RECEIVED

District I
1625 N. French Dr., HORENM 8824008
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rock DBBSQCD
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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

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
lease 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 avironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: Encore Operating LP OGRID#: Address: 777 Main St Suit 1400 fortworth Tx. 76105 Facility or well name: Wellow peg St #2
API Number: 30-025-39080' OCD Permit Number: 1-00278 U/L or Qtr/Qtr
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A
☐ Lined ☐ Unlined Liner type: Thickness _/ 2 _ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other ☐ String-Reinforced Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: 3000 bbl Dimensions: L 1 20 x W 120 x D 6'
□ String-Reinforced Liner Seams: □ Welded □ Factory □ Other Volume: 3000 bbl Dimensions: L 1 20 x W 1 20 x D 6 3.
☐ String-Reinforced
String-Reinforced Liner Seams: Welded Factory Other Volume: 3000 bbl Dimensions: L 1 20 x W 1 20 x D 6 3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of
String-Reinforced Liner Seams: Welded Factory Other Volume: 3000 bbl Dimensions: L 1 20 x W 1 20 x D 6 3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
String-Reinforced Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: 3000 bbl Dimensions: L_130 x W_130 x D_6 3. ☐ Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
String-Reinforced Liner Seams:
String-Reinforced Liner Seams:
String-Reinforced Liner Seams:
String-Reinforced Liner Seams: Welded Factory Other Volume: 3000 bbl Dimensions: L130 x W130 x D . 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 Liner Seams: Welded Factory Other 4. Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid:
String-Reinforced Liner Seams:
String-Reinforced Liner Seams:
String-Reinforced Liner Seams: Welded Factory Other Volume: 3000 bbl Dimensions: L 1 20 x W 1 20 x D 6 3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material: Tank Construction material:
String-Reinforced Liner Seams:
String-Reinforced Liner Seams:

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			
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)			
Signs: Subsection C of 19.15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19.15.3.103 NMAC			
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.			
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of 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		
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		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes No		
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes No		
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	Yes No		
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ☐ No		
Within a 100-year floodplain FEMA map	☐ Yes ☐No		

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.	
 ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC 	
Departing 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	~^
and 19.15.17.15 NIVIAC	
Previously Approved Design (attach copy of design) API Number: or Permit Number: CRT-R9H56	-
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are	
attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC	
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC	_
Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17:13 NMAC	
Previously Approved Design (attach copy of design) API Number:	
Previously Approved Operating and Maintenance Plan API Number:(Applies only to closed-loop system that use	
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)	
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC	
Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC	
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 H₂S, 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	

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.				
	osal 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 G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				
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		
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 sig lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	nificant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No		
Within 300 feet from a permanent residence, school, hospital, institution, or church - Visual inspection (certification) of the proposed site; Aerial photo; Satellite		☐ Yes ☐ No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or s - NM Office of the State Engineer - iWATERS database; Visual inspection (oring, in existence at the time of initial application.	☐ Yes ☐ No		
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approv	·	☐ Yes ☐ No		
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visua	l 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 Society; Topographic map 	& Mineral Resources; USGS; NM Geological	☐ Yes ☐ No		
Within a 100-year floodplain FEMA map		☐ Yes ☐ No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC 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 G of 19.15.17.13 NMAC				

Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate				
Name (Print): Chuck Roberts	Title: Rodustin Foreman			
Signature: Chief Mafast	Date: 13/12/08			
e-mail address: crobents @ encore acq. Co				
20. OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan	n (only) OCD Conditions (see attachment)			
OCD Representative Signature:	Approval Date: 17.15.08			
Title:	OCD Permit Number: P1-DD298			
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 Alternat If different from approved plan, please explain.	ive Closure Method Waste Removal (Closed-loop systems only)			
23. Closure Report Regarding Waste Removal Closure For Closed-loop Systems Instructions: Please indentify the facility or facilities for where the liquids, drillit two facilities were utilized. Disposal Facility Name:	That Utilize Above Ground Steel Tanks or Haul-off Bins Only: ing fluids and drill cuttings were disposed. Use attachment if more than Disposal Facility Permit Number:			
Disposal Facility Name:				
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 operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ns:			
24. Closure Report Attachment Checklist: Instructions: Each of the following itemark 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)	ms must be attached to the closure report. Please indicate, by a check			
☐ Plot Plan (for on-site closures and temporary pits) ☐ Confirmation Sampling Analytical Results (if applicable)	DEC 15 2008			
 ☐ Waste Material Sampling Analytical Results (required for on-site closure) ☐ Disposal Facility Name and Permit Number ☐ Soil Backfilling and Cover Installation 	HOBBSOCD			
Re-vegetation Application Rates and Seeding Technique				
Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Longitu	nde 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:			

December 10, 2008

Encore Operating LP 777 Main St., Suite 1400 Fort Worth, Texas 76105

Attn: Mr. Chuck Roberts

RE: Work Plan for the Encore Willowpeg St. #2 Drilling Pit Located in UL-K, Sec 35, T16S and R34E of Lea County, New Mexico API # 30-025-39080

Dear Mr. Roberts:

SB Oilfield Services would like to take this time to thank you and Encore Operating LP, for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 575-706-5645.

Sincerely,

Cris Busby Project Manager

SB Oilfield Services

Summary/Overview

The Encore Willowpeg St. #2 drilling pit should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the drilling and production of oil and gas.

The potential contaminates of concern are mid to high-level concentrations of drilling mud and cuttings that were left in the pit once drilling operations were completed.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 82' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <2,500ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up following the new pit rule 19.15.17 NMAC that started on 6-16-08.

Scope of Work for Off-Site Disposal

NOTE: SB, for the purpose of this work plan, will estimate that there is approximately 3,000cyds of impacted soils at the site that needs to be addressed for site closure.

- 1. SB will mobilize to the site located northwest of Buckeye, NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance with the requirements of subsection G of 19.15.17.13 NMAC.
- 2. At the site a staging area will be set up for site control and safety.

- 3. The impacted soils will be excavated, stabilized and loaded into trucks for off-site disposal.
- 4. Impacted soils at the site will then be transported to a NMOCD approved disposal facility for disposal (CRI Permit #R9166).
- 5. SB will field screen the site during the excavation, and, once the TPH BTEX and CL has dropped below clean-up requirements, final samples will be taken and sent to a third party lab for analysis and tested for BTEX 8021 B, TPH 418.1, TPH 8015 GRO/DRO and CL (chlorides) to meet the requirements of subsection D of 19.15.17.13 NMAC.
- 6. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the site and contoured with a crown to prevent the ponding of water to meet the requirements of subsection H of 19.15.17.13 NMAC.
- 7. The site will be reseeded once backfilling operations have been completed to meet the requirements of subsection I of 19.15.17.13 NMAC
- 8. Once all of the closure criteria have been met, a final closure report will be prepared by SB. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos to meet the requirements of subsection K of 19.15.17.13 NMAC.

If you have any questions and/or need more data in regards to this project please call 575-706-5645 at any time.

Sincerely,

Cris Busby Project Manager SB Oilfield Services