C-144 Permit & Supporting Documents for DRAW STATE #001 BURIAL TRENCH SW/4 of Section 29-T23S-R38E, Lea County, NM



Prepared for: Rubicon Oil & Gas, LLC Midland, Texas

Prepared by: TRIMAN, INC. P.O. Box 891323 Oklahoma City, OK 73189 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

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.

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 vironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Degrator: Rubicon Oil & Gas, LLC OGRID #: 194266
Address: 508 W. Wall Ave., Midland, Texas 79701
Facility or well name:Draw State #001
API Number: OCD Permit Number:
U/L or Qtr/Qtr N Section 29 Township 23S Range 38E County: Lea
Center of Proposed Design: Latitude N 32.270222 Longitude W -103.085241 NAD: □1927 ⋈ 1983
Surface Owner: ☐ Federal ☑ State ☐ Private ☐ Tribal Trust or Indian Allotment
∑ <u>Pit</u> : Subsection F or G of 19.15.17.11 NMAC
Femporary: ☑ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness <u>20</u> mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: Welded Factory Other Volume: 2,824 bbl Dimensions: L 110' x W 18' x D 12'
Signature Closed-loop System: Subsection H of 19.15.17.11 NMAC
Fype of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of ntent)
☐ Drying Pad ☑ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other
Liner Seams: Welded Factory Other Cuttings Washing System
i,
Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume:bbl Type of fluid:
Fank 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: Thicknessmil
Alternative Method:
I ARCHIMUSE MECHING

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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	hospital,
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other N/A Monthly inspections (If netting or screening is not physically feasible)	
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 19.15.16.8 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 of consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
Siting Criteria (regarding permitting): 19.15.17.10 NMAC 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 accep material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropact of fice 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 dryitabove-grade tanks associated with a closed-loop system.	priate district pproval.
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 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 Preeboard 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 Dil 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
14. <u>Proposed Closure</u> : 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 G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13. Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if facilities are required.	
Disposal Facility Name: Disposal Facility Permit Number:	
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 ser Yes (If yes, please provide the information below) No	vice 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 I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	С
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 sou provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate distingular considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Just demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	rict office or may be
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	☐ 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	☐ Yes ⊠ No ☐ 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 ☐ 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 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
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan 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. 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 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 cann 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	15.17.11 NMAC

Operator Application Certification: I hereby certify that the information submitted with this application is true, acc	curate and complete to the best of my knowledge and belief.
Name (Print): Steven A. Dowdy	
Signature: Sha. Cours	Date:11/7/2014
e-mail address: trimanres@sbcglobal.net	Telephone: (405) 692-1555 – Office / (405) 590-9555 – Cell
20. OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure	Plan (only)
OCD Representative Signature:	Approval Date:
Title:	OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsection Instructions: Operators are required to obtain an approved closure plan prior. The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the	r to implementing any closure activities and submitting the closure report. f the completion of the closure activities. Please do not complete this
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alter If different from approved plan, please explain.	native Closure Method Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, du two facilities were utilized. Disposal Facility Name:	rilling fluids and drill cuttings were disposed. Use attachment if more than
Disposal Facility Name:	The control of the co
Were the closed-loop system operations and associated activities performed on Yes (If yes, please demonstrate compliance to the items below) No	OF CONTROL STEELD X SET STOOM IN IT REAL PORT OF CONTROL TO CONTROL TO CONTROL TO A BECOME OF CONTROL TO CONT
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ntions:
24. Closure Report Attachment Checklist: Instructions: Each of the following 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) 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 Long	
25.	
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure belief. I also certify that the closure complies with all applicable closure require	
Name (Print):	Title:
- ×	
Signature:	Date:



508 W. Wall Ave., Suite 500 Midland, Texas 79701 (432) 687-5100 - Main (432) 687-5109 - Fax

October 22, 2014

Triman, Inc. 1530 SW 89th Street Suite A-2 Oklahoma City, OK 73159

Re: Draw State 001 Sec. 29-23S-38E Lea County, New Mexico

Gentlemen,

You are hereby authorized to represent Rubicon Oil & Gas, LLC's interest as its agent for the purpose of obtaining all approvals and results from New Mexico's Oil Conservation Division and/or the Bureau of Land Management as necessary in order to allow Rubicon Oil & Gas, LLC to utilize WLP Resource Reclamation, LLC's Cuttings Cleaning System and thereby clean the generated cuttings from the above-named well to an acceptable standard that can be trench-buried onsite.

Sincerely,

Rubicon Oil & Gas, LLC

W. Brett Smith President

WBS/cp

PROCESS DESIGN AND DESCRIPTION

Prepared by: TRIMAN, INC. P.O. Box 891323 Oklahoma City, OK 73189

Process

The process of cleaning water-base cuttings on an active drilling rig utilizes a proprietary and patented system hereinafter referenced as "the cuttings cleaner". The cuttings cleaner is designed to remove salt and hydrocarbons from drill cuttings as they are expressed back to the surface. The drill cuttings are also dewatered in the final stage ready for onsite trench burial.

Diagram 1 shows how the cuttings cleaner can be dove-tailed into an active drilling rig. The cuttings can be treated at an average rate of 250 gpm. A temperature varied environment circulated through the system yields a final aggregate of collected cuttings which are placed in an above-ground steel container, ready to be sampled and analyzed. At this point, the cuttings cleaner acts as part of a closed loop system on the rig. Once the "cleaned" and dried cuttings are sampled and tested to meet NMOCD onsite disposal standards, the waste is conveyed to the burial trench. The cleaned and dewatered cuttings will only be placed in the subject burial trench once they have been tested and meet NMOCD guidelines for trench burial.

Since the processed cuttings are "cleaned" to onsite burial standards, there is no expansion of the waste volume by needing to dilute a concentration with the addition of a non-waste volume. Protection of the environment and ground water quality are maintained as the dewatered and "cleaned" cuttings are placed in an encapsulated burial trench free from hydraulic conductivity because there is no volume of water buried with the cuttings. Further, the cuttings after cleaning and drying are adequately load bearing.

