

Leking, Geoffrey R, EMNRD

30-025-39593

**From:** Randall Hicks [r@rthicksconsult.com]  
**Sent:** Wednesday, June 29, 2011 11:33 AM  
**To:** tbadbear@blm.gov  
**Cc:** lrscott@leaco.net; Leking, Geoffrey R, EMNRD; Jones, Brad A., EMNRD; 'David Hamilton'  
**Subject:** RE: Lusk31 Federal #2  
**Attachments:** AttachmentB.pdf

HOBBS OCD

JUN 29 2011

Ms Bad Bear

The purpose of this email is to re-affirm the operator's intention to implement an on-site closure of the drilling pit for the above referenced well. I attach a portion of our DRAFT Attachment B which will be included in a revised closure plan for the pit. Attachment B contains:

1. The BLM-approved APD cover sheet. The APD included a provision for on-site closure of the pit
2. NMOCD Form 102 that shows the location of the well
3. A portion of the approved ABD showing the seed mixture to be employed for reclamation of the pit after installation of the soil cover.

Upon final approval of the Closure Plan by NMOCD, we will notify BLM via certified mail (return receipt requested) that we intend to close the pit. We will also notify BLM of the date of the proposed closure to allow for a field inspection during the site activities.

If you have any questions concerning the forthcoming closure, please contact me.

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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-----Original Message-----

**From:** Randall Hicks [mailto:r@rthicksconsult.com]  
**Sent:** Friday, March 18, 2011 9:33 AM  
**To:** 'tbadbear@blm.gov'  
**Subject:** RE: Lusk Federal

Ms. Bad Bear

I understand from Jim's email that you handle Lea County spills. So I am sending you this information regarding the proposed closure of the Lusk drilling pit. This is NOT a spill and we have no evidence that this pit has leaked. In fact, we have leak detection equipment below this pit and at last reading, the pit was holding fine.

As stated in the transmittal letter, we understand that there are work restrictions due to the prairie chicken, no?

Am I sending this to the right person?

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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-----Original Message-----

From: jamos@blm.gov [mailto:jamos@blm.gov]  
Sent: Friday, March 18, 2011 6:25 AM  
To: Randall Hicks; tbadbear@blm.gov  
Subject: Re: Lusk Federal

Randall,

Spills occuring in Lea County should go to Trishia Bad Bear in the BLM Hobbs Field Station.  
thanks

"Randall Hicks"  
<r@rthicksconsult  
.com>

03/17/2011 04:33  
PM

"'Leking, Geoffrey R, EMNRD'"  
<GeoffreyR.Leking@state.nm.us>,  
<jamos@blm.gov>

To

cc

"'Larry Scott'" <lrscott@leaco.net>  
Subject

Lusk Federal

Geoffrey and Jim

These documents were hand delivered to NMOCD today.

Jim, I am unsure if you get this stuff or if I should be sending it to others - let me know if I am clogging your email.

When NMOCD approves a final closure plan, we will notify NMOCD and BLM of the schedule for closure in a manner consistent with the Rule. Jim will get a certified letter return receipt request.

Thanks all. Call me with any technical questions regarding the closure plan.

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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[attachment "TransmitClosurePlan.pdf" deleted by James Amos/CFO/NM/BLM/DOI] [attachment "ClosurePlanFinal.pdf" deleted by James Amos/CFO/NM/BLM/DOI] [attachment "C-144Lusk31#3\_Closure3-11.pdf" deleted by James Amos/CFO/NM/BLM/DOI]





# **Attachment B**

## **Notification to Surface Owner and Seed Mixture**



OCD-HOBBS

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ATS-10-53

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DEC 09 2009

HOBBSOCD

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 23006
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Lynx Petroleum Consultants, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 1708 Hobbs, NM 88241		8. Lease Name and Well No. Lusk '31' Federal No. 3
3b. Phone No. (include area code) 575-392-6950		9. API Well No. 30-025-39593
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1880' FSL & 2080' FEL Unit J At proposed prod. zone 1880' FSL & 2080' FEL		10. Field and Pool, or Exploratory Lusk North Bone Spring/Wolfcamp North
11. Sec., T. R. M. or Blk. and Survey or Area Sec.31, T-18S, R-32E		12. County or Parish Lea
13. State NM		14. Distance in miles and direction from nearest town or post office* 11 miles SSW of Maljamar, NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 480'	16. No. of acres in lease 321.27	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 325'	19. Proposed Depth 11,200'	20. BLM/BIA Bond No. on file NM-1694 (BO2099)
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3676' GL	22. Approximate date work will start* 12/01/2009	23. Estimated duration 26 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.   | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature <i>Larry R. Scott</i>	Name (Printed/Typed) Larry R. Scott	Date 10/01/2009
--	--	--------------------

Title

Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) CARLSBAD FIELD OFFICE	Date DEC 09 2009
Title FIELD MANAGER	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

Capitan Controlled Water Basin

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, 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 Department

Form C-102  
Revised October 12, 2005

# OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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DEC 08 2009  
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Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-38593</b>	Pool Code <b>41450 / 41609</b>	Pool Name <b>Lusk North Bone Spring/Wolfcamp North</b>
Property Code <b>37315</b>	Property Name <b>LUSK "31" FEDERAL</b>	Well Number <b>3</b>
OGRID No. <b>013645</b>	Operator Name <b>LYNX PETROLEUM CONSULTANTS, INC.</b>	Elevation <b>3676'</b>

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	18 S	32 E		1880	SOUTH	2080	EAST	LEA

### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>40 / 40</b>			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>SURFACE LOCATION</b> Lat - N 32°42'07.04" Long - W 103°48'13.75" NADSPCE - N 619509.512 E 704218.337 (NAD-83)</p> <p>Well location dimensions: 3677.2' - 3681.2' 3674.0' - 3676.7' 1880' - 2080'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Larry R. Scott</i> Signature Date <b>10-01-09</b></p> <p><b>Larry R. Scott</b> Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><b>SEPTEMBER 2009</b> Date Surveyed</p> <p><i>Gary L. Jones</i> Signature &amp; Seal of Professional Surveyor</p> <p><b>Certificate No. Gary L. Jones 7977</b></p> <p><b>BASIN SURVEYS</b></p>



**Painting Requirement**

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color  
Shale Green, Munsell Soil Color Chart # 5Y 4/2

**IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE****A. INTERIM RECLAMATION**

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

**B. RESERVE PIT CLOSURE**

The reserve pit, when dried and closed, shall be recontoured, all trash removed, and reseeded as follows:

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either



certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

\*\*Four-winged Saltbush 5lbs/A

\* This can be used around well pads and other areas where caliche cannot be removed.

\*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

## **X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS**

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

**Leking, Geoffrey R, EMNRD**

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**From:** Randall Hicks [r@rthicksconsult.com]  
**Sent:** Wednesday, June 29, 2011 2:14 PM  
**To:** Jones, Brad A., EMNRD; Leking, Geoffrey R, EMNRD  
**Cc:** 'David Hamilton'; lrscoth@leaco.net  
**Subject:** Lusk 31 Federal #2  
**Attachments:** FinalClosurePlanDRAFT6-29-11.pdf

**HOBBS OCD**

**JUN 29 2011**

Brad

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Dave made numerous changes based upon his last communication with you. Please have a look at this and you can call him or me for the next round.

We included the figures associated with the approved C-144 for the drilling pit and in-place closure. We updated the notification to BLM and provided the proposed seed mixture in Attachment B. The proposed seed mixture is mandated by the BLM-approved APD.

The preferred option for closure is in-place closure of the outer shoe and trench burial of the inner shoe. Our most recent set of samples shows that the preferred option will meet the criteria in the Rule. But as we all know, the final samples of what is being left in the ground is what counts – and so we have built into this plan several contingencies.

Thanks for your help – call Dave or me with your comments and we will move this plan closure to approval.

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
**Lusk Federal #3 – API 30-025-39593**

**THE OPERATOR, LYNX PETROLEUM CONSULTANTS, WILL ADHERE TO THE APPROPRIATE MANDATES OF NMOCD RULES INCLUDING:**

- Using appropriate engineering principles and practices
- Following applicable liner manufacturers' requirements.

**HOBBS OCD**

This plan includes:

**JUN 29 2011**

- A Burial Trench Construction and Design Plan
- A closure plan and
- Previously-submitted hydrogeologic data associated with the approved permit

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The closure plan describes the proposed closure method and the proposed procedures and protocols to implement and complete the closure. The operator anticipates in-place closure of the outer horse shoe and trench burial of the inner horse shoe.

