District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, 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

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

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

| Pit, Closed-Loop System, Below-Grade Tank, or<br>Proposed Alternative Method Permit or Closure Plan Application  |  |   |  |  |  |
|--|--|---|--|--|--|
| Type of action:  Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method  Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method  Modification to an existing permit  Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method   |  |   |  |  |  |
| Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request   |  |   |  |  |  |
| Please be advised that approval of this request does not environment. Nor does approval relieve the operator of  | relieve the operator of liability should operations result in pollution of its responsibility to comply with any other applicable governmental | of surface water, ground water or the authority's rules, regulations or ordinances. |  |  |  |
| Operator: <u>Hudson Oil Company of Texas</u>   | OGRID#:025111  |   |  |  |  |
| Address: 616 Fort Worth Tx 76102   |  |   |  |  |  |
| Facility or well name: Puckett North #13  API Number: 30-015-39193   | OCD Permit Number 2116   | ,91   |  |  |  |
|  | 2Township17SRange31E   |   |  |  |  |
|  | Longitude <u>103.829063 W</u>  |   |  |  |  |
| Surface Owner.  Federal State Private  |  | -   |  |  |  |
|  | ,  | RECEIVED APR 29 2011  |  |  |  |
|  |  | NMOCD ARTESIA   |  |  |  |
| 2.  Pit: Subsection F or G of 19.15 17.11 NMA  | C  |   |  |  |  |
| Pit: Subsection F or G of 19.15 17.11 NMA  | C  |   |  |  |  |
|  |  |   |  |  |  |
| ☐ Pit: Subsection F or G of 19.15 17.11 NMAGE Temporary: ☐ Drilling ☐ Workover ☐ Permanent ☐ Emergency ☐ Cavitation ☐ F  |  | NMOCD ARTESIA   |  |  |  |
| ☐ Pit: Subsection F or G of 19.15 17.11 NMAGE Temporary: ☐ Drilling ☐ Workover ☐ Permanent ☐ Emergency ☐ Cavitation ☐ F  | P&A  | NMOCD ARTESIA   |  |  |  |
| ☐ Pit: Subsection F or G of 19.15 17.11 NMAGE Temporary: ☐ Drilling ☐ Workover ☐ Permanent ☐ Emergency ☐ Cavitation ☐ F ☐ Lined ☐ Unlined Liner type: Thickness  | P&Amil LLDPE HDPE PVC Other  | NMOCD ARTESIA   |  |  |  |
| ☐ Pit:       Subsection F or G of 19.15 17.11 NMA         Temporary:       ☐ Drilling       ☐ Workover         ☐ Permanent       ☐ Emergency       ☐ Cavitation       ☐ F         ☐ Lined       ☐ Unlined       Liner type: Thickness       ☐ String-Reinforced         Liner Seams:       ☐ Welded       ☐ Factory       ☐ Other         3       Closed-loop System:       Subsection H of 19.15         Type of Operation:       ☐ P&A       ☑ Drilling a new wintent)         ☐ Drying Pad       ☐ Above Ground Steel Tanks | P&A  | ons. Lx Wx D  prior approval of a permit or notice of                               |  |  |  |

