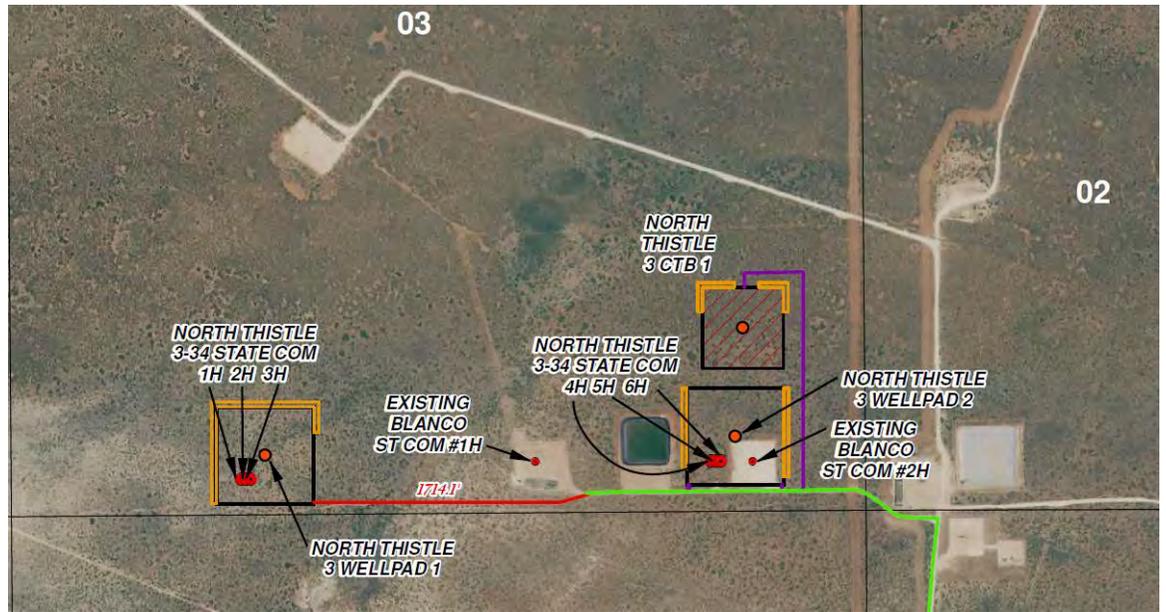


C-144 Permit Application Package for
North Thistle 3-34 State 7 CA '1H
Temporary Pit (Reserve Pit)
Section 3, T23 R33E, Lea County



North Thistle 3-34 State 1H is the westernmost well in the image shown above. One reserve pit will be used to drill 1H, 2H and 3H.

Prepared for
Devon Energy Production Co. LP
Oklahoma City, OK

Prepared by
R.T. Hicks Consultants, Ltd.
Albuquerque, New Mexico

R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

September 17, 2018

Mr. Jim Griswold
Ms. Olivia Yu
NMOCD District 1
1625 French Drive
Hobbs, New Mexico 88240
VIA EMAIL

RE: Devon Energy Production Co. LP Temporary Pit C-144 Application
NORTH THISTLE 3-34 STATE COM 1H

Dear Mr. Griswold and Ms. Yu:

On behalf of Devon Energy Production Company, LP, Hicks Consultants is pleased to submit the attached C-144 application for temporary pit at the above-referenced well. Devon began excavation of the pit last week but will not install the liner until this application is approved.

Please note the following:

1. The proposed temporary pit is a reserve pit. It will capture cuttings from the shale shaker and circulate the drilling fluid as the rig drills the referenced well and 2 additional wells located on the same pad (State Com 2H and State Com 3H).
2. The design diagram for the pit is included in the C-144 submission. The exact geometry of the pit will probably change slightly based upon site conditions. If the geometry of the pit changes significantly, we will submit as-built drawings after construction.
3. Supporting information in this submission is presented in the same order as the C-144 form to ease review.
4. The submission requests the use of previously-approved variances, also included in the application package.
5. Photographs of the site are attached to this cover letter.

The State of New Mexico is the surface owner and a copy of this application is provided to the SLO via email. Please contact me if you have any questions or concerns regarding this application.

Sincerely,
R.T. Hicks Consultants



Randall Hicks
Principal

Copy: Devon Energy Production Company, LP
State Land Office



View south with 3H well stake in the center. Location pad is under construction.



View south from the southern edge of the staked location, 200 feet south of the well stakes. Typical vegetation in the vicinity is shrubs such as mesquite and rabbitbrush.



This image is a view west from the western edge of the staked location, 200 feet west of the #3H stake (see survey).



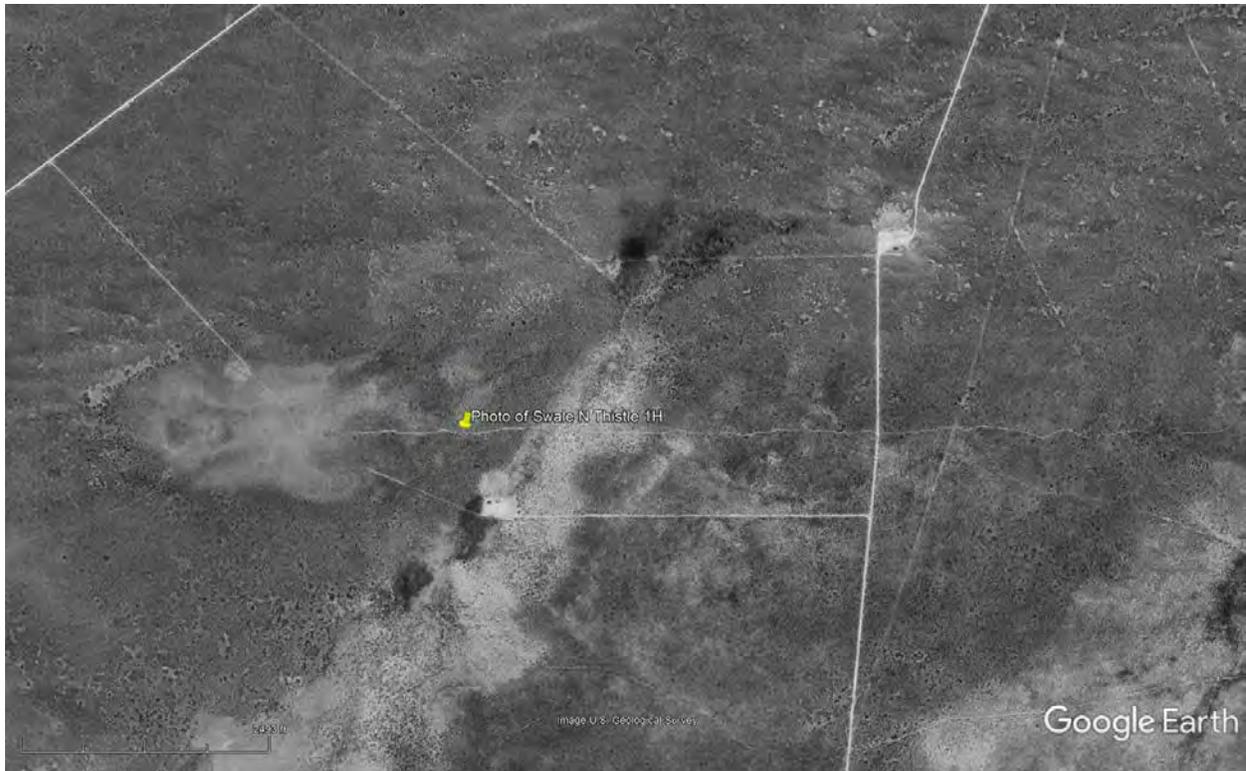
View east from the eastern edge of the location, approximately 360 feet east of the nearest well stake.



Northern edge of location, 450 feet north of wells stakes; view north.
Exposed soil consists of silty sand with gently sloping, low dunes.



Shallow swale south of location along section line, viewing east 250 feet south. Runs east-west parallel to dirt road and tapers out approximately 100 feet east and a few hundred feet west.
Not a watercourse as defined by NMOCD Rules – is abandoned road.



This is a 2005 Google Earth image showing location of swale south of location photograph. Obviously the swale is an old, abandoned dirt track possibly an oil field road as it leads to an old location.

C-144

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 June 6, 2013

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

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

- 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: Devon Energy Production Company, LP. OGRID #: 6137
Address: 333 W. Sheridan, Oklahoma City, OK 73102-8260
Facility or well name: North Thistle 3-34 State COM 1H (pit will be used for 1H, 2H, and 3H)
API Number: 3002545070 (3002545071 and 3002545072) OCD Permit Number: _____
U/L or Qtr/Qtr N Section 3 Township 23S Range 33E County: Lea
Center of Proposed Design is within 90 feet of: Latitude 32.327141 Longitude -103.564074 NAD: 1927 1983
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 20 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: See Plate 1 _____ Dimensions: See Plate 1

3.
 Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
 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 _____

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.

Variations 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

All proposed variances have been previously-approved by OCD.

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 **See Figures 1 & 2**

- 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) See Figure 3**

- 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) See Figure 4**

- 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) See Figure 5**

- 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) See Figure 6**

- 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

<p>Within 100 feet of a wetland.</p> <ul style="list-style-type: none"> - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><u>Temporary Pit Non-low chloride drilling fluid</u></p>	
<p>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). See Figure 7</p> <ul style="list-style-type: none"> - Topographic map; Visual inspection (certification) of the proposed site 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</p> <ul style="list-style-type: none"> - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image. See Figure 8 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>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;</p> <ul style="list-style-type: none"> - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site See Figures 1 & 2 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Within 300 feet of a wetland. See Figure 9</p> <ul style="list-style-type: none"> - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p><u>Permanent Pit or Multi-Well Fluid Management Pit</u></p>	
<p>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).</p> <ul style="list-style-type: none"> - Topographic map; Visual inspection (certification) of the proposed site 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</p> <ul style="list-style-type: none"> - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>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.</p> <ul style="list-style-type: none"> - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 500 feet of a wetland.</p> <ul style="list-style-type: none"> - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	<input type="checkbox"/> Yes <input type="checkbox"/> 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" type="checkbox"/> No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

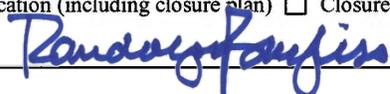
17. **Operator Application Certification:**
 I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Jamison Hart Title: Drilling Engineer

Signature:  Date: 9-18-18

e-mail address: Jamison.Hart@dvn.com Telephone: 405-228-8370

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

OCD Representative Signature:  Approval Date: 11Oct18

Title: Hydrologist OCD Permit Number: variances approved

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

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: _____

C-102

1.									
Operator: _____	Devon Energy Production Company, L.P.	OGRID #: _____	6137						
Address: _____									
333 W. Sheridan, Oklahoma City, OK 73102-8260									
Facility or well name: _____									
North Thistle 3-34 State COM 1H (pit will be used for 2H, 3H and 4H wells)									
API Number: _____		OCD Permit Number: _____							
3002545070									
U/L or Qtr/Qtr	N	Section	3	Township	23S	Range	33E	County:	Lea
Center of Proposed Design is within 90 feet of:				Latitude	32.327141	Longitude	-103.564074	NAD:	<input type="checkbox"/> 1927 <input checked="" type="checkbox"/> 1983
Surface Owner:				<input type="checkbox"/> Federal	<input checked="" type="checkbox"/> State	<input type="checkbox"/> Private	<input type="checkbox"/> Tribal Trust or Indian Allotment		

Page 1 shows latitude/longitude of surface location of well

Page 2 shows detail of well pad and adjacent wells

Page 3 shows location of reserve pit on well pad

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 746-1283 Fax: (575) 746-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name NORTH THISTLE 3-34 STATE COM	
OGRID No.	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Well Number 1H Elevation 3595.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	23-S	33-E		231	SOUTH	1459	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	22-S	33-E		20	NORTH	380	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

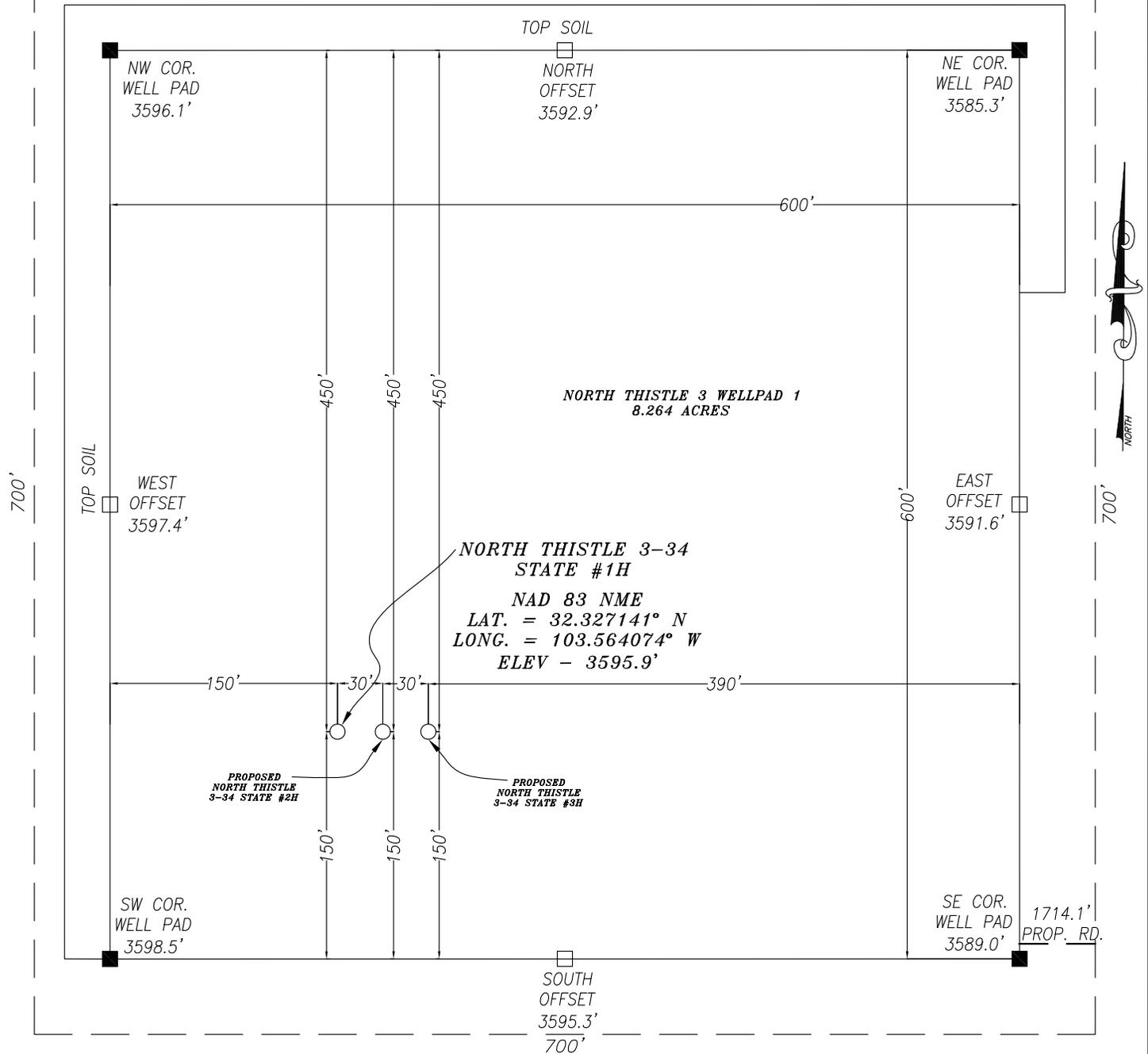
<p>Y=493908.9 N X=777412.0 E</p> <p style="text-align: center;"><u>LTP</u> 100' FNL & 380' FWL LAT.=32.355233° N LONG.=103.567588° W</p> <p>NAD 83 NME <u>PROPOSED BOTTOM HOLE LOCATION</u> Y=493891.1 N X=777792.1 E LAT.=32.355453° N LONG.=103.567588° W</p> <p style="text-align: right;">SECTION 34 SECTION 3</p> <p style="text-align: center;">LOT 4 LOT 3 LOT 2 LOT 1 39.84 Ac 39.70 Ac 39.66 Ac 39.65 Ac</p> <p>NAD 83 NME <u>SURFACE LOCATION</u> Y=483599.2 N X=778951.1 E LAT.=32.327141° N LONG.=103.564074° W</p> <p style="text-align: center;"><u>FTP</u> 100' FSL & 380' FWL LAT.=32.326781° N LONG.=103.567567° W</p> <p>Y=483357.7 N X=777494.1 E</p> <p style="text-align: right;">Y=483367.2 N X=778815.6 E</p> <p>1459' S.L. 231'</p>	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: center;">FEBRUARY 20, 2018</p> <p style="text-align: center;">Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;">  <p><i>Chad L. Harcrow</i> 7/31/18</p> </div> <p>Certificate No. CHAD HARCROW 17777 W.O. # 18-891 DRAWN BY: CD</p>
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SECTION 3, TOWNSHIP 23 SOUTH, RANGE 33 EAST, N.M.P.M.,

LEA COUNTY

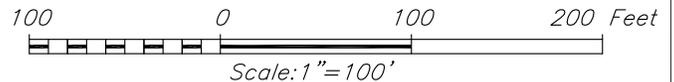
NEW MEXICO

700'
ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF HWY. 128 AND DELAWARE BASIN RD (CR. 21), GO NORTH ON CR. 21 FOR APPROX. 6.0 MI.; THEN TURN LEFT (WEST) AND GO APPROX. 2.4 MI.; THEN TURN RIGHT (NORTH) AND GO APPROX. 2.0 MI.; THEN TURN LEFT (WEST) AND GO APPROX. 0.4 MI. TO PROPOSED ROAD; THE PROPOSED WELL LIES APPROX. 2160 FEET TO THE WEST.