However, if the proposed closure method does not satisfy the In-place burial and On-site trench burial closure standards specified in Subsection F of 19.15.17.13 NMAC, the operator will implement the most logical *choice* of the following closure methods described in this plan:

- Trench burial for the inner and outer horse shoe (the entire pit)
- In-place closure for the outer horse shoe and excavation and removal of the inner shoe as part of a waste excavation and removal closure method
- Excavation and removal of the entire pit (inner and outer horse shoe) as part of a waste excavation and removal closure method.

## **Hydrogeologic Data**

The information identified in item 10, "Siting Criteria" of the previously-approved C-144 is attached. These are:

1. Figure 1 –presents data from the Office of the State Engineer (OSE) database and USGS database. This figure shows the location of the nearest registered water supply wells and available depth to ground water data.
2. Figure 2- USGS topographic map of the area. These maps show locations of any significant watercourse the locations of windmills and other wells that may not be registered with the OSE
3. Figure 3 – recent aerial photograph showing the presence of structures, which in this area are oil wells and tank batteries
4. Figure 4 - is a street map that also shows the location of the nearest incorporated municipal boundary
5. Figure 5 – shows the no wetlands are identified in the area directly surrounding the site
6. Figure 6 – shows the location of the nearest identified subsurface mine
7. Figure 7 – shows the area in relation to identified unstable areas



**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
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A FEMA floodplain map of the area does not yet exist. However, Figure 2 and our site visit confirm that this sand dune area is not within a floodplain. There is no evidence of flooding at or near the site that would endanger the temporary pit or burial trench. Our analysis agrees with the evaluation of NMOCD through the approved permit for the pit and in-place burial.

**Siting Criteria Compliance Demonstration**

As designated in the C-144 the location of the pit and burial trench meet the criteria of NMOCD Rules. We believe the data presented in Figures 1-7 demonstrate that:

**Ground water is GREATER than 100 feet below the bottom of the temporary pit and proposed burial trench**

Figure 1 shows all wells in the OSE database, wells with depth to water data from the USGS database and information on well depths and aquifers from the Petroleum Recovery Research Center (PRRC). The map confirms information typically employed by NMOCD to determine the depth to water.

**The pit, excavated material and burial trench is NOT 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).**

The approved permit for in-place burial, Figure 2-3 and Attachment A confirm this statement.

**The pit and burial trench is NOT within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.**

The approved permit, Figure 2-3 and Attachment A confirm this statement.

**The pit and burial trench is NOT within 500 feet of a private, domestic fresh water well or spring used by less than five households for domestic or stock watering purposes, it is NOT within 1,000 feet of any other fresh water well or spring.**

The approved permit, Figures 1-3 and Attachment A support this statement.

**The pit and burial trench is NOT 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.**

The approved permit for in-place burial and Figure 4 confirm this statement.

**The pit and burial trench is NOT within 500 feet of a wetland.**

The approved permit for in-place burial, Figure 5 and Attachment A confirm this statement.

**The pit, excavated material and burial trench is NOT within an area overlying a subsurface mine.**

The approved permit for in-place burial and Figure 6 confirm this statement. The

## **C-144 Supplemental Documentation for Drilling Pit Closure Plan Lusk Federal #3 – API 30-025-39593**

closest underground mine is shown in the southeast corner of Figure 6, many miles south of the site.

### **The pit and burial trench is NOT within an unstable area.**

Our inquiry confirms the opinion suggested by the approved permit for in-place burial, that the pit (and proposed burial trench) is not in an unstable area. Figure 7 shows that the area is not within any karst area, which is a strong indicator of unstable areas. Our site visit and our examination of the geology of the area (see Figure 1) allow us to provide a professional opinion that the site is not in an unstable area.

### **The pit, excavated material and burial trench is NOT within a 100-year floodplain.**

The approved permit for in-place burial, Figure 2 and our site visit confirm this statement. The location of the pit is not in or near an active watercourse. No FEMA map has been created for this area, so our professional judgment is based on observations of the site location and other available data.

## **Closure Plan- General Conditions**

### ***Protocols and Procedures***

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

- The operator has notified the landowner that the operator plans on-site closure of the temporary pit (see Attachment A).
- The operator of the temporary pit will notify the Artesia division district office verbally or by email at least 72 hours, but not more than one week, prior to any closure operation. The notice will include the operator's name and the location to be closed by unit letter, section, township and range, well's name, number, the API number.
- The operator of the temporary pit has removed all liquids from the temporary pit prior and disposed of the liquids in a division-approved facility.
- Fluids on and entrained in the drilling waste have been removed from the pit for re-use or disposal.
- 
- Fluids pumped from the outer horse shoe drainage system were transferred to the inner shoe.
- The operator removed all free liquids from the temporary pit within 30 from the date that the operator released the drilling rig. The operator noted the date of the drilling rig's release on form C-105 or C-103 upon well completion. The operator requested an extension of up to three months from the appropriate division district office if necessary to allow for rinsing of drilling waste solids and the recovery of water for possible re-use.
- After removal of all standing water, drilling pit drainage began as water from the outer horse shoe drainage system discharges to the surface of the inner shoe.



**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
**Lusk Federal #3 – API 30-025-39593**

- Within 60 days of closure completion, the operator will submit a closure report on form C-144, with necessary attachments to document all closure activities including sampling results; information required by 19.15.17 NMAC; a plot plan; and details on back-filling, capping and covering, where applicable.
- In the closure report, the operator will certify that all information in the report and attachments is correct and that the operator has complied with all applicable closure requirements and conditions specified in the approved closure plan.
- The operator will provide a plat of the pit location on form C-105 with the closure report within 60 days of closing the temporary pit.

***Additional Protocols and Procedures for On-Site Closure***

- The operator has provided the surface owner notice of the operator's proposal of an on-site closure (see Attachment B) as required in 19.15.17.13.F(1)(b).
- Upon receipt of NMOCD approval for on-site closure (in-place burial combined with trench burial), the operator will notify the surface owner (BLM) by certified mail, return receipt requested, that the operator plans to close the pit and where the operator has approval for on-site closure. Evidence of mailing of the notice will demonstrate compliance with this requirement.
- The operator will place a steel marker at the center of an on-site burial. The steel marker will be not less than four inches in diameter and will be cemented in a three-foot deep hole at a minimum. The steel marker will extend at least four feet above mean ground level and at least three feet below ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, and that the marker designates an on-site burial location will be welded, stamped or otherwise permanently engraved into the metal of the steel marker.
- The operator will report the exact location of the on-site burial on form C-105 filed with the division.
- Because the surface is owned by the Federal Government and administered by the BLM, no deed exists, the land is held in trust. Therefore, the operator cannot file a deed notice identifying the exact location of the on-site burial with the county clerk in the county. The exact location of the on-site burial will be transmitted to the BLM by copy of the form C-105 discussed above.

If waste sampling results suggest that standards for in-place closure of the outer horse shoe and trench burial of the inner horse shoe are not met, the operator will implement the most logical *choice* of the following closure methods described in this plan:

- Trench burial for the inner and outer horse shoe (the entire pit)
- In-place closure for the outer horse shoe and excavation and removal of the inner shoe as part of a waste excavation and removal closure method
- Trench burial for the outer shoe and excavation and removal of the inner shoe
- Excavation and removal of the entire pit (inner and outer horse shoe) as part of



**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
**Lusk Federal #3 – API 30-025-39593**

***Site Reclamation Plan***

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

***Soil Cover Design Plan***

If the operator removes the pit contents or remediates any contaminated soil to the division's satisfaction the soil cover will consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater.

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

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

***Re-vegetation Plan***

1. The first growing season after the operator closes the pit, including access roads, the operator will seed or plant the disturbed areas.
2. The operator will accomplish seeding by drilling on the contour whenever practical.
3. The operator will obtain vegetative cover that equals 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation).
4. The operator will follow BLM mandates for the seed mixture (see Attachment C) not including noxious weeds, and maintain that cover through two successive growing seasons.
5. During the two growing seasons that prove viability, there will be no artificial irrigation of the vegetation.
6. The operator will repeat seeding or planting until it successfully achieves the required vegetative cover.
7. If conditions are not favorable for the establishment of vegetation, such as periods of drought, the operator may request that the division allow the operator to delay seeding or planting until soil moisture conditions become favorable or may require the operator to use additional cultural techniques such as mulching, fertilizing, irrigating, fencing or other practices.

