SEP-02-2009(WED) 09:11 SHACKELFORD	(FAX)1+432+684+5026	P 006/010
RECEIVED		
District State of N	Jew Mexico	Form C-1.: July 21, 2011
1625 N. French Dr., Hobbs, NM 88240 SEF UZ ZUUGnergy Minerals a	nd Natural Resources For temporary pits, closed	-loop systems, and
	artment ation Division For temporary pits, closed below-grade tanks, submit NMOCD District Office.	
	St. Francis Dr. For permanent pits and ex the Santa Fe Environmental	ceptions submit to
1000 0 10 10 10 10 10 10 10 10 10 10 10	NM 87505 District Office.	priate NMOCD
	District Office.	
Pit Closed-Loon Syste	m, Below-Grade Tank, or	
	ermit or Closure Plan Application	
•	stem, below-grade tank, or proposed alternative meth	ad
	stem, below-grade tank, or proposed alternative met	
Modification to an existing per	mit	
Elosure plan only submitted for below-grade tank, or proposed alternative method	r an existing permitted or non-permitted pit, closed-l	loop system,
Instructions: Please submit one application (Form C-144) per ind	ividual pit, clased-loop system, below-eraile tank or atter	native request
Please be advised that approval of this request does not relieve theoperator of liab	ility should operations result in pollution of surface water, gro	ound water or the
environment. Nor does approval relieve the operator of its responsibility to compl	y with any other applicable governmental authority's rules, res	gulations or ordinanc
	0000 1 2 0 5 0 F	
Operator: <u>Shaekelford Oil Company</u> Address: <u>P.O. Box 10665</u> Midland, Texas 79702		
Facility or well name: Tonto Federal No. 004		
API Number: <u>30-025-34935</u> 00	D Bernit Number PI-DIZZI	
U/L or Qir/Qir 1 Section 3 Township 205		
Center of Proposed Design: Latitude		
Surface Owner: X Federal X State Private Tribal Trust or Indian Al		
2.		
Temporary: Drilling U Workover		
Permanent Emergency Cavitation P&A		
Lined Unlined Liner type: Thickness 20 mil LLDPE	HDPE PVC COther	
String-Reinforced		
Liner Seams: Welded Factory Other	Volume:bbl Dimensions: L x W	x D
3.		
Closed-hop System: Subsection H of 19.15.17.11 NMAC		
Type of Operation: P&A Drilling a new well Workover or Drillintent)	ng (Applies to activitics which require prior approval of a	permit or notice of
Drying Pad Above Ground Steel Tanks Haul-off Bins Othe	r	
Lined Unlined Liner type: Thicknessmil ULL		
Liner Seams: Welded Factory Other		
4. Below-grade tank: Subsection I of 19.15.17.11 NMAC		
Volume:bbl Type of fluid:		
Tank Construction material:		
Secondary containment with leak detection Visible sidewalls, liner,	6-inch lift and automatic overflow shut-off	
□ Visible sidewalls and liner □ Visible sidewalls only □ Other		
Liner type: Thicknessmil		
Alternative Method:		
Submittal of an exception request is required. Exceptions must be submitted		

6,	
Fencing: Subsection D of 19.15,17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of burbed wire at top (Required if located within 1000 feet of a permanent residence, school institution or church)	, hospital,
Four foot height, four strands of barbed wire evenly spaced between one and four feet	
Alternate. Please specify	
7,	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
Screen I Netting Other	
Monthly inspections (If netting or screening is not physically feasible)	
8.	
Signs: Subsection C of 19.15.17.11 NMAC	
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
Signed in compliance with 19.15.3.103 NMAC	
9. <u>Administrative Approvals and Exceptions:</u> Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.	<u> </u>
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 consideration of approval.	office for
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 access	eptable source
material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appr	
office or may be considered an exception which must be submitted to the Santa Fc Environmental Bureau office for consideration of Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry	
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	
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).	Yes 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.	☐ Yes ☐ No ☐ NA
(Applies to temporary, emergency, or cavitation pits and below-grade tanks) - 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.	Yes No
(Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	🗆 NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock	Yes No
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	
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	Yes No
adopted pursuant to NMSA 1978, Section 3-27-3, as amended.	
- Written confirmation or verification from the municipality; Written approval obtained from the municipality	
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	TYes No
Within the area overlying a subsurface mine.	Yes No
Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	
Within an unstable area.	Yes No
 Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	
Within a 100-year floodplain. - FEMA map	🔲 Yes 🗌 No