Components

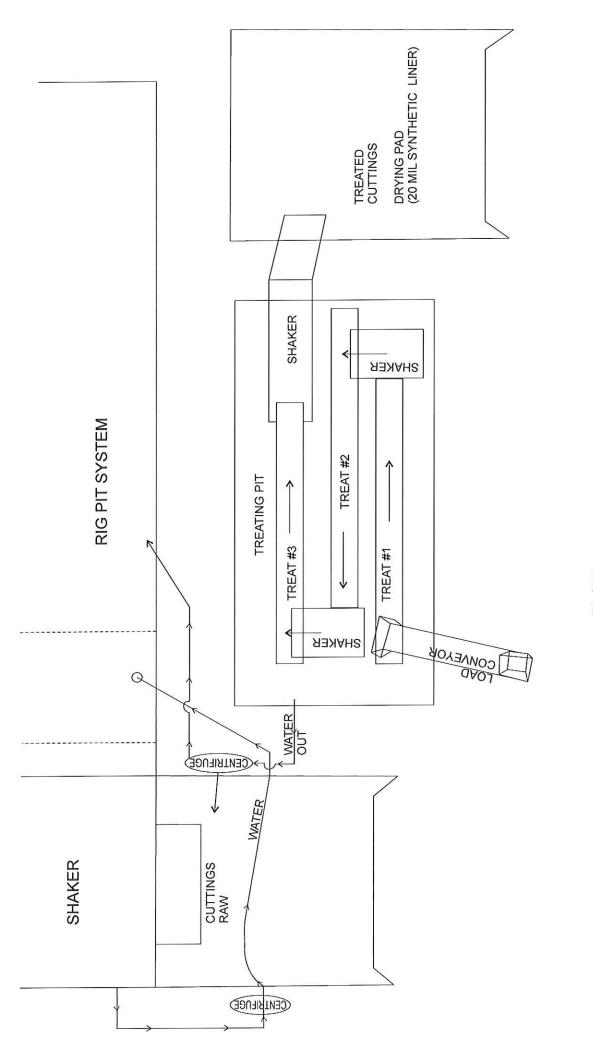
Water serves as both a propagate and salt removing agent in the cuttings cleaner. Onsite storage of fresh water is kept to a minimum supplying the cuttings cleaner. The same volume of water can be used over and over again until it is displaced in the active drilling fluid system for make-up of additional drilling mud. Significant Levels of salt are removed from the cuttings over the course of drilling the subject well, yielding a waste which no longer poses a threat to the environment.

Staging of Cleaned Cuttings

As the subject well's cuttings are processed through the cuttings cleaner, the cleaned cuttings will be placed on a drying pad. The drying pad will exhibit a surface area large enough to contain the subject processed cuttings. The drying pad will consist of placing a continuous 20 mil thickness synthetic liner on the finish grade of the subject drill site; the liner perimeter will be incorporated into 18" high soil berms to prevent surface contamination. The entire volume of cleaned cuttings for the subject well will be stored on the drying pad until the subject well reaches total depth. No cuttings will be placed in the burial trench until the subject well reaches total depth and the cleaned cuttings meet NMOCD criteria for onsite trench burial.

Once the cleaned cuttings have met NMOCD standards for trench burial, the cleaned cuttings will be placed into the onsite trench. The 20 mil synthetic liner used as the drying pad will be

taken up for future use, and the surface soil area under the liner will be sampled utilizing a 5-point grab of 0-6" depth. The composite soil sample will be tested to meet NMOCD quality standards, and copies of the analytical data will be provided to OCD.



FLOW

C-144 AND SITE SPECIFIC INFORMATION FOR BURIAL TRENCH

Prepared by: TRIMAN, INC. P.O. Box 891323, Oklahoma City, OK 73189

Distance to Groundwater

Figure 1, Figure 2, and the discussion below demonstrates that groundwater (fresh water as defined by NMOCD Rules) at the location is less than 50 feet beneath the subject burial trench.

Figure 1 is an area geologic and topographic map that demonstrates:

- 1. The location of the burial trench as identified by a black square.
- 2. Water wells from the OSE database are shown as black triangles.
- 3. There are no water wells from the USGS database identified within 500 feet of the burial trench.
- 4. No other water wells were identified by field inspection, which were not documented in the public databases or published documents previously identified.

Figure 2 is a Groundwater Gradient Map from Ground-Water Report 6 (GWR6) *Geology and Ground-Water Conditions in Southern Lea County, New Mexico*, by Alexander Nicholson and Alfred Clebsch (1961) that demonstrates:

- 1. The location of the burial trench as a black square.
- 2. The groundwater gradient of the Tertiary Ogallala aquifer as solids lines located along the central and west portions of the map.
- 3. The groundwater gradient of the deeper Triassic aquifer as dashed lines located on the east side of the map and over the subject location.
- 4. Water wells from the report identified with open (Ogallala) or closed (Triassic) circles and labeled with groundwater depth and well total depth.
- 5. Water wells from the OSE database that are nearest to the site and are considered important to the determination of the groundwater depth are represented in Figure 1, as referenced above. The groundwater elevation and depth to groundwater is represented in Figure 2. Water wells identified in GWR6, referenced above, are listed in the attached table. Figure 1, Figure 2 and the GWR6 table attached provide data regarding the groundwater elevations for the Ogallala aquifer.

Geology and Hydrogeology

The subject burial trench is located on an outcrop of the Tertiary Ogallala Formation ("To" on Figure 1). It consists primarily of well sorted and undiffentiated deposits of sand, clay, silt and gravel capped with caliche. The Ogallala Formation in the surrounding area is partially covered by Quaternary age eolian piedmont deposits (Qe/Qp), lacustrine and playa deposits (Qpl), and older alluvial deposits (Qoa). Topographically, the site is on a moderately thin (2,000-foot wide) northeast to southwest placed ridge that separates low valleys to the northeast and southwest. The ridge and valleys characteristic of the San Simon area are generally reflective of the underlying Triassic red-beds and deeper rocks. Approximately 20 feet of topographic relief is present from the site location on the ride to the valleys on either side.

Siting Criteria (19.15.17.10 NMAC) Rubicon Oil & Gas, LLC - Draw State #001

Based on the information from the cable-tool drilling rig used to install the initial well at the Draw State #001 location, the Ogallala Formation is 90 feet thick and overlies a hard red-bed layer of the upper Triassic Formation. Groundwater is consistent in the Ogallala Formation for approximately 3 miles to the east of the site and within the Triassic Formation at a much greater depth. Relative shallow groundwater is also present in the valleys adjacent to the site where the sands and gravels rest on red-beds which are below the Ogallala/Alluvium groundwater depth. These aquifers are useful for domestic and livestock supplies locally, but are isolated from one another by the subsurface structure of the red-beds along the topographic ridges.

Water Table Elevation

Two water wells were identified in the area surrounding the Draw State #001 site to determine the water table elevation below the burial trench. Both identified wells are from the New Mexico Office of the State Engineer (OSE) database, and there were no water wells identified by field inspection within a 500 foot radius of the planned Draw State #001.