**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
**Lusk Federal #3 – API 30-025-39593**

8. The operator will notify the division when it has seeded or planted and when it successfully achieves re-vegetation.

### **In-place Closure Plan**

In the event that sampling of the drilling waste suggests that the outer horse shoe of the drilling pit meets the criteria for in-place closure, the operator will proceed with in-place closure for the outer horse shoe.

#### ***Siting Criteria Compliance Demonstration for In-Place Burial***

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

#### ***Waste Material Sampling Plan for In-place Burial***

Because the ground water is more than 100 feet below the bottom of the buried waste (see above), the operator will collect at a minimum, a five point, composite sample of the contents of the temporary pit after treatment or stabilization.

The purpose of the sampling after the waste material is stabilized is to demonstrate that:

- Benzene, as determined by EPA SW 846 method 8021B or 8260B, does not exceed 0.2 mg/kg;
- Total BTEX, as determined by EPA SW-846 method 8021B or 8260B, does not exceed 50 mg/kg;
- The GRO and DRO combined fraction, as determined by EPA SW-846 method 8015M, does not exceed 500 mg/kg;
- TPH, as determined by EPA method 418.1 does not exceed 2,500 mg/kg;
- Chloride, as determined by EPA method 300.1, does not exceed 1,000 mg/kg or the background concentration, whichever is greater.

#### ***Protocols and Procedures for In-Place Burial***

In addition to the General Conditions Protocols and Procedures and the Additional Protocols and Procedures for On-site Closure listed above, the operator will execute the following steps for in-place closure of the pit.

- A. The operator will measure the distance between the top of the drilling waste and existing grade to determine if stabilized drilling waste (see stabilization methods, below) will be at least 4-feet below existing grade to allow installation of the soil cover (see soil cover design, above).
- B. The operator will stabilize or solidify the contents of the pit to a bearing capacity sufficient to support the temporary pit's final cover. However, the operator will not mix the pit contents with soil or other material at a mixing ratio of greater than 3:1, (3 parts soil or other material to 1 part drilling waste).
- C. Specifically, the drilling waste will be stabilized in the pit by adding no more than 3 parts clean fill derived from the excavation of the pit to 1 part drilling waste.



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- D. After stabilization such that the waste material will support the soil cover, the mixture will be sampled pursuant to NMOCD Rules (see waste sampling plan, above).
- E. If sample results show that stabilized waste in:
- a. The outer horse shoe of the pit satisfy the regulatory standards for in-place burial and the inner horse shoe meets the standards for trench burial, the operator will measure the distance between the stabilized waste and existing grade and, if necessary, remove stabilized waste from the outer horse shoe to the inner horse shoe to allow for placement of the soil cover (see soil cover design criteria, above) over the outer horse shoe. The operator will proceed with trench burial of the waste in the inner horse shoe as described below.
  - b. The outer horse shoe of the pit exceeds the regulatory standards for in-place burial but the inner and outer shoe meet the standards for trench burial, the operator will proceed with trench burial of the waste as described below.
  - c. The outer horse shoe of the pit satisfies the regulatory standards for in-place burial but the inner horse shoe exceeds the standards for trench burial, the operator will measure the distance between the stabilized waste and existing grade and, if necessary, remove stabilized waste from the outer horse shoe to allow for placement of the soil cover (see soil cover design criteria, above) over the outer horse shoe. The operator will proceed with excavation and removal of the inner shoe (and excess outer stabilized waste, if any) as part of a waste excavation and removal closure method.
  - d. The outer horse shoe of the pit exceeds the criteria for in-place burial but satisfies the regulatory standards for trench burial and the inner horse shoe exceeds the standards for trench burial, the operator will proceed with excavation and removal of the inner shoe and implement trench burial for the outer shoe waste.
  - e. The outer horse shoe and inner horse shoe of the pit exceed the regulatory standards for trench burial, the operator will proceed with excavation and removal of the inner and outer horse shoe materials as part of a waste excavation and removal closure.
- F. Cover the geomembrane lined, filled, temporary pit with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site as described in this plan. Specifically, a 4-foot thick soil cover consistent with NMOCD Rules will be placed over the stabilized waste.
- G. If necessary to meet the other mandates of NMOCD Rules (e.g. placement of a 4-foot soil cover to existing grade) and this closure plan, the stabilized drilling waste in the inner horse shoe will be excavated and placed in the outer horse shoe. The operator will implement confirmation sampling consistent with excavation and removal (see below) if this option is exercised on the inner horse



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shoe. This process would be conducted according to applicable regulations as described below, not allowing waste stabilization to exceed a 3:1 mixing ratio (3 parts soil or other material to 1 part drilling waste), testing stabilized waste to demonstrate compliance with in-place burial standards as required, sampling to confirm no release has occurred beneath the inner horse shoe.

- H. Any excess liner above the stabilized waste will be removed for re-use or disposal.

### **On-Site Trench Burial Plan**

In the event that sampling of the drilling waste suggests that the outer cell of the drilling pit does not meet the criteria for in-place closure, the operator may elect to construct and use an on-site trench for closure of both cells (inner and outer horse shoe).

#### ***Siting Criteria Compliance Demonstration for Trench Burial***

The Siting Criteria Compliance Demonstration Section, above, shows that the requirements of 19.15.17.10 NMAC are met for trench burial of the temporary pit.

#### ***Waste Material Sampling Plan for On-Site Trench Burial***

Because the ground water is more than 100 feet below the bottom of the buried waste (see siting criteria above), the operator will collect at a minimum, a five point, composite sample of the waste materials scheduled for trench burial after treatment or stabilization. Stabilization of the waste is described below. As described in this submittal, the waste materials scheduled for trench burial may be from the inner horse shoe or the entire pit. The purpose of the sampling after the waste material is stabilized is to demonstrate that:

- The TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 2,500 mg/kg.
- The stabilized waste passes the paint filter liquids test (EPA SW-846, method 9095)
- Using EPA SW-846 method 1312:
  - The chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 3,000 mg/L or the background concentration, whichever is greater,
  - The concentrations of the inorganic water contaminants specified in Subsection A of 20.6.2.3103 NMAC as determined by appropriate EPA methods do not exceed the standards specified in Subsection A of 20.6.2.3103 NMAC or the background concentration, whichever is greater, and
  - The concentrations of the organic water contaminants specified in Subsection A of 20.6.2.3103 NMAC as determined by appropriate EPA methods do not exceed the standards specified in Subsection A of

**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
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20.6.2.3103 NMAC, unless otherwise specified in Part 17 of NMOCD Rules.

If sampling shows that the waste material in the outer and inner horse shoe requires trench burial, the operator will construct a burial trench outside of the footprint of the drilling pit and within 100-feet of the drilling pit as required by NMOCD Rules. If sampling shows that the waste from the inner and/or outer horse shoe does not meet the criteria for trench burial, the operator will excavate and remove the drilling waste as discussed in this submittal.

***Construction/Design of Burial Trench***

The operator will design and construct on-site trench for closure as specified in 19.15.17.11.J NMAC. Specifically:

- I. The operator will excavate a separate trench to an appropriate depth that allows for re-establishment of existing grade after the installation of the geomembrane bottom liner, burial of the drilling waste, installation of the upper geomembrane liner cover and the 4-foot thick division-prescribed soil cover to existing grade required pursuant to 19.15.17.13.H NMAC.
- II. The on-site trench will have a properly constructed foundation and side walls consisting of a firm, unyielding base, smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear.
- III. Geotextile will be placed under the liner where needed to reduce localized stress-strain or protuberances that may otherwise compromise the liner's integrity.
- IV. The on-site trench will be constructed with a geomembrane liner that consists of a 20-mil string reinforced LLDPE liner
- V. The geomembrane liner is composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material will be resistant to ultraviolet light. Liner compatibility will comply with EPA SW-846 method 9090A.
- VI. The contractor for the operator will minimize liner seams and orient them up and down, not across a slope. The operator will use factory welded seams where possible. Prior to field seaming, the operator will overlap liners four to six inches, and orient liner seams parallel to the line of maximum slope, *i.e.*, oriented along, not across, the slope. The operator will minimize the number of field seams in corners and irregularly shaped areas.
- VII. Qualified personnel will perform field seaming. The contractor will weld field liner seams.
- VIII. The contractor for the operator will install sufficient liner material to reduce stress-strain on the liner.
- IX. The operator will ensure that the outer edges of all liners are secured for the placement of the excavated waste material into the on-site trench.
- X. The excavated waste material will be placed in the trench so that it is mounded in the middle and slopes slightly downwards towards the walls of the trench. After placement of the material in the trench, the contractor for the



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**Lusk Federal #3 – API 30-025-39593**

operator will fold the outer edges of the on-site trench liner to overlap the waste material in the on-site trench prior to the installation of the geomembrane cover.