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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 19.15.17.10 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
Previously Approved Design (attach copy of design) API Number: or Permit Number:
 12. <u>Closci-loop Systems Permit Application Attachment Checklist</u>: Subsection B of 19.15.17.9 NMAC <i>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.</i> 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 19.15.17.12 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:
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
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 Purugruph (1) of Subsection B of 19.15.17.9 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 Lack Detection Design - 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 19.15.17.11 NMAC Revention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Distance or Hazardous Odors, including H ₂ S, Prevention Plan Cilied Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Cilied Vaste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Cilied Vaste Stream Characterization
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) Internative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
 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 G of 19.15.17.13 NMAC

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15. Waste Removal Closure For Closed-loop Systems That Utilize Above Grou Instructions: Please indentify the facility or facilities for the disposal of liquid	nd Steel Tanks or Haul-off Bins Only: (19.15.17.13.J ds, drilling fluids and drill cuttings. Use attachment if i) NMAC) more than two	
facilities are required.			
Disposal Facility Name:	Disposal Facility Permit Number:		
Disposal Facility Name:	Disposal Facility Permit Number:		
Will any of the proposed closed-loop system operations and associated activitie Yes (If yes, please provide the information below) No	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 operation		
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsect Site Reclamation Plan - based upon the appropriate requirements of Subsect	iate requirements of Subsection H of 19.15.17.13 NMA ion I of 19.15.17.13 NMAC	с	
^{17.} Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMA Instructions: Each siting criteria requires a demonstration of compliance in provided helow. Requests regarding changes to certain siting criteria may req considered an exception which must be submitted to the Santa Fe Environme demonstrations of equivalency are required. Please refer to 19.15.17.10 NMA	the closure plan. Recommendations of acceptable sour wire administrative approval from the appropriate dist ntal Bureau office for consideration of approval. Justi	rict office or m ay be	
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; I	Data obtained from nearby wells	Yes No	
Ground water is between 50 and 100 feet helow the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; I	Data obtained from nearby wells	I Yes No	
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; 1	Data obtained from nearby wells	U Yes No	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	significant watercourse or lakebed, sinkhole, or playa	🗖 Yes 🗌 No	
Within 300 feet from a permanent residence, school, hospital, institution, or chu Visual inspection (certification) of the proposed site; Aerial photo; Sate	rch in existence at the time of initial application. llite image	🗌 Yes 🗋 No	
Within 500 horizontal feet of a private, domestic fresh water well or spring that watering purposes, or within 1000 horizontal feet of any other fresh water well - NM Office of the State Engineer - iWATERS database; Visual inspecti	or spring, 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 app		🗋 Yes 🗌 No	
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; V		🗆 Yes 🗌 No	
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Min		Yes 🗌 No	
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geo Society; Topographic map 	logy & Mineral Resources; USGS; NM Geological	🗆 Ycs 🗌 No	
Within a 100-year floodplain. - FEMA map		Yes No	
 In. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate equirement Construction/Design Plan of Burial Trench (if applicable) based upon th Construction/Design Plan of Temporary Pit (for in-place burial of a dryin Protocols and Procedures - based upon the appropriate requirements of 1 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 1 Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection 	requirements of 19.15.17.10 NMAC s of Subsection F of 19.15.17.13 NMAC e appropriate requirements of 19.15.17.11 NMAC ig pad) - based upon the appropriate requirements of 19. 9.15.17.13 NMAC requirements of Subsection F of 19.15.17.13 NMAC s of Subsection F of 19.15.17.13 NMAC and drill cuttings or in case on-site closure standards cann for H of 19.15.17.13 NMAC ion I of 19.15.17.13 NMAC	.15.17.11 NMAC	

Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accu	
Name (Print): <u>Clay Houston</u>	Title: Production
Signature: Clay Afato	Date: 09/02/09
c-mail address: Chouston 92083 Qythoo. com	1Telephone: <u>432-682-9784</u>
20. OCD Approval: Dermit Application (including closure plan) X Closure F	Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: Steelf 1011 John	Approval Date: 09 209
Title: Environmental Engineer	OCD Permit Number: <u>PI-D1331</u>
²¹ <u>Closure Report (required within 60 days of closure completion)</u> : Subsection Instructions: Operators are required to obtain an approved closure plan prior The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the c	to implementing any closure activities and submitting the closure report the completion of the closure activities. Please do not complete this
	Closure Completion Date:
22. Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain.	native Closure Method 📋 Waste Removal (Closed-loop systems only)
^{23.} <u>Closure Report Regarding Waste Removal Closure For Closed-loop System</u> <i>Instructions: Please indentify the facility or facilities for where the liquids, drl</i> <i>two facilities were utilized.</i>	Illing fluids and drill cuttings were disposed. Use attachment if more that
Disposal Facility Name:	Disposal Facility Permit Number:
Disposal Facility Name:	Disposal Facility Permit Number:
Were the closed-loop system operations and associated activities performed on o	r in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service and operat Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	tions:
24. Proof of Closure Notice (surface owner and division) Proof of Decd Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)	
On-site Closure Location: Latitude Longi	tudeNAD: []1927 [] 1983
25. Onerator 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 helief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.	
Name (Print):	Title:
Signature:	Datc:
e-mail address:	Telephone:

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PRELIMINARY SITE INVESTIGATION REPORT and REMEDIATION/CLOSURE PLAN

Shackelford Oil Company Touto Federal #4 30-025-34935 -Eddy County, New Mexico Lea, SRL 09(02/09

> Project SOC 09-07-1001

> > Prepared For:

Shackelford Oil Company P.O. Box 10665 Midland, Texas 79702

Prepared By:

The Meadows Group 2408 Stutz Pl. Midland, Texas 79705

August 11, 2009

Mark Meadows The Meadows Group *

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Table of Contents

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1.0	Introduction and Summary	3
2.0	Field Activities	3
3.0	Plans for Site Closure	3
4.0	Limitations	. 4
	Distribution	

1.0 Introduction and Summary

The Meadows Group (TMG) responded to a call from Shackelford Oil Company (SOC) concerning the Tonto Federal #4. This report details all the events pursuant to inspection of the site in such a manner that protects the population, environment, and groundwater in the area.

The site is characterized by mesquite growth and pasture utilized for livestock. The reserve pit area is noted in the summary of field activities section.

TMG went to the location at the request of SOC and found an area that had a well site with an open reserve pit. SOC and TMG intend to close the pit according to OCD regulations.

2.0 Field Activities

On July 30, 2009, SOC personnel along with Mark Meadows of TMG traveled to the site Northwest of Hobbs, New Mexico. We are submitting this plan for closure of the pit to the OCD at their request and for approval.

3.0 Plans for Site Closure

On behalf of Shackelford Oil Company, we would like to request site closure using the following procedures.

- 1. Excavate the material in the pit and delineate the extent of the contamination.
- 2. The contaminated excavated material will be placed on a 20 mil liner with containment berms on the location. Site security will be present (temporary fencing).
- 3. Material that is not contaminated will be stockpiled at the location.
- 4. Once the extent of the contamination has been determined, confirmation samples will be collected and sent to Cardinal labs for confirmation.
- 5. Contaminated material will then be transported to CRI for disposal.
- 6. Backfill material will be tested prior to being placed in the excavated area.
- 7. The Reserve pit area will then be returned to the contour of the surrounding area.
- 8. The Reserve pit area will then be seeded with the designated mixture of seed for the area.
- 9. This is an active will and will not be reclaimed at this time

4.0 Limitations

The Meadows Group (TMG) has prepared this Site Closure Report to the best of its ability. No other warranty, expresses or implied, is made or intended. TMG has examined and relied upon documents referenced in the report and had relied on oral statements made by certain individuals. TMG has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. TMG has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. TMG also notes that the facts and conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

The report has been prepared for the benefit of Shackelford Oil Company. The information contained in this report including all exhibits and attachments, may not be used by any other party without the express consent of Meadows Group, and Shackelford Oil Company

5.0 Distribution

Copy 1:	Shackelford Oil Company P.O. Box 10665 Midland, Texas 79702d
Copy 2:	Mike Bratcher-GEOFF LEKING SML 09/02/09 Oil Conservation Division Artesia District Office HOBBS SMRL 09/02/09
Copy 4:	Meadows Group Mark Meadows <u>mmeadows6305@aol.com</u>

3510 N. A St. Bidg B, Ste. 100 Midland, TX. 79705 Phone: 432-682-9784 Fax: 432-684-5026



RECEIVED SEP 0 2 2009 HOBBSOCD ser Leking To: From: ఎ౭ la Fax: Pages: -2-07 C Phone: Date: Re: CC: 🗆 Urgent C For Review Please Comment 🖾 Please Reply 🖾 Please Recycle

Leking, Geoffrey R, EMNRD

From: Sent: To: Subject: Leking, Geoffrey R, EMNRD Wednesday, September 02, 2009 2:36 PM 'chouston92083@yahoo.com' Tonto Fed #4

Clay

The Preliminary Site Investigation Report and Remediation/Closure Plan for the Shackelford Oil Company Tonto Federal #4 30-025-34935, Lea County, New Mexico and accompanying C-144 is approved. Note these additions/modifications:

- 1) OGRID # 20595 added to C-144 form
- 2) Surface Owner changed from State to Federal on C-144 form
- 3) Certification of Closure information whited out on C-144 form
- Cover page of report Eddy changed to Lea
- 5) 5.0 Distribution Copy 2: Mike Bratcher changed to Geoff Leking
- 6) Artesia changed to Hobbs

I am not sure if Meadows' project number is correct or not. They may want to verify this.

We appreciate you and Shackelford's cooperation on this and other projects.

Thank you.

Geoffrey Leking Environmental Engineer NMOCD-Hobbs

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