API Well Number Banner

Report Description

This report shows a Well's API Number in Barcode format for purposes of scanning. The Barcode format is Code 39.

30025072700000

30 25 7270

GULF STATE No.003

PLATINUM EXPLORATION INC

4/12/2016

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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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
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

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

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

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: **BC OPERATING, INC.** OGRID #: **160825**
Address: **P. O. BOX 50820, MIDLAND, TX 79710**
Facility or well name: **GULF STATE 3**
API Number: **30-025-07270** OCD Permit Number: PI-01047
U/L or Qtr/Qtr **LOT 3** Section **4** Township **16 S** Range **38 E** County: **LEA**
Center of Proposed Design: Latitude **32.96488° N** Longitude **103.15461° W** NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

Work over pit was built and used by Platinum in 2005. See attached Platinum pit application (Exhibit J). BC has not used & will not use pit. (See attached CLEZ application.)

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☒ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness **12** mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: **142** bbl Dimensions: L **19'** x W **7'** x D **5-1/2'**

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☐ **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 _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

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 Platinum installed barbed wire fence, wire is sagging

7.

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)

8.

Signs: Subsection C of 19.15.17.11 NMAC

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

☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

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

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

☒ Administrative approval(s): Requests must be submitted to the appropriate division **district** or the Santa Fe Environmental Bureau office for consideration of approval. *See request for alternate marking on Page 2 of attachment*

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

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

11.
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: _____

12.
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)*

13.
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

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

Type: ☐ Drilling ☒ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method:
- ☒ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

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

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ 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 service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate 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

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☒ 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

18.

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

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC *See 10. on APD Page 9 (Exhibit K)*

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 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 Subsection F of 19.15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
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): **BRIAN WOOD** Title: **CONSULTANT**

Signature: B. Wood Date: **4-13-09**

e-mail address: **brian@permitswest.com** Telephone: **(505) 466-8120**

20.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** P1-01047

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

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

☐ **Closure Completion Date:** _____

22.
Closure Method:

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

☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.
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)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐1927 ☐ 1983

25.
Operator Closure Certification:

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

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

BC Operating, Inc.
Gulf State #3 temporary pit proposed closure
660' FNL & 1880' FWL Sec. 14, T. 16 S., R. 38 E.
Lea County, New Mexico
API #30-025-07270

NOTE: Work over pit was originally built and used by Platinum in 2005. Pit is on a well site which was built and used by Signal in 1956. Location of Signal's reserve pit is not shown in NMOCD files. BC has not used pit and is volunteering to close pit.

Siting Criteria

1. Ground water is ≈46.5' below the pit bottom. This estimate is based on water well L 03193 which is ≈3,400' west-southwest (see Exhibits A & B).

3,767' Gulf State 3 ground elevation	3,715' water well ground elevation
- 5.5' deep pit	-35' depth to water
3,761.5' pit bottom elevation	3,715' water elevation

3,761.5' pit bottom elevation
- 3,715' water elevation
≈46.5' depth to water

2. Pit is not within 300' of a continuously flowing watercourse. Pit is not within 200' of any other significant watercourse as defined by OCD. Closest first order tributary of Wardswell Draw is more than a half mile east (Exhibit B).

3. Pit is not within 300' of any building. Closest building is >1 mile west (Exhibits B & C).

4. Pit is not within 1,000' any fresh water well or spring. Closest (≈2,300') existing well found during a November 11, 2008 inspection is an artesian well ≈150' southwest of the Gulf State 1.

5. Pit is not within municipal boundaries or within a municipal fresh water well field (Exhibits A & B).

6. Pit is not within 500' of a wetland (Exhibit D).

7. Pit does not overly a mine (Exhibit E).

8. Pit is not in an unstable area. No evidence of earth movement was found during a November 11, 2008 inspection. Maximum grade is ≈1% (Exhibit F).
9. Pit is not within a 100 year flood plain.

