22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Richard Wright Title: Production Superintendent

Signature: Richard L. Wright Date: December 23, 2013

e-mail address: rwright@cazapetro.com Telephone: (432) 682-7472 (x-1006)

Approved

Environmental Specialist

NMOCD - DISTRICT 1

7/02/14

HOBBS OCD

R. T. HICKS CONSULTANTS, LTD.

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

DEC 26 2013

RECEIVED

December 23, 2013

Mr. Geoffrey Leking
NMOCD District 1
1625 French Drive
Hobbs, New Mexico 88240
Via E-Mail and Mail

RE: Caza Operating, Lennox "32" State 2H, API: 30-025-40451, Unit A Section 32, T22S, R35E, Lea County, Temporary Pit Closure Report

Dear Geoffrey:

In keeping with the requirements of the approved C-144 closure plan for the temporary pit, this report includes the following information listed in Part 21 of the C-144 form:

Required Information	**Location in Submission**
Proof of closure Notice (to surface owner and Division)	Attachment 1
Proof of Deed Notice (required for on-site closure	State Land (no deed)
Plot Plan (for on-site closures and temporary pits)	C-105 and Attachment 2
Confirmation Sampling Analytical Results	Not Applicable
Waste Material Sampling Analytical Results (required for on-site closure)	Attachment 3
Disposal Facility Name and Permit Number	Not Applicable
Soil Backfilling and Cover Installation	Attachment 4
Re-vegetation Application and Seeding Technique	Attachment 5
Updated C-144 form	Attachment 6
Site Reclamation (Photo Documentation)	To follow later

On Site Closure Location (center of on-site burial area):
Latitude: N 32.354829° Longitude: W -103.382782° (NAD27)

We understand that OCD cannot formally release the site under the current Rule until we document re-vegetation. As shown above, please expect documentation of burial marker and re-vegetation when it is established in accordance with subsections F and H of 19.15.17.13 NMAC.

Sincerely,
R.T. Hicks Consultants, Ltd.

Dale Littlejohn
Geologist

Copy: Caza Operating, LLC
New Mexico State Land Office

ATTACHMENT 1

R. T. HICKS CONSULTANTS, LTD.

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

September 9, 2013

Mr. Geoffrey Leking
NMOCD District
1625 French Drive
Hobbs, New Mexico 88240
Via E-mail and Regular Mail

RE: Caza Operating, Lennox 32 State No. 2H C-144 Permit Modification

Dear Geoffrey:

On behalf of Caza Operating, enclosed are:

1. A C-144 Form to modify the existing application (approved on January 7, 2013) to comply with the new Rule and
2. Updated (and recent OCD-approved) closure plans that are consistent with the new Rule.

The site-specific write-up, figures, plates, and appendix are unchanged from the earlier approved plan. We anticipate initiation of closure activities in the next few weeks.

Please contact me if you have any questions of need additional information.

Sincerely,
R.T. Hicks Consultants

Dale T. Littlejohn

Dale T. Littlejohn

Copy: Richard Wright, Caza Operating, LLC
Terry Warnell, NM State Land Office

R. T. HICKS CONSULTANTS, LTD.

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

September 25, 2013

Mr. Geoffrey Leking
NMOCD District 1
1625 French Drive
Hobbs, New Mexico 88240
Via E-mail

RE: Caza Operating, Lennox "32" State 2H, API: 30-025-40451, Unit A Section 32 T22S R35E, In-place Burial Notice

Dear Geoffrey:

The "In-place Burial" closure plan for the above referenced pit was approved on January 7, 2013 by the NMOCD, prior to the establishment of the June 2013 pit rule. Construction and operation of the temporary pit has been conducted to satisfy the rule under which it was approved as well as the June 2013 rule. A modified closure plan, prepared using the June 2013 rule was submitted to the NMOCD on September 11, 2013 and approved on September 16, 2013.

On August 16, 2013, once the waste in the pit had dried enough to allow sampling, a five-point composite sample was recovered and stabilized with the available mixing soil at a 3:1 ratio. Laboratory analyses were performed to determine the concentrations of the parameters listed in Table II of 19.15.17.13 NMAC.

The attached laboratory report of the stabilized waste sample (drilling waste mixed with the clean soil at a 3:1 ratio[1]) and the table below shows that none of the constituents exceed the standards set forth in the Rule. The calculations suggest that the stabilized waste will meet the criteria for in-place burial at a stabilization ratio of approximately 1.63:1 with TPH by EPA method 418.1 being the limiting constituent.

Summary Comparison of Laboratory Results to Pit Rule Burial Standards	Sampling Date	**Laboratory Results of Stabilized Waste Material** (mg/kg)	**19.15.17.13 NMAC Table II Depth to GW below waste > 100 Feet** (mg/kg)	**Estimated Maximum Mix Ratio Required To Achieve Pit Rule Burial Standard** (must be <3:1)
GRO + DRO + MRO (EPA Method 8015M)	8/16/13	156	1,000	0.47 : 1
TPH (EPA Method 418.1)	8/16/13	1,360	2,500	1.63 : 1
Chloride (EPA Method 300.0)	8/16/13	15,400	80,000	0.58 : 1
Benzene (EPA Meth. 8021B or 8260B)	8/16/13	0.546	10	0.16 : 1
Total BTEX (EPA Meth. 8021B or 8260B)	8/16/13	19.3	50	1.16 : 1

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

RT Hicks Consultants is concerned that TPH by 418.1 may not be an accurate representation of actual petroleum hydrocarbons present in the waste as several mud additives and/or lose circulation materials are also detectable by EPA method 418.1. In order to provide additional data for this and future evaluations, we have also analyzed the stabilized waste by EPA method 8015B extended to included carbon numbers up to C35 (GRO+DRO+MRO). This analysis should include a complete range of purge-able and extractable hydrocarbons without also including the non-petroleum hydrocarbons that are measured by method 418.1.

