<u>District 1</u> 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 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 ease 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 extronment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.				
11 1	Deperator: McKay Oil Corporation c/o Penroc Oil OGRID #: 14424 ' Address: 1515 Calle Sur, Hobbs, NM 88240 Facility or well name: Snakeweed B Federal #1 API Number: 30-005-64002 OCD Permit Number: 0208123 U/L or Qtr/Qtr K Section 18 Township 6S Range 23E County: Chaves Center of Proposed Design: Latitude N 33° 47′ 41 63" Longitude W 104° 39′ 22 07" NAD: 1927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment				
	2. Pit: Subsection F or G of 19.15.17.11 NMAC Temporary Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: 2565 bbl Dimensions: L 100 x W 80 x D 6				
	3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other				
	Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:				

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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, he institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	ospital,	
Monthly inspections (it neiting or screening is not physically leastole)		
8. 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 19.15.3.103 NMAC		
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: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.		
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. Requests regarding changes to certain siting criteria may require administrative approval from the approp office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.		
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No	
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. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☐ NA	
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☑ No ☐ NA	
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 search; 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 adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No	
Within 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	☐ Yes ☒ No	
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☒ No	
Within a 100-year floodplain FEMA map	☐ Yes ☒ No	

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 Previously Approved Design (attach copy of design) API 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 documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 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:				
Previously Approved Operating and Maintenance Plan API Number. (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)				
,				
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 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 ₂ S, Prevention Plan Cipied Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC				
Proposed Closure: 19.15.17.13 NMAC				
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System 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 (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)				
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 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 I of 19.15.17.13 NMAC ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluid facilities are required.					
	cility Permit Number:				
	cility Permit Number				
Will any of the proposed closed-loop system operations and associated activities occur on or in ☐ Yes (If yes, please provide the information below) ☐ No	•				
Required for impacted areas which will not be used for future service and operations. Soil Backfill and Cover Design Specifications based upon the appropriate requirement Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15 17. Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.	7.13 NMAC	C			
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 the buried waste.	om nearby wells	☐ Yes ☐ No ☐ NA			
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					
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 the buried waste.	om nearby wells	☐ Yes ☐ No ☐ NA			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant water lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ercourse or lakebed, sinkhole, or playa	Yes No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	at the time of initial application.	☐ Yes ☐ No			
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five he watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in exist. NM Office of the State Engineer - iWATERS database; Visual inspection (certification)	stence at the time of initial application.	Yes No			
Within incorporated municipal boundaries or within a defined municipal fresh water well field adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained f	•	Yes No			
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection	(certification) of the proposed site	☐ Yes ☐ No			
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minera	l Division	Yes No			
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Society; Topographic map	Resources; USGS; NM Geological	☐ Yes ☐ No			
Within a 100-year floodplain FEMA map		☐ Yes ☐ No			
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 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 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 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 I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC					

Operator Application Certification:		1			
Thereby certify that the information submitted with this application is true, accurate and co Name (Printy	·				
	Date 4/15/09	17771111			
Signature.	Date 4/////	, m			
e-mail address. <u>nivinci ch a perroco 1 con</u>	Felephone: (575) 492-1236				
OCD Approval: Perm-1 Appsication (including closus plan) Closure Plan tonly OCD Conditions (see attachment) OCD Representative Signature: Signed By Milly Distriction Approval Date APR 2 0 2009					
OCD Representative Signature: Signed By M1/4 Dominion	Approval DateAPR 2 0 200)			
	rmit Number: 0208/23				
21	12.12.5545.6	-			
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.					
, CI	sure Completion Date:				
is. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Clos If different from approved plan, please explain	re Method 🏻 Waste Removal (Closed-Joop system	ns only)			
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Ut					
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.					
	Facility Permit Number:	i i			
· · · · · · · · · · · · · · · · · · ·	Facility Permit Number:				
Were the closed-loop system operations and associated activities performed on or it, ireas Yes (If yes, please demonstrate compliance to the items below) No	nit will not be used for inture service and operations.				
Required for impacted areas which will not be used for future service and operations. Site Reclamation (Photo Documentation)					
Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique					
2.4					
Clusure Report Attachment Checklist: Instructions: Each of the following items must mark in the box, that the documents are attached.	be attached to the closure report. Please indicate, b	y a check			
Proof of Closure Notice (surface owner and division)					
Proof of Deed Notice (required for on-site closure) 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)	NAD: □1927 □ 198.	`			
On-site Closure Location: LatitudeLongitude	1742 1744 174	·			
25. Sperator Closure Certification:					
reby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and \$1 also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan					
int).		occupyoggangana an a			
	Date :				
	lenhone				



Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Conditions of approval for closure of a drilling or work over pit

Notify OCD District 2 office 48 hours prior to commencement of closure activities.