10. C-102 is attached as Exhibit G.

11. Closure notice to the surface owner (NM State Land Office) is attached as Exhibit H.

An analysis of the pit contents is attached as Exhibit I.

Alternative for 19.15.17.13 F. (1) (d)

An alternate interim marking system will be used to allow for safer and more efficient operations. A minimum 4" O. D. steel pipe will be set at least 36" deep at the center of the pit. A threaded collar will be on the top of the pipe. A minimum 12" x 12" steel plate will welded atop the threaded collar. Top of the plate will be flush with ground level. The standard location information listed will be welded onto the plate, plus a notation that it marks an on site buried temporary pit. Upon plugging the well, the plate will be removed and the pit marked as described in 19.15.17.13 F. (1) (d).

Closure Plan

BC Operating will close the pit in accordance with OCD Rules 19.15.17.12. & 13. Post closure documents will be submitted within 60 days of pit closure and will include forms C-105 and C-144, cover details, pit diagram, inspection report, sample results, and a copy of deed notice to the county clerk.

All free standing liquids will be removed before back filling the pit and disposed of at Gandy Marley Inc. (NM-01-0019). Liner and any solids (none are visible) will be disposed of at Controlled Recovery Inc. (NM-01-0006).

The preferred method of closure will be dig and haul.

The surface owner has been notified (attached).

Closure, including contouring and seeding, will be completed within 6 months of rig off.

After approval of this application, BC Operating will notify the OCD verbally or by other means at least 72 hours, but not more than one week, prior to any closure operation. The notice shall include the operator's name and the location to be closed by unit letter, section, township and range, well name & number, and API number.

All pit contents (appear to be only water and tumbleweeds) and liner will be removed. Contents and removed liner will be disposed of in licensed disposal facilities.

BC Operating will stabilize or solidify the clean empty pit to a bearing capacity sufficient to support the temporary pit's final cover.

A 5 point composite sample will be taken below the pit and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). If the criteria are not met, then soil will be handled per Subparagraph (a) of Paragraph (1)of Subsection B of 19.15.17.13. (i. e., dig & haul). If further dig & haul are required, then disposal facility will be Controlled Recovery (NM01-0006).

Component	Test Method	Limit (mg/Kg)
benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50

TPH	EPA SW-846 418.1	2,500
GRO/DRO	EPA SW-846 8015M	500
chlorides	EPA 300.1	1,000 or background

After completing testing, the pit area will be back filled with compacted, waste free, earth material. At least 4 feet of cover will be achieved. The cover will include 1 foot of suitable material to establish vegetation at the site, or the background thickness of the topsoil, whichever is greater.

Recontouring of the location will match the fit, shape, line, form, and texture of the surrounding area. Reshaping will control drainage and prevent ponds and erosion. Natural drainages will be unimpeded. Water bars and/or silt traps will be placed where needed to prevent erosion on a large scale. Final recontour will have a uniform appearance with smooth surface fitting the natural landscape.

Notice will be sent to the OCD when the reclaimed area is seeded.

Disturbed areas will be seeded the first growing season after the pit is closed. Seed will be drilled on the contour wherever practical or by other OCD approved method. BLM stipulated seed mix will be used. Vegetation cover will equal at least 70% of the native perennial vegetation cover prior to disturbance. Seed mix will include at least 3 native species, including at least 1 grass. Noxious weeds will be excluded. Vegetation cover will be maintained through 2 successive growing seasons. Repeat seeding or planting will be continued until successful vegetation growth occurs.