Sincerely,
R.T. Hicks Consultants

Dale T. Littlejohn

Dale Littlejohn

Copy: Caza Operating, LLC

New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504-1148
CERTIFIED MAIL – RETURN RECIEPT REQUEST

R. T. HICKS CONSULTANTS, LTD.

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

September 25, 2013

Mr. Geoffrey Leking
NMOCD District 1
1625 French Drive
Hobbs, New Mexico 88240
Via E-mail

RE: Caza Operating, Lennox "32" State 2H, API: 30-025-40451, Unit A Section 32 T22S R35E, In-place Burial Notice

Dear Geoffrey:

The "In-place Burial" closure plan for the above referenced pit was approved on January 7, 2013 by the NMOC and operation of the was approved as well June 2013 rule was s September 16, 2013.

On August 16, 2013, point composite samp 3:1 ratio. Laboratory parameters listed in T

The attached laborat the clean soil at a 3:1 exceed the standards waste will meet the c 1.63:1 with TPH by E

Summary Comparison of Labo Results to Pit Rule Burial Stan

	Sampling Date	Laboratory Results of Stabiliz Waste Mate (mg/kg)
GRO + DRO + MRO (EPA Method 8015M)	8/16/13	156
TPH (EPA Method 418.1)	8/16/13	1,360
Chloride (EPA Method 300.0)	8/16/13	15,400
Benzene (EPA Meth. 8021B or 8260B)	8/16/13	0.546
Total BTEX (EPA Meth. 8021B or 8260B)	8/16/13	19.3

(5) The operator shall collect, at a minimum, a five point composit pad/tank associated with a closed-loop system to demonstrate that, a other non-waste material at a ratio of no more than 3:1 soil or other r contaminant in the stabilized waste is not higher than the parameters

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Terry Warnell
NM State Land Office
PO Box 1148
Santa Fe, NM 87504

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

SEP 30 2013

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7008 1300 0002 4410 5962

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
OFFICIAL USE

Postage	$ 1.32
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.97

9/25/13
Postmark Here
Notice for closure at Caza Lennox

Sent To Terry Warnell
Street, Apt. No.; or PO Box No. SLO
City, State, ZIP+4 Santa Fe

PS Form 3800, August 2006 See Reverse for Instructions

7008 1300 0002 4410 5962

From: "Leking, Geoffrey R, EMNRD" <GeoffreyR.Leking@state.nm.us>
Subject: Caza Lennox "32" State 2H Temporary Pit Waste Stabilization
Date: September 30, 2013 8:24:06 AM CDT
To: "Randall Hicks (r@rthicksconsult.com)" <r@rthicksconsult.com>
Cc: "Dale Littlejohn (dale@rthicksconsult.com)" <dale@rthicksconsult.com>, "Martin, Ed, EMNRD" <ed.martin@state.nm.us>

Randy

The five point composite waste stabilization sample data as submitted in the correspondence of September 25, 2013 meets the requirements of 19.15.17.13 NMAC. Caza is approved to proceed with closure field activities.

Geoffrey Leking
Environmental Specialist
NMOCD-Hobbs
1625 N. French Drive
Hobbs, NM 88240
Office: (575) 393-6161 Ext. 113
Cell: (575) 399-2990
email: geoffreyr.leking@state.nm.us

ATTACHMENT 2

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
NOV 10 2013
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised August 1, 2011

1. WELL API NO. 30 025 40451
2. Type of Lease ☒ STATE ☐ FEE ☐ FED/INDIAN
3. State Oil & Gas Lease No. VO 7969

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:

☒ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☐ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

5. Lease Name or Unit Agreement Name: Lennox 32 State
6. Well Number: 2H

7. Type of Completion:
☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator: Caza Operating, LLC
9. OGRID: 249099
10. Address of Operator: 200 N. Loraine, Suite 1550, Midland, Texas 79701
11. Pool name or Wildcat: Rock Lake-Bone Spring

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	A	32	22 S	35 E		330	N	660	E	Lea
BH:	P	32	22 S	35 E		4956	N	606	E	Lea

13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released	16. Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc.)
2/29/12	3/29/13	4/2/13		3525 GR

18. Total Measured Depth of Well	19. Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run
15,914	15,864	Yes	CNL,LDT,DLL,Sonic

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	54.5 lb J-55	720 ft	17-1/2"	620 sks	circ 225 sks
9-5/8	40.0 lb J & HCK	4925 ft	12-1/4"	4197 sks	circ 135 sks
7-0	29.0 lb P	11,535 ft	8-3/4"	1300 sks	TOC 4900' CBL

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
4-1/2	10,710	15,914	225	

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)
Lateral-15,806-11,688_(4spf) .42" EHD (400 holes)
Vertical-10,545-50; 10467-72; 10319-24 (2spf).42" EHD (30 holes)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
15,806-11,688	679 bbls 15% hcl+ 84K 40/70 +686K 20/40+1,092K
	20/40 opti prop
10,550-10319	2 bbls 15% hcl+12K 40/70+99K 20/40+137K 20/40 opti

28. **PRODUCTION**

Date First Production	Production Method *(Flowing, gas lift, pumping - Size and type pump)*	Well Status *(Prod. or Shut-in)*
5-28-2013	Submersible Pump	Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7-2-2013	29	N/A		404	407	537	1007

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - *(Corr.)*
250	55		334	337	444	39.6 Corr

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*: Sold
30. Test Witnessed By: Jerrod Norton

31. List Attachments: Logs, Wellbore Schematic, Directional, C-102, C-104,

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

33. If an on-site burial was used at the well, report the exact location of the on-site burial:
Latitude Longitude NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Richard L. Wright Printed Name Richard L. Wright Title Operations Manager Date 7/5/2013

E-mail Address rwright@cazapetro.com

NOV 04 2013

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy Castile 1390	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand 8338	T. Morrison	
T. Drinkard	T. Bone Springs 8734	T.Todilto	
T. Abo	T. Rustler 1932	T. Entrada	
T. Wolfcamp 11,435	T. Bell Canyon 5839'	T. Wingate	
T. Penn	T. 2nd Bone Springs 10314	T. Chinle	
T. Cisco (Bough C)	T. 3rd Bone Springs 11,220	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....