- XI. The contractor for the operator will install a geomembrane cover over the slightly mounded waste material in the lined trench. Due to the geometry of the installation, the operator will install the geomembrane cover in a manner that prevents the collection of infiltration water in the lined trench and on the geomembrane cover after the soil cover is in-place.
- XII. The geomembrane cover will consist of a 20-mil string reinforced LLDPE liner. The geomembrane cover will be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. Cover compatibility will comply with EPA SW-846 method 9090A.

To construct a separate burial trench within the footprint of the inner horse shoe to accommodate stabilized waste from the inner shoe (and possibly some waste from the outer shoe as described earlier):

- i.) Stabilize the drilling waste solids in the inner horse shoe by adding less than 3 parts dry dirt to one part waste. Stabilization will not exceed a 3:1 mixing ratio (3 parts soil or other material to 1 part drilling waste),
- ii.) Move the stabilized drilling waste on the suction side of the inner horse shoe to the discharge side
- iii.) Collect waste samples as described in the Waste Materials Sampling Plan for laboratory testing to confirm that the stabilized waste meets the criteria for trench burial – including the paint filter test (EPA SW-846, method 9095). If sample results show that the criteria for trench burial are not met, excavate and remove the waste (see Excavation and Removal Closure Plan section, below).
- iv.) Remove the exposed liner from the suction side of the inner horse shoe.
- v.) Conduct the confirmation sampling (described in the next section of this submittal) below the pit liner within the footprint of the suction side of the brine cell,
- vi.) Provided that confirmation samples demonstrate that a leak from the pit has not occurred, excavate a separate trench below the suction side of the brine cell. If confirmation samples document a release from the pit, the separate trench must be excavated outside of the footprint of the drilling pit but within 100 feet of the drilling pit to comply with NMOCD Rules,
- vii.) The stabilized waste will be buried by appropriate steps (See On-Site Trench Burial Plan, above and Confirmation Sampling Plan for On-site Trench Burial, below) including:
  - a. Lining the separate trench pursuant to the Rule and this plan.
  - b. Transferring the stabilized waste to the lined burial trench and
  - c. Completing the on-site trench burial as outlined in the plan

## **C-144 Supplemental Documentation for Drilling Pit Closure Plan** **Lusk Federal #3 – API 30-025-39593**

After the stabilized waste has been properly buried in the on-site trench, confirmation sampling of the discharge side of the inner horse shoe will be conducted according to the plan described below to determine if a release on that side of the pit has occurred.

### ***Confirmation Sampling Plan for On-Site Trench Burial***

The operator will test the soils beneath the temporary pit after excavation and prior to installing the burial trench to determine whether a release has occurred. If the burial trench is excavated within the footprint of the inner horse shoe (as described above) conformation sampling will occur beneath the suction side of the inner shoe first and the discharge side of the inner shoe second. To determine if a release has occurred, the operator and/or qualified contractor will collect, at a minimum:

- A five point, composite sample and
- Individual grab samples from any area that is wet, discolored or showing other evidence of a release.

The purpose of this sampling is to demonstrate that:

1. Benzene, as determined by EPA SW-846 method 8021B or 8260B does not exceed 0.2 mg/kg;
2. Total BTEX, as determined by EPA SW-846 method 8021B or 8260B does not exceed 50 mg/kg;
3. The GRO and DRO combined fraction, as determined by EPA SW-846 method 8015M, does not exceed 500 mg/kg;
4. The TPH, as determined by EPA method 418.1 does not exceed 2,500 mg/kg; and
5. Chloride, as determined by EPA method 300.1, does not exceed 1,000 mg/kg or the background concentration, whichever is greater.

### ***Reporting***

The operator shall notify the division of its results on form C-141. If the operator or the division determines that a release has occurred, then the operator will comply with 19.15.29 NMAC and 19.15.30 NMAC, as appropriate.

## **Excavation and Removal Closure Plan**

**IF THE CRITERIA FOR ON-SITE CLOSURE (IN-PLACE BURIAL AND/OR TRENCH BURIAL) FOR SOME OR ALL OF THE TEMPORARY PIT ARE NOT MET, THE OPERATOR WILL ADHERE TO NMOCD RULES AND IMPLEMENT THE FOLLOWING ACTIONS FOR THE MATERIALS THAT DO NOT MEET CRITERIA FOR ON-SITE CLOSURE:**

### ***Protocols and Procedures for Excavation and Removal***

The operator will close the temporary pit by excavating all contents and any synthetic pit liners that cannot be re-used and transferring those materials to one of the division-approved facilities listed below:

Controlled Recovery, Inc.

NM-01-0006

©2010 R.T. HICKS CONSULTANTS, LTD.

6/29/2011

Page 11



**C-144 Supplemental Documentation for Drilling Pit Closure Plan**  
**Lusk Federal #3 – API 30-025-39593**

Lea Land, LLC

NM-01-0035

If the sampling program described below demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Subparagraph (b.ii) of Paragraph (1) of Subsection B of 19.15.17.13 NMAC, then the operator will:

1. Backfill the temporary pit excavation with compacted, non-waste containing, earthen material;
2. Construct a division-prescribed soil cover to existing grade as described in the Soil Cover Plan (above);
3. Recontour and re vegetate the site as described in the Revegetation Plan (above).

***Confirmation Sampling Plan for Excavation and Removal***

The operator will test the soils beneath the temporary pit after excavation to determine whether a release has occurred. To determine if a release has occurred, the operator and/or qualified contractor will collect, at a minimum:

- A five point, composite sample and;
- Individual grab samples from any area that is wet, discolored or showing other evidence of a release

The purpose of this sampling is to demonstrate that:

- Benzene, as determined by EPA SW-846 method 8021B or 8260B does not exceed 0.2 mg/kg;
- Total BTEX, as determined by EPA SW-846 method 8021B or 8260B does not exceed 50 mg/kg;
- The GRO and DRO combined fraction, as determined by EPA SW-846 method 8015M, does not exceed 500 mg/kg;
- The TPH, as determined by EPA method 418.1 does not exceed 2,500 mg/kg; and
- Chloride, as determined by EPA method 300.1, does not exceed 1,000 mg/kg or the background concentration, whichever is greater.

***Reporting***

The operator shall notify the division of its results on form C-141. If the operator or the division determines that a release has occurred, then the operator will comply with 19.15.29 NMAC and 19.15.30 NMAC, as appropriate.