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	County	Q Q Q 64 16 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 02923	Lea		04	16S	38E	672736	3647343	125	30	95
L 02923 APPRO	Lea		04	16S	38E	672736	3647343	125	30	95
L 03193	Lea	1 1	04	16S	38E	672112	3647949	120	35	85
L 03193 APPRO	Lea	1 1	04	16S	38E	672112	3647949	120	35	85
L 10215	Lea	4 2	04	16S	38E	673326	3647564	75		

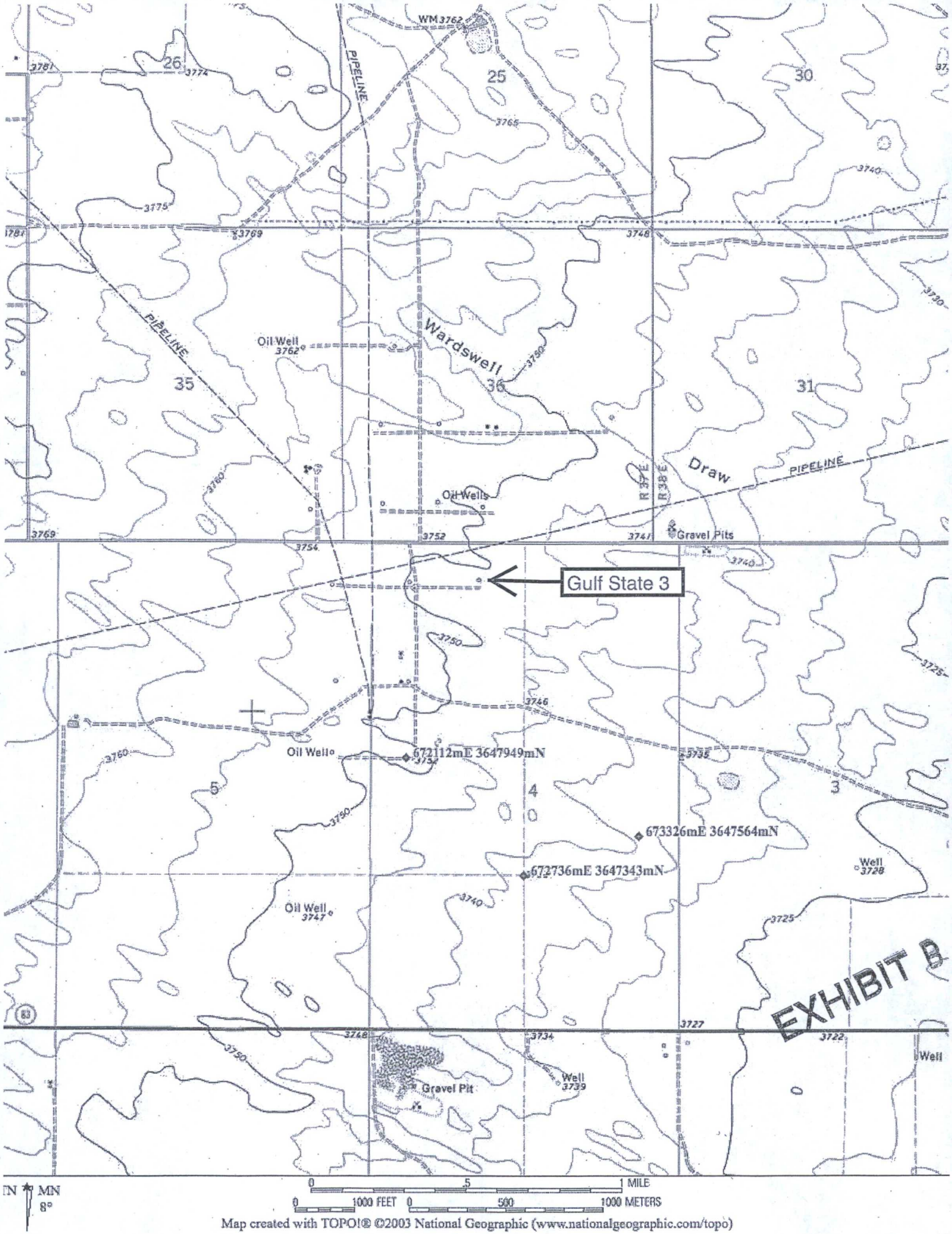
Record Count: 5

Average Depth to Water: 32 feet

Minimum Depth: 30 feet