No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

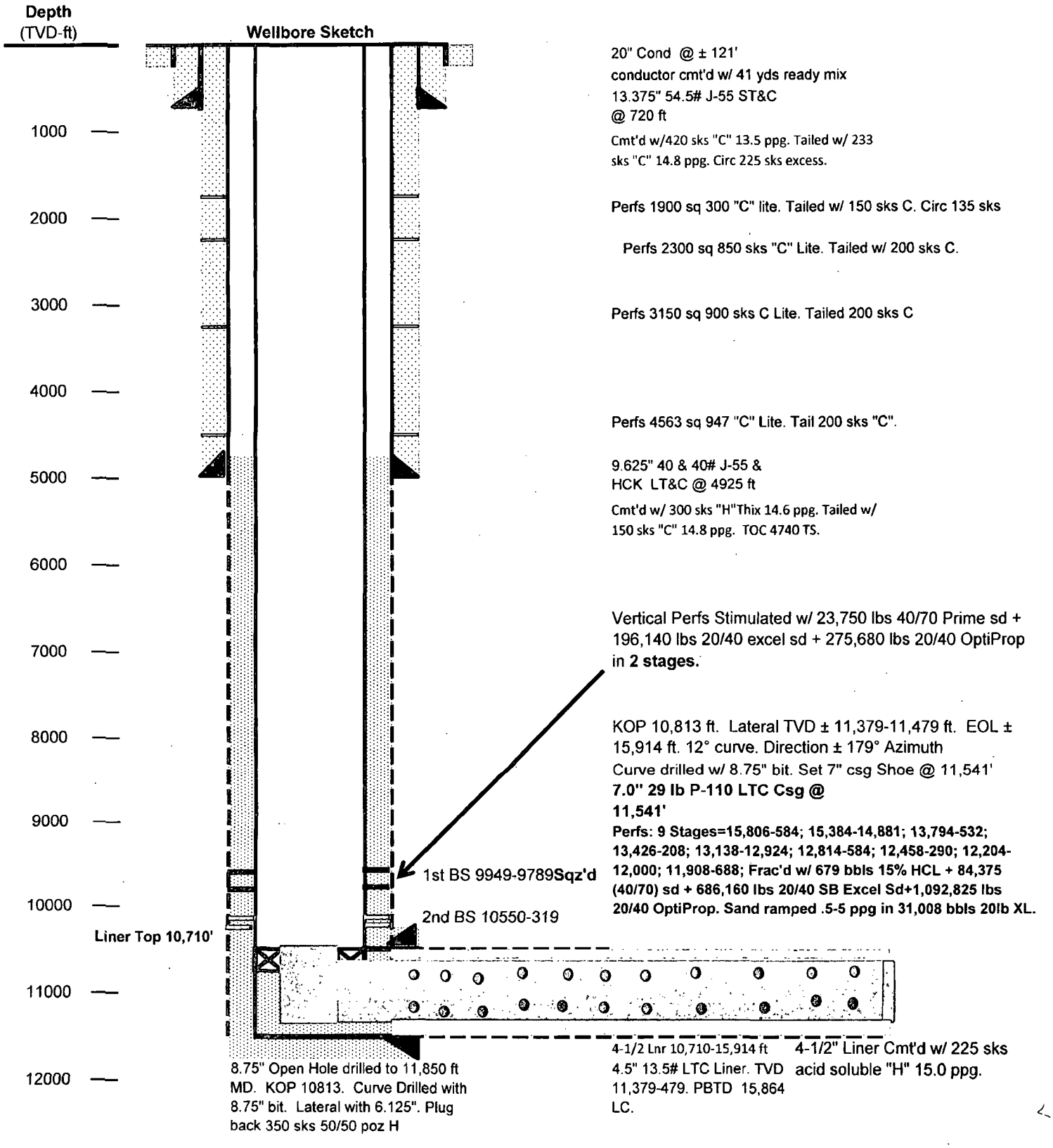
LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology

Lennox 32 State # 2H

Location: ***Section 32_T22S_R35E_Lea County, New Mexico***

Caza Oil&Gas, Inc.



20" Cond @ ± 121'
conductor cmt'd w/ 41 yds ready mix
13.375" 54.5# J-55 ST&C
@ 720 ft
Cmt'd w/420 sks "C" 13.5 ppg. Tailed w/ 233 sks "C" 14.8 ppg. Circ 225 sks excess.

Perfs 1900 sq 300 "C" lite. Tailed w/ 150 sks C. Circ 135 sks

Perfs 2300 sq 850 sks "C" Lite. Tailed w/ 200 sks C.

Perfs 3150 sq 900 sks C Lite. Tailed 200 sks C

Perfs 4563 sq 947 "C" Lite. Tail 200 sks "C".

9.625" 40 & 40# J-55 &
HCK LT&C @ 4925 ft
Cmt'd w/ 300 sks "H"Thix 14.6 ppg. Tailed w/ 150 sks "C" 14.8 ppg. TOC 4740 TS.