| · · · · · · · · · · · · · · · · · · ·   |  |                 |
|---|--|-----------------|
| Below-grade tank: Subsection I of 19.15.17.1  | I NMAC   |                 |
| Volume:bbl Type of flu  | id:  |                 |
| Tank Construction material:   |  |                 |
| ☐ Secondary containment with leak detection ☐   | Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off  |                 |
| ☐ Visible sidewalls and liner ☐ Visible sidewall  | Is only  Other   |                 |
|   | ☐ HDPE ☐ PVC ☐ Other   |                 |
|   |  |                 |
| Alternative Method:   |  |                 |
|   | eptions must be submitted to the Santa Fe Environmental Bureau office for consideration  | n of approval   |
| Submittal of all exception request is required.   |  | · or approval.  |
| Fencing: Subsection D of 19 15 17 11 NMAC (Apr  | olies to permanent pits, temporary pits, and below-grade tanks)  |                 |
|   | ped wire at top (Required if located within 1000 feet of a permanent residence, school, h  | iospital        |
| institution or church)  |  | ospiiai,        |
| ☐ Four foot height, four strands of barbed wire even  | nly spaced between one and four feet   |                 |
| Alternate. Please specify   |  |                 |
| 7.  |  |                 |
| Netting: Subsection E of 19.15.17.11 NMAC (App  | lies to permanent pits and permanent open top tanks)   |                 |
| Screen Netting Other  |  |                 |
| Monthly inspections (If netting or screening is n   | ot physically feasible)  | •               |
| 8   |  |                 |
| Signs: Subsection C of 19.15.17.11 NMAC   | }<br>  |                 |
| 12"x 24", 2" lettering, providing Operator's nan  | he, site location, and emergency telephone numbers   |                 |
| Signed in compliance with 19.15.3.103 NMAC  |  |                 |
|   |  |                 |
| 9. Administrative Approvals 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:<br>be submitted to the appropriate division district or the Santa Fe Environmental Bureau o  | office for      |
| consideration of approval.  |  | office for      |
| Exception(s): Requests must be submitted  | to the Santa Fe Environmental Bureau office for consideration of approval.   |                 |
| 10.   |  |                 |
| Siting Criteria (regarding permitting): 19.15.17  | 10 NMAC ppliance for each siting criteria below in the application. Recommendations of accep   | stabla sourca   |
| material are provided below. Requests regarding   | changes to certain siting criteria may require administrative approval from the approp   | priate district |
|   | ust be submitted to the Santa Fe Environmental Bureau office for consideration of a<br>ease refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryi |                 |
| above-grade tanks associated with a closed-loop   |  |                 |
| Ground water is less than 50 feet below the bottom  | of the temporary pit, permanent pit, or below-grade tank.  | ☐ Yes ☐ No      |
| - NM Office of the State Engineer - iWATEI  | RS database search; USGS; Data obtained from nearby wells  |                 |
|   | urse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa  | ☐ Yes ☐ No      |
| lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certif      |  |                 |
| Within 300 feet from a permanent residence, schoo   | l, hospital, institution, or church in existence at the time of initial application.   | ☐ Yes ☐ No      |
| (Applies to temporary, emergency, or cavitation pit   | s and below-grade tanks)   | ☐ NA            |
| - Visual inspection (certification) of the prop   |  |                 |
| Within 1000 feet from a permanent residence, scho (Applies to permanent pits)                       | ol, hospital, institution, or church in existence at the time of initial application.  | Yes No          |
| - Visual inspection (certification) of the prop   | osed site; Aerial photo; Satellite image   | _               |
|   | esh water well or spring that less than five households use for domestic or stock  | ☐ Yes ☐ No      |
| watering purposes, or within 1000 horizontal feet o   | f any other fresh water well or spring, in existence at the time of initial application.   |                 |
|   | RS database search; Visual inspection (certification) of the proposed site   |                 |
| Within incorporated municipal boundaries or within adopted pursuant to NMSA 1978, Section 3-27-3, a | n a defined municipal fresh water well field covered under a municipal ordinance as amended.   | Yes No          |
|   | he municipality: Written approval obtained from the municipality   |                 |

| Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site  | ☐ Yes ☐ No                       |  |  |
|--|----------------------------------|--|--|
| 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  | ☐ Yes ☐ No                       |  |  |
| Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the do  |                                  |  |  |
| 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:   |                                  |  |  |
| Closed-loop Systems 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 deattached.  Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19. Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NM Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  Geologic and Hydrogeologic Data (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC  Design 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 1 and 19.15.17.13 NMAC  Previously Approved Design (attach copy of design)  API Number: 30~015-37912  API Number: 30~015-37912  (Applies only to closed-loop sy above ground steel tanks or haul-off bins and propose to implement waste removal for closure)   | 15.17.9<br>1AC<br>9.15.17.9 NMAC |  |  |
| 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 H <sub>2</sub> S, Prevention Plan   Emergency Response Plan   Oil Field Waste Stream Characterization   Monitoring and Inspection Plan   Erosion Control Plan   Erosion Control Plan   Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |                                  |  |  |
| Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.   |                                  |  |  |
| Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop S 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)  | System                           |  |  |