Visual inspections of data collected wells were performed to verify the information provided by the public records and published reports. Initially, an attempt was made to identify each well using USGS topographic maps. The surface elevations of wells identified on the maps were compared to the published surface elevation. Wells that could not be verified using maps were searched for using current and past satellite photographs in an effort to identify associated landmarks. Locations that could not be verified by maps or photographs were verified in the field. Attempts were also made to confirm static fluid levels during the field investigation when access was permitted. The results of the field inspections and water well data are summarized as follows:

Water Well Evaluations:

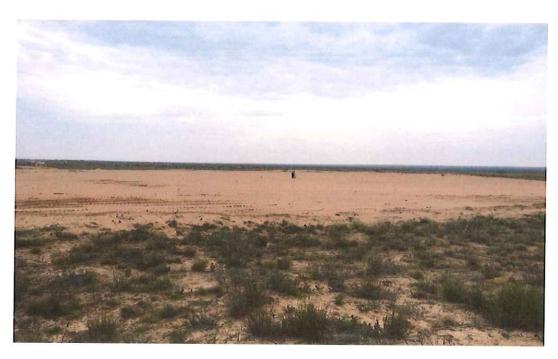
According to the OSE water well information for area wells, and water well information contained in *Geology and Ground-Water Conditions in Southern Lea County, New Mexico*, by Alexander Nicholson and Alfred Clebsch (1961), indications are that all water wells identified are greater than 200 feet in depth and the water level below the surface is approximately 180 feet.

Distance to Surface Water

Figure 3 and the site visit demonstrates that the location is not within 300 feet of a figure continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- There is no data from the USDA's National Hydraulic Dataset which indicates a significant watercourse (lake, pond, sinkhole, etc.) within 300 feet of the proposed burial trench. The nearest "watercourse" is Monument Draw, which is located approximately one and one-half miles due west of the subject location.
- The nearest topographic low area is 1,400 feet to the southeast, but it does not contain a USGS identified drainage feature (see photograph below).
- No other watercourses, as defined by NMOCD Rules, or bodies of water exist within 300 feet of the location.

Siting Criteria (19.15.17.10 NMAC) Rubicon Oil & Gas, LLC - Draw State #001



Distance to Permanent Residence or Structures

Figure 4 and the site visit demonstrates that the location is not within 300 feet from a permanent residence, school, hospital, institution, church, or other structure in existence at the time of the initial application.

Distance to Non-Public Water Supply

Figures 1 and 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 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

Figure 1 shows the locations of all area water; the nearest water well, domestic or otherwise, is located approximately .5 miles to the South [Glenn, Clark A. "Corky" (LD)].

No springs were identified within the mapping area.

Distance to Municipal Boundaries and Fresh Water Fields

Figure 5 demonstrates that the location is not within incorporated municipal boundaries or defined municipal fresh water well fields covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- The closest municipality is Jal, NM approximately 14 miles to the southwest.
- The closest public well field is located approximately 11 miles to the south/southwest.

Siting Criteria (19.15.17.10 NMAC) Rubicon Oil & Gas, LLC - Draw State #001

Distance to Wetlands

Figure 6 demonstrates that the location is not within 500 feet of wetlands.

 There are no designated wetlands located within one square mile of the subject burial trench.

Distance to Subsurface Mines

Figure 7 and our general reconnaissance of the area demonstrate that the nearest subsurface mines are caliche pits.

• The nearest caliche pit is located over 10 miles to the North, and is therefore, not indicated on the Figure 7 map of the area.

Distance to High or Critical Karst Areas

Figure 8 shows the location of the burial trench with respect to BLM Karst areas

- The proposed burial trench is located within a "low" potential karst area.
- There is no "high" or "critical" potential karst area within at least a 10-mile radius of the subject site.