Vertical Perfs Stimulated w/ 23,750 lbs 40/70 Prime sd + 196,140 lbs 20/40 excel sd + 275,680 lbs 20/40 OptiProp in **2 stages.**

KOP 10,813 ft. Lateral TVD ± 11,379-11,479 ft. EOL ± 15,914 ft. 12° curve. Direction ± 179° Azimuth
Curve drilled w/ 8.75" bit. Set 7" csg Shoe @ 11,541'
7.0" 29 lb P-110 LTC Csg @ 11,541'
Perfs: 9 Stages=15,806-584; 15,384-14,881; 13,794-532; 13,426-208; 13,138-12,924; 12,814-584; 12,458-290; 12,204-12,000; 11,908-688; Frac'd w/ 679 bbls 15% HCL + 84,375 (40/70) sd + 686,160 lbs 20/40 SB Excel Sd+1,092,825 lbs 20/40 OptiProp. Sand ramped .5-5 ppg in 31,008 bbls 20lb XL.

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised August 1, 2011

1. WELL API NO. 30-025-40451
2. Type of Lease ☒ STATE ☐ FEE ☐ FED/INDIAN
3. State Oil & Gas Lease No. VO-7969

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

5. Lease Name or Unit Agreement Name: Lennox "32' State
6. Well Number: 2H

7. Type of Completion:
☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator: Caza Operating, LLC
9. OGRID: 249099
10. Address of Operator
11. Pool name or Wildcat

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:										
BH:										

13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released	16. Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc.)
		4/2/13		

18. Total Measured Depth of Well	19. Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28. **PRODUCTION**

Date First Production	Production Method *(Flowing, gas lift, pumping - Size and type pump)*	Well Status *(Prod. or Shut-in)*

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - *(Corr.)*

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
30. Test Witnessed By

31. List Attachments

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. SEE ATTACHED

33. If an on-site burial was used at the well, report the exact location of the on-site burial:
Latitude N 32.354829° Longitude W -103.382782° NAD 1927

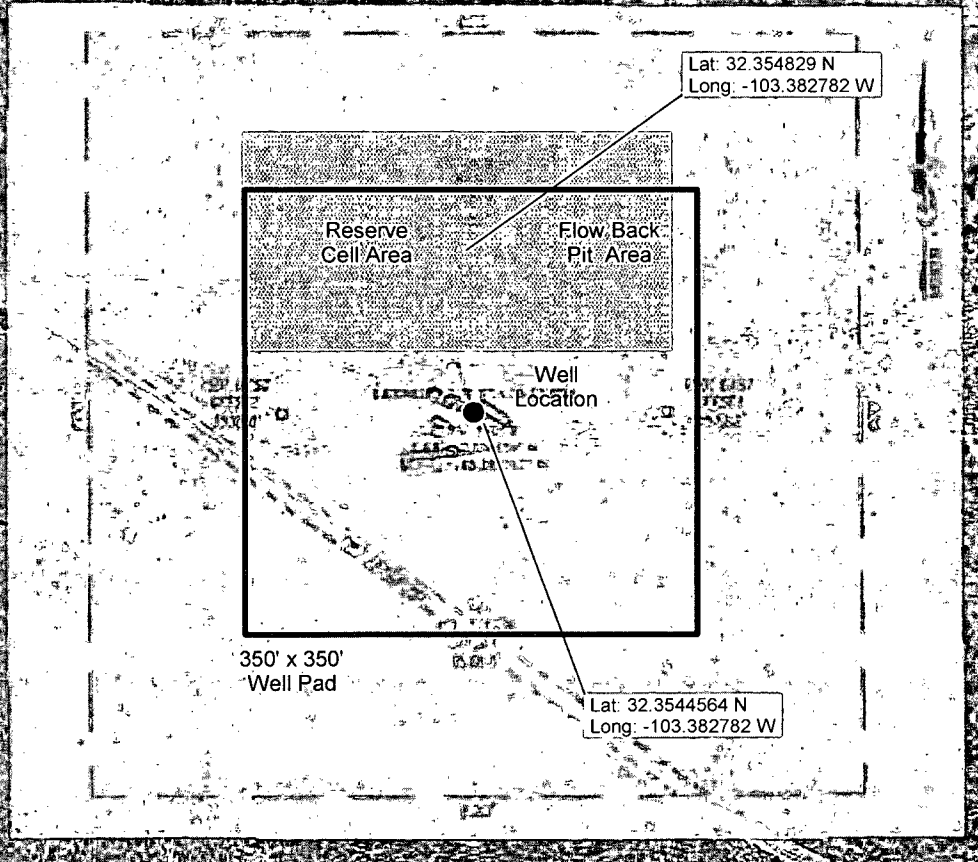
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Dale T. Littlejohn Printed Name Dale Littlejohn Title Geologist Date 11-25-13

E-mail Address dale@rthicksconsult.com

Caza Operating
Lennox "32" State #2H
T-22-S, R-35-E, Sec 32 (A)
API: 30-025-40451

Plate 1
On-Site Burial Location



Lat/Long in Dec. of Degrees (NAD27)

0 75 150
Feet

ATTACHMENT 3

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

August 27, 2013

DALE LITTLEJOHN

R T HICKS CONSULTANTS

901 RIO GRANDE BLVD SUITE F-142

ALBUQUERQUE, NM 87104

RE: LENNOX #2H PIT

Enclosed are the results of analyses for samples received by the laboratory on 08/16/13 14:37.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Celey D. Keene

Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

R T HICKS CONSULTANTS 901 RIO GRANDE BLVD SUITE F-142 ALBUQUERQUE NM, 87104	Project: LENNOX #2H PIT Project Number: NONE GIVEN Project Manager: DALE LITTLEJOHN Fax To: NONE	Reported: 27-Aug-13 14:25

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
STABILIZED CUTTINGS	H301960-01	Soil	16-Aug-13 10:15	16-Aug-13 14:37

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

R T HICKS CONSULTANTS 901 RIO GRANDE BLVD SUITE F-142 ALBUQUERQUE NM, 87104	Project: LENNOX #2H PIT Project Number: NONE GIVEN Project Manager: DALE LITTLEJOHN Fax To: NONE	Reported: 27-Aug-13 14:25

STABILIZED CUTTINGS

H301960-01 (Soil)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories									
Inorganic Compounds									
Chloride	**15400**	16.0	mg/kg	4	3082011	AP	21-Aug-13	4500-Cl-B	
Organic Compounds									
TPH 418.1	**1360**	100	mg/kg	10	3082404	CK	27-Aug-13	418.1	
Volatile Organic Compounds by EPA Method 8260B									**S-04**
Benzene*	**0.546**	0.050	mg/kg	50	3082304	MS	23-Aug-13	8260B	
Toluene*	**5.26**	0.050	mg/kg	50	3082304	MS	23-Aug-13	8260B	
Ethylbenzene*	**2.53**	0.050	mg/kg	50	3082304	MS	23-Aug-13	8260B	
Total Xylenes*	**11.0**	0.150	mg/kg	50	3082304	MS	23-Aug-13	8260B	
Total BTEX	**19.3**	0.300	mg/kg	50	3082304	MS	23-Aug-13	8260B	
Surrogate: Dibromofluoromethane		*91.5 %*	*61.3-142*		*3082304*	MS	*23-Aug-13*	*8260B*	
Surrogate: Toluene-d8		*134 %*	*71.3-129*		*3082304*	MS	*23-Aug-13*	*8260B*	
Surrogate: 4-Bromofluorobenzene		*267 %*	*65.7-141*		*3082304*	MS	*23-Aug-13*	*8260B*	
Petroleum Hydrocarbons by GC FID									
GRO C6-C10	**25.3**	10.0	mg/kg	1	3082008	DW	21-Aug-13	8015B	
DRO >C10-C28	**112**	10.0	mg/kg	1	3082008	DW	21-Aug-13	8015B	
EXT DRO >C28-C35	**18.5**	10.0	mg/kg	1	3082008	DW	21-Aug-13	8015B	
Surrogate: 1-Chlorooctane		*115 %*	*65.2-140*		*3082008*	DW	*21-Aug-13*	*8015B*	
Surrogate: 1-Chlorooctadecane		*149 %*	*63.6-154*		*3082008*	DW	*21-Aug-13*	*8015B*	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

R T HICKS CONSULTANTS 901 RIO GRANDE BLVD SUITE F-142 ALBUQUERQUE NM, 87104	Project: LENNOX #2H PIT Project Number: NONE GIVEN Project Manager: DALE LITTLEJOHN Fax To: NONE	Reported: 27-Aug-13 14:25

Inorganic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 3082011 - 1:4 DI Water										
Blank (3082011-BLK1)				Prepared & Analyzed: 20-Aug-13						
Chloride	ND	16.0	mg/kg							
LCS (3082011-BS1)				Prepared & Analyzed: 20-Aug-13						
Chloride	400	16.0	mg/kg	400		100	80-120			
LCS Dup (3082011-BSD1)				Prepared & Analyzed: 20-Aug-13						
Chloride	400	16.0	mg/kg	400		100	80-120	0.00	20	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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Analytical Results For:

R T HICKS CONSULTANTS 901 RIO GRANDE BLVD SUITE F-142 ALBUQUERQUE NM, 87104	Project: LENNOX #2H PIT Project Number: NONE GIVEN Project Manager: DALE LITTLEJOHN Fax To: NONE	Reported: 27-Aug-13 14:25

Organic Compounds - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 3082404 - Solvent Extraction										
Blank (3082404-BLK1)				Prepared & Analyzed: 27-Aug-13						
TPH 418.1	ND	100	mg/kg							
LCS (3082404-BS1)				Prepared & Analyzed: 27-Aug-13						
TPH 418.1	5390	100	mg/kg	5000		108	80-120			
LCS Dup (3082404-BSD1)				Prepared & Analyzed: 27-Aug-13						
TPH 418.1	5520	100	mg/kg	5000		110	80-120	2.46	20	

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Analytical Results For:

R T HICKS CONSULTANTS 901 RIO GRANDE BLVD SUITE F-142 ALBUQUERQUE NM, 87104	Project: LENNOX #2H PIT Project Number: NONE GIVEN Project Manager: DALE LITTLEJOHN Fax To: NONE	Reported: 27-Aug-13 14:25