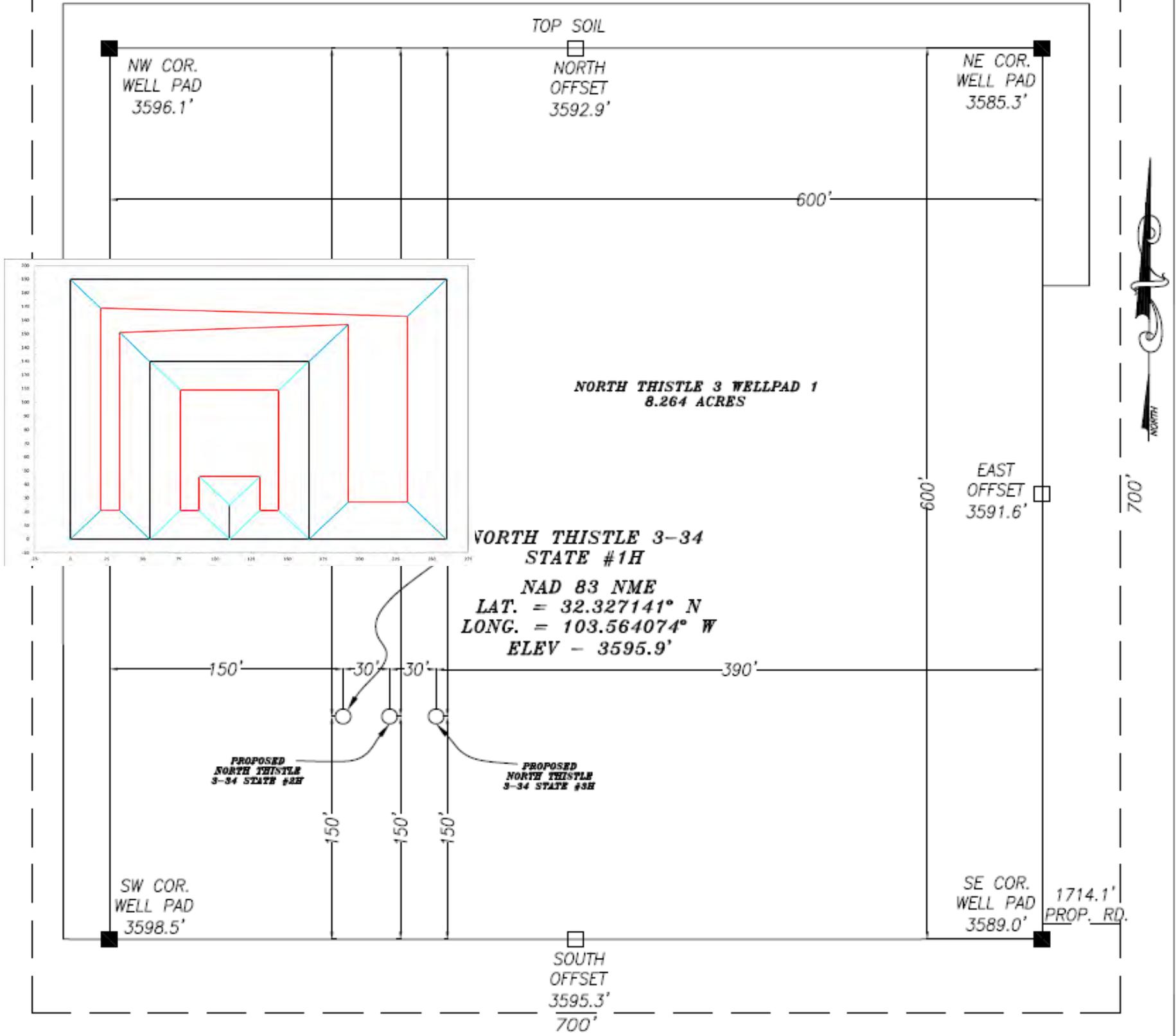


HARCROW SURVEYING, LLC
2314 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158 FAX: (575) 746-2158
Texas Firm No. 10194089
c.harcrow@harcrowsurveying.com



DEVON ENERGY PRODUCTION CO., L.P.		
NORTH THISTLE 3-34 STATE #1H LOCATED 231 FEET FROM THE SOUTH LINE AND 1459 FEET FROM THE WEST LINE OF SECTION 3, TOWNSHIP 23 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO		
SURVEY DATE: FEBRAURY 20, 2018	REV: 6/5/2018	
DRAFTING DATE: JUNE 5, 2018		
APPROVED BY: CH	DRAWN BY: CD	PAGE: 1 OF 1
FILE: 18-825	DEVON #: WA002361298	SITE MAP

ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED



R.T. Hicks Consultants
901 Rio Grande Blvd. NW
Suite F-142
Albuquerque, N. M. 87104

Drawing of Temporary Pit and Well in Relation to Pad Boundary

Devon North Thistle 3 34
1H, 2H, 3H

Plate 2

Sept 2018

RESERVE PIT DESIGN

2.

Pit: Subsection F, G or J of 19.15.17.11 NMAC

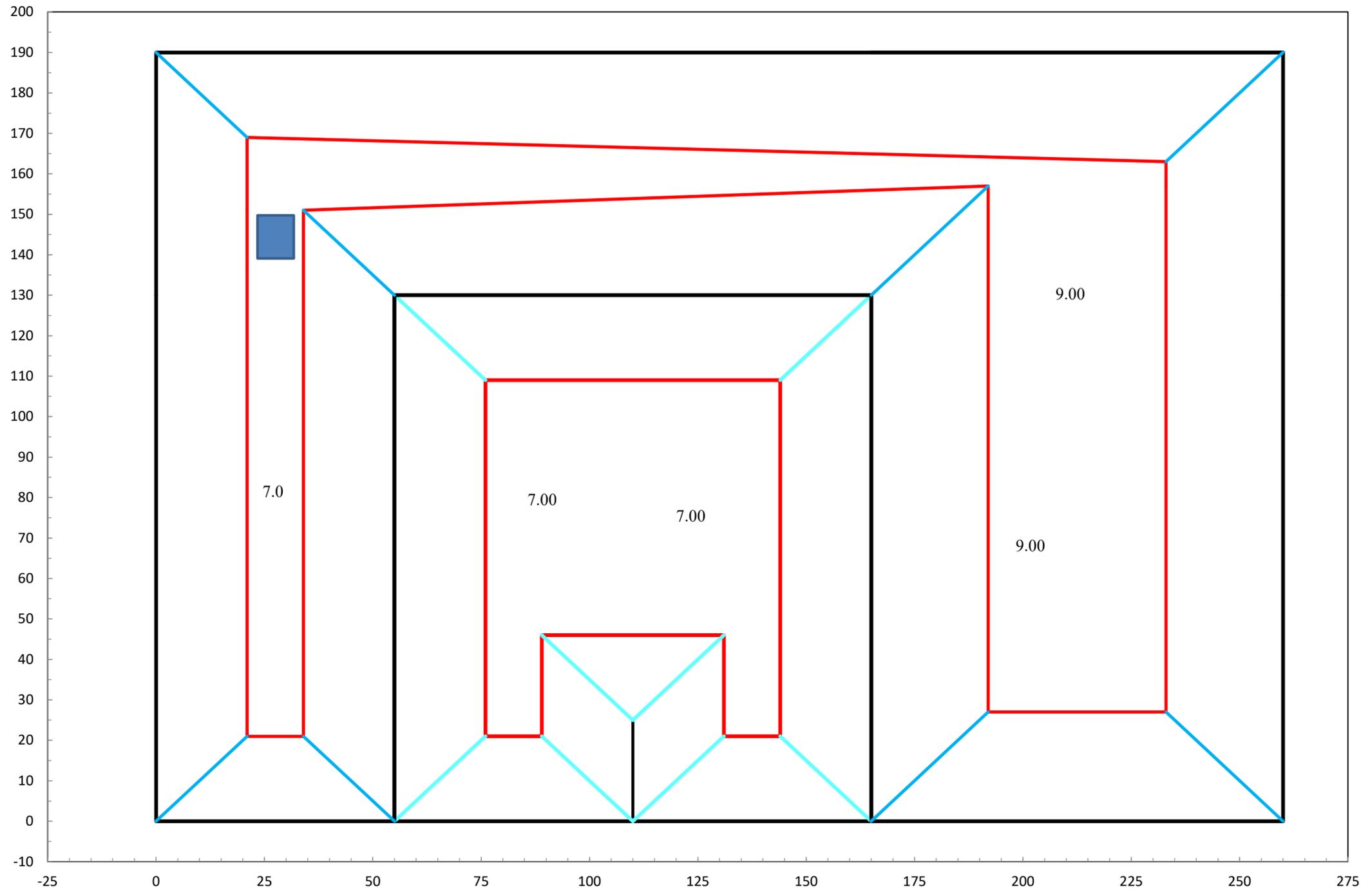
Temporary: Drilling Workover

Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no

Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other _____

String-Reinforced

Liner Seams: Welded Factory Other _____ Volume: See Plate 1_Dimensions: See Plate 1



Speed Bump



Total Capacity

43991 **bbls**
1,847,601.21 **gal**
5.67 **ac-ft**

Fluid Capacity (2' Freeboard) **26459** **bbls**
Solids Capacity (4' Freeboard) **75249** **cubic ft**
Solids Generated **71224** **cubic ft**

Inner Horseshoe		Outer Horseshoe		Drilling Cell total width		260.00	
total width (left right)	110.00	width discharge side	95.00	Drilling Cell total length		190.00	
total length (up down)	130.00	width suction side	55.00	Common Dimensions			
width discharge side	55.00	length far side (up down)	60.00	Slopes of Pit Horizontal Distance	3.00		
Depth Discharge	7.00	Depth on Discharge Side	9.00	Slopes of Pit Vertical Distance	1.00		
Depth Far Side(Discharge)	7.00	Depth on Far Side (Discharge)	9.00	Inner Outer horseshoe divider width at su	0.00		
Depth Far Side(Suction)	7.00	Depth on Far Side (Suction)	7.00	Inner Pit Suction Side			
Depth Suction	7.00	Depth on Suction Side	7.00	Slopes of Pit Horizontal Distance	3.00		
Length of Divider	25.00	Capacity 2' Freeboard - bbls	19300	Slopes of Pit Vertical Distance	1.00		
Divider Width	0.00	Capacity 4' Freeboard - cu. Ft.	55536	Outer Pit Suction Side			
Capacity 2' Freeboard - bbls	7159			Slopes of Pit Horizontal Distance	3.00		
Capacity 4' Freeboard - cu. Ft.	19713			Slopes of Pit Vertical Distance	1.00		

RT Hicks Consultants Albuquerque, NM	Pit Diagram	Plate 1
	Devon North Thistle 3 34 1H, 2H, 3H	August 2018

PRODUCT DESCRIPTION

GEO♦SKRIM® J24BDX1 is a unique, single-side textured reinforced gray/black geomembrane manufactured using high strength polyethylene resins. GEO♦SKRIM® J24BDX1 is designed with a textured gray surface to minimize thermal expansion while providing a cooler working surface. The black layer includes carbon black and thermal stabilizers to assure exposed longevity. Contrasting colors also provide a vital function for ease of damage detection during the installation.

GEO♦SKRIM® J24BDX1 is manufactured utilizing a cast extrusion process to achieve a consistent friction surface with uniform asperity heights and is reinforced with a tri-directional scrim reinforcement to maximize tear and puncture resistance. The SurGrip™ textured surface consists of a diagonal cross-hatch pattern with equally raised self-draining treads. GEO♦SKRIM® J-Series membranes are formulated with thermal and UV stabilizers to assure exceptional longevity. Custom colors are available based on minimum volume requirements.

PRODUCT USE

GEO♦SKRIM® J24BDX1 is used in applications that demand exceptional tear and puncture strength, and resistance to thermal expansion. GEO♦SKRIM® J24BDX1 is manufactured from a chemically-resistant, linear-low-density polyethylene with excellent environmental stress crack resistance.

An aggressive cross-hatch raised texture on the gray side provides a non-skid surface for enhanced jobsite safety.

SIZE & PACKAGING

GEO♦SKRIM® J24BDX1 is available in a variety of widths and lengths to meet the project requirements. Large diameter mill rolls are available to assure an efficient seaming process. Factory welded panels are produced in a quality controlled environment and are accordion folded and tightly rolled on a heavy-duty core for ease of handling and time saving installation.



Rig-site Pad Liner

PRODUCT

PART

GEO♦SKRIMJ24BDX1

APPLICATIONS

- | | |
|-----------------------|-------------------------|
| Waste Lagoon Liners | Interim Landfill Covers |
| Floating Covers | Remediation Covers |
| Modular Tank Liners | Landfill Caps |
| Tunnel Liners | Erosion Control Covers |
| Remediation Liners | Canal Liners |
| Earthen Liners | Disposal Pit Liner |
| Secondary Containment | Water Containment Ponds |

PRO-FORMA DATA SHEET

		GEO.SKRIM® J24BDX1	
		TYPICAL	
PROPERTIES	TEST METHOD	IMPERIAL	METRIC
APPEARANCE		Gray/Black 1-Side Texture	
THICKNESS, NOMINAL		24 Mil	0.61 mm
ASPERITY HEIGHT		12 Mil	0.30 mm
WEIGHT	ASTM D751	105 lbs/MSF	513 g/m ²
CONSTRUCTION		Extrusion laminated with scrim reinforcement	
² GRAB TENSILE STRENGTH	ASTM D7004	130 lbs	578 N
² GRAB TENSILE ELONGATION	ASTM D7004	17 %	17 %
³ TONGUE TEAR	ASTM D5884	55 lbs	244 N
CBR PUNCTURE RESISTANCE	ASTM D6241	338 lbs	1500 N
WVTR	ASTM E96	0.011 grains/ft ² •hr	0.184 g/m ² •day
PERM RATING	ASTM E96	0.027 Perms	0.018 g/m ² •day•mm Hg
HYDRAULIC CONDUCTIVITY	ASTM E96	2.2x10 ⁻¹⁰ cm/sec	
MAXIMUM STATIC USE TEMPERATURE		180° F	82° C
MINIMUM STATIC USE TEMPERATURE		-70° F	-57° C

² Tests are an average of primary reinforcement directions.