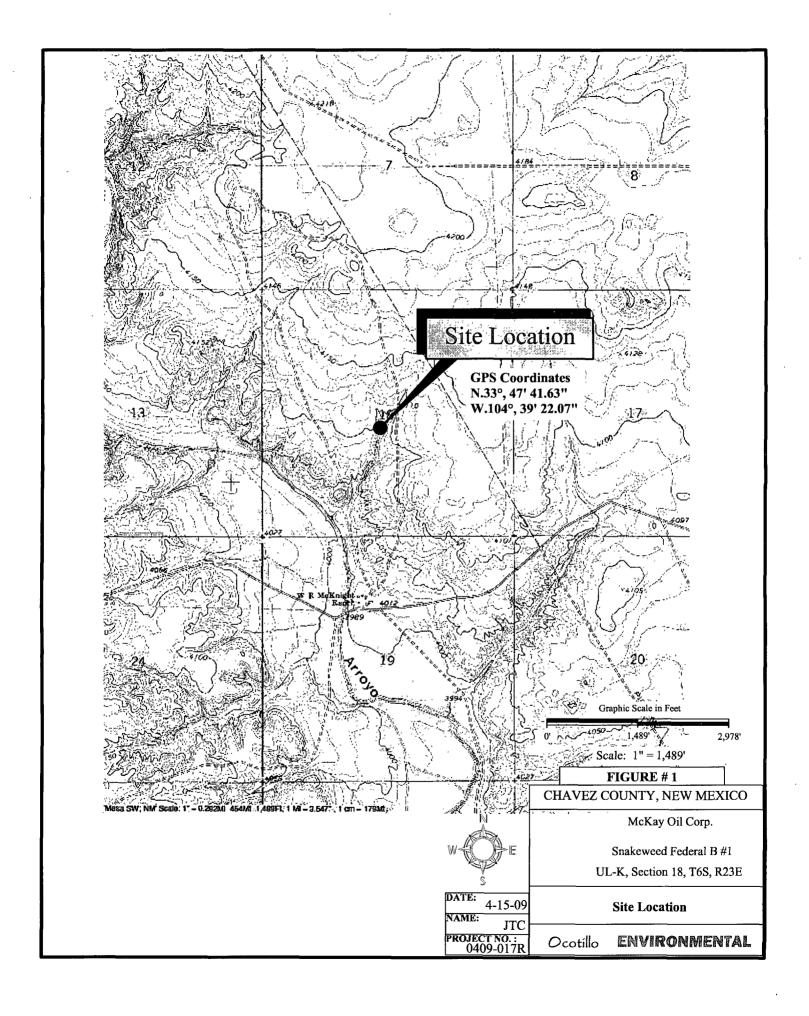
Notify OCD District 2 office 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Sampling requirements are listed in 19.15.17.13 [NMAC] (Pit Rule)

Final closure report is to be submitted to OCD not later than 60 days after completion of closure.

Surface restoration per OCD/BLM requirements.





Bratcher, Mike, EMNRD

From: Sent:

Cindy Crain [cindy.crain@gmail.com] Thursday, April 16, 2009 11:27 AM

To:

Bratcher, Mike, EMNRD

Cc:

mymerch@penrocoil.com

Subject:

McKay Oil Corp, Snakeweed Fed B #1 C144

Attachments:

Initial C144.doc; Merch signed initial C144.pdf; Closure Plan.doc; Snakeweed_Federal_B__1

_Figure_1[1].pdf

Mike,

With regard to our phone conversation earlier today, attached please find the initial C144 for the McKay Oil Corp,

Snakeweed Federal B #1 site. Page 5 of the C144, signed by Penroc Oil is a seperate attachment. Other attachments include the Closure Plan for Waste Excavation and Removal and a Site Location map.

Ocotillo plans to begin the pit closure early next week. I appreciate your speedy attention and approval.

If you have any questions or need additional information, please let me know.

Thank you,

Cindy Crain

Environmental Manager

Ocotillo Environmental 2125 French Drive Hobbs, NM 88240

Office (575) 393-6371 Cell (575) 441-7244 Fax (432) 272-0304

This inbound email has been scanned by the MessageLabs Email Security System.

Bratcher, Mike, EMNRD

From:

Bratcher, Mike, EMNRD

Sent:

Monday, April 20, 2009 2:21 PM

To:

'Cindy Crain'

Cc:

mymerch@penrocoil.com

Subject: R

RE: McKay Oil Corp, Snakeweed Fed B #1 C144

Cindy,

This email will serve as approval to mobilize equipment immediately to close the drilling pit at the Snakeweed Fed B #1 (API: 30-005-64002). The approved, signed copy of the C-144 will be available in the OCD Online well file within the next few days. Stipulations for closure are as follows:

- Notify OCD District 2 office 48 hours prior to commencement of closure activities. (This stipulation is waved for this closure)
- Notify OCD District 2 office 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Sampling requirements are per 19.15.17 [NMAC] (the pit rule).
- Final closure report to be filed with OCD District 2 office within 60 days of closure.
- Surface restoration per OCD/BLM requirements.

If I can be of assistance, please contact me.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext.108
mike.bratcher@state.nm.us

From: Cindy Crain [mailto:cindy.crain@gmail.com]

Sent: Thursday, April 16, 2009 11:27 AM

To: Bratcher, Mike, EMNRD **Cc:** mymerch@penrocoil.com

Subject: McKay Oil Corp, Snakeweed Fed B #1 C144

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Ocotillo plans to begin the pit closure early next week. I appreciate your speedy attention and approval.

If you have any questions or need additional information, please let me know.

Thank you,

Cindy Crain Environmental Manager

Ocotillo Environmental 2125 French Drive Hobbs, NM 88240

Office (575) 393-6371 Cell (575) 441-7244 Fax (432) 272-0304

This inbound email has been scanned by the MessageLabs Email Security System.