Volatile Organic Compounds by EPA Method 8260B - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 3082304 - Volatiles										
Blank (3082304-BLK1)				Prepared: 22-Aug-13 Analyzed: 23-Aug-13						
Benzene	ND	0.050	mg/kg							
Toluene	ND	0.050	mg/kg							
Ethylbenzene	ND	0.050	mg/kg							
Total Xylenes	ND	0.150	mg/kg							
Total BTEX	ND	0.300	mg/kg							
Surrogate: Dibromofluoromethane	*0.527*		mg/kg	*0.500*		*105*	*61.3-142*			
Surrogate: Toluene-d8	*0.514*		mg/kg	*0.500*		*103*	*71.3-129*			
Surrogate: 4-Bromofluorobenzene	*0.516*		mg/kg	*0.500*		*103*	*65.7-141*			
LCS (3082304-BS1)				Prepared: 22-Aug-13 Analyzed: 23-Aug-13						
Benzene	2.14	0.050	mg/kg	2.00		107	76.8-122			
Toluene	2.12	0.050	mg/kg	2.00		106	73.1-129			
Ethylbenzene	2.07	0.050	mg/kg	2.00		103	72.8-128			
m+p - Xylene	4.16	0.100	mg/kg				69.4-129			
Total Xylenes	6.21	0.150	mg/kg	6.00		103	72-127			
o-Xylene	2.05	0.050	mg/kg	2.00		102	70.3-126			
Surrogate: Dibromofluoromethane	*0.518*		mg/kg	*0.500*		*104*	*61.3-142*			
Surrogate: Toluene-d8	*0.504*		mg/kg	*0.500*		*101*	*71.3-129*			
Surrogate: 4-Bromofluorobenzene	*0.504*		mg/kg	*0.500*		*101*	*65.7-141*			
LCS Dup (3082304-BSD1)				Prepared: 22-Aug-13 Analyzed: 23-Aug-13						
Benzene	2.06	0.050	mg/kg	2.00		103	76.8-122	3.91	18.7	
Toluene	2.06	0.050	mg/kg	2.00		103	73.1-129	2.93	19.4	
Ethylbenzene	1.99	0.050	mg/kg	2.00		99.7	72.8-128	3.59	21.8	
m+p - Xylene	4.03	0.100	mg/kg				69.4-129	3.08	25.3	
o-Xylene	1.99	0.050	mg/kg	2.00		99.3	70.3-126	3.11	23.6	
Total Xylenes	6.02	0.150	mg/kg	6.00		100	72-127	3.09	23.2	
Surrogate: Dibromofluoromethane	*0.504*		mg/kg	*0.500*		*101*	*61.3-142*			
Surrogate: Toluene-d8	*0.508*		mg/kg	*0.500*		*102*	*71.3-129*			
Surrogate: 4-Bromofluorobenzene	*0.512*		mg/kg	*0.500*		*102*	*65.7-141*			

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

R T HICKS CONSULTANTS 901 RIO GRANDE BLVD SUITE F-142 ALBUQUERQUE NM, 87104	Project: LENNOX #2H PIT Project Number: NONE GIVEN Project Manager: DALE LITTLEJOHN Fax To: NONE	Reported: 27-Aug-13 14:25

Petroleum Hydrocarbons by GC FID - Quality Control

Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 3082008 - General Prep - Organics										
Blank (3082008-BLK1)				Prepared & Analyzed: 20-Aug-13						
GRO C6-C10	ND	10.0	mg/kg							
DRO >C10-C28	ND	10.0	mg/kg							
EXT DRO >C28-C35	ND	10.0	mg/kg							
Total TPH C6-C28	ND	10.0	mg/kg							
Surrogate: 1-Chlorooctane	*47.2*		mg/kg	*50.0*		*94.3*	*65.2-140*			
Surrogate: 1-Chlorooctadecane	*55.1*		mg/kg	*50.0*		*110*	*63.6-154*			
LCS (3082008-BS1)				Prepared & Analyzed: 20-Aug-13						
GRO C6-C10	171	10.0	mg/kg	200		85.7	66.4-124			
DRO >C10-C28	182	10.0	mg/kg	200		90.9	61.6-132			
Total TPH C6-C28	353	10.0	mg/kg	400		88.3	69.7-122			
Surrogate: 1-Chlorooctane	*50.4*		mg/kg	*50.0*		*101*	*65.2-140*			
Surrogate: 1-Chlorooctadecane	*60.0*		mg/kg	*50.0*		*120*	*63.6-154*			
LCS Dup (3082008-BSD1)				Prepared & Analyzed: 20-Aug-13						
GRO C6-C10	180	10.0	mg/kg	200		90.2	66.4-124	5.17	23.4	
DRO >C10-C28	191	10.0	mg/kg	200		95.6	61.6-132	5.05	23.1	
Total TPH C6-C28	372	10.0	mg/kg	400		92.9	69.7-122	5.11	20.6	
Surrogate: 1-Chlorooctane	*52.8*		mg/kg	*50.0*		*106*	*65.2-140*			
Surrogate: 1-Chlorooctadecane	*60.4*		mg/kg	*50.0*		*121*	*63.6-154*			

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Notes and Definitions

S-04	The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name:	R T Hicks Consultants Ltd	**BILL TO**	
Project Manager:	Dale Littlejohn	**P.O. #:**	
Address:	901 Rio Grande BLVD, Suite F-142	**Company:**	RT Hicks Consult.
City:	Albuquerque **State:** NM **Zip:** 87104	**Attn:**	Krista
Phone #:	(432) 528-3878 **Fax #:** dale@rthicksconsult.com	**Address:**	901 Rio G. F-142
Project #:	**Project Owner:** Caza Oper.	**City:**	Albuquerque
Project Name:	Lennox #2H	**State:**	NM **Zip:** 87104
Project Location:	Lea County	**Phone #:**	(505) 266-5004
Sampler Name:	Dale Littlejohn	**Fax #:**	k@rthicksconsult.com

FOR LAB USE ONLY				MATRIX						PRESERV.			SAMPLING		ANALYSIS REQUEST									
Lab I.D.	**Sample I.D.**	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME	BTEX (8021B or 8260B)	GRO (8015M)	DRO (8015M)	MRO (8015M)	TPH (418.1)	Chloride (300.0 or approved)					
H30196D																								
1	~~Station~~ Stabilized Cuttings	C	1			✓					✓		8/16	1015	✓	✓	✓	✓	✓	✓					

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequental damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: Dale Littlejohn	**Date:** 8/16 **Time:** 2:37	**Received By:** Jodi Henson	
Relinquished By:	**Date:** **Time:**	**Received By:**	
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	4.7°C	**Sample Condition** Cool ☑ Yes ☐ No / Intact ☑ Yes ☐ No	**CHECKED BY:** (Initials)

Phone Result: ☐ Yes ☐ No **Add'l Phone #:**
Fax Result: ☐ Yes ☐ No **Add'l Fax #:**
REMARKS:

ATTACHMENT 4

Protocols and Procedures used for the In-Place Burial

In accordance with to the requirements listed in Paragraph D of 19.15.17.13 NMAC, the operator employed the following steps for in-place burial of the waste material.