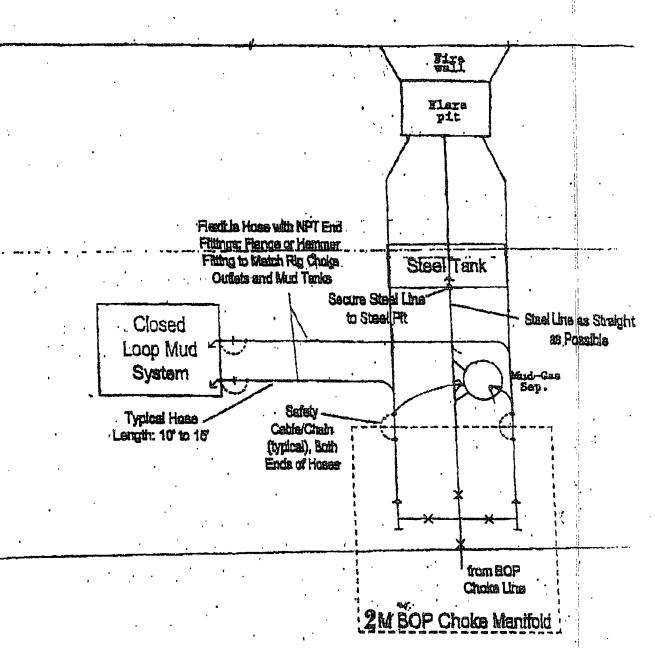
| ☐ In-place Burial ☐ On-site Trench Burial ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)  |   |  |  |
|---|---|--|--|
|   | ·   |  |  |
|   |   |  |  |
|   |   |  |  |
| 15.   | ,   |  |  |
| Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be a   | ttached 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 F 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 G of 19.15.17.13 NMAC  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC |   |  |  |
| 16. Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two  |   |  |  |
| facilities are required.  Disposal Facility Name: Controlled Recovery Imc. Disposal Facility Permit Number: R 1966  |   |  |  |
| Disposal Facility Name: Disposal Facility Permit Number:  |   |  |  |
| Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future server in Yes (If yes, please provide the information below) 🔀 No  | ice and operations?                       |  |  |
| Required for impacted areas which will not be used for future service and operations.  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 G of 19.15.17.13 NMAC  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC   |   |  |  |
| 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 may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.  |   |  |  |
| Ground water is less than 50 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search, USGS; Data obtained from nearby wells   | <ul><li>☐ Yes ☐ No</li><li>☐ NA</li></ul> |  |  |
| Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | ☐ Yes ☐ No<br>☐ NA                        |  |  |
| Ground water is more than 100 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | ☐ Yes ☐ No<br>☐ NA                        |  |  |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site  | ☐ Yes ☐ No                                |  |  |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  | ☐ Yes ☐ No                                |  |  |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.  - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site   | ☐ Yes ☐ No                                |  |  |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance   |   |  |  |
| <ul> <li>adopted pursuant to NMSA 1978, Section 3-27-3, as amended.</li> <li>Written confirmation or verification from the municipality; Written approval obtained from the municipality</li> </ul>   | ☐ Yes ☐ No                                |  |  |
|   | ☐ Yes ☐ No                                |  |  |
| - Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland.   |   |  |  |
| <ul> <li>Written confirmation or verification from the municipality; Written approval obtained from the municipality</li> <li>Within 500 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> <li>Within the area overlying a subsurface mine.</li> </ul>  | ☐ Yes ☐ No                                |  |  |

| - FEMA map   |   |            |  |
|--|---|------------|--|
| 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.  Sting 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 F of 19.15.17.13 NMAC  Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements 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 19.15.17.13 NMAC  Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC  Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F 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 G of 19.15.17.13 NMAC |   |            |  |
| 19. Operator Application Certification:  |   | ,          |  |
|  | ubmitted with this application is true, accurate and complete to the best of my knowledge and belief.   |            |  |
| Name (Print): Jony Tue   | Ker Title: Fillel Superintendent  | <u> </u>   |  |
| Name (Print): Jony Tue Signature: JoyTusker  | Date. 4/25///   |            |  |
| e-mail address: Huckera  |   |            |  |
| OCD Approval: Permit Applicat  | ion (including closure plan)  |            |  |
| OCD Representative Signature:  | Approval Date: 07/11/2011   |            |  |
| Title:   | OCD Permit Number: 21.1691  | , <u>-</u> |  |
| Closure Report (required within 60 days of closure completion): Subsection K of 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:  |   |            |  |
| 22.  |   |            |  |
| Closure Method:  Waste Excavation and Removal If different from approved plan, pl  |   | only)      |  |
| Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.   |   |            |  |
| Disposal Facility Name:  | Disposal Facility Permit Number   |            |  |
| Disposal Facility Name:  | Disposal Facility Permit Number:  |            |  |
|  | ns and associated activities performed on or in areas that will not be used for future service and operations? compliance to the items below) \(\sum_{\text{No}}\) No |            |  |
| Required for impacted areas which will Site Reclamation (Photo Docum Soil Backfilling and Cover Instance Re-vegetation Application Rate  | allation  |            |  |
| mark in the box, that the documents of Proof of Closure Notice (surfaction Proof of Deed Notice (required Plot Plan (for on-site closures at Confirmation Sampling Analytic  | e owner and division) for on-site closure) ind temporary pits) ical Results (if applicable) ytical Results (required for on-site closure) imit Number                 | ı check    |  |

| Re-vegetation Application Rates Site Reclamation (Photo Docum On-site Closure Location: Latit  | entation) | NAD. □1927 □ 1983 |  |  |
|--|-----------|-------------------|--|--|
| On-site Closure Location. Latit  | lde       | NAD. [1927 [ 1903 |  |  |
| 25.<br>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:        |  |  |

Form C-144 Oil Conservation Division

Page 6 of 6



DRIlling Contractor will operate and maintain closed-Loop System - drilling fluide and cuttings will be hould to CRI For disposal