy Company
San Juan Asset
Production BGT Closure Plan**

In accordance with Rule 19.15.17.13 NMAC, the following plan describes the general closure requirements of a below-grade tank (BGT) on any Hilcorp Energy Company (HEC) location in the San Juan Asset. This is HEC's standard closure procedure for all BGT's regulated under Rule 19.15.17 NMAC and operated by HEC. For those closures which do not conform to this standard closure plan, a separate BGT specific closure plan will be developed and utilized.

Closure Conditions and Timing for BGT:

- Within 60 days of cessation of operation HEC will:
 - Remove all liquids and sludge and dispose in a division approved manner.
- Within 72 hours or 1 week prior to closure HEC will:
 - Give notice to surface owners by certified mail. For public entities by email as specified on the variance page.
 - Give notice to Division District Office verbal or in writing/email.
- Within 6 months of cessation of operation HEC will:
 - Remove BGT and dispose, recycle, reuse, or reclaim in a division approved manner.
 - Remove unused onsite equipment associated with the BGT.
- Within 60 days of closure HEC will:
 - Send the Division District Office a Closure Report per 19.15.17.13.F (1).

General Plan Requirements:

1. Prior to initiating any BGT closure, except in the case of an emergency, HEC will notify the surface owner of the intent to close the BGT by certified mail no later than 72 hours or 1 week before closure and a copy of this notification will be included in the closure report. In the case of an emergency, the surface owner will be notified as soon as practical.
2. Notice of closure will be given to the Division District office between 72 hours and 1 week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name
 - b. Well Name and API Number
 - c. Location
3. All liquids will be removed from the BGT following cessation of operation. Produced water will be disposed of at one of HEC's approved Salt Water Disposal facilities or at a Division District Office approved facility.
4. Solids and sludge's will be shoveled and/or vacuumed out for disposal at one of the Division District Office approved facilities, depending on the proximity of the BGT site: Envirotech Land Farm (Permit #NM-01-011), Industrial Ecosystems Inc. JFJ Land Farm (Permit #NM-01-0010B), and Basin Disposal (Permit #NM-01-005).
5. HEC will obtain prior approval from the Division District Office to dispose, recycle, reuse, or reclaim the BGT and provide documentation of the disposition of the BGT in the closure report. Steel materials will be recycled or reused as approved by the Division District Office. Fiberglass tanks will be empty, cut up or shredded, and EPA cleaned for disposal as solid waste. Liner materials will be cleaned without soils or contaminated material for disposal as solid waste. Fiberglass tanks and liner materials will meet the conditions of 19.15.35 NMAC. Disposal will be at a licensed disposal facility, presently San Juan County Landfill operated by Waste Management under NMED Permit SWM-052426.
6. Any equipment associated with the BGT that is no longer required for some other purpose, following the closure, will be removed.

Revised 3/15/2016

7. Following removal of the tank and any liner material, HEC will test the soils beneath the BGT as follows:
- At a minimum, a five-point composite sample will be taken to include any obvious stained or wet soils or any other evidence of contamination.
 - The laboratory sample shall be analyzed for the constituents listed in Table I of 19.15.17.13.

Table I Closure Criteria for Soils Beneath Below-Grade Tanks, Drying Pads Associated with Closed-Loop Systems and Pits where Contents are Removed			
Depth below bottom of pit to groundwater less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤50 feet	Chloride	EPA 300.0	600 mg/kg
	TPH	EPA SW-846 Method 418.1	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg
51 feet-100 feet	Chloride	EPA 300.0	10,000 mg/kg
	TPH	EPA SW-846 Method 418.1	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 8015M	10 mg/kg
> 100 feet	Chloride	EPA 300.0	20,000 mg/kg
	TPH	EPA SW-846 Method 418.1	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 8015M	10 mg/kg

*Or other test methods approved by the division

**Numerical limits or natural background level, whichever is greater

(19.15.17.13 NMAC-Ro, 19.15.17.13 NMAC 3/28/2013)

8. If the Division District Office and/or HEC determine there is a release, HEC will comply with 19.15.17.13.C.3b.
9. Upon completion of the tank removal, pursuant to 19.15.17.13.C.3c, if all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, the excavation will be backfilled with non-waste containing earthen material compacted and covered with a minimum of one foot top soil, or background thickness of top soil, whichever is greater. The surface will then be re-contoured to match the native grade, prevent ponding of water, and prevent erosion of cover material.
10. For those portions of the former BGT area no longer required for production activities, HEC will seed the disturbed area in the first favorable growing season following the closure of the BGT. Seeding will be accomplished via drilling on the contour whenever practical, or by other Division District Office approved methods. HEC will notify the Division District Office when reclamation and re-vegetation is complete.