1. The closure notice letter was submitted to the NMOCD District 1 Office on September 25, 2013 and approved via email on September 30, 2013 (Attachment 1). In-place burial field activities began on October 2, 2013.

2. The waste burial location and depth is in compliance with the siting criteria presented in the C-144 application submitted to the NMOCD District 1 Office on September 9, 2013 and approved on September 16, 2013.

3. From May 29 to July 22, 2013, fresh water from the initial frac flow-back was used via the drainage system in the inner cell to reduce the salt concentration of the waste. All free liquids were removed from the inner cell, outer cell, and flow-back pit on July 23, 2013. The waste material was allowed to dry out until closure field activities began on October 2, 2013.

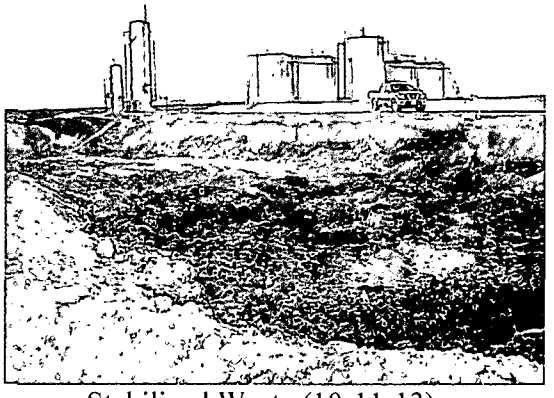
4. From October 2, to October 10, 2013 the temporary pit contents were stabilized to a capacity sufficient to support the final cover, as verified by a paint filter test conducted by a representative of RT Hicks Consultants on October 11, 2013. The final mixing ratio was greater than 2:1 but did not exceed 3:1 (clean soil to waste material).

5. On August 16, 2013, prior to the initiation of closure activities, five-point composite samples were recovered from both the inner and outer cells of the temporary pit. These samples were mixed together according to the relative volume of waste material in each cell. The resulting sample was mixed with clean soil from the walls and dividers surrounding the temporary pit at a ratio of 3 parts clean soil to 1 part waste material in order to create a "stabilized sample". The stabilized sample was submitted to Cardinal Laboratories for analyses of GRO, DRO, MRO (EPA method 8015M), TPH (EPA method 418.1), BTEX (EPA method 8260B), and Chloride (SM4500). The results, as noted in the September 25, 2013 Closure Notice letter, indicated that the waste material contaminant concentrations, stabilized at a ratio greater than 1.63:1 did not exceed the parameters listed in Table II of 19.15.17.13 NMAC (see letter in Attachment 1 and Lab report in Attachment 3)

6. Following the October 11, 2013 inspection, having achieved all applicable waste stabilization associated with in-place burial, the remaining outer edges of the temporary pit liner were folded over the waste material. A 20-mil string reinforced LLDPE liner was then installed above the waste material in a manner

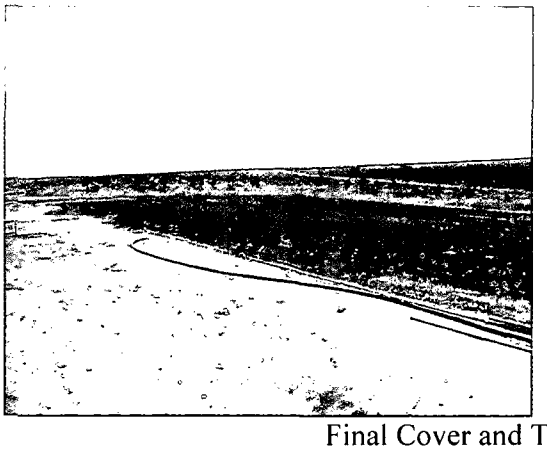
that prevents the collection of infiltration water in the temporary pit and on the geomembrane cover after the soil cover is in place.

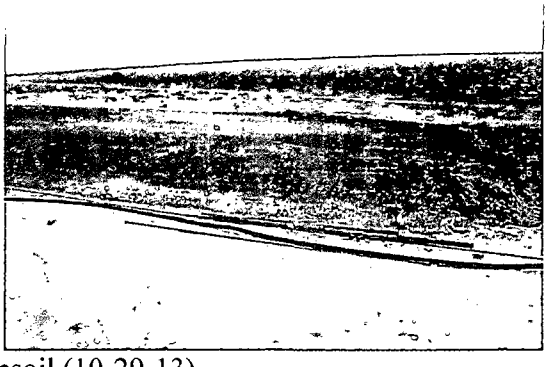
7. Once the geomembrane cover was in place, at least 4 feet of non-waste containing, uncontaminated, earthen material and topsoil was installed as prescribed in Paragraph (3) of Subsection H of 19.15.17.13 NMAC.