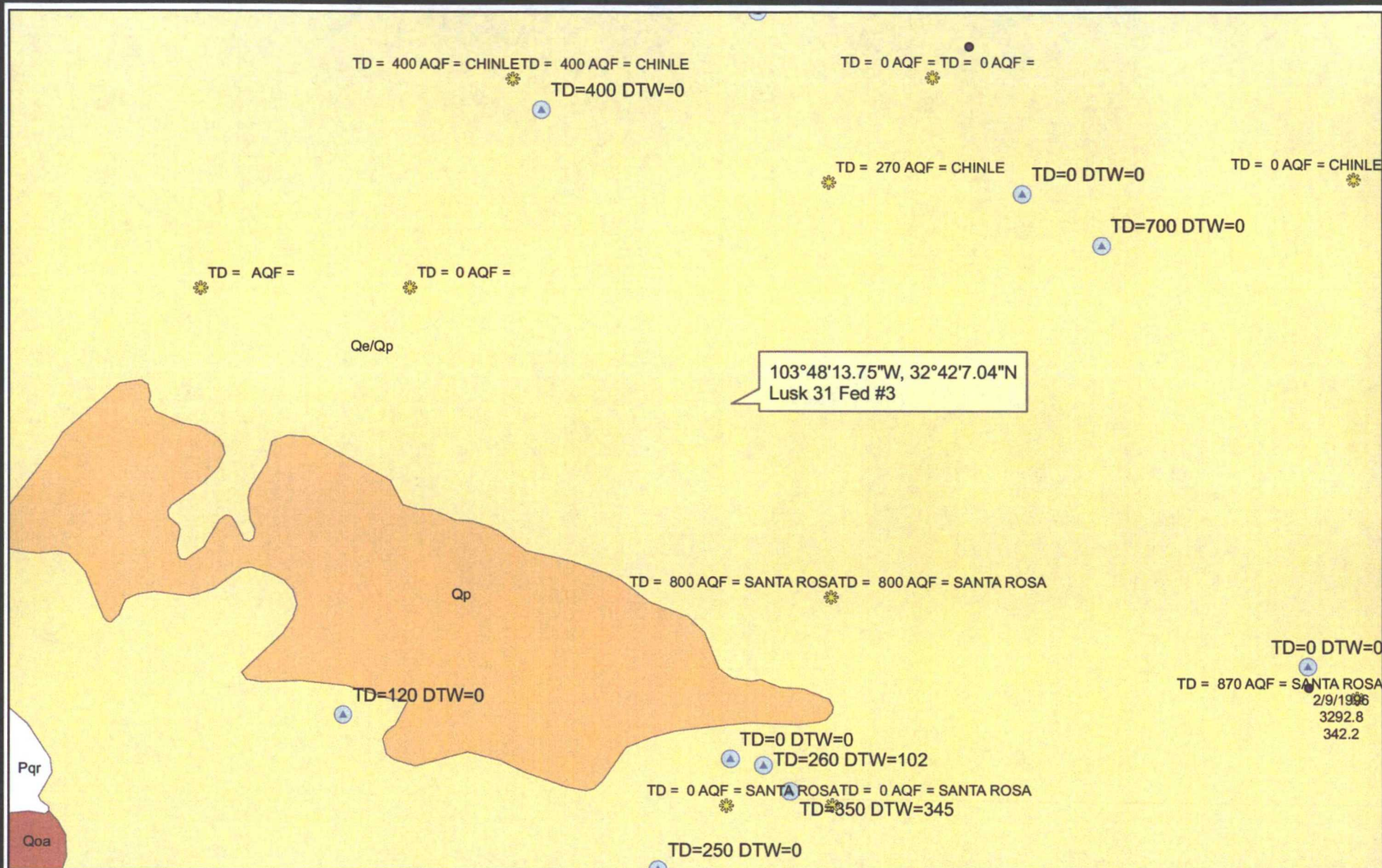


# Figures

**R.T. Hicks Consultants, Ltd.**

901 Rio Grande Blvd. NW, Suite F-142  
Albuquerque, NM 87104





0 1  
Miles



R.T. Hicks Consultants, Ltd  
901 Rio Grande Blvd NW Suite F-142  
Albuquerque, NM 87104  
Ph: 505.266.5004

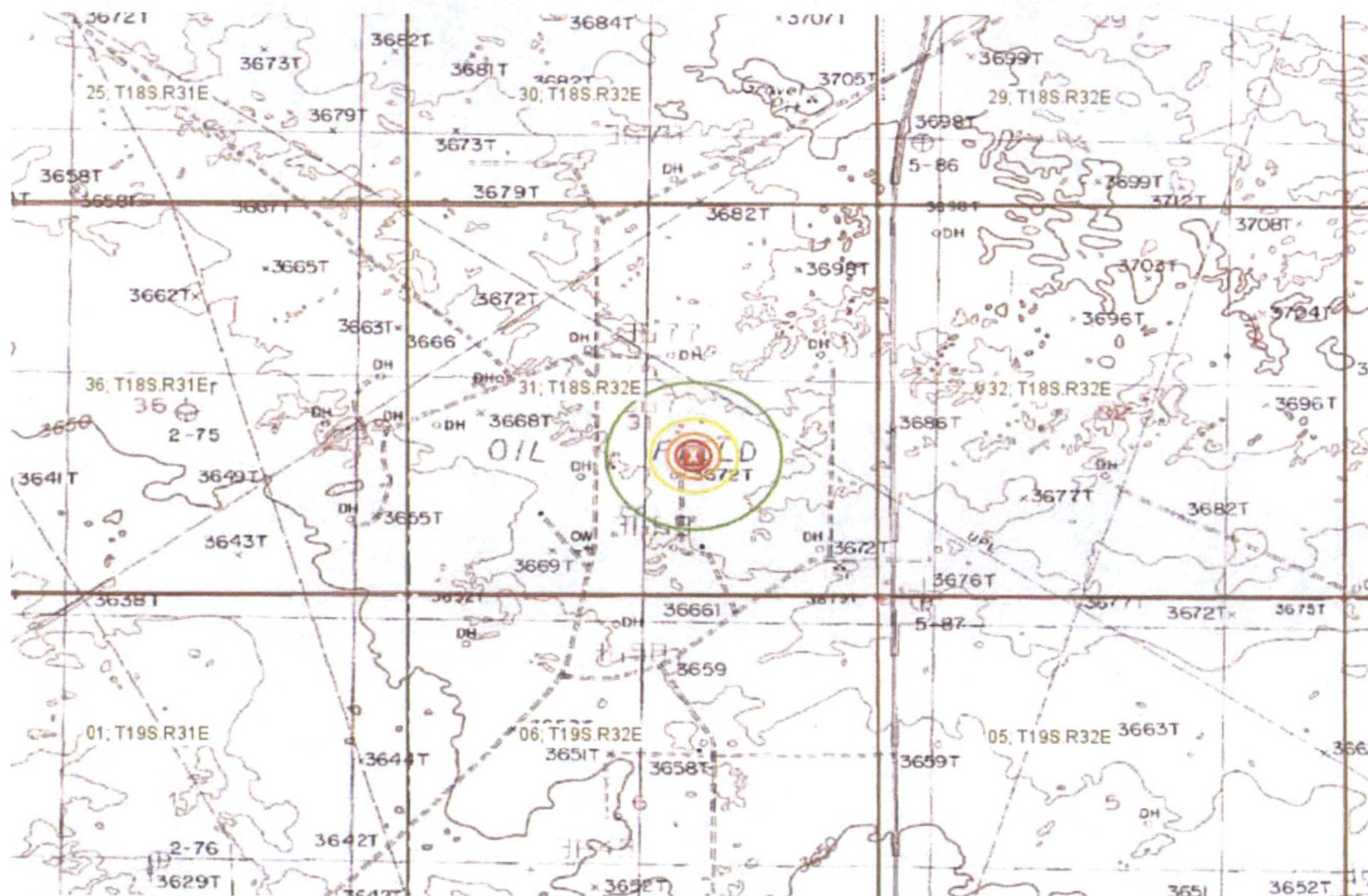
Geology and Depth to Ground Water (feet bgs)