Reclamation of the BGT shall be considered complete when:

- Established vegetative cover reflects a life form ratio of +/- 50% of pre disturbance levels.
- Total plant cover is at least 70% of pre-disturbance levels (Excluding noxious weeds) OR
- Pursuant to 19.15.17.13.H.5d HEC will comply with obligations imposed by other applicable federal or tribal agencies in which there re-vegetation and reclamation requirements provide equal or better protection of fresh water, human health and the environment.

Revised 3/15/2016

11. For those portions of the former BGT area required for production activities, reseeding will be done at well abandonment, and following the procedure noted above.

Closure Report:

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the BGT closure on a Closure Report using Division District Office Form C-144. The Report will include the following:

- Proof of Closure Notice (surface owner and Division District Office)
- Backfilling & cover installation
- Confirmation Sampling Analytical Results
- Application Rate & Seeding techniques
- Photo Documentation of Reclamation

Revised 3/15/2016

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

QUESTIONS

Action 66262

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 66262
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Facility and Ground Water	
<i>Please answer as many of these questions as possible in this group. More information will help us identify the appropriate associations in the system.</i>	
Facility or Site Name	San Juan 28-7 Unit 247 East BGT
Facility ID (##), if known	Not answered.
Facility Type	Below Grade Tank - (BGT)
Well Name, include well number	San Juan 28-7 Unit 247
Well API, if associated with a well	30-039-21650
Pit / Tank Type	Not answered.
Pit / Tank Name or Identifier	Not answered.
Pit / Tank Opened Date, if known	Not answered.
Pit / Tank Dimensions, Length (ft)	Not answered.
Pit / Tank Dimensions, Width or Diameter (ft)	Not answered.
Pit / Tank Dimensions, Depth (ft)	Not answered.
Ground Water Depth (ft)	Not answered.
Ground Water Impact	Not answered.
Ground Water Quality (TDS)	Not answered.

Below-Grade Tank

Subsection I of 19.15.17.11 NMAC

Volume / Capacity (bbls)	Not answered.
Type of Fluid	Not answered.
Pit / Tank Construction Material	Not answered.
Secondary containment with leak detection	Not answered.
Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Not answered.
Visible sidewalls and liner	Not answered.
Visible sidewalls only	Not answered.
Tank installed prior to June 18, 2008	Not answered.
Other, Visible Notation. Please specify	Not answered.
Liner Thickness (mil)	Not answered.
HDPE (Liner Type)	Not answered.
PVC (Liner Type)	Not answered.
Other, Liner Type. Please specify (Variance Required)	Not answered.

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QUESTIONS, Page 2

Action 66262

QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 66262
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Fencing	
<i>Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)</i>	
Chain link, six feet in height, two strands of barbed wire at top (<i>Required if located within 1000 feet of a permanent residence, school, hospital, institution or church</i>)	<i>Not answered.</i>
Four foot height, four strands of barbed wire evenly spaced between one and four feet	<i>Not answered.</i>
Alternate, Fencing. Please specify (Variance Required)	<i>Not answered.</i>

Netting	
<i>Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)</i>	
Screen	<i>Not answered.</i>
Netting	<i>Not answered.</i>
Other, Netting. Please specify (Variance May Be Needed)	<i>Not answered.</i>

Signs	
<i>Subsection C of 19.15.17.11 NMAC (If there are multiple operators at a site, each operator must have their own sign in compliance with Subsection C of 19.15.17.11 NMAC.)</i>	
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	<i>Not answered.</i>
Signed in compliance with 19.15.16.8 NMAC	<i>Not answered.</i>

Variances and Exceptions	
<i>Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.</i>	
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.	<i>Not answered.</i>
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	<i>Not answered.</i>

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QUESTIONS, Page 3

Action 66262

QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 66262
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

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.

Siting Criteria, General Siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank	Not answered.
NM Office of the State Engineer - iWATERS database search	Not answered.
USGS	Not answered.
Data obtained from nearby wells	Not answered.

Siting Criteria, 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)	Not answered.
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption	Not answered.

Proposed Closure Method	
Below-grade Tank	Below Grade Tank - (BGT)
Waste Excavation and Removal	Not answered.
Alternate Closure Method. Please specify (Variance Required)	Not answered.

Operator Application Certification	
Registered / Signature Date	Not answered.

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ACKNOWLEDGMENTS

Action 66262

ACKNOWLEDGMENTS

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	Action Number: 66262
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I acknowledge that I have received prior approval from the OCD to submit documentation of a legacy below-grade tank on behalf of my operator.
<input checked="" type="checkbox"/>	I hereby certify that the information submitted with this documentation is true, accurate and complete to the best of my knowledge and belief.

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CONDITIONS

Action 66262

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 66262
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CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	12/13/2021