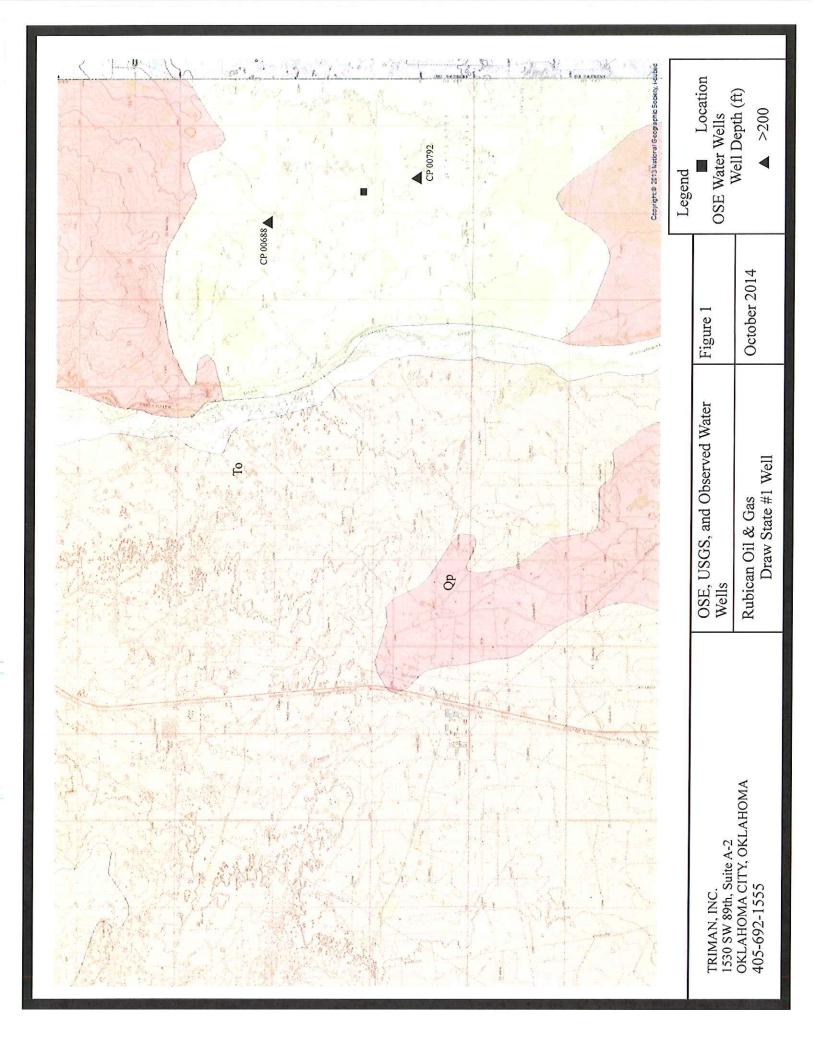
Distance to 100-Year Floodplain

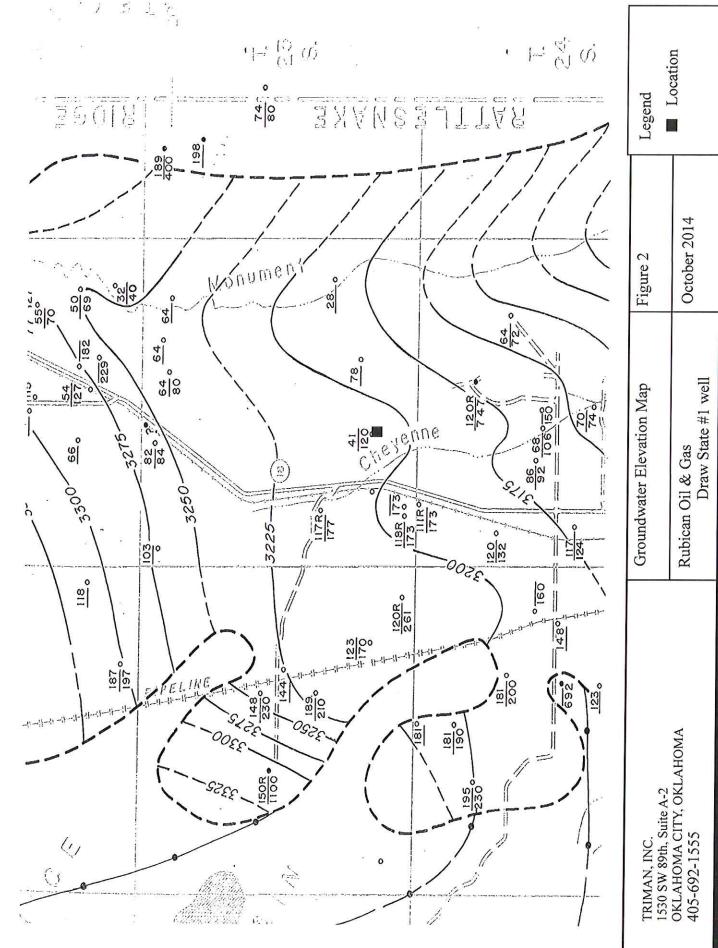
As verified by the Federal Emergency Management Agency, the subject burial trench is located within an area that has not yet been mapped by the Federal Emergency Management Agency with respect to the Flood Insurance Rate 100-Year Floodplain.

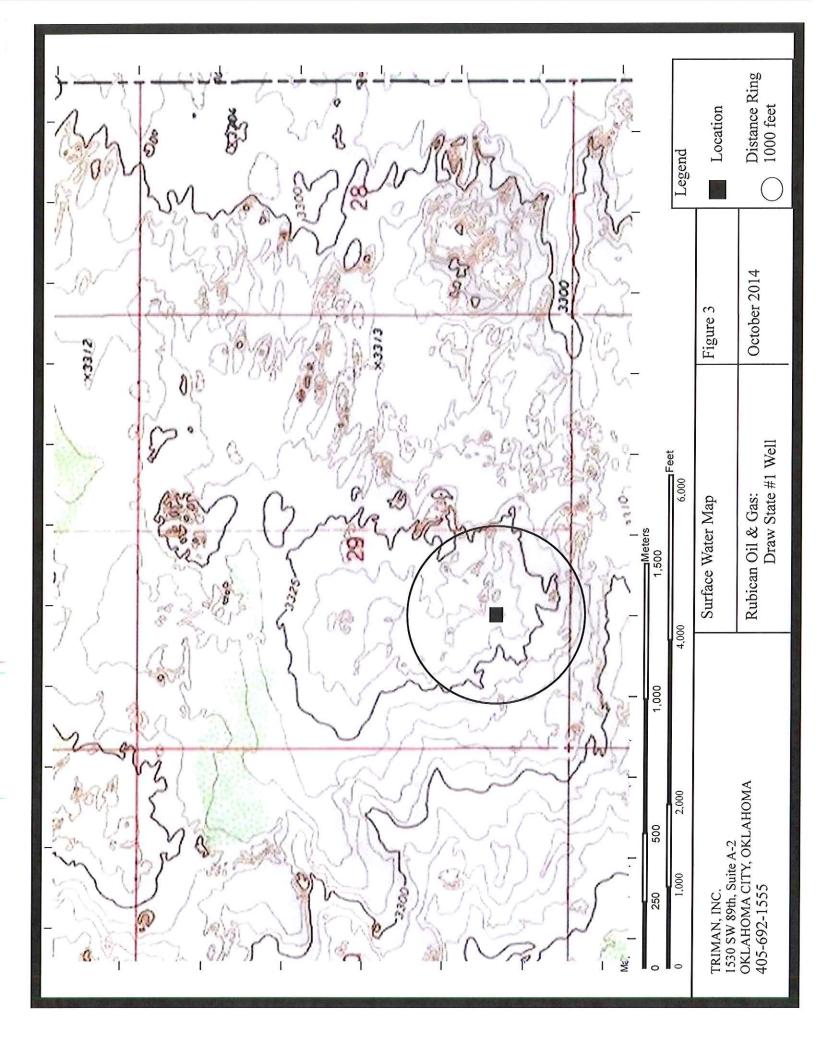
SITE SPECIFIC INFORMATION FIGURES OF BURIAL TRENCH FOR ONSITE GENERATED CUTTINGS

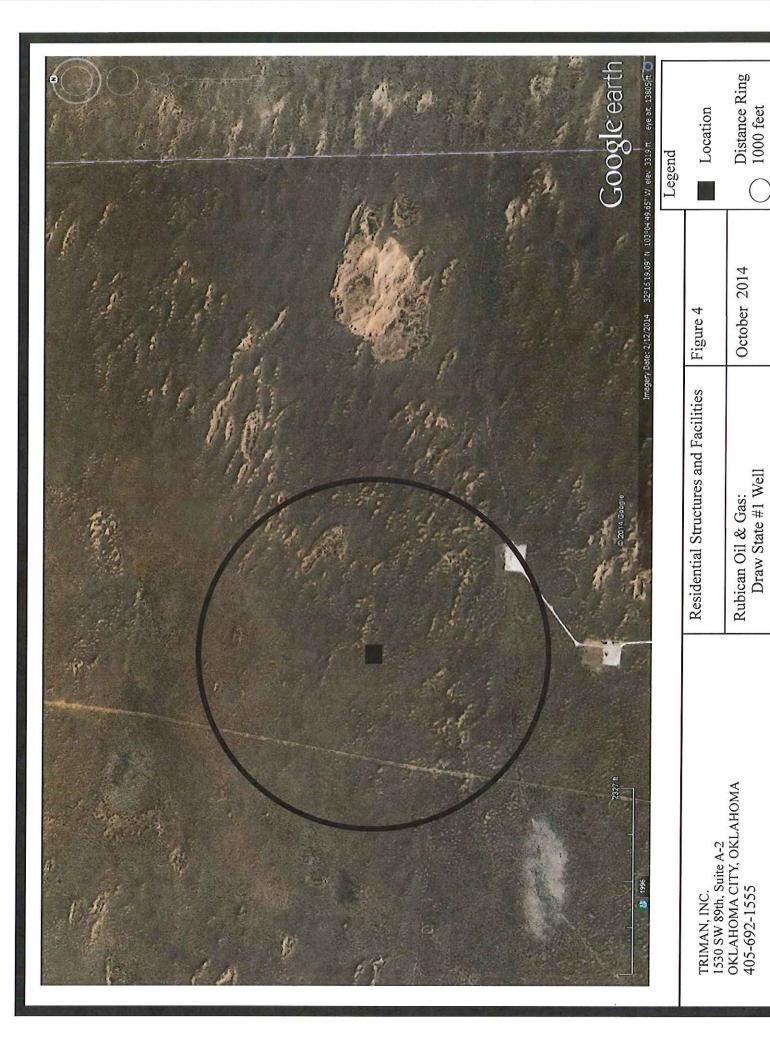
(Rubicon Oil & Gas, LLC - Draw State #001)

