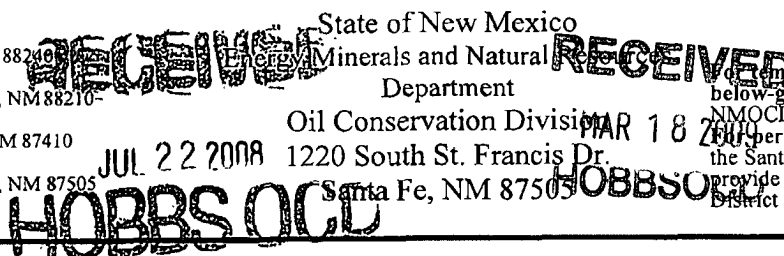


District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505



Form C-144
June 24, 2008

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

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

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

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

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

Operator: Range Operating New Mexico, Inc OGRID #: 227588
Address: 100 Throckmorton Street, Fort Worth, TX 76102
Facility or well name: Hill #2
API Number: 30-025-39062 OCD Permit Number: PI-00244
U/L or Qtr/Qtr 10 Section 4 Township 21S Range 37E County: Lea
Center of Proposed Design: Latitude 32.513971°N Longitude 103.166485°W NAD: ☒ 1927 ☐ 1983
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 ☒ Steel Pit

☐ Lined ☐ Unlined

Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC

☐ Other _____ ☐ String-Reinforced

Seams: ☐ Welded ☐ Factory ☐ Other _____

Volume _____ bbl Dimensions: L _____ x W _____ x D _____

☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC

☐ Drying Pad ☒ Tanks ☒ Haul-off Bins ☐ Other _____

☐ Lined ☐ Unlined

Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC
☐ Other _____

Seams: ☐ Welded ☐ Factory ☐ Other _____

Volume: _____ bbl _____ yd³

Dimensions: Length _____ x Width _____

☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC

Volume: _____ bbl

Type of fluid: _____

Tank Construction material: _____

☐ Secondary containment with leak detection

☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off

☐ Visible sidewalls and liner

☐ Visible sidewalls only

☐ Other _____

Liner type: Thickness _____ mil ☐ HDPE ☐ PVC

☐ Other _____

Fencing: Subsection D of 19.15.17.11 NMAC

☐ Chain link, six feet in height, two strands of barbed wire at top

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

Netting: Subsection E of 19.15.17.11 NMAC

☐ Screen ☐ Netting ☐ Other _____

☐ Monthly inspections

Signs: Subsection C of 19.15.17.11 NMAC

☐ 12"x24", 2' lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.3.103 NMAC

☐ **Alternative Method:**

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

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.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	
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).	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Topographic map; Visual inspection (certification) of the proposed site	
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	<input type="checkbox"/> Yes <input type="checkbox"/> No
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)	<input type="checkbox"/> NA
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	<input type="checkbox"/> Yes <input type="checkbox"/> No
(Applies to permanent pits)	<input type="checkbox"/> NA
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	
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.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	
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.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Written confirmation or verification from the municipality; Written approval obtained from the municipality	
Within 500 feet of a wetland.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	
Within the area overlying a subsurface mine.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	
Within an unstable area.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society, Topographic map	
Within a 100-year floodplain.	<input type="checkbox"/> Yes <input type="checkbox"/> No
- FEMA map	

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

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

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- ☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

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 (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (required 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 - 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: 30-025-38826

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.

- Page 5 of 4

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 Haul-off Bins Only: (19.15.17.13.D NMAC) *Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: Sundance Disposal Disposal Facility Permit Number: NM-01-0003

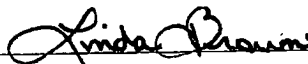
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ 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 and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Operator Application Certification:

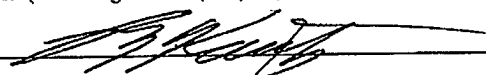
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Linda L. Brown Title: Regulatory Analyst

Signature:  Date: 7/21/2008

e-mail address: lbrown@rangeresources.com Telephone: (817) 869-4145

OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature:  Approval Date: 8/11/08

Title: Geologist OCD Permit Number: P1-00244

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC
☐ Closure Completion Date: 12/01/09

Closure Method:

- ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method
- ☒ If different from approved plan, please explain. **Closed Loop**

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

- ☐ Proof of Closure Notice
- ☐ Proof of Deed Notice (if applicable)
- ☐ Plot Plan
- ☒ Confirmation Sampling Analytical Results
- ☒ Waste Material Sampling Analytical Results
- ☒ Disposal Facility Name and Permit Number **Sundance Disposal - Permit # NM -01-0003**
- ☐ Soil Backfilling and Cover Installation
- ☐ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation)

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

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): Paula Hale Title: Sr. Reg. Sp.