Maximum Depth: 35 feet

EXHIBIT A



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

USGS **18 km E of Lovington, New Mexico, United States** 01 Nov 1997

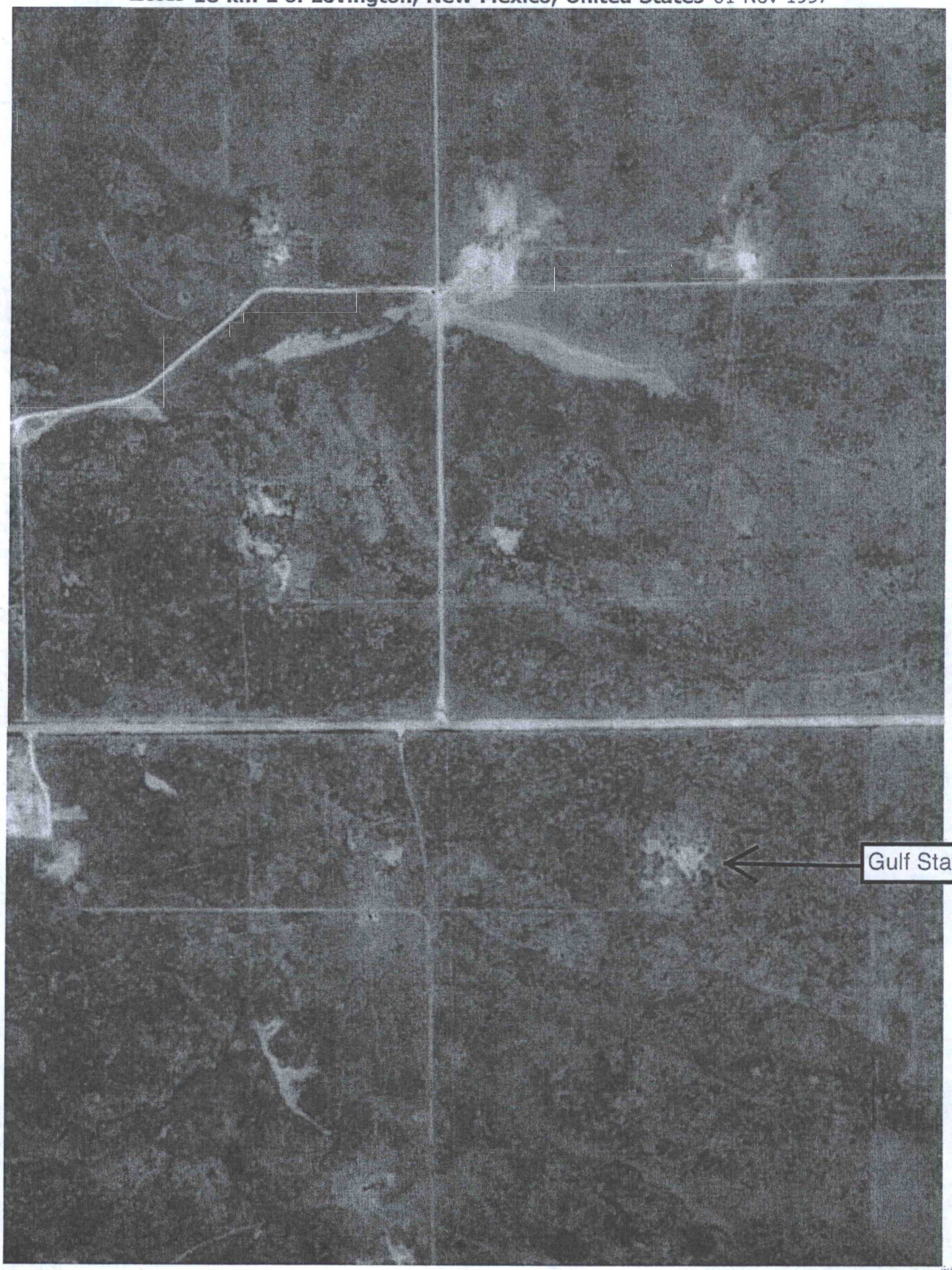
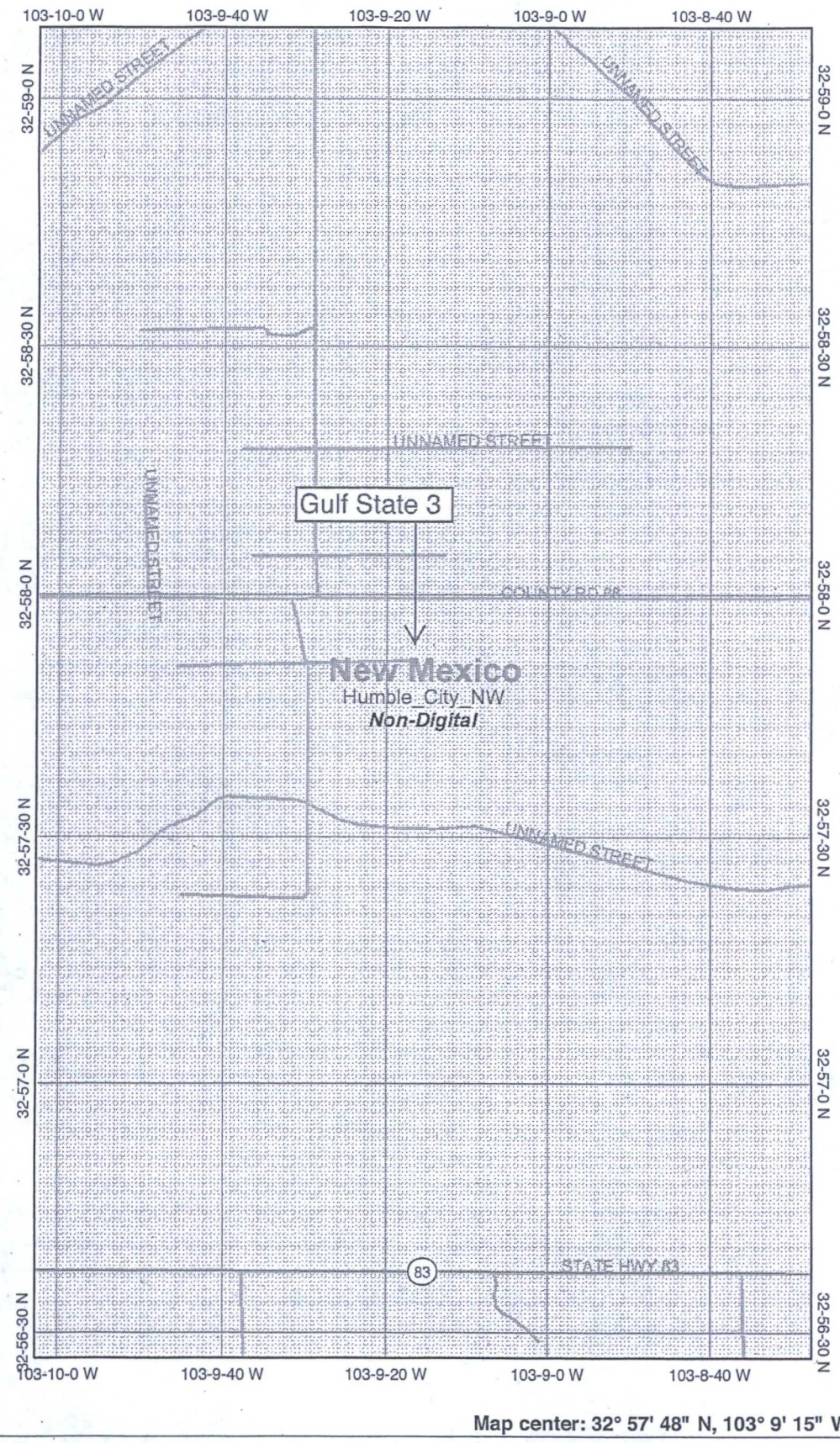