Figure 1

Lynx Petroleum- Lusk 31 Federal #2

June 2010





0 1000 2000ft



Petroleum Recovery  
Research Center

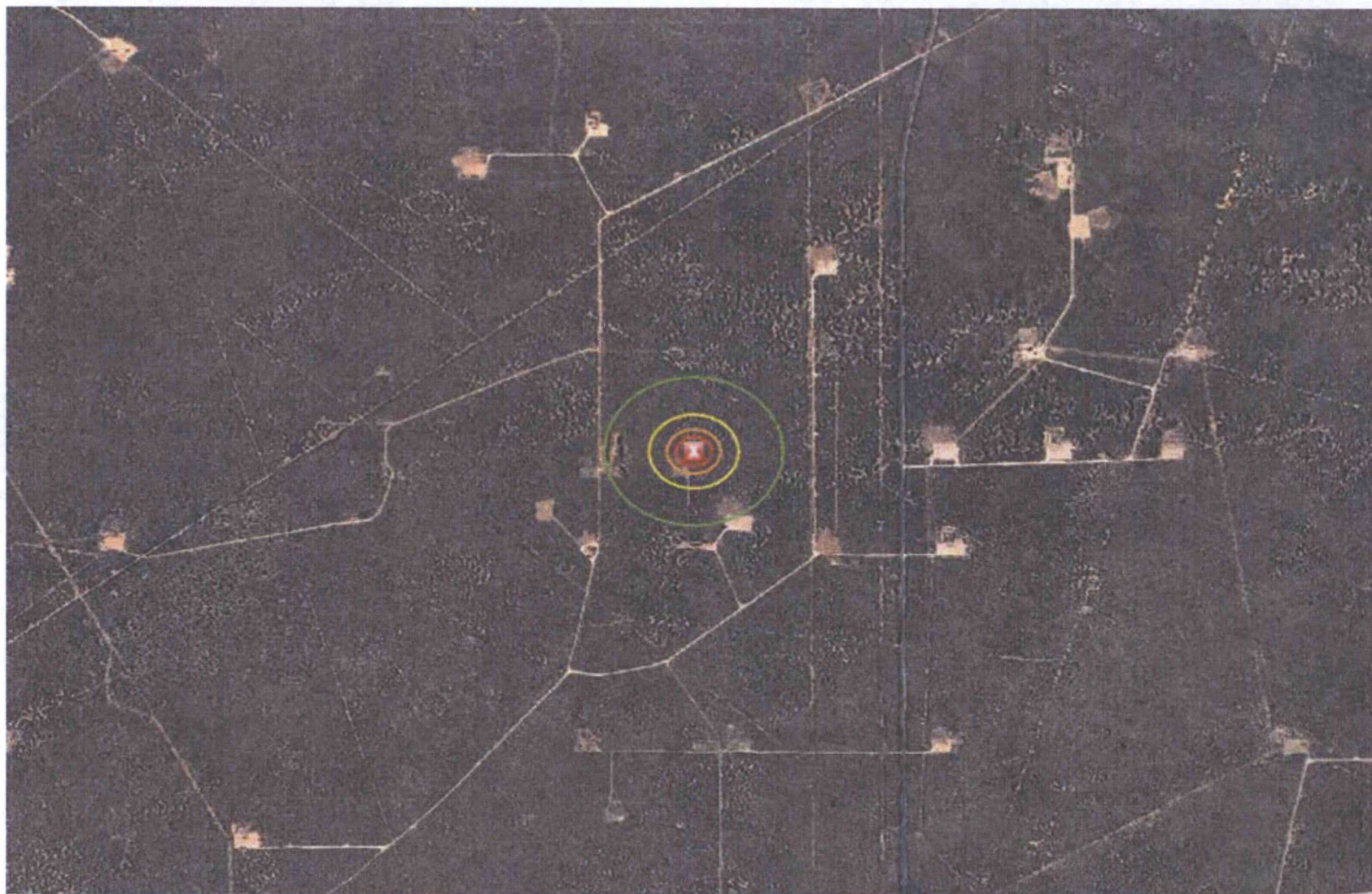
Topographic Map

Figure: 2

Lynx Petroleum Lusk 31 Federal #3

Jun 04, 2010





0 1000 2000ft



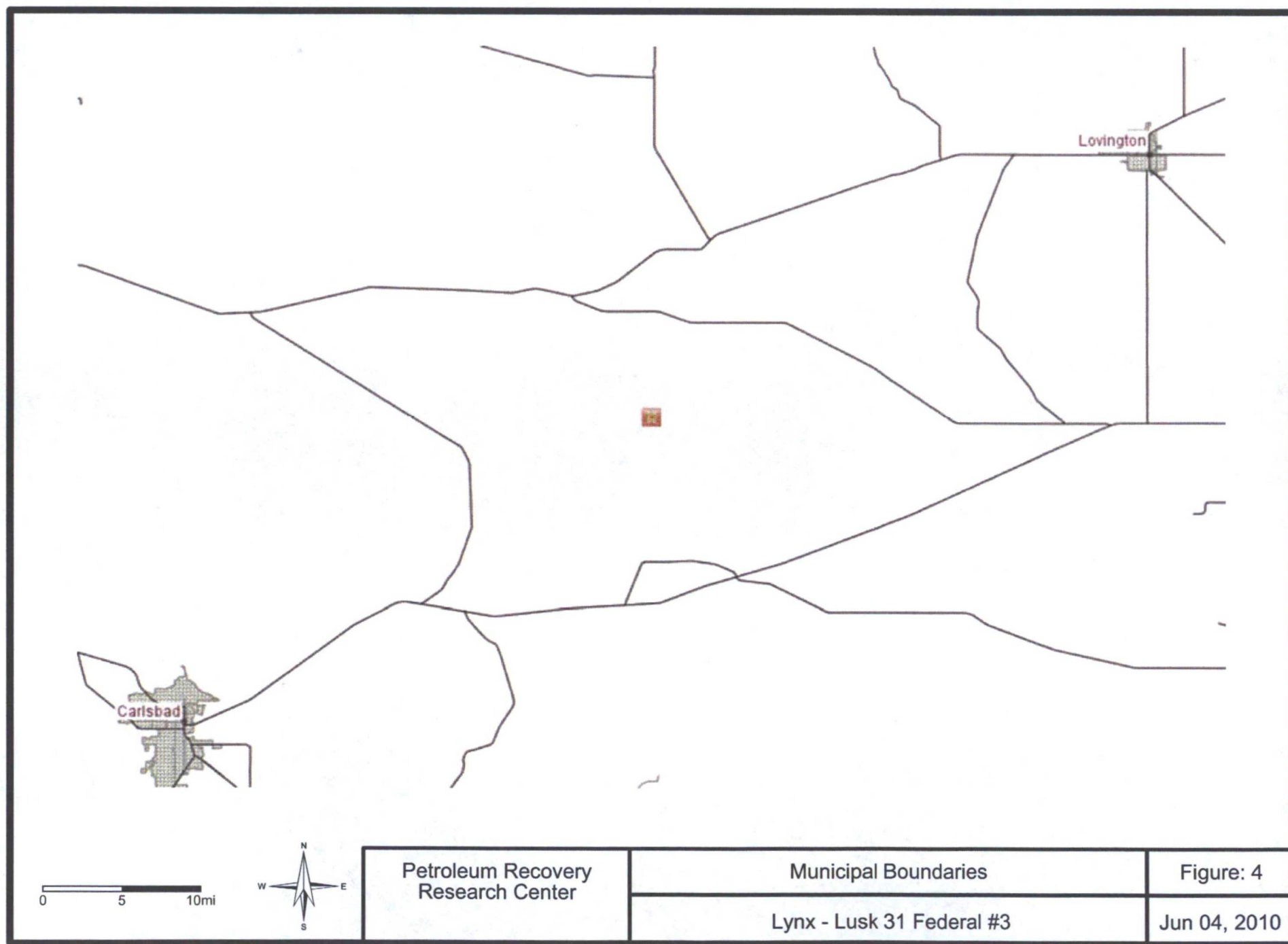
Petroleum Recovery  
Research Center

Recent Air Photo

Figure: 3

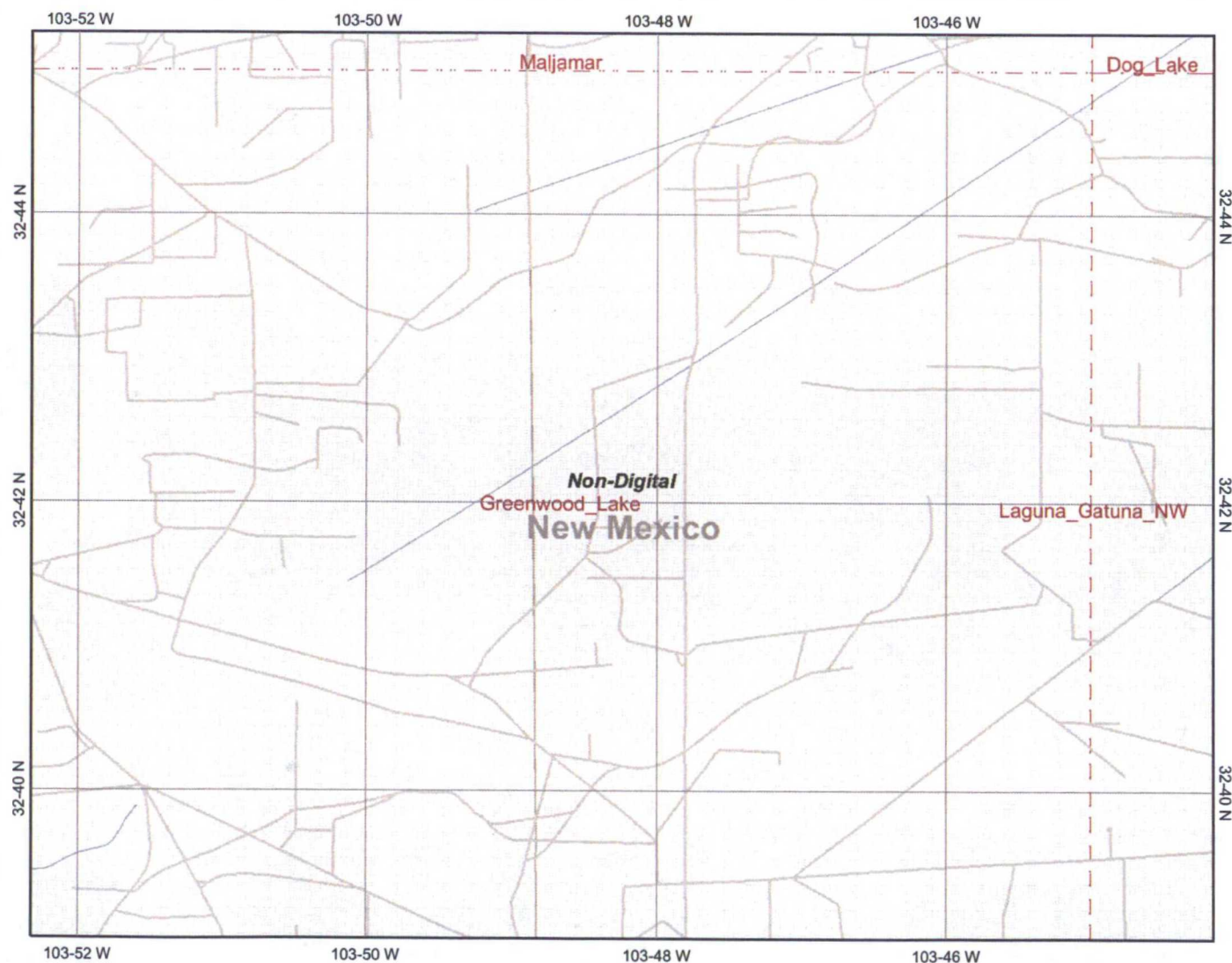