Signature:  Date: 3-17-2009

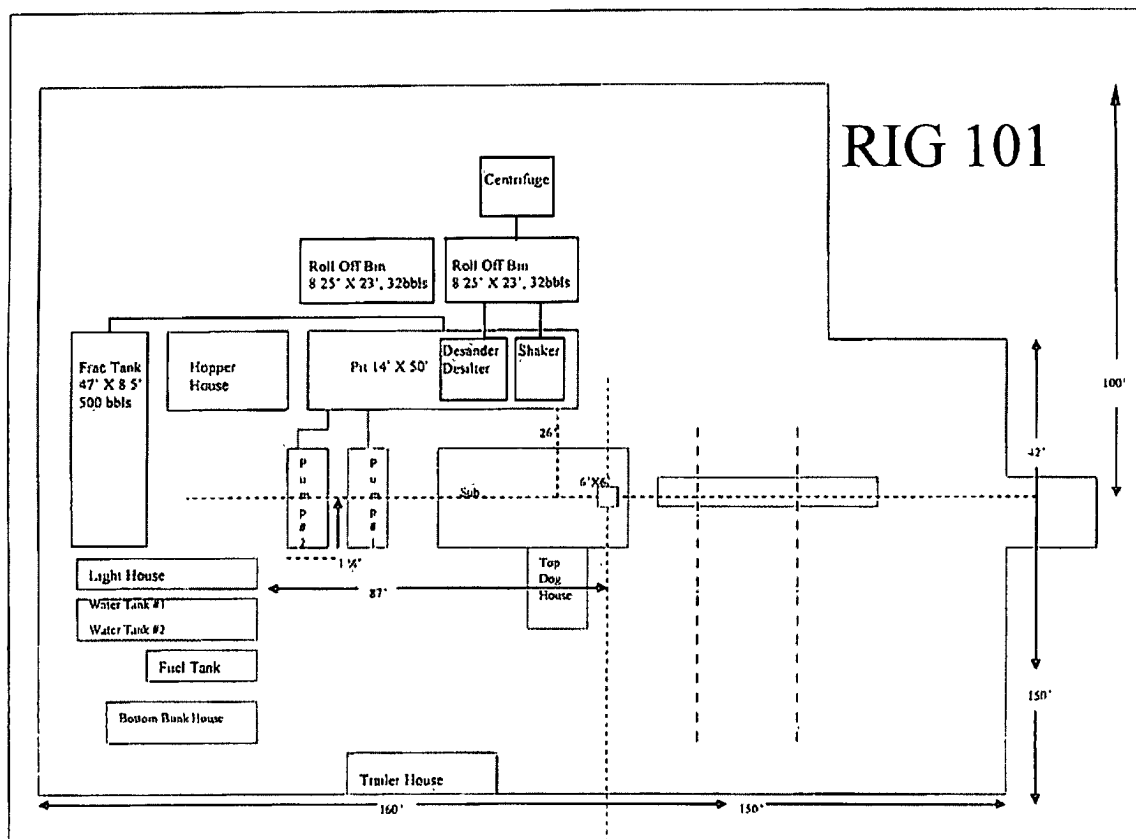
e-mail address: phale@rangeresources.com Telephone: 817-869-4216

Design/Operating Plan: Closed Loop System

A closed loop system will be used to drill the Hill #2. Below is a schematic of the rig footprint, which includes the closed loop system. During drilling operations, all fluid circulated out of the hole will first come across a primary shaker. The primary shaker will remove the bulk of the solids from the fluid. The solid waste will pass over the shaker screens into the roll off bin. The fluid will fall through the shaker screen into the first compartment of the steel pit. The fluid then is sucked out of the steel pit and circulated through a 16 cone mud cleaner system which consists of desanders and desilters. The desanders and desilters work to remove finer solids from the fluid. The solid waste will be dumped into the roll off bin while the fluids will be dumped into the second compartment of the steel pit. The fluid is then sucked from the steel pit and circulated through a centrifugal pump. This will remove all the remaining solids in the fluid. The solid waste will be dumped into the roll of bin while the fluid is dumped into the third compartment of the steel pit. The roll off bins will be changed out once they reach 80% capacity. This will be done to ensure that no waste is spilt on location when the bins are lifted onto the hauling trucks. In the event that the roll off bins become full too fast for removal, a frac tank will be available to flow fluids into.

During drilling operations, all liquids, fluids, and cuttings will be hauled offsite to Sundance disposal. (Permit #NM-01-0003) No closure will be necessary on the well site. CRI will be our back-up disposal site located in Hobbs, NM (Permit #R9166).

After drilling operations, a five point sample will be taken before and after operations are completed to verify that the ground was not contaminated.



Summary Report

Chris Garcia
Range Operating-Eunice

Report Date: January 12, 2009

P. O. Box 1570
Eunice, NM 88231

Work Order: 8123112



Project Name: Post-Drilling Analytical Data
Project Number: Hill State #2 Post-Drilling Pad

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
183844	Post-Drilling Pad N Side	soil	2008-12-30	13:55	2008-12-31
183845	Post-Drilling Pad S Side	soil	2008-12-30	14:05	2008-12-31
183846	Post-Drilling Pad E Side	soil	2008-12-30	14:15	2008-12-31
183847	Post-Drilling Pad W Side	soil	2008-12-30	14:25	2008-12-31

Sample - Field Code	TPH DRO DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
183844 - Post-Drilling Pad N Side	<50.0	<1.00
183845 - Post-Drilling Pad S Side	<50.0	<1.00
183846 - Post-Drilling Pad E Side	<50.0	<1.00
183847 - Post-Drilling Pad W Side	<50.0	<1.00

Sample: 183844 - Post-Drilling Pad N Side

Param	Flag	Result	Units	RL
Chloride		161	mg/Kg	3.25

Sample: 183845 - Post-Drilling Pad S Side

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

Sample: 183846 - Post-Drilling Pad E Side

Report Date: January 12, 2009
Hill State #2 Post-Drilling Pad

Work Order: 8123112
Post-Drilling Analytical Data

Page Number: 2 of 2

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

Sample: 183847 - Post-Drilling Pad W Side

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25