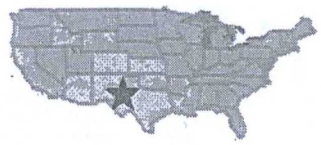
Image courtesy of the U.S. Geological Survey

EXHIBIT C

Gulf State 3 wetland map



Map center: 32° 57' 48" N, 103° 9' 15" W



Legend

- Interstate
- Major Roads
- Other Road
- Interstate
- State highway
- US highway
- Roads
- Cities
- USGS Quad Index 24K

Lower 48 Wetland Polygons

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- Lake
- Other
- Riverine

Lower 48 Available Wetland Data

- Non-Digital
- Digital
- No Data
- Scan
- NHD Streams
- Counties 100K
- States 100K
- South America
- North America

EXHIBIT D

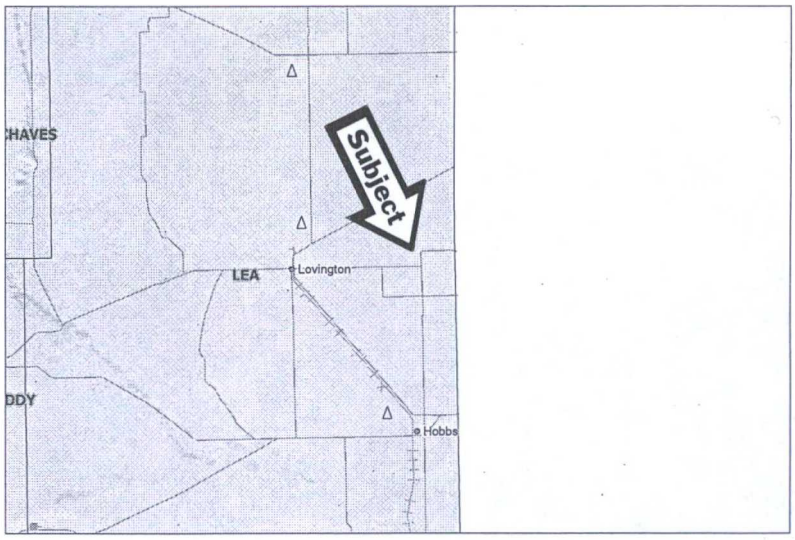
Scale: 1:24,000

MMQonline Public Version

Mines, Mills & Quarries Commodity Groups

- Aggregate & Stone Mines
- Coal Mines
- Industrial Minerals Mines
- Industrial Minerals Mills
- Metal Mines and Mill Concentrate
- Potash Mines & Refineries
- Smelters & Refinery Ops.
- Uranium Mines
- Uranium Mills

Population



SCALE 1 : 1,226,670

20 0 20 40 60

MILES

N

EXHIBIT E

LOOKING NORTHWEST AT GULF STATE 3 PIT

LOOKING SOUTHEAST AT PIT & TOWARD WELL HEAD

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

DUPLICATE

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

HOBBS OFFICE
MAY 1:48

Date 5-23-56

Operator Signal Oil & Gas Company Lease Gulf State

Well No. 3 Section 4 Township 16 South Range 38 East NMPM

Located 660 Feet From North Line, 1880 Feet From West Line,

Lea County, New Mexico. G. L. Elevation 3753

Name of Producing Formation _____ Pool _____ Dedicated Acreage _____

(Note: All distances must be from outer boundaries of Section)