³ Tests are an average of machine and transverse directions.

PRO-FORMA SHEET CONTENTS: The data listed in the Pro-Forma data sheet is representative of initial production runs. These values may be revised at anytime without notice as additional test data becomes available.

Note: To the best of our knowledge, unless otherwise stated, these are typical property values and are intended as guides only, not as specification limits. Chemical resistance, odor transmission, longevity as well as other performance criteria is not implied or given and actual testing must be performed for applicability in specific applications and/or conditions. GeoCHEM, Inc. MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANTABILITY OF PRODUCTS REFERRED TO, no guarantee of satisfactory results from reliance upon contained information or recommendations and disclaims all liability for resulting loss or damage.

PREVIOUSLY APPROVED VARIANCES

8.

Variations 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

All proposed variations have been previously-approved by OCD.

Request for Alternative to Re-Vegetation and Re-Contouring

The Pit Rule states:

19.15.17.13 H.1.(b) The operator may propose an alternative to the re-vegetation or re-contouring requirement if the operator demonstrates to the appropriate district office that the proposed alternative provides equal or better prevention of erosion, and protection of fresh water, public health and the environment. The proposed alternative shall be agreed upon by the surface owner. The operator shall submit the proposed alternative, with written documentation that the surface owner agrees to the alternative, to the division for approval.

and

19.15.17.13 H (5) Reclamation and re -vegetation.

(a) Reclamation of areas no longer in use. All areas disturbed by the closure of pits and below-grade tanks, except areas reasonably needed for production operations or for subsequent drilling operations, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use and shall be maintained to control dust and minimize erosion to the extent practicable.

We do not believe a request for this proposed alternative constitutes a formal variance principally because the alternative is temporary in nature.

Devon proposes construction of a 1-foot thick production pad over the stabilized cuttings, capping liner and 3-feet of clean material. Upon plugging and abandonment of the wells on the pad, the entire location, including the pit sites, will be restored to meet the mandates of the Pit Rule.

The 1-foot thick surface of the production pad over the buried waste will be sloped to shed surface water and prevent ponding over the stabilized cuttings, liner and 3-feet of soil cover. Hicks Consultants maintains that a compacted caliche pad that is sloped to shed precipitation and minimize infiltration provides equal protection of the environment as re-vegetation and re-establishment of the sand dunes that characterize the area. The sloped caliche pad will cause less infiltration of precipitation than the sand dunes. Restoration of the location at plugging and abandonment of the wells will occur. Thus, Devon is requesting this alternative only for the time between present and P&A of the wells.

Statement Explaining Why the Applicant Seeks a Variance

The prescriptive mandates of the Rule that are the subject of this variance request are the following subsections of 19.15.17.16 [emphasis added]:

19.15.17.13 CLOSURE AND SITE RECLAMATION REQUIREMENTS:

D.(5) The operator shall collect, at a minimum, a five point composite of the contents of the temporary pit or drying pad/tank associated with a closed-loop system to demonstrate that, after the waste is solidified or stabilized with soil or other non-waste material at a ratio of no more than 3:1 soil or other non-waste material to waste, the concentration of any contaminant in the stabilized waste is not higher than the parameters listed in Table II of 19.15.17.13 NMAC.

The referenced Table II, which is reproduced in part below, notes the Method with asterisk signifying: “*Or other test methods approved by the division”.

Depth below bottom of pit to groundwater less than 10,000 mg/l TDS	Constituent	Method*	Limit**
25-50 feet	Chloride	EPA Method 300.0	20,000 mg/kg
	TPH	EPA SW-846 Method 418.1	100 mg/kg

After sampling solids of more than 50 drilling pits in the Permian Basin, we have observed and reported to OCD on numerous occasions significant problems with non-petroleum drilling additives (e.g. starch) interfering with the laboratory method 418.1. It is not surprising that in many instances we found no correlation between the laboratory results using 418.1 and the results using Method 8015.

We request a variance to substitute Method 8015 (GRO + DRO + MRO) for Method 418.1.

Demonstration That the Variance Will Provide Equal or Better Protection of Fresh Water, Public Health and the Environment

The purpose of TPH analyses in the Pit Rule is to measure total petroleum hydrocarbons not all non-polar compounds, such as starch or cellulose that can interfere with Method 418.1. While Method 418.1 may provide some useful data for transportation of crude oil or condensate spills to disposal, the addition of non-polar organic materials in drilling fluids, especially for horizontal wells, renders Method 418.1 highly problematic to determine compliance with the Rule. Using Method 8015 for TPH (GRO+DRO+MRO) provides a better measurement of what we believe the Commission intended operators to measure.

From: [Oberding, Tomas, EMNRD](mailto:Oberding.Tomas.EMNRD)
To: [Kristin Pope](mailto:Kristin.Pope)
Cc: ccottrell@jdmii.com; [Chace Walls](mailto:Chace.Walls); gboans@jdmii.com; [Randy Hicks](mailto:Randy.Hicks); [Griswold, Jim, EMNRD](mailto:Griswold.Jim.EMNRD)
Subject: RE: VARIANCE REQUEST: Murchison - Jackson Unit #17H
Date: Thursday, December 18, 2014 8:16:05 AM

Aloha Ms. Pope et al,

Thank you for sending in this variance request.

After discussions, OCD approves the substitution of 8015 B, C, or D for 418.1. Hydrocarbons between C6 and C36 must be included in the results.

As 8015M appears to cover GRO+DRO+MRO- this too is an appropriate alternate methodology.

Thank you for continuing to work with the OCD.

Please let me know if you have any questions.

-Doc

Tomáš 'Doc' Oberding, PhD
Senior Environmental Specialist
New Mexico Oil Conservation Division, District 1
Energy, Minerals and Natural Resources Department
(575) 393-6161 ext 111
E-Mail: tomas.oberding@state.nm.us

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If you have any questions or concerns, and for notification, please contact me.

From: Kristin Pope [mailto:kristin@rthicksconsult.com]
Sent: Tuesday, December 16, 2014 7:51 AM
To: Oberding, Tomas, EMNRD
Cc: ccottrell@jdmii.com; [Chace Walls](mailto:Chace.Walls); gboans@jdmii.com; [Randy Hicks](mailto:Randy.Hicks); [Griswold, Jim, EMNRD](mailto:Griswold.Jim.EMNRD)
Subject: VARIANCE REQUEST: Murchison - Jackson Unit #17H

Dr. Oberding:

Please find the attached variance request we discussed over the phone last week. During our phone call, I was mistaken on the closure deadline for this site; the closure deadline for this is January 14, 2015. Per our discussion, note that I've copied Jim Griswold on this submission.

Please let me know if we can assist NMOCD's review in any way. Thank you.

Kristin Pope
R.T. Hicks Consultants

Statement Explaining Why the Applicant Seeks a Variance

The prescriptive mandates of the Rule that are the subject of this variance request are the following subsections of 19.15.17.13.E:

E. Closure notice.

(1) The operator shall notify the surface owner by certified mail, return receipt requested that the operator plans closure operations at least 72 hours, but not more than one week, prior to any closure operation. Notice shall include well name, API number and location. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance with this requirement.

Hicks Consultants includes the SLO or BLM by carbon copy of the closure notice emails sent to NMOCD. This eliminates a delay in receipt of the notice by SLO or BLM and facilitates real-time dialogue between the surface owner, NMOCD, Hicks Consultants, and the operator should any questions arise about the closure. On November 24, 2014, Ed Martin of SLO confirmed that email is an acceptable method of copy for the notices of closure. BLM routinely accepts such email notifications.

Demonstration that the Variance Will Provide Equal or Better Protection of Fresh Water, Public Health and the Environment

Approval of an email copy of the closure notice for a temporary pit to substitute for one sent via U.S. Mail would offer a reduction of paper received and stored at the State Land Office and well as energy expended (carbon-emitted) to produce and ship the document. Lowering the carbon footprint provides better protection of the environment than compliance with the prescriptive mandate of the Rule.

From: [Oberding, Tomas, EMNRD](mailto:Oberding.Tomas.EMNRD)
To: [Kristin Pope](mailto:Kristin.Pope)
Cc: ccottrell@jdmii.com; [Randy Hicks](mailto:Randy.Hicks); gboans@jdmii.com; [Chace Walls](mailto:Chace.Walls); [Martin, Ed](mailto:Martin.Ed)
Subject: RE: VARIANCE REQUEST: Email substitution for pit closure notices
Date: Wednesday, January 07, 2015 10:13:08 AM

Ms. Pope,

This email is fine for OCD documentation, for the current site closure.

Mahalo

-Doc

Tomáš 'Doc' Oberding, PhD
Senior Environmental Specialist
New Mexico Oil Conservation Division, District 1
Energy, Minerals and Natural Resources Department
(575) 393-6161 ext 111
E-Mail: tomas.oberding@state.nm.us

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If you have any questions or concerns, and for notification, please contact me.

From: Kristin Pope [<mailto:kristin@rthicksconsult.com>]
Sent: Wednesday, December 31, 2014 1:35 PM
To: Oberding, Tomas, EMNRD
Cc: ccottrell@jdmii.com; [Randy Hicks](mailto:Randy.Hicks); gboans@jdmii.com; [Chace Walls](mailto:Chace.Walls); [Martin, Ed](mailto:Martin.Ed)
Subject: VARIANCE REQUEST: Email substitution for pit closure notices

Dr. Oberding:

Please find the attached variance request for a substitution of email to SLO in lieu of temporary pit closure notices submitted via US Mail, return receipt requested. It is referenced for the Murchison – Jackson Unit #14H but I also submitted a closure report for the Jackson Unit #16H.

Please contact me with any questions about this upon your return to work. Thank you.

Kristin Pope
R.T. Hicks Consultants
Carlsbad Field Office
575.302.6755

GENERAL SITING CRITERIA

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 accept 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

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 **See Figures 1 & 2**

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) See Figure 5**

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

Within the area overlying a subsurface mine. **(Does not apply to below grade tanks) See Figure 7**

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

Within an unstable area. **(Does not apply to below grade tanks) See Figure 8**

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

Within a 100-year floodplain. **(Does not apply to below grade tanks) See Figure 9**

- FEMA map

Distance to Groundwater

Figure 1, Figure 2, and the discussion presented below demonstrates that groundwater (fresh water as defined by NMOCD Rules) at the location is greater than 100 feet beneath the temporary pit that will contain fluids that cannot be classified as “low-chloride.” Groundwater will be more than 50 feet below the bottom of the buried waste, meeting criteria for in-place closure.

Figure 1 is a geologic/ topographic map that shows:

1. The location of the staked well locations as a hexagon with the surface elevation. The temporary pit lies within 200 feet of the staked well as shown on the attached C-103 package.
2. Water wells from the OSE database as a blue triangle inside colored circles that indicate well depth. OSE wells are often miss-located in the WATERS database as older wells are plotted in the center of the quarter, quarter, quarter, of the Section Township and Range. Well numbers correspond to the identifiers in the OSE database.
3. Water wells from the USGS database as triangles. Well numbers correspond to an identifier in the USGS database.
4. Water wells, which are not documented in the public databases but were identified by field inspection or other published reports as colored squares. These well numbers correspond to the Hicks Consultants internal database.
5. The depth-to-water from the most recent available measurement for each well is provided adjacent to the well symbol.

Figure 2 is an area topographic map that shows:

1. The location of the proposed temporary pits as hexagons.
2. Water wells measured by the USGS, the year of the measurement and the calculated elevation of the groundwater surface.
3. Three of the four MISC wells in Figure 2 have data as measured by Hicks Consultants
4. Isocontour lines displaying the elevation of the groundwater surface are based upon these measurements made by professionals.

We relied upon the most recent data measured by the USGS to create the water table elevation map shown in Figure 2 and data from the Hicks Consultants database. Water level data from the OSE database rely upon observed water levels by drillers during the completion of the water well. The OSE dataset provides some useful data in certain areas. The area shown in Figure 2 contains sufficient high-quality data that we did not rely on OSE values.

For the potentiometric surface map (Figure 2), we honored all data that we know are accurate to the best of our knowledge.

From these data, we conclude:

- Based upon the groundwater map of the regional aquifer (permeable units in the upper Chinle/Dockum), the elevation of the groundwater surface beneath the
 - North Thistle 3-34 State 1H pit is about 3380 feet above sea level (asl) and
 - North Thistle 3-34 State 5H pit is about 3320.

Siting Criteria (19.15.17.10 NMAC)

Devon Energy – North Thistle 3-34 1H and 5H Drilling Pits

- No perched, shallow groundwater zones are present within the area near the proposed pit.
- The *minimum* distance between the bottom of a 12-foot deep temporary pit and the potentiometric surface of the regional aquifer is approximately
 - (3596-12-3380 =) 204 feet for the North Thistle 3-34 State 1H pit and
 - (3572-12-3320=) 240 feet for the North Thistle 3-34 State 5H pit
- The steep potentiometric surface trending northeast and southwest in the northeast quadrant of Figure 2 mimics the topographic and structural surface associated with the San Simon Swale.

Distance to Municipal Boundaries and Fresh Water Fields

Figure 3 demonstrates that the location is not within incorporated municipal boundaries or within defined municipal fresh water well fields covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. This also qualifies the location for burial trench or in-place closure.

- The closest municipalities are
 - Jal, approximately 26 miles to the southeast and
 - Eunice approximately 26 miles to the east-northeast
- The closest public wells listed in the OSE database are in Jal, but Eunice obviously has public wells that are not specifically listed in the OSE database.

Distance to Subsurface Mines

Figure 4 and our general reconnaissance of the area demonstrate that the nearest mines are caliche pits. This location is not within an area overlying a subsurface mine.

- The nearest mapped caliche pit is located approximately 1.5 miles to the northwest.

Distance to High or Critical Karst Areas

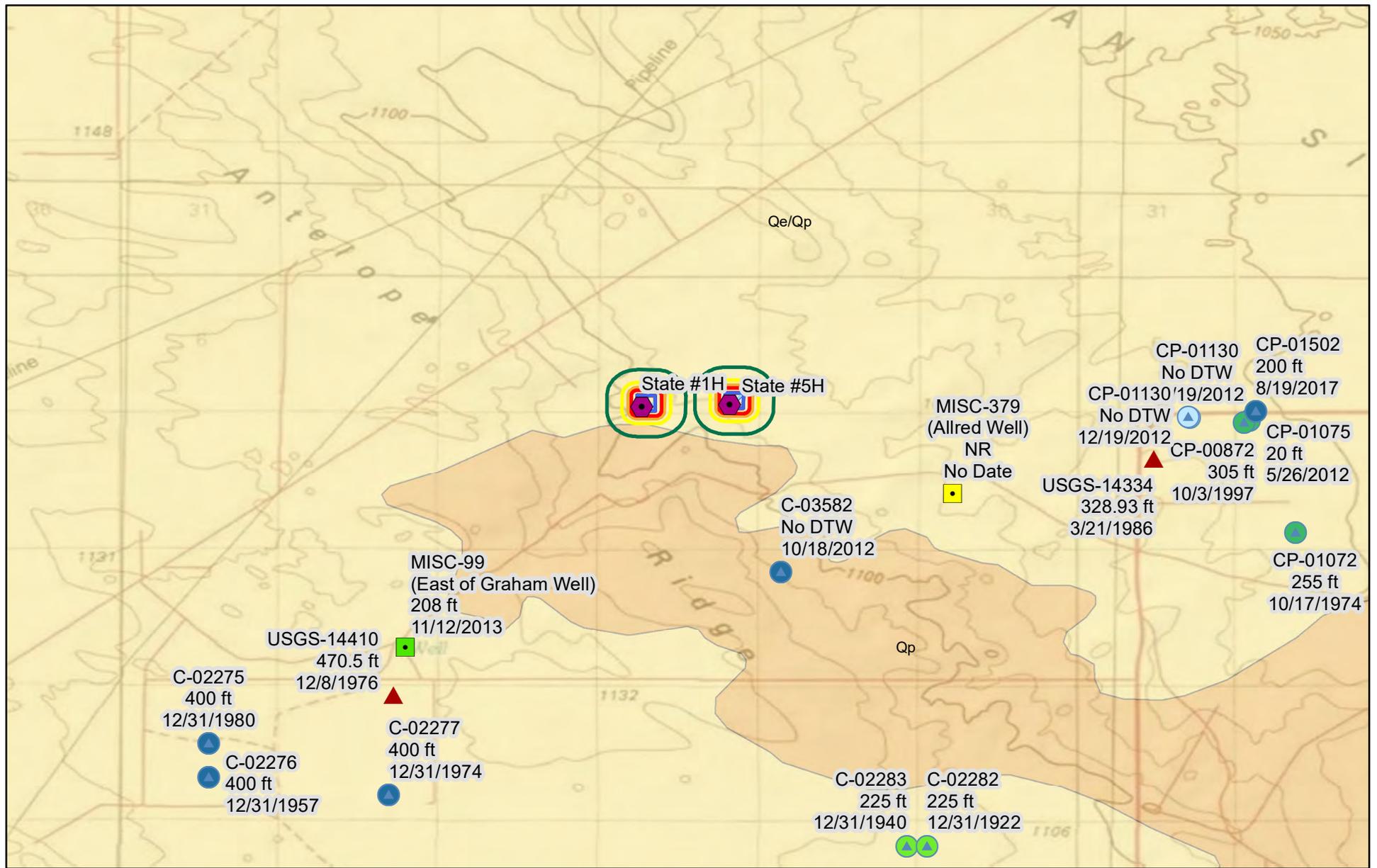
Figure 5 shows the location of the temporary pits with respect to BLM Karst areas.