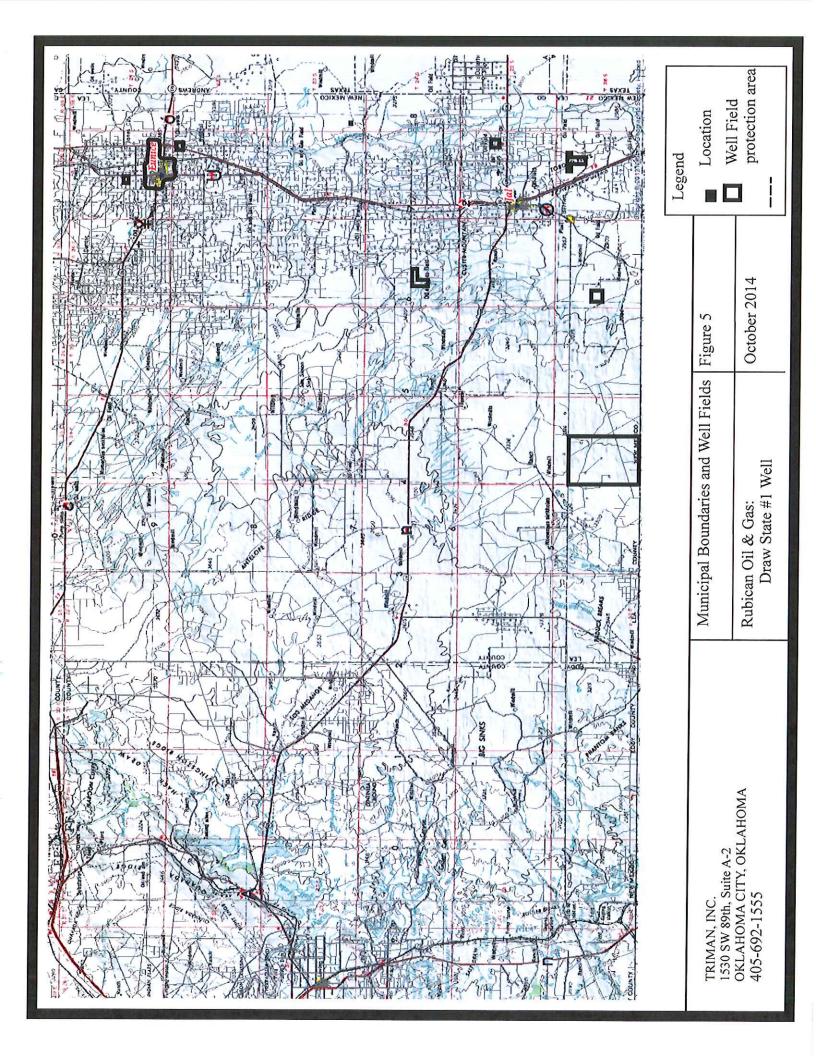
Prepared by: TRIMAN, INC. P.O. Box 891323, Oklahoma City, OK 73189