Lynx - Lusk 31 Federal #3

Jun 04, 2010





# Figure 5 Wetlands Around Site



## 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
- Urban Areas 300K
- States 100K
- South America
- North America



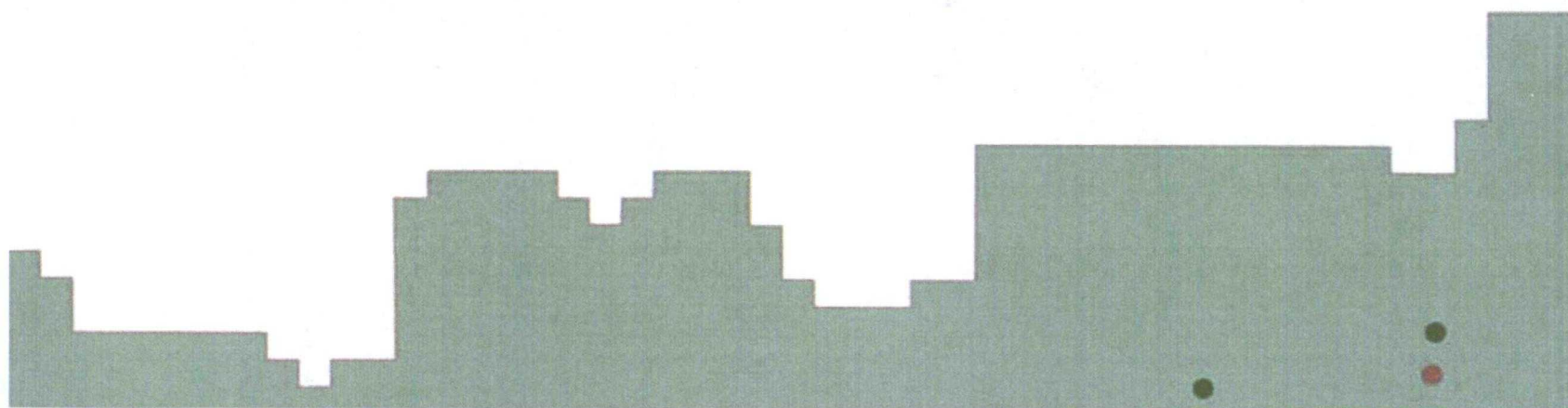
Scale: 1:81,707

Map center: 32° 42' 7" N, 103° 48' 14" W

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Notes: Lynx Petroluem  
LUSK 31 Fed #3