- The proposed temporary pit is located within a “low” potential karst area.
- The nearest “high” or “critical” potential karst area is located approximately 18 miles west of the site.
- No evidence of solution voids were observed near the site during the field inspection.
- No evidence of unstable ground was observed.
- The San Simon Sink may be an active sinkhole and this structure is about 8 miles east of the proposed pits

Distance to 100-Year Floodplain

Figure 6 demonstrates that the location is within Zone D as designated by the Federal Emergency Management Agency with respect to the Flood Insurance Rate 100-Year Floodplain.

- Zone D is described as areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted.
- Our field inspection and examination of the topography permits a conclusion that the location is not within any floodplain and has low risk for flooding.



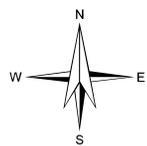
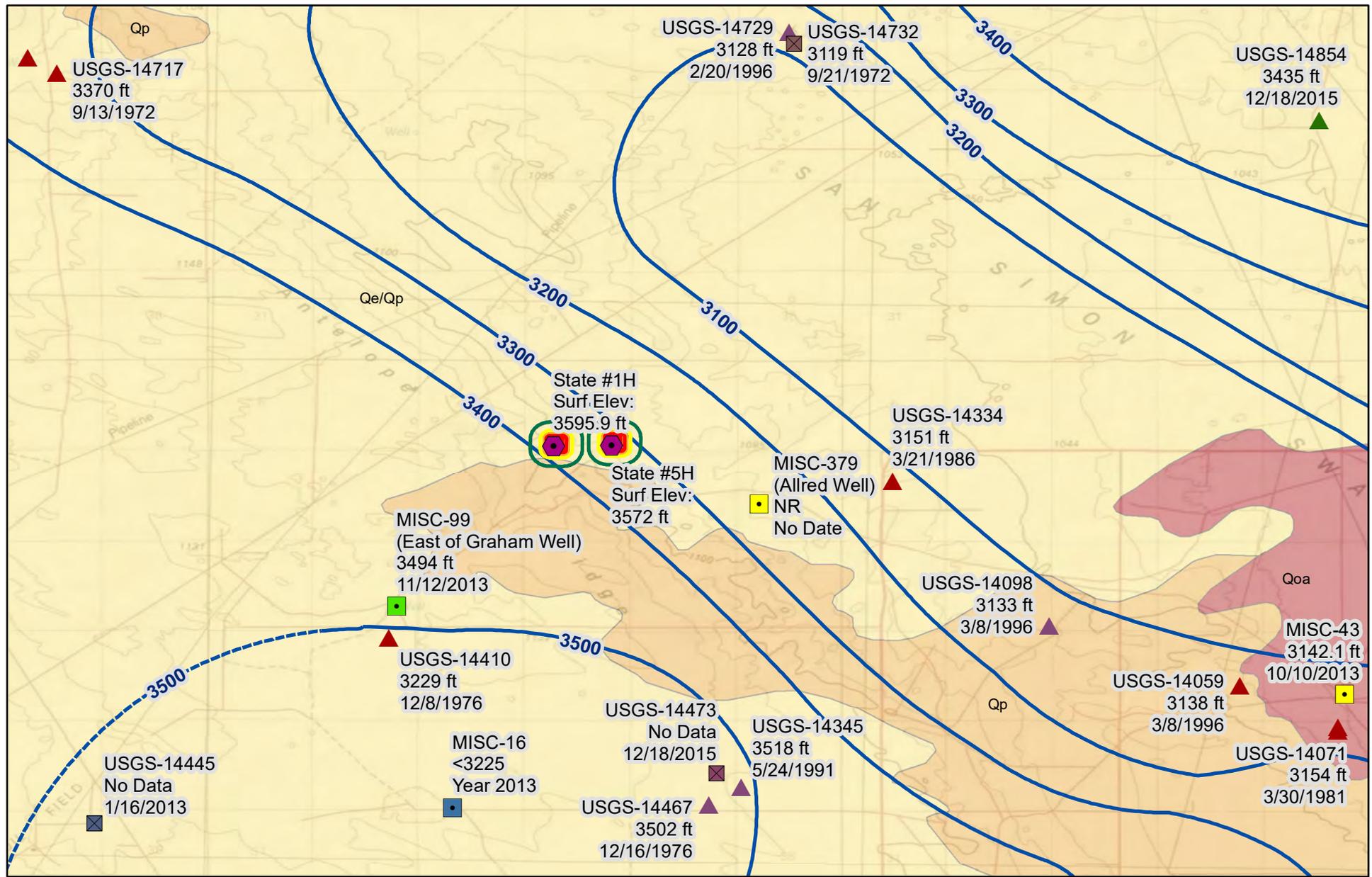
R.T. Hicks Consultants, Ltd
 901 Rio Grande Blvd NW Suite F-142
 Albuquerque, NM 87104
 Ph: 505.266.5004

Depth To Water and Geology
 Devon Energy Production CO., L.P.
 North Thistle 3-34

Figure 1
 August 2018

Legend		USGS Gauging Station (DTW, Date)	NM Geology
	Proposed Location	Aquifer Code, Well Status	Map Unit, Description
	200 ft	 Santa Rosa	 Qe/Qp, Quaternary-Eolian Piedmont Deposits
	300 ft	Misc. Water Wells (Well ID, DTW)	 Qp, Quaternary-Piedmont Alluvial Deposits
	500 ft	Well Depth (ft)	
	1000 ft	 No Data	
		 151 - 350	
		OSE Water Wells (DTW, Date)	
		Well Depth (ft)	
		 <= 150	
		 151 - 350	
		 351 - 500	
		 501 - 1000	

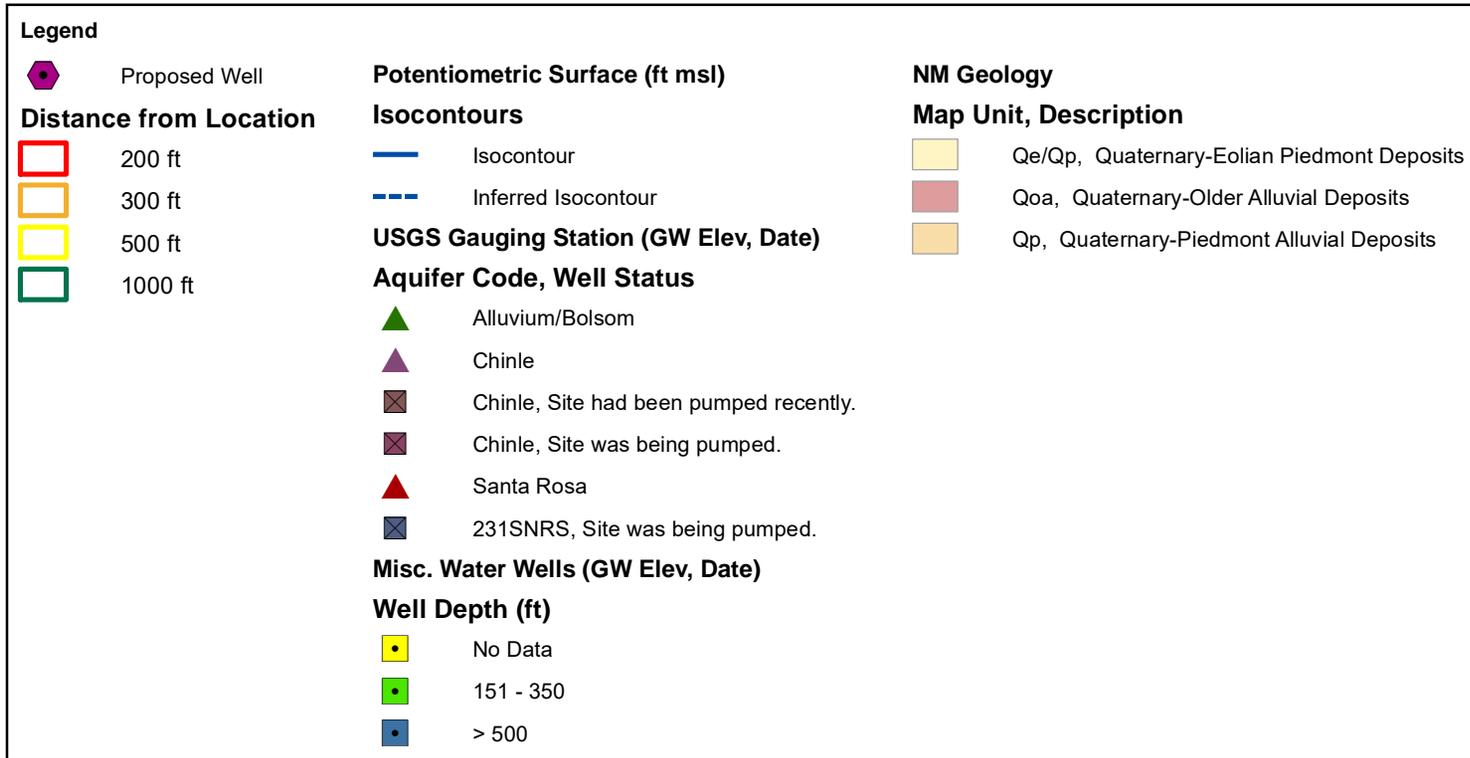
R.T. Hicks Consultants, Ltd 901 Rio Grande Blvd NW Suite F-142 Albuquerque, NM 87104 Ph: 505.266.5004	Depth To Water and Geology	Figure 1 LGEND
	Devon Energy Production CO., L.P. North Thistle 3-34	August 2018