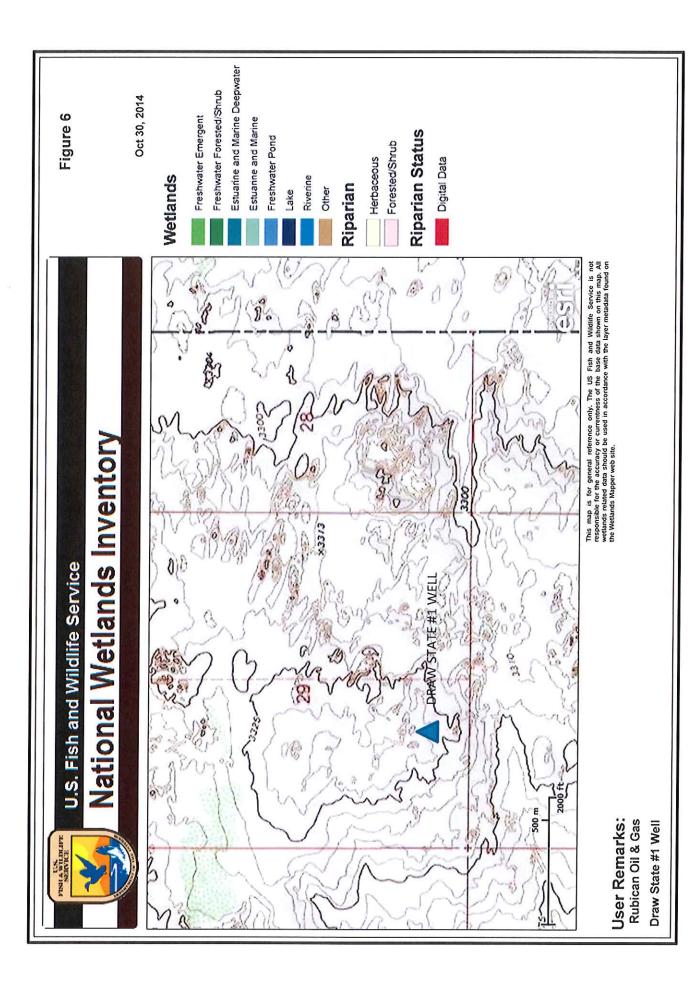


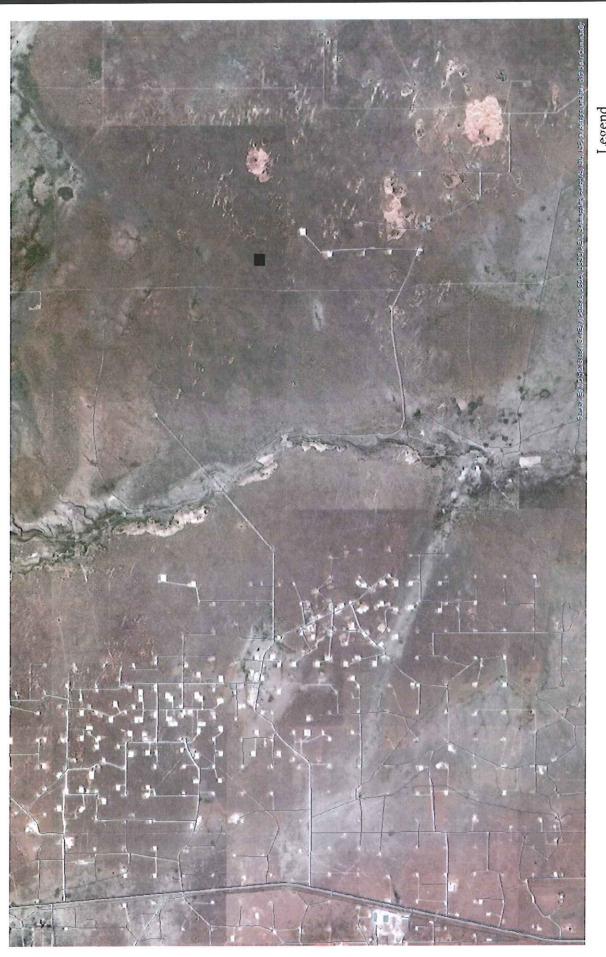












Legend

Location

MLS MLS Database

Surface

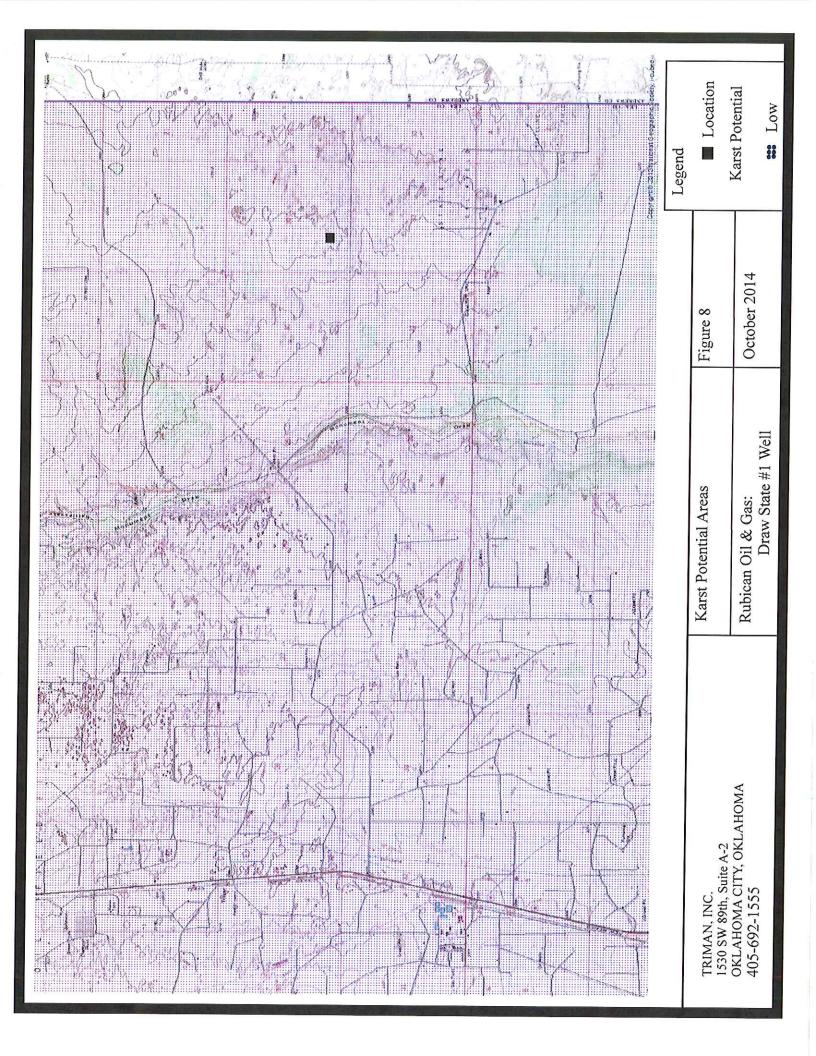
October 2014

Rubican Oil & Gas: Draw State #1 Well

Figure 7

Subsurface Mines

TRIMAN, INC. 1530 SW 89th, Suite A-2 OKLAHOMA CITY, OKLAHOMA 405-692-1555

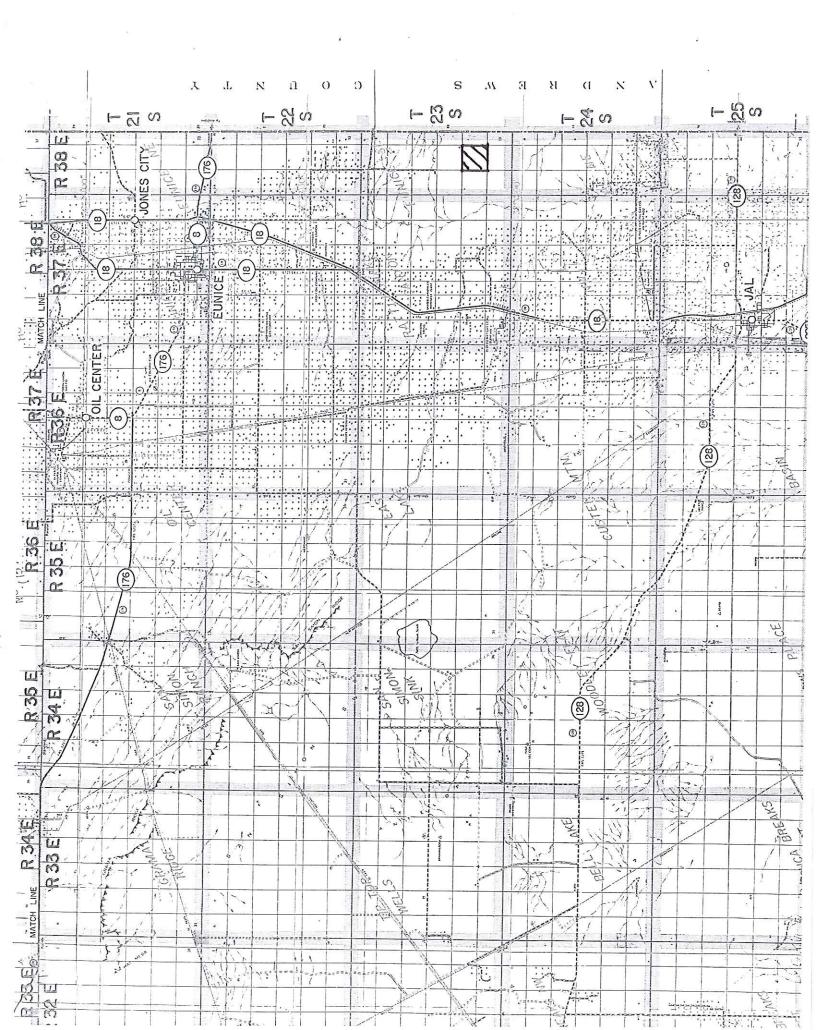


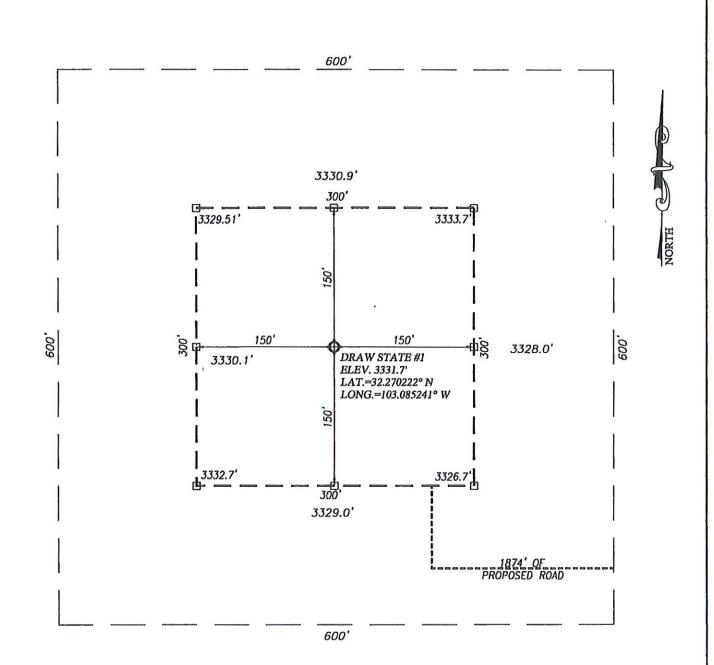
APPENDIX A

Survey Information & Additional Data

(Rubicon Oil & Gas, LLC - Draw State #001)

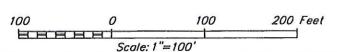
Prepared by: TRIMAN, INC. P.O. Box 891323, Oklahoma City, OK 73189





DIRECTIONS TO DRAW STATE #1:

FROM THE INTERSECTION OF S.T., HWY. #18, AND WELLS ROAD (CO. RD J-8) GO NORTH ON ST HWY. #18 APPROX. 0.9 MILES. TURN RIGHT ONTO LEASE ROAD AND GO EAST APPROX. 1.1 MILE; TURN LEFT AND GO NORTH-NORTHEAST APPROX. 0.8 MILES; TURN RIGHT AND GO EAST APPROX. 0.7 MILES; THEN TURN LEFT AND GO EAST APPROX. 1.7 MILES; TO MONUMENT DRAW; THEN TURN RIGHT AND GO SOUTHEAST APPROX. 1.8 MILES; TO A FORK; TURN LEFT AND GO EAST 1.5 TO A FORK; TURN LEFT AND GO NORTH 1.1 MILES; TO A PROPOSED ROAD SURVEY FOLLOW STAKED ROAD APPROX 1874 FEET TO THE LOCATION.



RUBICAN OIL & GAS

DRAW STATE #1 WELL
LOCATED 800 FEET FROM THE SOUTH LINE
AND 1650 FEET FROM THE WEST LINE OF SECTION 29,
TOWNSHIP 23 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



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W.O. No.: 14110518 Rev: .

Survey Dole: 5/16/14

CAD Date: 5/29/14

Rel. W.O.:

Drawn By: LSL
Sheet 1 of 1

© DRAFT\Lorenzo\2014\Rubicon Oil& Gos\WELLS\14110518

3272600

3572900

0052728

3572000

002TZSE

679000

32° 17 5" N

0025728

103° 6'0" W

USDA

103° 6'0" W

32° 15' 56" N

10/27/2014 Page 1 of 3

SITE SPECIFIC PLAN FOR INSTALLATION AND USE OF BURIAL TRENCH

(Rubicon Oil & Gas, LLC - Draw State #001)

Prepared by: TRIMAN, INC. P.O. Box 891323, Oklahoma City, OK 73189

ONSITE BURIAL TRENCH