Stabilized Waste (10-11-13)

Paint Filter Test (10-11-13)





Final Cover and Topsoil (10-29-13)

ATTACHMENT 5

Site Reclamation and Soil Cover Plan

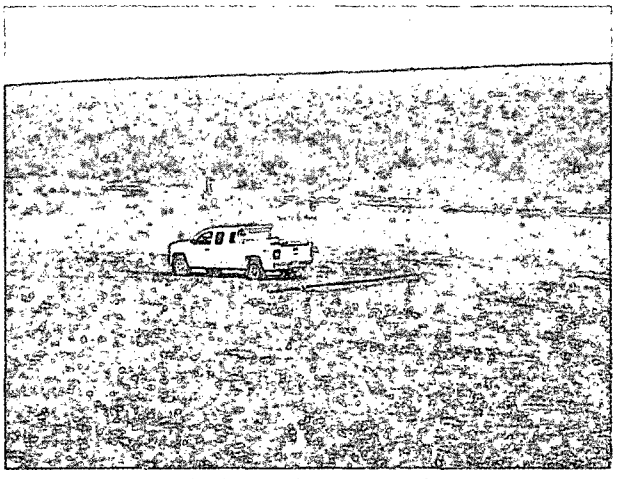
After the temporary pit was closed, topsoil and subsoil was replaced to their original relative positions and contoured so as to achieve erosion control, long-term stability, and blend with the surrounding undisturbed area and topography according to Subsection H of 19.15.17.13 NMAC. There were no road or surface drainage features nearby that required restoration or preservation.

The soil cover consists of at least four feet of compacted, non-waste containing, earthen material. The uppermost topsoil is equal to the background thickness of about one foot. It is nowhere less than one foot of suitable material in order to establish vegetation at the site in accordance with Paragraph (5), Subsection H of 19.15.17.13 NMAC.

Re-vegetation Plan

Upon completion of the soil cover the surface of the topsoil contained small ripples from the bulldozer treads, therefore no additional soil preparation was required.

1. On October 29, 2013, Eagle Eye Excavation of Loving, NM seeded the pit area by hand broadcast spreading 24 lbs. of seed over the 1.26-acre reclamation area. The seed was covered with soil by dragging a heavy steel harrow across the area for several hours with a four-wheel drive pick-up truck.



2. The seed mix used for this site to reestablish the native perennial vegetative cover was BLM #2 assortment.
3. During the next two growing seasons to prove viability, there will be no artificial irrigation of the vegetation.
4. The operator will repeat seeding or planting until it successfully achieves the required vegetative cover.
5. If conditions are not favorable for the establishment of vegetation, such as periods of drought, the operator may request that the division allow a delay in additional seeding until soil moisture conditions become favorable. The operator will notify the division when it successfully achieves re-vegetation.

ATTACHMENT 6

HOBBS OCD

DEC 26 2013

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

HOBBS OCD
SEP 11 2013
RECEIVED

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

Form C-144
Revised June 6, 2013

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

RECEIVED

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

Type of action:
- ☐ Below grade tank registration
- ☒ Permit of a pit or proposed alternative method
- ☐ Closure of a pit, below-grade tank, or proposed alternative method
- ☒ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Caza Operating LLC OGRID #: 249099
Address: 200 North Loraine, Suite 1550, Midland, Texas 79701
Facility or well name: Lennox "32" State Well No. 2H
API Number: 30-025-40451 OCD Permit Number: P1-04235
U/L or Qtr/Qtr A Section 32 Township 22S Range 35E County: Lea
Center of Proposed Design: Latitude 32.354456° N Longitude -103.382782° W NAD: ☐1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☒ no
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☒ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other Volume: 33,598 bbl Dimensions: L 142 x W 211 x D 6-11 ft (drilling) 10 ft (fluids cell)

3.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*
☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*
☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☐ Alternate. Please specify

6.
Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ Monthly inspections (If netting or screening is not physically feasible)

7.
Signs: Subsection C of 19.15.17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19.15.16.8 NMAC

8.
Variances and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.
Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☐ No ☒ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells **See Figure 2**	☐ Yes ☒ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks) See Figure 5** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks) See Figure 7** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area. **(Does not apply to below grade tanks) See Figure 8** - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☒ No
Within a 100-year floodplain. **(Does not apply to below grade tanks) See Figure 9** - FEMA map	☐ Yes ☒ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). **See Figure 3** - 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. **See Figure 4**	☐ Yes ☒ No
Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site **See Figures 1 & 2**	☐ Yes ☒ No
Within 300 feet of a wetland. **See Figure 6** - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Permanent Pit or Multi-Well Fluid Management Pit	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.

Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Multi-well Fluid Management Pit ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☒ On-site Closure Method (Only for temporary pits and closed-loop systems)
☒ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ 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 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ 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 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	

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

16.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☒ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☒ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Richard Wright Title: Production Superintendent

Signature: Richard L. Wright Date: September 9, 2013

e-mail address: rwright@cazapetro.com Telephone: (432) 682-7472 (x1006)

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

OCD Representative Signature: Environmental Specialist **Approval Date:** 9/16/13

Title: **OCD Permit Number:** P1-04235

19.
Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:**

20.
Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

21.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure for private land only) NA (State Land)
- ☒ Plot Plan (for on-site closures and temporary pits)
- ☐ Confirmation Sampling Analytical Results (if applicable) NA (In-Place Burial)
- ☒ Waste Material Sampling Analytical Results (required for on-site closure)
- ☐ Disposal Facility Name and Permit Number NA (no off-site disposal)
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude N 32.354829 Longitude W -103.382782 NAD: ☒ 1927 ☐ 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Richard Wright Title: Production Superintendent

Signature: Richard L. Wright Date: December 23, 2013

e-mail address: rwright@cazapetro.com Telephone: (432) 682-7472 (x-1006)

Approved

Jeffrey Lekins

Environmental Specialist

NMOCD - DISTRICT 1

7/02/14