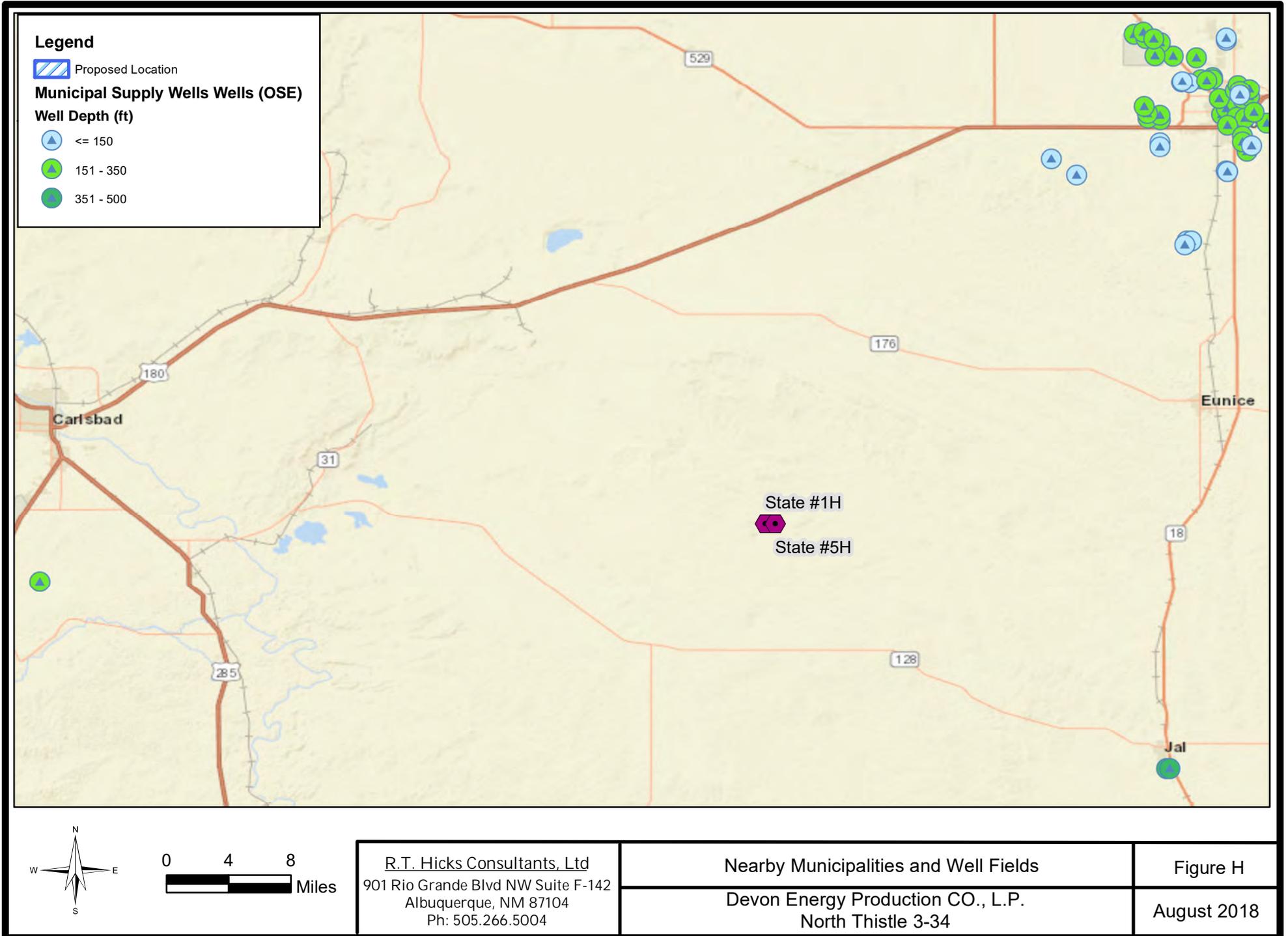


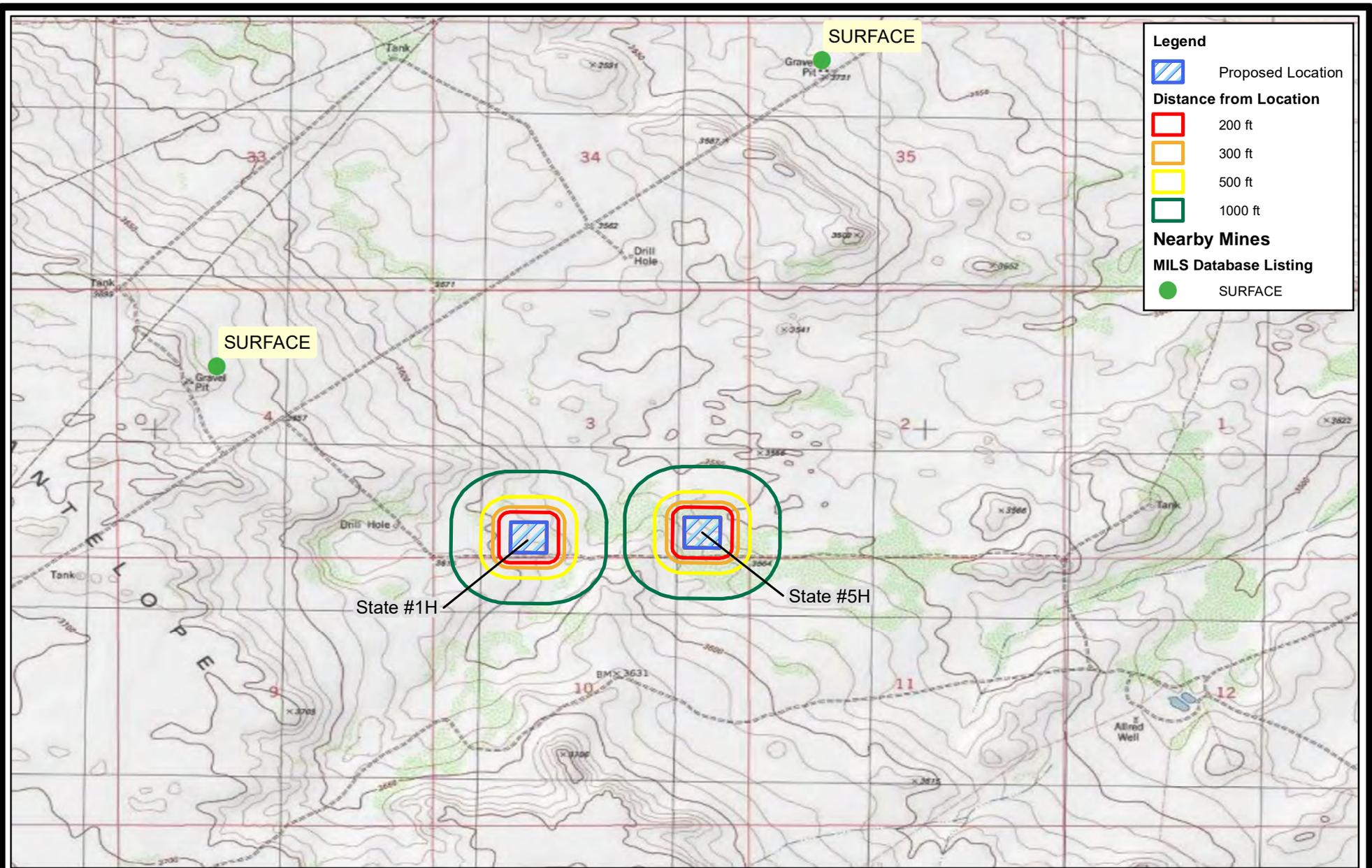
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 Albuquerque, NM 87104
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Potentiometric Surface and Groundwater Elevation
 Devon Energy Production CO., L.P.
 North Thistle 3-34

Figure 2
 August 2018

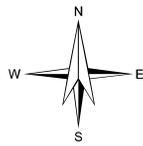






Legend

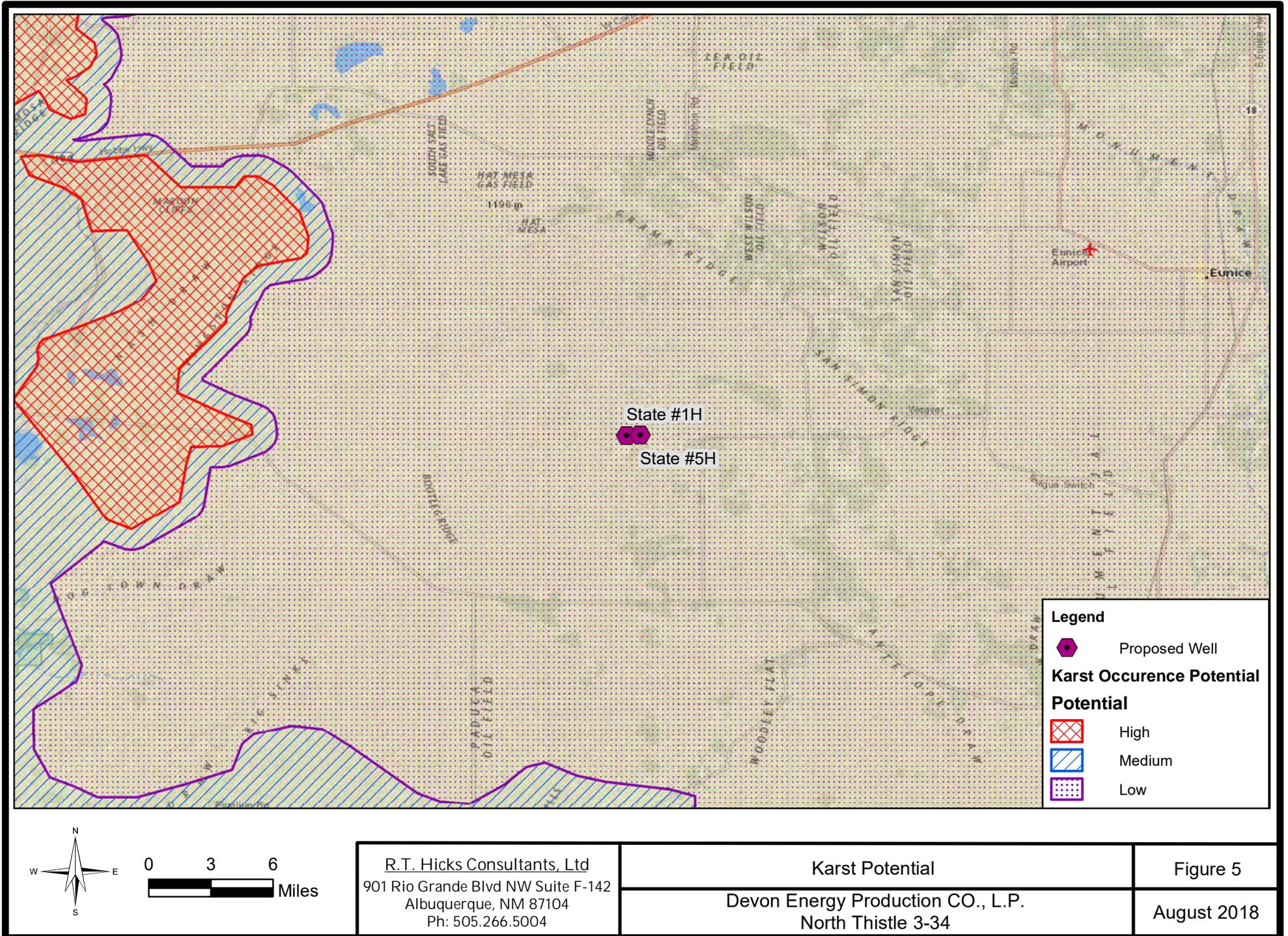
-  Proposed Location
- Distance from Location**
-  200 ft
-  300 ft
-  500 ft
-  1000 ft
- Nearby Mines**
- MILS Database Listing**
-  SURFACE

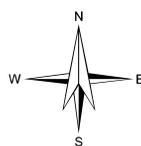


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Nearby Mines and Minerals
 Devon Energy Production CO., L.P.
 North Thistle 3-34

Figure I
 August 2018





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FEMA Flood Map
 Devon Energy Production CO., L.P.
 North Thistle 3-34

Figure 6
 August 2018

ADDITIONAL SITING CRITERIA FOR PERMIAN BASIN RESERVE PITS

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). **See Figure 3**

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

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image. **See Figure 4**

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
See Figures 1 & 2

Within 300 feet of a wetland. **See Figure 6**

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

Distance to Surface Water

Figure 7 and the site visit demonstrates that the location is not within 300 feet of a continuously flowing watercourse or any other significant watercourse or 200 feet from lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). This temporary pit will also qualify for in-place closure as the location is not within 100 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).

- No continuously flowing watercourses or other water bodies, as defined by NMOCD Rules, exist within the prescribed setback criteria for the pit or in-place closure of a temporary pit at this location.
- The nearest mapped watercourse lies about
 - 1 mile to the southeast of the North Thistle 3-34 5H pit and
 - 1.5 miles to the southeast of the North Thistle 3-34 1H pit.
- As the area around the pits are characterized by 2- to 5-foot high stabilized sand dunes, no drainages were observed or expected in the area of the pits. The mapped watercourse essentially “dead ends” at the dune field.
- There are no mapped water bodies in the area of the pits and none were observed.
- Figure 3 shows a shallow valley between the State 1H and State 5H pit locations and Figure 4 shows a change in vegetation in this area. We walked this area and found no
 - suggestion of watercourses with a defined bed and bank and
 - no evidence of unstable ground or karst features

Distance to Permanent Residence or Structures

Figure 8 and the site visit demonstrates that the location is not within 300 feet from an occupied permanent residence, school, hospital, institution, church, or other structure in existence at the time of initial application. This also qualifies the location for in-place closure.

- The nearest structures are oil and gas wells, “frac” ponds and tank batteries.

Distance to Non-Public Water Supply

Figures 1 and Figure 2 demonstrates that the location is not within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1,000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. Additionally, this location is also not within 300 feet of a spring or private, domestic fresh water well used for domestic or stock watering purposes, thus qualifying for in-place closure.

- Figure 1 shows the locations of all area water wells, active or plugged.
- The nearest active water well is about 1 mile south-southeast of the proposed pit and appears to be a well drilled in 2012 to provide fresh water for hydraulic stimulations (C-03582).
- There are no known domestic water wells located within 1,000 feet of the proposed pit.
- No springs were identified within the mapping area (see Figure 3).

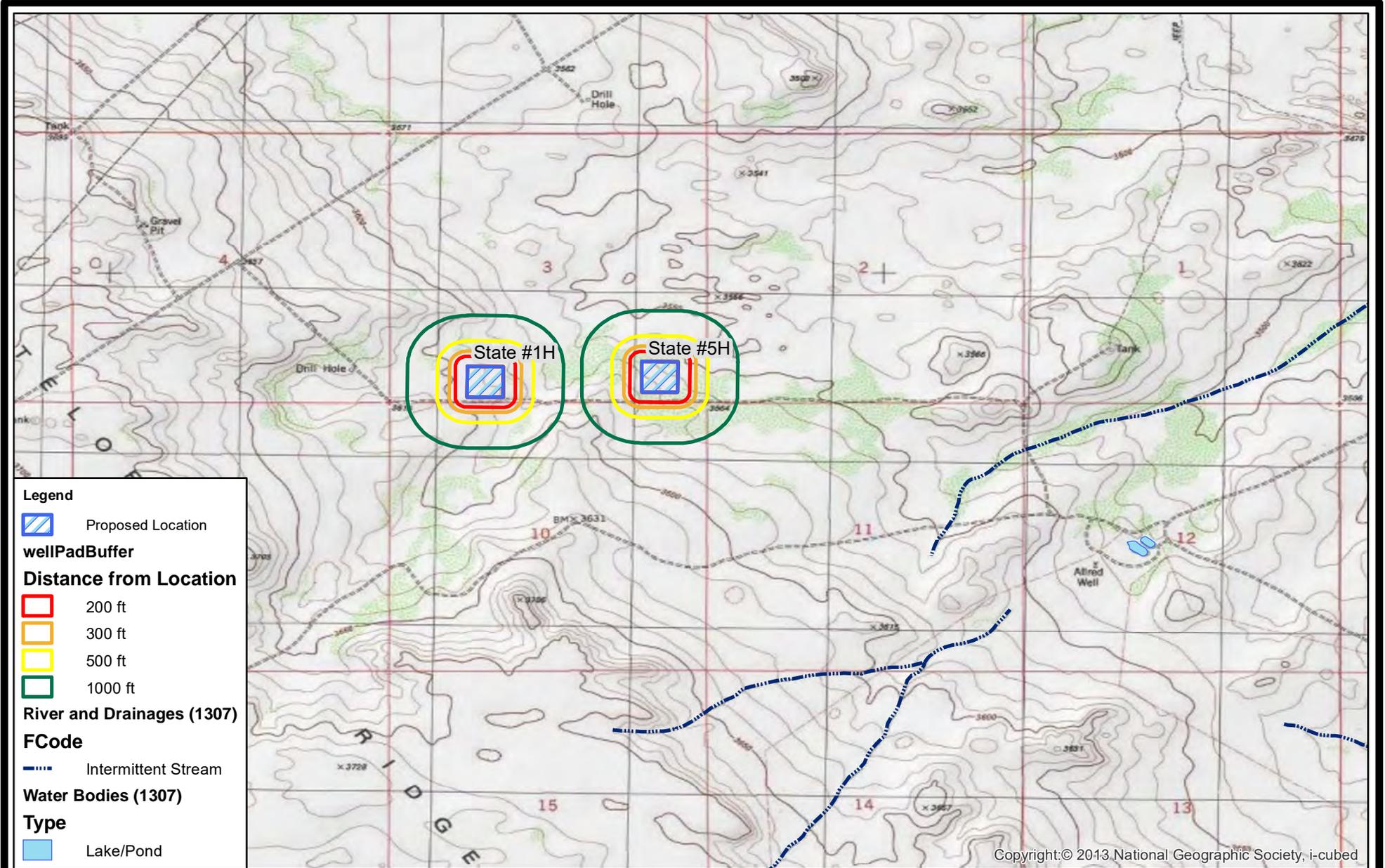
Distance to Wetlands

Figure 9 demonstrates the location is not within 300 feet of wetlands. This also qualifies the location for in-place closure.

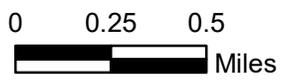
- The nearest designated wetlands are “freshwater pond” located approximately
 - 1.5 miles to the southwest of North Thistle 3-34 5H and
 - about 2 miles from the North Thistle 3-35 5H
- No evidence of wetlands were observed during the site inspection.

Temporary Pit Design

Please refer to the Site Specific Information Plate 1 for the design of the temporary pits, which is attached to the C-144 for each pit and to this document. The Design and Construction Plan are at the end of this document.