pit center
N 32.96488°
W 103.15461°

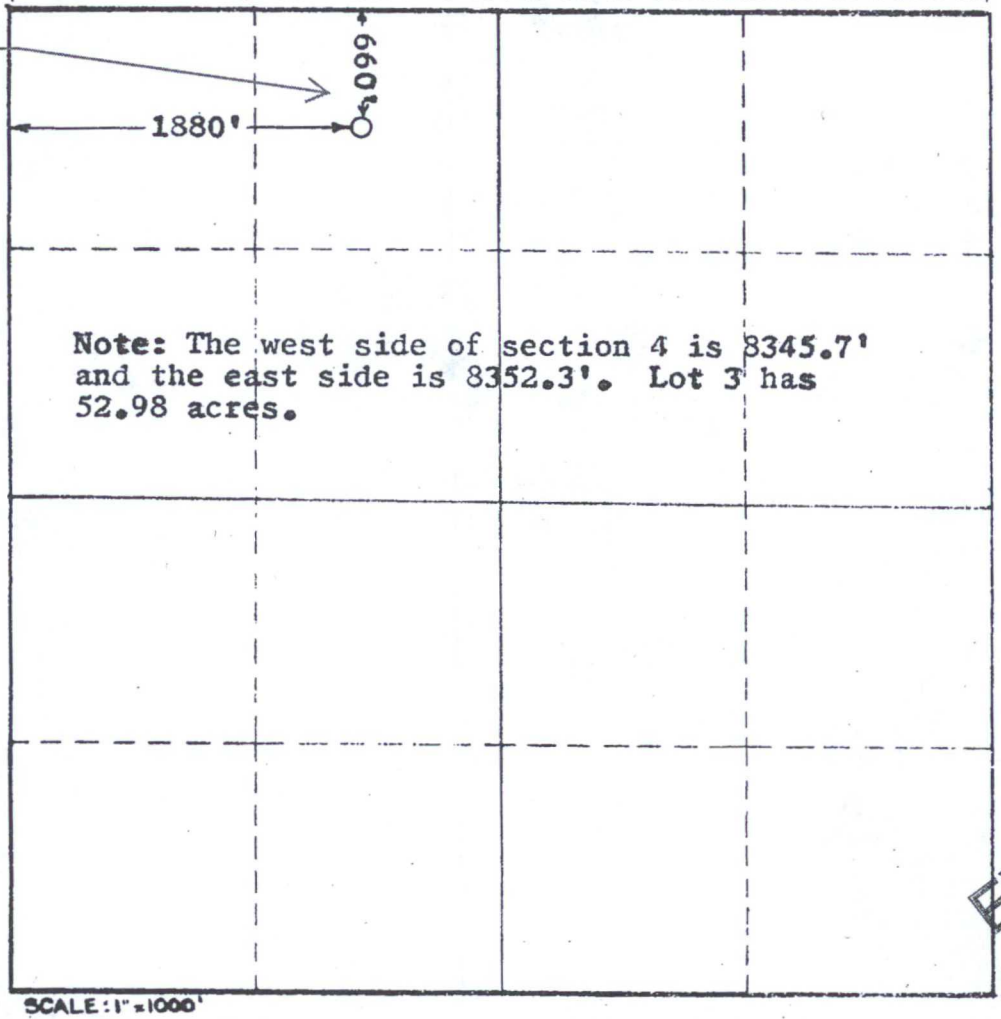


EXHIBIT G

1. Is this Well a Dual Comp. ? Yes ___ No ___.

2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes _____ No _____

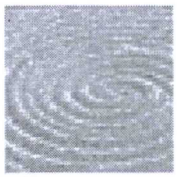
Name _____
Position _____
Representing _____
Address _____

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 5-22-1956

John W. West
Registered Professional Engineer and/or Land Surveyor

From: brian wood <brian@permitswest.com>
Subject: **BC Operating Gulf State 3 pit closure**
Date: April 12, 2009 1:04:16 PM MDT
To: Joe Mraz <jmraz@slo.state.nm.us>



As required by NMOCD pit rule Subsection F of 19.15.17.13 NMAC, I am notifying NMSLO as surface owner that BC Operating plans to close a temporary (workover) pit built and used in 2005 by Platinum. BC will dig and haul.
The well is at 660 FNL & 1880 FWL 4-16s-38e, Lea County.
The well is on state lease VB-1013-0001.
API # 30-025-07270
Please call me if you have any questions.