The burial trench design for the subject well is offered herein as Plate 1. Its design and use is specifically to place onsite generated water-base cuttings, which have been treated and dried to meet NMOCD rules and guidelines for onsite disposal. The fluid fraction of the drilling mud system used by the Operator to drill the subject well will not be placed or allowed to flow in the onsite burial trench.

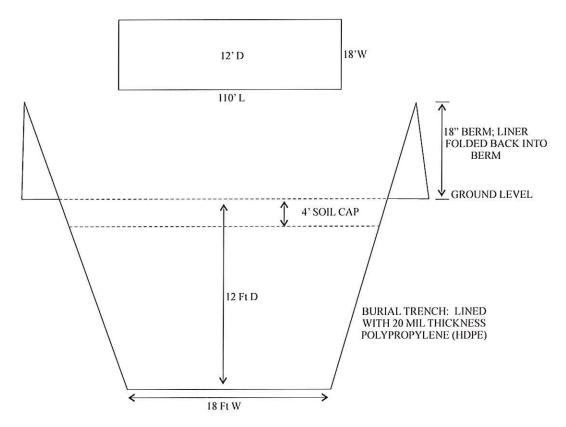
The subject burial trench will be constructed within the bounds of the subject drill pad. It will be constructed to the dimensions referenced in Plate 1, and a 20 mil thickness liner (HDPE) will be installed. The liner will be folded back over an 18 inch perimeter soil-berm at the surface as to anchor the impervious facility – refer to Plate 1. Because the burial trench employs a perimeter berm, no surface fluids/runoff will be allowed to enter the subject trench.

Topsoil stripped from the planned onsite burial trench will be stacked adjacent to the drill site for use as the final cover and/or fill at the time of closure --- refer to Closure Plan herein. The Operator will comply with 19.15.17 NMAC by posting a sign by the subject burial trench detailing Operator's name, legal location of the subject site, and emergency telephone numbers. The Operator will also fence the perimeter the subject burial trench with the exceptions of use and while drilling practices are underway.

The liner will be seam welded to ASTM specification to prevent stretch/tear failure according to manufacturing specification.

RUBICAN OIL & GAS DRAW STATE #1 WELL SECTION 29-23S-38E LEA COUNTY, NEW MEXICO

BURIAL TRENCH DESIGN



USEABLE PIT VOLUME CAPACITY = 8'D X 18 FT W X 110 FT L = 2,823.53 BBLS

DTW = 48.35

HOLE VOLUME 17 ½" TO 1,825' = 542.94 BBLS 12 1/4" TO 3,950' = 316.20 BBLS 8 3/4" TO 10,300' = 472.44 BBLS 1,331.58 BBLS + 20% w/o 266.32 BBLS 1,597.90 BBLS

NOTE: ONLY CUTTINGS WHICH
HAVE BEEN TESTED AND ARE
IN COMPLINANCE WITH 19.15.17
NMAC WILL BE PLACED IN THE
BURIAL TRENCH.