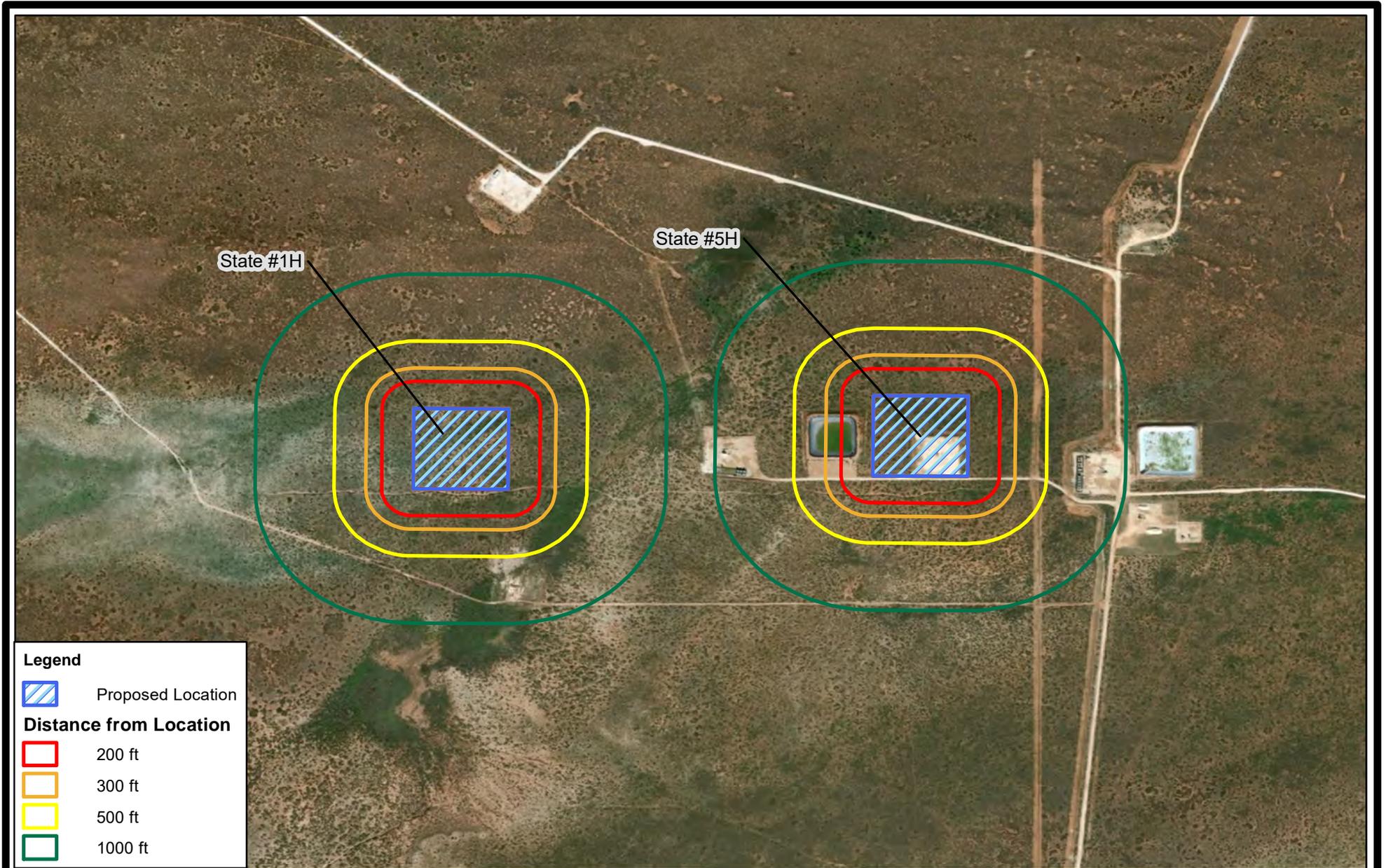
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Surface Water and Topography
 Devon Energy Production CO., L.P.
 North Thistle 3-34

Figure 7
 August 2018



Legend

-  Proposed Location

Distance from Location

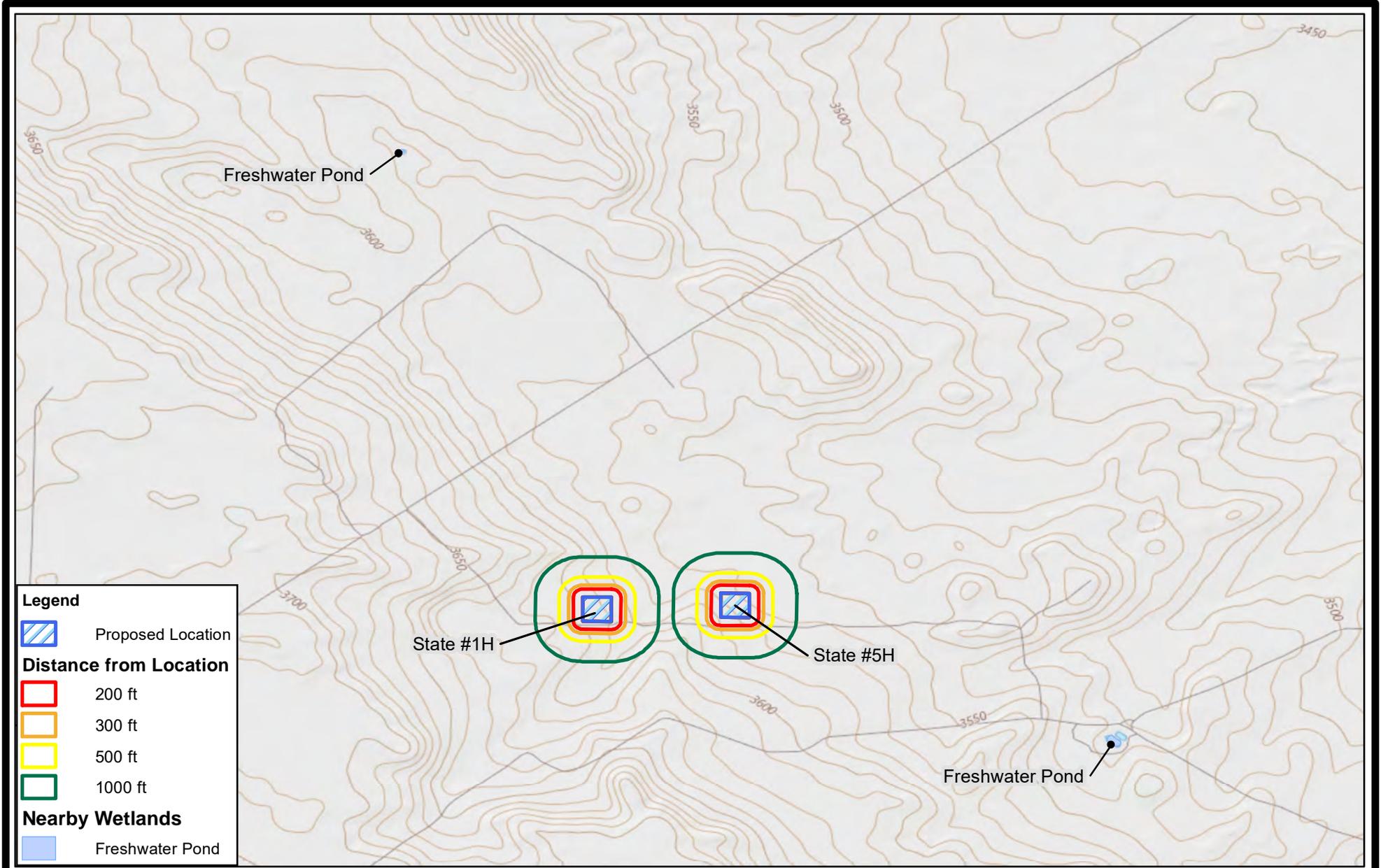
-  200 ft
-  300 ft
-  500 ft
-  1000 ft



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Nearby Structures
Devon Energy Production CO., L.P.
North Thistle 3-34

Figure 8
August 2018



Legend

-  Proposed Location
- Distance from Location**
-  200 ft
-  300 ft
-  500 ft
-  1000 ft
- Nearby Wetlands**
-  Freshwater Pond



0 0.25 0.5
Miles

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Nearby Wetlands
 Devon Energy Production CO., L.P.
 North Thistle 3-34

Figure 9
 August 2018

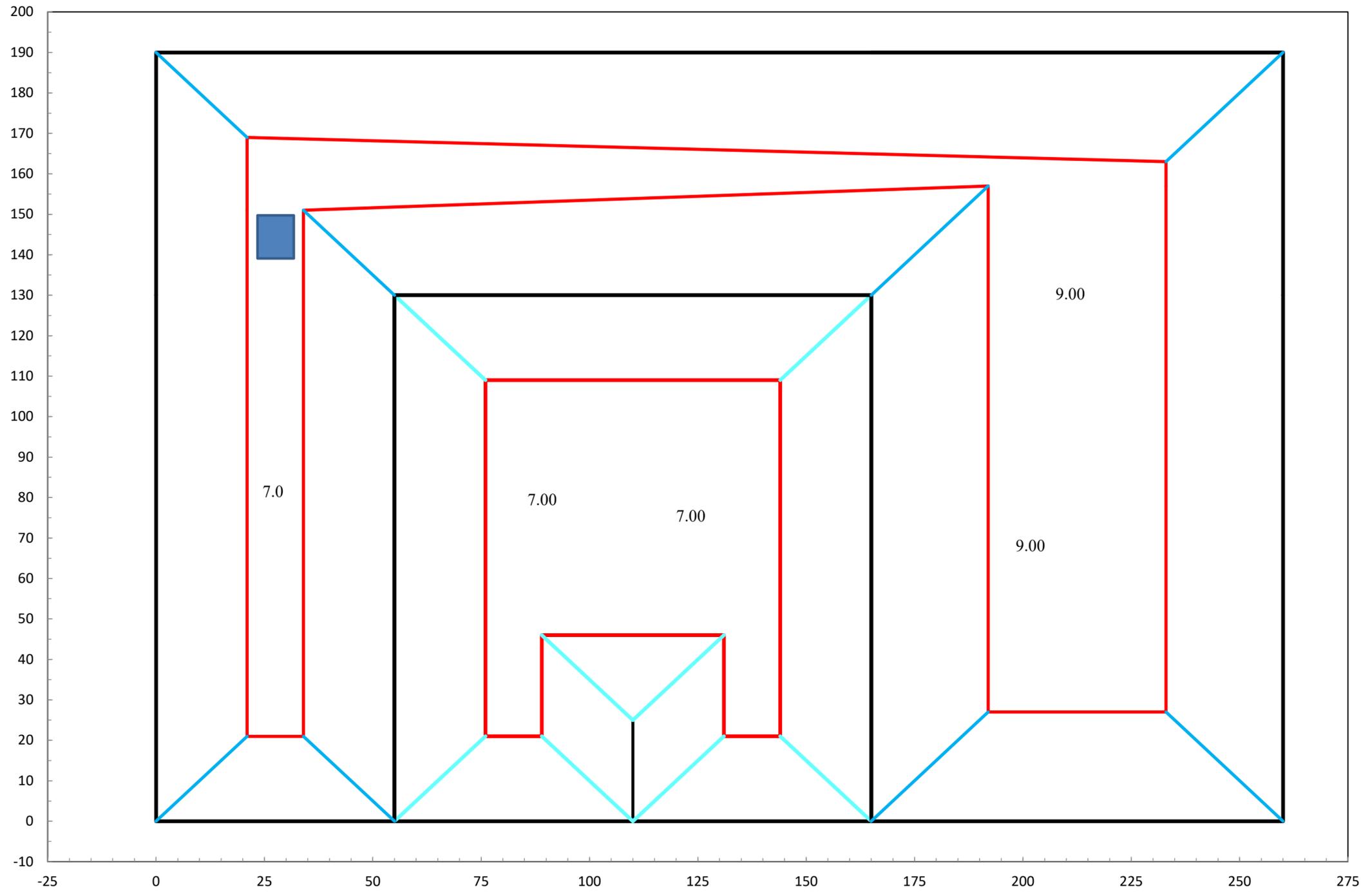
DESIGN PLAN

OPERATION AND MAINTENANCE PLAN

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: _____



Speed Bump



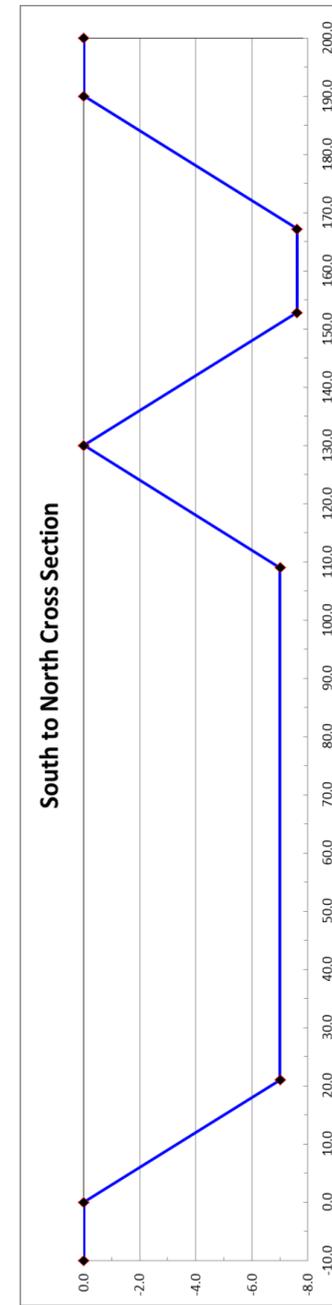
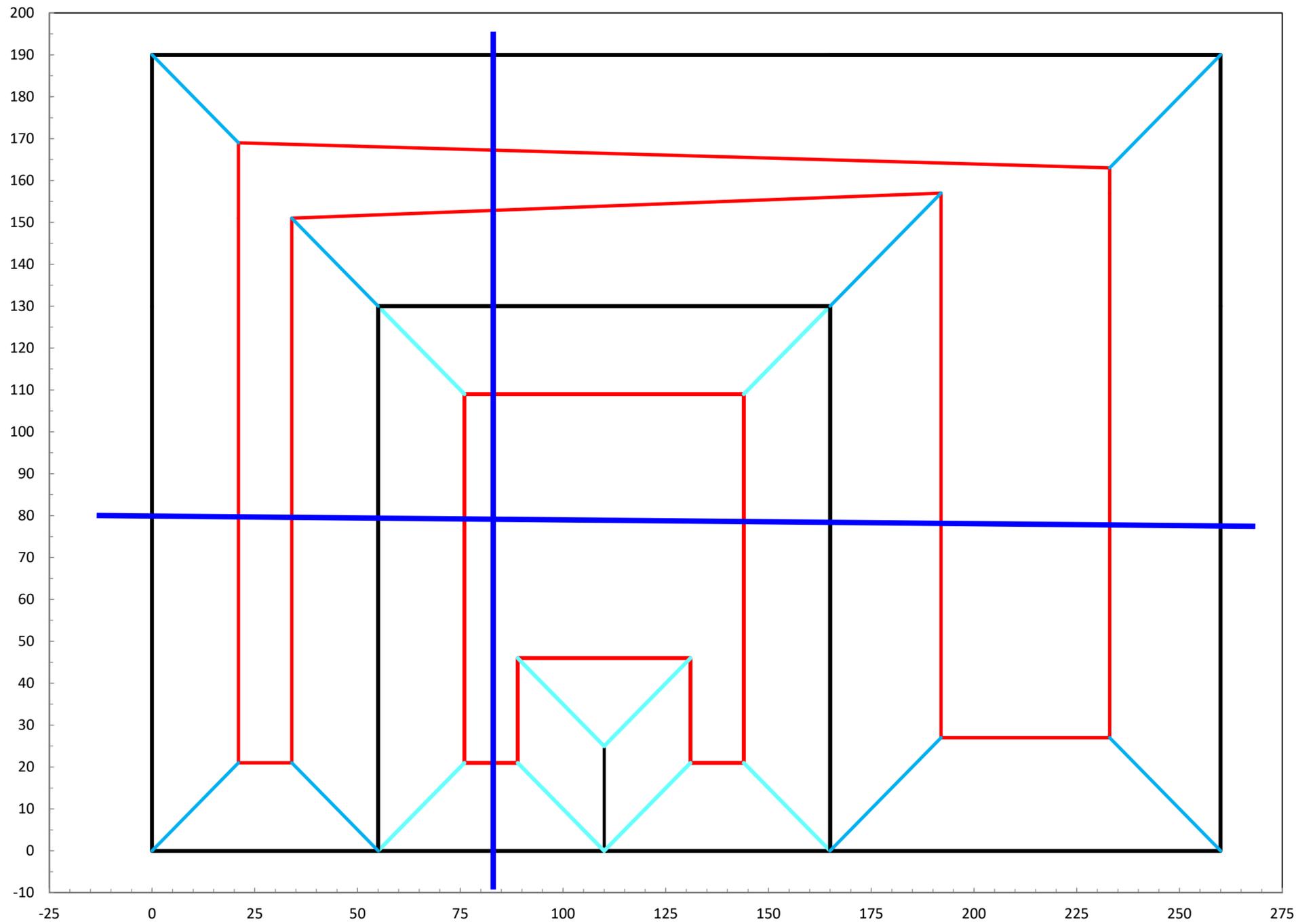
Total Capacity