EXHIBIT H

ARS INTERNATIONAL

PERMITS WEST, INC.
37 VERANO LOOP
SANTA FE, NM 87508

Explanation of codes	
B	Analyte Detected in Method Blank
E	Result is Estimated
H	Analyzed Out of Hold Time
N	Tentatively Identified Compound
S	Subcontracted
1-9	See Footnote

STANDARD

Certificate of Analysis

All samples are reported on an "as received" basis, unless otherwise noted (i.e. - Dry Weight).

Client: PERMITS WEST, INC.
Project: **BC OPERATING**
Order: **08110246 ARS01** Receipt: **11-12-08**

Sample: ***PIT*** Collected: *11-11-08 11:30:00* By: *BW*
Matrix: ***SW***

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
08110246-001A		**EPA 160.1 Total Dissolved Solids**					By:	JLE		
WTDS-08-139	WC.2008.2934.4	10-33-3	Total Dissolved Solids	8790	mg/L	1	10		11-14-08	11-17-08
08110246-001A		**EPA 300.0 Anions by IC**					By:	SRM		
W081053	WC.2008.2917.35	16887-00-6	Chloride	6800	mg/L	1000	0.05		11-13-08	11-14-08
08110246-001B		**SW846 5030B/8260C Purgeable VOCs by GC/MS**					By:	RAA		
V08382	XG.2008.1354.14	71-43-2	Benzene	ND	ug/L	10	1	2	11-20-08	11-20-08
V08382	XG.2008.1354.14	100-41-4	Ethylbenzene	ND	ug/L	10	1	2	11-20-08	11-20-08
V08382	XG.2008.1354.14	95-47-6	o-Xylene	ND	ug/L	10	1	2	11-20-08	11-20-08
V08382	XG.2008.1354.14	108-38-3/106-42	p/m-Xylenes	ND	ug/L	10	2	2	11-20-08	11-20-08
V08382	XG.2008.1354.14	108-88-3	Toluene	ND	ug/L	10	1	2	11-20-08	11-20-08

Sample: ***SWGS 1*** Collected: *11-11-08 12:00:00* By: *BW*
Matrix: ***GW***

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
08110246-002A		**EPA 160.1 Total Dissolved Solids**					By:	JLE		
WTDS-08-139	WC.2008.2934.15	10-33-3	Total Dissolved Solids	387	mg/L	1	10		11-14-08	11-17-08
08110246-002A		**EPA 300.0 Anions by IC**					By:	SRM		
W081053	WC.2008.2917.21	16887-00-6	Chloride	31.9	mg/L	10	0.05		11-13-08	11-13-08
08110246-002B		**SW846 5030B/8260C Purgeable VOCs by GC/MS**					By:	RAA		
V08378	XG.2008.1280.6	71-43-2	Benzene	ND	ug/L	1	1	1	11-18-08	11-18-08

EXHIBIT 1

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Platinum Exploration, Inc. Telephone: 432-687-1664 Ext 123 e-mail address: dlogan@t3wireless.com
Address: 550 W. Texas, Suite 500 Midland, TX 79701
Facility or well name: Gulf State API #: 30-025-07270 U/L or Qtr/Qtr C Sec 14 T 16S R 38E
County: Lea Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume 500 bbl	Volume: ____bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more XX	(20 points) (10 points) (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No XX	(20 points) (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more XX	(20 points) (10 points) (0 points)
	Ranking Score (Total Points)	0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility_____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface_____ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**
Date: 11/09/04
Printed Name/Title Dorothea Logan, Regulatory Analyst Signature Dorothea Logan

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title Signature ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER Date: NOV 15 2004

EXHIBIT J