Site Location



0 1 2mi



Petroleum Recovery  
Research Center

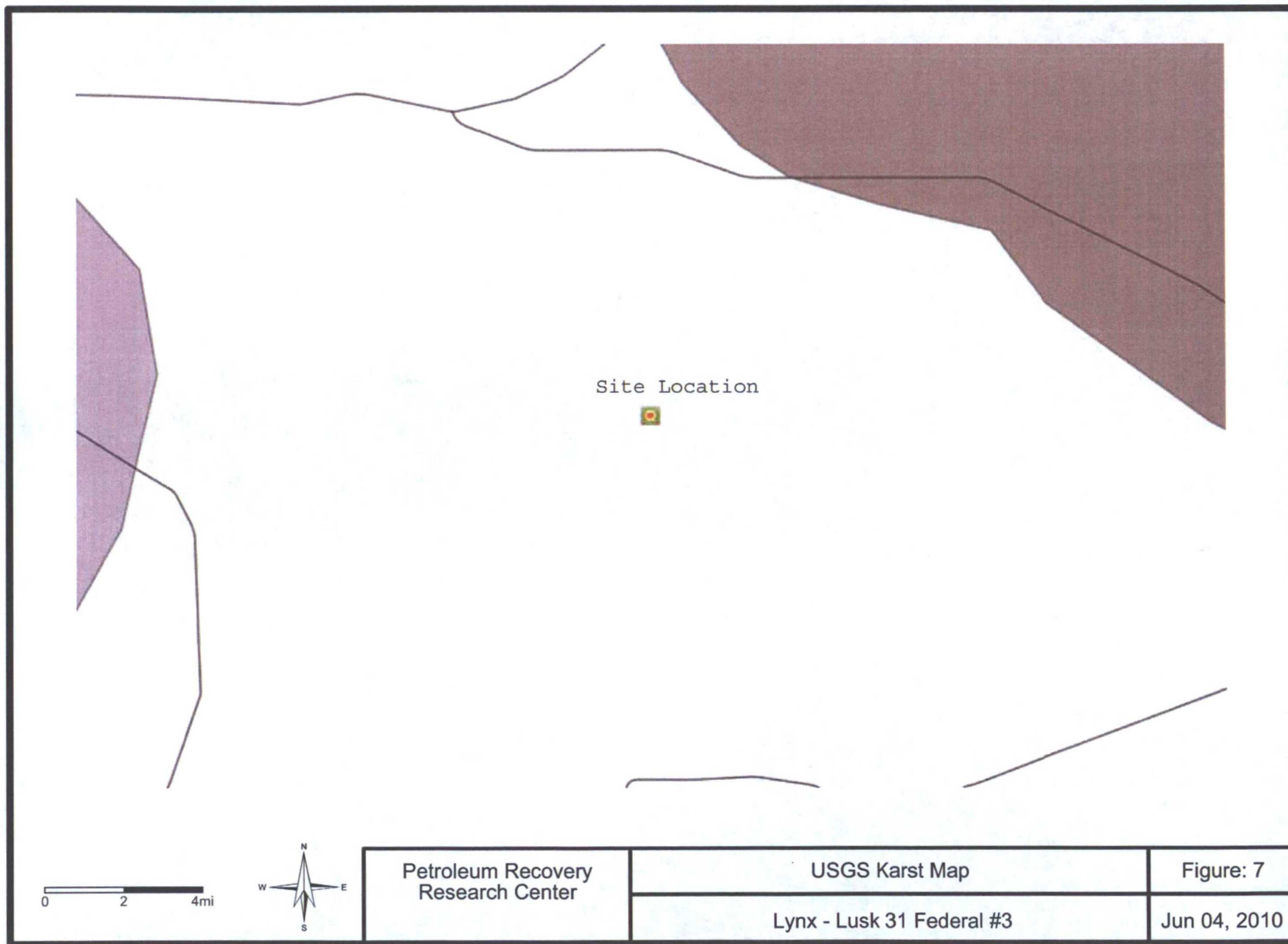
Mine Map

Figure: 6

Lynx - Lusk 31 Federal #3

Jun 04, 2010





# **Attachment A**

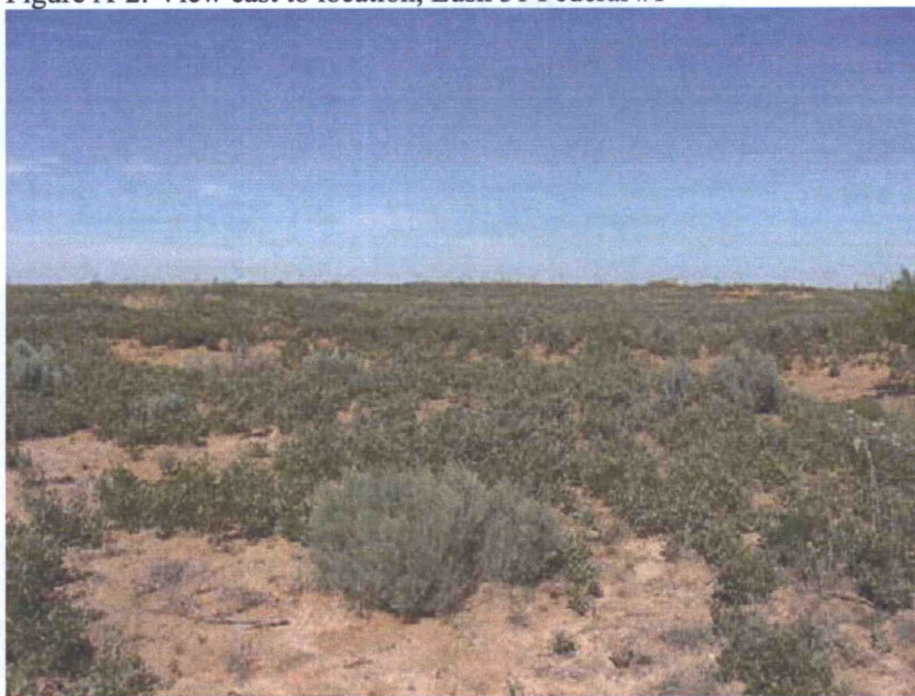
## **Photographs of Site**



Figure A-1: View North to the location, Lusk 31 Federal #2 on horizon at left.



Figure A-2: View east to location, Lusk 31 Federal #1



# **Attachment B**

## **Notification to Surface Owner and Seed Mixture**



## Randall Hicks

---

**From:** Randall Hicks [r@rthicksconsult.com]  
**Sent:** Wednesday, June 29, 2011 11:33 AM  
**To:** 'tbadbear@blm.gov'  
**Cc:** 'lrscott@leaco.net'; 'GeoffreyR.Leking@state.nm.us'; 'Jones, Brad A., EMNRD'; 'David Hamilton'  
**Subject:** RE: Lusk31 Federal #2

**Attachments:** AttachmentB.pdf

**HOBBS OCD**

**JUN 29 2011**



AttachmentB.pdf  
(248 KB)

**RECEIVED**

Ms Bad Bear

The purpose of this email is to re-affirm the operator's intention to implement an on-site closure of the drilling pit for the above referenced well. I attach a portion of our DRAFT Attachment B which will be included in a revised closure plan for the pit. Attachment B contains:

1. The BLM-approved APD cover sheet. The APD included a provision for on-site closure of the pit
2. NMOCD Form 102 that shows the location of the well
3. A portion of the approved ABD showing the seed mixture to be employed for reclamation of the pit after installation of the soil cover.

Upon final approval of the Closure Plan by NMOCD, we will notify BLM via certified mail (return receipt requested) that we intend to close the pit. We will also notify BLM of the date of the proposed closure to allow for a field inspection during the site activities.

If you have any questions concerning the forthcoming closure, please contact me.

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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-----Original Message-----

**From:** Randall Hicks [mailto:r@rthicksconsult.com]  
**Sent:** Friday, March 18, 2011 9:33 AM  
**To:** 'tbadbear@blm.gov'  
**Subject:** RE: Lusk Federal

Ms. Bad Bear

I understand from Jim's email that you handle Lea County spills. So I am sending you this information regarding the proposed closure of the Lusk drilling pit. This is NOT a spill and we have no evidence that this pit has leaked. In fact, we have leak detection equipment below this pit and at last reading, the pit was holding fine.

As stated in the transmittal letter, we understand that there are work restrictions due to the prairie chicken, no?

Am I sending this to the right person?

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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-----Original Message-----

From: jamos@blm.gov [mailto:jamos@blm.gov]  
Sent: Friday, March 18, 2011 6:25 AM  
To: Randall Hicks; tbadbear@blm.gov  
Subject: Re: Lusk Federal

Randall,

Spills occurring in Lea County should go to Trishia Bad Bear in the BLM Hobbs Field Station. thanks

"Randall Hicks"  
<r@rthicksconsult  
.com>

03/17/2011 04:33  
PM

"'Leking, Geoffrey R, EMNRD'"  
<GeoffreyR.Leking@state.nm.us>,  
<jamos@blm.gov>

To

"'Larry Scott'" <lrscott@leaco.net>

CC

Subject

Lusk Federal

Geoffrey and Jim

These documents were hand delivered to NMOCD today.

Jim, I am unsure if you get this stuff or if I should be sending it to others - let me know if I am clogging your email.



When NMOCD approves a final closure plan, we will notify NMOCD and BLM of the schedule for closure in a manner consistent with the Rule. Jim will get a certified letter return receipt request.

Thanks all. Call me with any technical questions regarding the closure plan.

Randall Hicks  
505-266-5004  
505-238-9515 - cell  
901 Rio Grande NW F-142  
Albuquerque, NM 87104

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[attachment "TransmitClosurePlan.pdf" deleted by James Amos/CFO/NM/BLM/DOI] [attachment "ClosurePlanFinal.pdf" deleted by James Amos/CFO/NM/BLM/DOI] [attachment "C-144Lusk31#3\_Closure3-11.pdf" deleted by James Amos/CFO/NM/BLM/DOI]

OCD-HOBBS

RECEIVED

ATS-10-53

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DEC 09 2009

HOBBSOCD

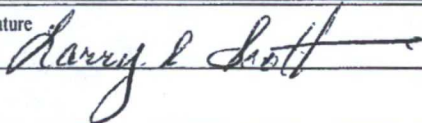
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 23006
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Lynx Petroleum Consultants, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 1708 Hobbs, NM 88241		8. Lease Name and Well No. Lusk '31' Federal No. 3
3b. Phone No. (include area code) 575-392-6950		9. API Well No. 30-025-39593
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1880' FSL & 2080' FEL At proposed prod. zone 1880' FSL & 2080' FEL		10. Field and Pool, or Exploratory Lusk North Bone Spring/Wolfcamp North
11. Sec., T. R. M. or Blk. and Survey or Area Sec. 31, T-18S, R-32E		12. County or Parish Lea
13. State NM		14. Distance in miles and direction from nearest town or post office* 11 miles SSW of Maljamar, NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 321.27	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 11,200'	20. BLM/BIA Bond No. on file NM-1694 (BO2099)
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3676' GL	22. Approximate date work will start* 12/01/2009	23. Estimated duration 26 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office)
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Larry R. Scott	Date 10/01/2009
--	--	--------------------

Title

Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed) CARLSBAD FIELD OFFICE	Date DEC 09 2009
Title FIELD MANAGER	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

Capitan Controlled Water Basin

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED



DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, 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 Department

Form C-102  
Revised October 12, 2006

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**RECEIVED**  
DEC 08 2009  
**HOBBSOCD**

Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number <b>30-026-38593</b>	Pool Code <b>41450 / 41609</b>	Pool Name <b>Lusk North Bone Spring/Wolfcamp North</b>
Property Code <b>37315</b>	Property Name <b>LUSK "31" FEDERAL</b>	Well Number <b>3</b>
OGRIID No. <b>013645</b>	Operator Name <b>LYNX PETROLEUM CONSULTANTS, INC.</b>	Elevation <b>3676'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	18 S	32 E		1880	SOUTH	2080	EAST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>40 / 40</b>			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p><b>SURFACE LOCATION</b> Lat - N 32°42'07.04" Long - W 103°48'13.75" NADSPCE - N 619509.512 E 704218.337 (NAD-83)</p> <p>Well location dimensions: 3677.2' (North), 3681.2' (East), 3674.0' (South), 3676.7' (West), 2080' (East from range line), 1880' (South from section line).</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Larry R. Scott</i> Signature Date <b>10-01-09</b></p> <p><b>Larry R. Scott</b> Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><b>SEPTEMBER 2009</b> Date Surveyed Signature &amp; Seal of Professional Surveyor <i>Gary L. Jones</i></p> <p>Certificate No. <b>Gary L. Jones 7977</b></p> <p><b>BASIN SURVEYS</b></p>

**Painting Requirement**

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color  
Shale Green, Munsell Soil Color Chart # 5Y 4/2

**IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE****A. INTERIM RECLAMATION**

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

**B. RESERVE PIT CLOSURE**

The reserve pit, when dried and closed, shall be recontoured, all trash removed, and reseeded as follows:

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either



certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

\*\*Four-winged Saltbush 5lbs/A

\* This can be used around well pads and other areas where caliche cannot be removed.

\*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

## **X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS**

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.