43991 bbls
1,847,601.21 gal
5.67 ac-ft

Fluid Capacity (2' Freeboard) 26459 bbls
Solids Capacity (4' Freeboard) 75249 cubic ft
Solids Generated 71224 cubic ft

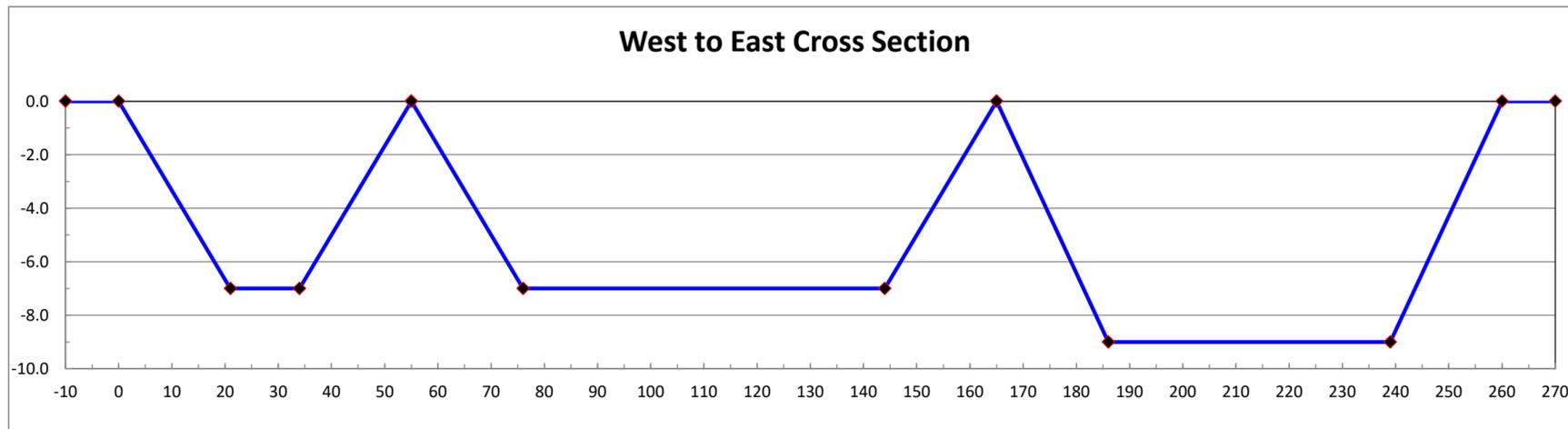
Inner Horseshoe		Outer Horseshoe		Drilling Cell total width		260.00	
total width (left right)	110.00	width discharge side	95.00	Drilling Cell total length		190.00	
total length (up down)	130.00	width suction side	55.00	Common Dimensions			
width discharge side	55.00	length far side (up down)	60.00	Slopes of Pit Horizontal Distance	3.00		
Depth Discharge	7.00	Depth on Discharge Side	9.00	Slopes of Pit Vertical Distance	1.00		
Depth Far Side(Discharge)	7.00	Depth on Far Side (Discharge)	9.00	Inner Outer horseshoe divider width at su	0.00		
Depth Far Side(Suction)	7.00	Depth on Far Side (Suction)	7.00	Inner Pit Suction Side			
Depth Suction	7.00	Depth on Suction Side	7.00	Slopes of Pit Horizontal Distance	3.00		
Length of Divider	25.00	Capacity 2' Freeboard - bbls	19300	Slopes of Pit Vertical Distance	1.00		
Divider Width	0.00	Capacity 4' Freeboard - cu. Ft.	55536	Outer Pit Suction Side			
Capacity 2' Freeboard - bbls	7159			Slopes of Pit Horizontal Distance	3.00		
Capacity 4' Freeboard - cu. Ft.	19713			Slopes of Pit Vertical Distance	1.00		

RT Hicks Consultants Albuquerque, NM	Pit Diagram	Plate 1
	Devon North Thistle 3 34 1H, 2H, 3H	August 2018



Bottom of Pit
is 21 North
and 7 deep

West to East Cross Section



Bottom of Pit
is 21 East and
7 deep

R.T. Hicks Consultants
Albuquerque, NM

Cross Sections

Temporary Pit Design/Construction Plan

Plate 1 shows the design of the temporary pit proposed for this project. Field conditions and the drilling rig layout will determine the final configuration of the pit. If identified in the transmittal letter, Plate 2 shows fluids cells to store used drilling fluids for re-use (for drilling at nearby wells or for other uses approved by the OCD).

The temporary storage of fluids, fluid reuse or fluid disposal will be conducted in a manner approved by division rules that prevents the contamination of fresh water and protects public health and the environment.

Construction/Design Plan of Temporary Pit Stockpile Topsoil by Earthwork Contractor

Prior to constructing the pit the qualified contractor will strip and stockpile any topsoil for use as the final cover or fill at the time of closure.

Signage Provided by Operator

The operator will post an upright sign in a conspicuous place in compliance with 19.15.16.8 NMAC as the pit and the well are operated by the same operator. The sign will also provide emergency telephone numbers.

Fencing

During drilling or workover operations, the operator will not fence the edge of the pit adjacent to the drilling or workover rig.

As pit is not located within 1000 feet of an occupied residence, school, hospital, institution or church, the operator will fence the pit or the perimeter of the location to exclude livestock with four-wire strands evenly spaced in the interval between one foot and four feet above ground level.

Earthwork

The temporary pit will have a properly constructed foundation and interior slopes consisting of a firm, unyielding base that is smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear. Rolling the surface to prepare the foundation for placement of the liner is recommended.

The slopes of the pit will be no steeper than two horizontal feet to one vertical foot (2H:1V) unless a variance is requested in the C-144 application and approved by NMOCD. demonstration that the pit can be operated in a safe manner to prevent contamination of fresh water and protect public health and the environment.

19.15.17.11 DESIGN AND CONSTRUCTION SPECIFICATIONS:
A. General specifications. An operator shall design and construct a pit, closed-loop system, below-grade tank or sump to contain liquids and solids; prevent contamination of fresh water; and protect public health and the environment.
B. Stockpiling of topsoil. Prior to constructing a pit, except a pit constructed in an emergency, the operator shall strip and stockpile the topsoil for use as the final cover or fill at the time of closure.

B. Stockpiling of topsoil. Prior to constructing a pit, except a pit constructed in an emergency, the operator shall strip and stockpile the topsoil for use as the final cover or fill at the time of closure.

C. Signs. The operator shall post an upright sign ..., unless the pit or below-grade tank is located on a site where there is an existing well, signed in compliance with 19.15.16.8 NMAC, that is operated by the same operator. ... The sign shall provide the following information: the operator's name; the location of the site by quarter-quarter or unit letter, section, township and range; and emergency telephone numbers

D. Fencing.
(1) The operator shall fence or enclose a pit ... in a manner that deters unauthorized access and shall maintain the fences in good repair. Fences are not required if there is an adequate surrounding perimeter fence that prevents unauthorized access to the well site or facility, including the pit ... During drilling or workover operations, the operator is not required to fence the edge of the pit adjacent to the drilling or workover rig.
(2) The operator shall fence or enclose a pit located within 1000 feet of an occupied ...

F. Temporary pits.
(1) The operator shall design and construct a temporary pit to ensure the confinement of liquids to prevent releases.
(2) A temporary pit shall have a properly constructed foundation and interior slopes consisting of a firm, unyielding base, smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear. The operator shall construct a temporary pit so that the slopes are no steeper than two horizontal feet to one vertical foot (2H:1V). The appropriate division district office may approve an alternative to the slope requirement ...

**C-144 Supplemental Documentation for Temporary Pit
Design/Construction**

Liner Installation

The geomembrane liner will consist of 20-mil string reinforced LLDPE (see attached specification).

The operator will direct the liner installation contractor to:

1. minimize liner seams and orient them up and down, not across a slope
2. use factory welded seams where possible
3. overlap liners four to six inches and orient seams parallel to the line of maximum slope, i.e., oriented along, not across, the slope, prior to any field seaming
4. minimize the number of welded field seams in comers and irregularly shaped areas
5. utilize only qualified personnel to weld field seams
6. avoid excessive stress-strain on the liner
7. place geotextile under the liner where needed to reduce localized stress-strain or protuberances that may otherwise compromise the liner's integrity
8. anchor the edges of all liners in the bottom of a compacted earth-filled trench that is at least 18 inches deep
9. place additional material (liner, felt, etc.) to ensure that the liner is protected from any fluid force or mechanical damage at any point of discharge into or suction from the lined temporary pit.

A berm or ditch will surround the temporary pit to prevent run-on of surface water. During drilling operations, the operator may elect to remove run-on protection on the pit edge adjacent to the drilling or workover rig provided that the pit is being used to collect liquids escaping from the drilling or workover rig and this additional fluid will not cause a breach of the temporary pit.

The temporary pit will not be used to vent or flare gas and the volume of the temporary drilling pit, including freeboard, will not exceed 10 acre-feet.

(3) The operator shall design and construct a temporary pit with a geomembrane liner. The geomembrane liner shall consist of 20- mil string reinforced The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 Method 9090A

(4) The operator shall minimize liner seams and orient them up and down, not across, a slope. ... shall use factory welded seams where possible. Prior to field seaming, ... shall overlap liners four to six inches. ... minimize the number of field seams in corners and irregularly shaped areas. Qualified personnel shall field weld and test liner seams.

(5) Construction shall avoid excessive stress-strain on the liner.

(6) Geotextile is required under the liner where needed to reduce localized stress-strain or protuberances that may otherwise compromise the liner's integrity.

(7) ... anchor the edges of all liners in the bottom of a compacted earth-filled trench. The anchor trench shall be at least 18 inches deep, unless anchoring to encountered bedrock provides equivalent anchoring.

(8) ... ensure that the liner is protected from any fluid force or mechanical damage at any point of discharge into or suction from the lined temporary pit.

(9) The operator shall design and construct a temporary pit to prevent run-on of surface water. A berm, ditch, proper sloping or other diversion shall surround a temporary pit to prevent run-on of surface water. During drilling operations, the edge of the temporary pit adjacent to the drilling or workover rig is not required to have run-on protection if the operator is using the temporary pit to collect liquids escaping from the drilling or workover rig and run-on will not result in a breach of the temporary pit

(10) The volume of a temporary pit shall not exceed 10 acre feet, including freeboard.

Temporary Pit O&M Protocols and Procedures

The operator will maintain and operate the pit in accordance with the following plan to contain liquids and solids and maintain the integrity of the liner to prevent contamination of fresh water and protect public health and the environment.

If feasible, the operator will recycle, reuse or reclaim all drilling fluids in the temporary pit in a manner approved by division rules that prevents the contamination of fresh water and protects public health and the environment. Re-use of drilling fluids and workover fluids (stimulation flow-back) for drilling and stimulation of subsequent wells is anticipated. If re-use is not possible, fluids will be sent to disposal at a division-approved facility.

The operator will not discharge into or store any hazardous waste in the pit.

If the pit develops a leak or if any penetration of the pit liner occurs above the liquid's surface, then the operator will repair the damage or initiate replacement of the liner within 48 hours of discovery or will seek a variance from the division district office within this time period.

If the pit develops a leak or if any penetration of the pit liner occurs below the liquid's surface, then the operator will remove all liquid above the damage or leak line within 48 hours of discovery. The operator will also notify the district division office (19.15.29 NMAC) within this same 48 hours of the discovery and repair the damage or replace the pit liner.

The operator will ensure that the drilling contractor installs and uses a header, diverter or other hardware that prevents damage to the liner by erosion, fluid jets or impact from installation and removal of hoses or pipes during injection or withdrawal of liquids.

During construction, the operator or qualified contractor will install diversion ditches and berms around the pit as necessary to prevent the collection of surface water run-on. As outlined in the Construction and Design Plan, during drilling operations, the edge of the temporary pit adjacent to the drilling or workover rig may not have run-on protection if the operator is using the temporary pit to collect liquids escaping from the drilling or workover rig and run-on will not result in a breach of the temporary pit.

The operator will maintain on site an oil absorbent boom to contain

19.15.17.12 OPERATIONAL REQUIREMENTS:

A. General specifications.
(1) The operator shall operate and maintain a pit ... to contain liquids and solids and maintain the integrity of the liner, ..., prevent contamination of fresh water and protect public health and the environment..

(2) The operator shall recycle, reuse, reclaim or dispose of all drilling fluids in a manner consistent with division rules.
(3) The operator shall not discharge into or store any hazardous waste in a pit, closed-loop system, below-grade tank or sump.

(4) If a pit liner's integrity is compromised above the liquid's surface ... repair the damage or initiate replacement of the liner within 48 hours of discovery or seek a variance
(5) If a pit ... develops a leak, or if any penetration of the pit liner occurs below the liquid's surface, ... remove all liquid above the damage or leak within 48 hours of discovery, notify the appropriate division office pursuant to 19.15.29NMAC and repair the damage or replace the pit liner...

(6) The injection or withdrawal of liquids from a pit shall be accomplished through a header, diverter or other hardware that prevents damage to the liner by erosion, fluid jets or impact from installation and removal of hoses or pipes.

(7) The operator shall operate and install a pit to prevent the collection of surface water run-on.
(8) The operator shall install, or maintain on site, an oil absorbent boom or other device to contain an unanticipated release.

C-144 Supplemental Documentation for Temporary Pit Closure Plan

and remove oil from the pit's surface.

The operator will only discharge fluids or mineral solids (including cement) generated or used during the drilling, completion, or workover processes into the pit.

The operator will maintain the temporary pit free of miscellaneous solid waste or debris. Immediately after cessation of drilling or a workover operation, the operator will remove any visible or measurable layer of oil from the surface of the pit.

The operator will maintain at least two feet of freeboard for the temporary pit, except under extenuating circumstances, which will be noted on the pit inspection log as described below.

The operator will inspect the temporary pit containing drilling fluids daily while the drilling rig or workover rig is on site. After the rigs have left the site, the operator will inspect the pit weekly as long as liquids are present in the pit. The operator will maintain a log of the inspections. The operator will make the log available to the division district office upon request.

The operator will remove all free drilling fluids from the surface of the temporary pit within 60 days from the date that the last drilling or workover rig associated with the pit permit is released. The operator will note the date of this release upon Form C-105 or C-103 upon well or workover completion. The operator may request an extension up to two months from the division district office as long as this additional time does not exceed the temporary pit life span (Subsection R of 19.15.17.7 NMAC).

(1) Only fluids or mineral solids generated or used during the drilling, completion or workover process may be discharged into a temporary pit. ... maintain a temporary pit free of miscellaneous solid waste or debris. Immediately after cessation of a drilling or workover operation, the operator shall remove any visible layer of oil from the surface of a drilling or workover pit.

(2) The operator shall maintain at least two feet of freeboard for a temporary pit. For temporary extenuating circumstances ... may maintain a freeboard of less than two feet. In such circumstances the operator shall maintain a log describing such circumstances and make the log available to the division upon request.

(3) ... shall inspect a temporary pit containing drilling fluids at least daily while the drilling or workover rig is on location. Thereafter, the operator shall inspect the temporary pit weekly so long as liquids remain ... The operator shall maintain a log of such inspections and make the log available for the appropriate division district office's review upon request

(4) ... remove all free liquids from the surface of a temporary pit within 60 days from the date that the operator releases the last drilling or workover rig associated with the relevant pit permit. The operator shall note the date of the drilling or workover rig's release on form C-105 or C-103 upon well or workover completion. The appropriate division district office may grant an extension of up to two months, not to exceed temporary pit life span ...

CLOSURE PLAN

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

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

In-Place Closure Plan

The wastes in the temporary pit are destined for in place burial at the permitted location. This plan calls for additional drilling waste from a nearby site on the same lease to be placed in the temporary pit (e.g. placed in the drilling or fluids cells of the temporary pit). The C-144 Form include the name of the nearby well(s). A notice to OCD as well as the closure report will identify the date that the drilling or workover rig moved from the temporary pit, an affirmation that the temporary pit will be closed in conformance with the mandates of the Rule, including the mandated lifetime of the pit.