PREPARED BY: TRIMAN, INC. OKLAHOMA CITY, OKLAHOMA DRAWING NOT TO SCALE PLATE 1

10/30/2014

BURIAL TRENCH CLOSURE PLAN

Protocols and Procedures

The operator will use the following procedures and protocols to implement the closure:

- Upon the subject well reaching total depth and the sampling and testing protocol confirms the cleaned cuttings are in compliance with NMOCD guidelines for trench burial. The cleaned cuttings will be placed in the burial trench.
- The Operator will notify the surface owner by certified mail, return receipt requested, prior to closure, that the operator plans to close the burial trench.
- The Operator of the burial trench will notify the applicable division district office verbally or by email at least 72 hours, but not more than one week, prior to any closure operation. The notice will include the operator's name and the location be closed by unit letter, section, township and range, well's name, number, the API number.
- The Operator of the burial trench will verify the following prior to closure:
 - The installed liner is intact and void of a breach.
 - Confirm the impoundment is free of fluids.
 - Confirm the cuttings fill volume will allow a 4-foot soil cap to be set in place over the subject trench.
 - Confirm all dry cuttings placed in the burial trench meet the closure criteria in 19.15.17 NMAC Table 2 (attached) for depth to groundwater; 25-50 feet.
 - Provide NMOCD with analytical data confirming results of testing dry cuttings from subject well meet 19.15.17 NMAC closure criteria.
- A 20 mil thickness synthetic liner is placed under and prior to setting the steel tank used to contain the dry cuttings. After the subject well is drilled, and there is no longer a need for the steel pit, it will be removed by the Operator. The synthetic liner will also be removed, and a 5 point soil sampling program of the subject area will be performed. The composite soil will be tested according to NMOCD guidelines, and the subject surface area will meet established quality standards. NMOCD will be provided confirming analytical data.

Additional Protocols and Procedures for On-Site Closure

- The Operator has provided the surface owner notice of the Operator's proposal of an on-site closure (see transmittal letter for proof of notice to the landowner) as required in 19.15.17.13.F(1)(b).
- Upon receipt of NMOCD approval for on-site closure (in-place burial), the Operator will notify the surface owner by certified mail, return receipt requested, that the Operator plans to close the pit and where the operator has approval for on-site closure. Evidence of mailing of the notice will demonstrate compliance with this requirement.

- Within 60 days of closure completion, the Operator will submit a closure report on form C-144, with necessary attachments to document all closure activities including test results; information required by 19.15.17 NMAC; a plot plan; and details on back-filling, capping and covering, where applicable.
- In compliance with NMAC 19.15.17.13D(8) Operator will fold over initial 20 mil thickness synthetic liner that represents free board area of burial trench; and top cap consisting of 20 mil thickness synthetic liner will be installed to cover entire top surface area of folded-in liner of burial trench.
- In the closure report, the Operator will certify that all information in the report and attachments is correct and that the Operator has complied with all applicable closure requirements and conditions specified in the approved closure plan.
- The Operator will provide a plat of the trench location on form C-105 with the closure report within 60 days of the closing of the burial trench.
- The Operator will place a steel marker at the center of an on-site burial (unless the surface owner requires an alternative marker that is acceptable to the appropriate division district office). The steel marker will be not less than four inches in diameter and will be cemented in a three-foot deep hole at a minimum. The steel marker will extend at least four feet above the 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 on-site burial location will be welded, stamped or otherwise permanently engraved into the metal of the steel marker.
- The Operator will report the exact location of the on-site burial on form C-105 filed with the division.
- If the State of New Mexico or the Federal government owns the land surface, no deed exists, the land is held in trust. Therefore, the operator cannot file a deed notice identifying the exact location of the on-site burial with the county clerk in the county. The exact location of the on-site burial will the transmitted to the surface owner by copy of the form C-105 discussed above.
- If the surface is not in the public domain, the Operator will file a deed notice identifying the exact location of the on-site burial with the county clerk in the county. The exact location of the on-site burial will be transmitted to the surface owner by copy of the form C-105 discussed above.

Site Reclamation Plan

After the Operator has closed the burial trench, the operator will reclaim the trench location and all areas associated with the trench, including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. The Operator will substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, re-contour the location and associated areas to a contour that approximates the original contour and blends with the surround topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC.

Soil Cover Design Plan

The soil cover for the in-place burial will consist of a minimum of four feet of compacted, non-waste containing, earthen material. The soil cover will include either the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.

The Operator will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material.

Re-vegetation Plan

Since the reclaimed burial trench surface area falls within the scope of operations necessary to maintain the subject well and production facility, the Operator will initiate a re-vegetation plan when the subject well is plugged.

In-place Closure Plan

In the event the sampling and testing of the processed drill cuttings meet NMOCD criteria for inplace closure, the Operator will proceed with placing the processed cuttings into the onsite burial trench.

Siting Criteria Compliance Demonstration for In-place Burial

The Siting Criteria Compliance Demonstration for the burial trench show that the requirements of 19.15.17.10 NMAC are met for in-place closure.

Waste Material Sampling and Testing Plan for In-place Burial

The Operator will collect at a minimum, a five-point, composite sample of the cleaned cuttings from the drying pad to be placed in the burial trench after the subject well reaches total depth.

The purpose of the sampling after the drill cuttings are processed is to demonstrate that:

- Benzene, as determined by EPA SW-846 method 8021B or 8260B, does not exceed the concentration limit for in-place burial;
- Total BTEX, as determined by EPA SW-846 method 8021B or 8260B, does not exceed the concentration limit for in-place burial;
- The GRO and DRO combined fraction, as determined by EPA SW-846 method 8015M, does not exceed the concentration limit for in-place burial;
- TPH, as determined by EPA method 418.1 does not exceed the concentration limit for in-place burial.
- Chloride, as determined by EPA method 300.1, does not exceed the concentration limit for in-place burial or the background concentration, whichever is greater;
- The stabilized waste passes the paint filter liquids test (EPA SW-846, method 9095).

	r Soils Beneath Belov	able I v-Grade Tanks, Drying Pads A its where Contents are Remov	
Depth below bottom of pit to groundwater less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤50 feet	Chloride	EPA 300.0	600 mg/kg
	ТРН	EPA SW-846 Method 418.1	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg
51 feet-100 feet	Chloride	EPA 300.0	10,000 mg/kg
	ТРН	EPA SW-846 Method 418.1	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg
> 100 feet	Chloride	EPA 300.0	20,000 mg/kg
	ТРН	EPA SW-846 Method 418.1	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg

^{*}Or other test methods approved by the division

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

	Closure Criteria fo	able II or Burial Trenches and ace in Temporary Pits	
Depth below bottom of pit to groundwater less than 10,000 mg/l TDS	Constituent	Method*	Limit**
	Chloride	EPA Method 300.0	20,000 mg/kg
25-50 feet	ТРН	EPA SW-846 Method 418.1	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8015M	10 mg/kg
	Chloride	EPA Method 300.0	40,000 mg/kg

19.15.17 NMAC 17