The operator will not begin closure operations without approval of the closure plan submitted with the permit application.

Siting Criteria Compliance Demonstration

Compliance with siting criteria is described in the site-specific information appended to the C-144.

Construction/Design Plan of Temporary Pit

The design and construction protocols for the temporary pit are provided in the design and construction plan and in Plate 1.

Pre-Closure Fluid Removal

- All free liquids from the pit will be recycled or disposed in a manner consistent with OCD Rules.
- Residual free drilling or workover liquids will be removed from the pit within 60 days of release of the last drilling or workover rig associated with the relevant pit permit.

Waste Material Sampling Plan

Stabilization of solids in the temporary pit may be required. Specifically

- The residual drilling mud and cuttings will be stabilized to a capacity sufficient to support the 4-foot thick soil cover.
- The residual pit solids will not be mixed at a ratio greater than 1 part pit solids to 3 parts dry earth material (e.g. subsoil).
- The pit will not be closed until the stabilized pit contents pass the paint filter liquids test.

Stabilization prior to sampling is imprudent as mixing clean material with drilling solids that cannot meet the criteria of Table II increases the material be sent to an off-site facility. Therefore, prior to stabilization, the residual solids in the temporary pit will be sampled in the manner described below:

19.15.17.13 CLOSURE AND SITE RECLAMATION REQUIREMENTS:
A. Closure plans. A closure plan ... shall describe the proposed closure method and the proposed procedures and protocols to implement and complete the closure.

19.15.17.13.D. Closure where wastes are destined for burial in place or into nearby division approved pits ... This subsection applies to waste from temporary pits and closed-loop systems, when such waste may be disposed of in place in the existing temporary pit or disposed of at a nearby temporary pit A nearby temporary pit or burial trench that receives waste from another temporary pit must be onsite within the same lease.
(1) The operator shall not commence closure without first obtaining approval of the closure plan submitted with the permit application.

(2) The operator shall demonstrate and comply with the siting criteria set forth in Subsection C of 19.15.17.10 NMAC.

(3) Prior to closure the operator shall remove all free liquids reasonably achievable from the pit or drying pad and tank associated with a closed-loop system and dispose of such liquids at a division approved facility.

(4) ... the operator shall stabilize or solidify the remaining temporary pit contents to a capacity sufficient to support the final cover of the temporary pit. ... The operator shall not mix the contents with soil or other material at a mixing ratio of greater than 3:1, soil or other material to contents. The waste mixture must pass the paint filter liquids test (EPA SW-846, Method 9095 or other test methods approved by the division).

(5) The operator shall collect, at a minimum, a five point composite of the contents of the temporary pit ... to demonstrate that, after the waste is solidified or stabilized with soil or other non-waste material at a ratio of no more than 3:1 soil or other non-waste material to waste, the concentration of any contaminant in the stabilized waste is not higher than the parameters listed in Table II of 19.15.17.13 ...

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1. We obtain four (4) discrete samples from outer horseshoe of the pit and two (2) from the inner horseshoe (see image below).
2. The samples are taken with a core sampler or with excavation equipment with protection to prevent puncture of the pit liner.
3. We record the thickness of the sampled interval of each sample
4. A 5-point composite sample of the earth material beneath the exposed liner of the pit is also obtained by hand shovel.
5. Each of the seven samples (six samples of cuttings and one of the “mixing dirt”) is evaluated by a laboratory for the parameters listed in Table II.
6. We use the thickness of each discrete sample to calculate a weighted average of the Table II constituents for the cuttings in the outer horseshoe and the cuttings of the inner horseshoe.
7. Using the bit diameter and length of the boring that generated the cuttings deposited in each cell (horseshoe) of the drilling pit, we calculate a weighted average of the Table II constituents for the cuttings in the pit.
8. We then calculate a weighted average of 3 parts non-waste material (the clean material sampled from below the pit liner) and the weighted average of the cuttings in the pit to determine compliance with Table II.

(6) If, after appropriate stabilization, the concentrations of all contaminants in the contents from a temporary pit ... are less than or equal to the parameters of listed in Table II of 19.15.17.13 NMAC, ... may either proceed to dispose of wastes in an existing temporary

(7) If the concentration of any contaminant in the contents, after mixing with soil or non-waste material to a maximum ratio of 3:1, from a temporary pit ... is higher than constituent concentrations shown in Table II of 19.15.17.13 NMAC, then closure must proceed in accordance with Subsection C of 19.15.17.13.

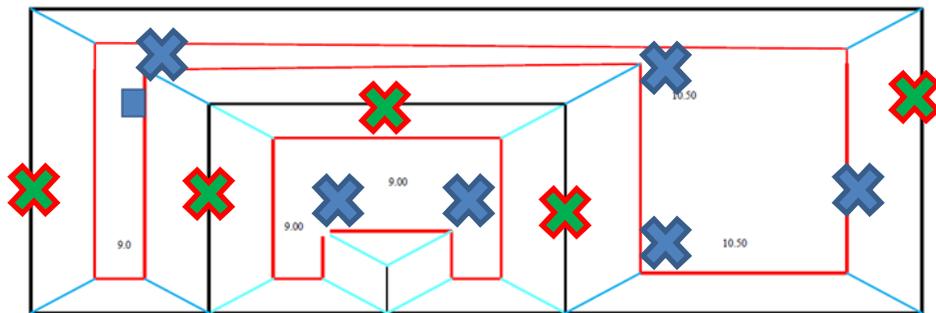


Image shows typical discrete pit sample locations (blue X) and the sub-sample locations for the “mixing dirt” (green X) composite sample to determine compliance with Table II.

In-place burial is the selected on-site disposal alternative.

If a concentration of a contaminant within the material mixed at a ratio not exceeding 3:1 is higher than the concentration given in Table II, closure will proceed in accordance with Subsection D of 19.15.17.13 NMAC.

In the event that on-site closure standards cannot be achieved, the operator will remove the solid pit contents and transfer to the following **division-approved disposal facility**, specifically:

R360 or Sundance Services

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Closure Notice

The operator will notify the surface owner by certified mail, return receipt requested, that the operator plans closure operations at least 72 hours, but not more than one week, prior to any closure operation. The notice will include the well name, API number, and location. Notification of the State Land Office or BLM as surface owner's representatives will be accomplished via email if a variance is granted by OCD.

After approval for in-place burial, the operator shall notify the district office verbally and in writing at least 72 hours but not more than one week before any closure operation. Notice will include the operator's name and the location of the temporary pit. The location will include unit letter, section number, township and range. If the location is associated with a well, then the well's name, number and API number will be included.

Should onsite burial be on private land, the operator will file a deed notice including exact location of the burial with the county clerk of the county where the onsite burial is located.

Protocols and Procedures for Earthwork

Stabilization of the residual cuttings and mud is accomplished by mixing dry earth material obtained from within the temporary pit footprint. The dry material beneath the liner is the primary "mixing dirt" employed for stabilization. After stabilization the operator or qualified contractor will:

- Use a geomembrane cover made of 20-mil string reinforced LLDPE liner
- Place the geomembrane cover over the sloping surface of the stabilized waste material. It will be placed in a manner so as to prevent infiltration of water and so that infiltrated water does not collect and form a water-saturated layer on the geomembrane cover after the upper soil cover has been placed.

Soil Cover Design

Over the sloping, stabilized material and liner, place the **Soil Cover** of:

- at least 3-feet of compacted, uncontaminated, non-waste containing earthen fill with chloride concentrations less than 600 mg/kg as analyzed by EPA Method 300.0 (or an alternative method subject to a variance request).
- either the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater,

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19.15.17.1 E.Closure notice.

(1)The operator shall notify the surface owner by certified mail, return receipt requested that the operator plans closure operations at least 72 hours, but not more than one week, prior to any closure operation. Notice shall include well name, API number and location. ...

(2) The operator of a temporary pit... who is approved for onsite closure shall notify the appropriate division district office verbally and in writing at least 72 hours, but not more than one week, prior to any closure operation. The notice shall include the operator's name and the location to be closed by unit letter, section, township and range. If the closure is associated with a particular well, then the notice shall also include the well's name, number and API number.

(4) When onsite burial occurs on private land, the operator shall file a deed notice identifying the exact location of the onsite burial with the county clerk in the county where the onsite burial occurs.

19.15.17.13.D (8) Upon achieving all applicable waste stabilization in the temporary pit ... the operator shall:

(b) install a geomembrane cover over the waste material in the ... temporary pit; the operator shall install the geomembrane cover in a manner that prevents the collection of infiltration water in the ... temporary pit and on the geomembrane cover after the soil cover is in place; the geomembrane cover shall consist of a 20-mil string reinforced LLDPE liner or equivalent cover that the appropriate division district office approves; the geomembrane cover shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions; cover compatibility shall comply with EPA SW-846 Method 9090A;

(c) cover the pit/trench with non-waste containing, uncontaminated, earthen materials and construct a soil cover prescribed by the division in Paragraph (3) of Subsection H of 19.15.17.13 NMAC

19.15.17.13.H(3) Soil cover designs for reclamation of pit locations and onsite burial locations. The soil cover for burial in -place burial shall consist of a minimum of four feet of non-waste containing, uncontaminated, earthen material with chloride concentrations less than 600 mg/kg as analyzed by EPA Method 300.0. The soil cover shall include either the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.

(4) The operator shall construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material

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over the 3-foot earth material.

- Contour the cover to blend with the surrounding topography to prevent erosion of the cover and prevent ponding over the cover.

Closure Report

Within 60 days of closure completion, the operator will submit a

- i. closure report on form C-144, with necessary attachments
- ii. a certification that all information in the report and attachments is correct, that the operator has complied with all applicable closure requirements and conditions specified in the approved closure plan
- iii. a plat of the pit location on form C-105. If burial includes solids derived from a nearby well on the same lease, the report will list the name, API # and location of the well(s) from which the solids originated

Unless the permit transmittal letter requests an alternative marker to comply with surface landowner specifications, the operator will place at the center of an onsite burial a steel marker that

- is not less than four inches in diameter
- is placed at the bottom of a three-foot deep hole (minimum) that is filled with cement to secure the marker
- is at least four feet above mean ground level
- permanently displays the operator name, lease name, well number, unit letter, section, township and range in welded or stamped legible letters/numbers

Timing of Closure

The operator will close the temporary pit within 6 months from the date the drilling rig was released from the first well using the pit. This date will be noted on form C-105 or C-103 filed with the division upon the well's completion (or re-completion in the case of a workover).

Reclamation and Re-vegetation Plan

In addition to the area of the in-place burial, the operator will reclaim the surface impacted by the temporary pit, including access roads associated with the pit, to a safe and stable condition that blends with the surrounding undisturbed area including areas not reclaimed as described herein due to their use in production or drilling operations will be stabilized and maintained to minimize dust and erosion. This includes the area of the temporary pit if a transmittal letter to OCD proposes an alternative to the re-vegetation or recontouring requirement with

- a demonstration that the proposed alternative provides equal or better prevention of erosion, and protection of fresh water, public health and the environment
- written documentation that the alternative is agreed upon by

19.15.17.13 F. Closure report and burial identification.

(1) Within 60 days of closure completion, the operator shall submit a closure report on form C-144, with necessary attachments to document all closure activities including sampling results; information required by 19.15.17 NMAC; and details on back-filling, capping and covering, where applicable. ... If the operator used a temporary pit, the operator shall provide a plat of the pit location on form C-105 within 60 days of closing the temporary pit.

(2) If the operator elects to conduct onsite burial under Subsection D of 19.15.17.13 NMAC, ... shall report the exact location of the onsite burial on form C-105 filed with the division.

(3) The operator shall place a steel marker at the center of an onsite burial. The steel marker shall be not less than four inches in diameter and shall be cemented in a three-foot deep hole at a minimum. The steel marker shall extend at least four feet above mean ground level and at least three feet below ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, and that the marker designates an onsite burial location shall be welded, stamped or otherwise permanently engraved into the metal of the steel marker. ...

19.15.17.13.G (2) An operator shall close a permitted temporary pit within six months from the date that the operator releases the drilling or workover rig. The operator shall note the date of the drilling or workover rig's release on form C-105 or C-103, filed with the division, upon the well's or work-over's completion.

19.15.17.13. H. Reclamation of pit locations, onsite burial locations....

(1) Site contouring.

(a) Once the operator has closed a pit ... the operator shall reclaim the pit location... and all areas associated with the ... pit... to a safe and stable condition that blends with the surrounding undisturbed area... substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover ..., recontour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Paragraph (5) in Subsection H of 19.15.17.13 NMAC.

(b) The operator may propose an alternative to the re-vegetation or recontouring ... demonstrates to the appropriate district office that the proposed alternative provides equal or better prevention of erosion, and protection of fresh water, public health and the environment. The proposed alternative shall be agreed upon by the surface owner. The operator shall submit the proposed alternative, with written documentation that the surface owner agrees to the alternative, ...

(c) Areas reasonably needed for production operations or for subsequent drilling operations shall be compacted, covered, paved, or otherwise stabilized and maintained in such a way as to minimize dust and erosion to the extent practicable.

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the surface owner.

As stated above, the soil cover for burial in-place

- A. consists of a minimum of three feet of non-waste containing, uncontaminated, earthen material with chloride concentrations less than 600 mg/kg (or background concentration) as analyzed by EPA Method 300.0 placed over the liner and stabilized solids
- B. is capped by the background thickness of topsoil or 1-foot of suitable material to establish vegetation, whichever is greater
- C. blends into surrounding topography
- D. is graded to prevent ponding and to minimize erosion

For all areas disturbed by the closure process that will not be used for production operations or future drilling, the operator will:

- i. Replace topsoil and subsoil to their original relative positions
- ii. Grade so as to achieve erosion control, long-term stability and preservation of surface water flow patterns
- iii. Reseed in the first favorable growing season following closure

The operator will notify the division when the site meets the surface owner's requirements or exhibits a uniform vegetative cover 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 plans imposed by the surface owner will be outlined in communications with the OCD.

The operator will notify the division when the surface grading work element of reclamation is complete

19.15.17.13. **H. (3)** Soil cover designs for reclamation of pit locations and onsite burial locations. The soil cover for burial in -place or trench burial shall consist of a minimum of four feet of non-waste containing, uncontaminated, earthen material with chloride concentrations less than 600 mg/kg as analyzed by EPA Method 300.0. The soil cover shall include either the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.
(4) The operator shall construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material.

19.15.17.13. **H. 5 (a)** Reclamation of areas no longer in use. All areas disturbed by the closure of pits and below-grade tanks, except areas reasonably needed for production operations or for subsequent drilling operations, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use and shall be maintained to control dust and minimize erosion to the extent practicable.
(b) Topsoils and subsoils shall be replaced to their original relative positions and contoured so as to achieve erosion control, long -term stability and preservation of surface water flow patterns. The disturbed area then shall be reseeded in the first favorable growing season following closure of a pit,

19.15.17.13. **H. 5.(c)** Reclamation of all disturbed areas no longer in use shall be considered complete when all ground surface disturbing activities at the site have been completed, and 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

19.15.17.13. **H. 5(d)** Other regulatory requirements. The re -vegetation and reclamation obligations imposed by other applicable federal or tribal agencies on lands managed by those agencies shall supersede these provisions and govern the obligations of any operator subject to those provisions, provided that the other requirements provide equal or better protection of fresh water, human health and the environment.
(e) The operator shall notify the division when reclamation and re -vegetation are complete

SITING CRITERIA FOR ON-SITE CLOSURE

SAME CRITERIA FOR RESERVE PIT LOCATION SEE PREVIOUS -

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

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

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

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

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

Within 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

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

Within 300 feet of a wetland.

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

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance

adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

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

Within the area overlying a subsurface mine.

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

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

Within a 100-year floodplain.

- FEMA map