District I, 1625 N French Dr , Hobbs, NM 88240

District II

1301 W Grand Ave, Artesia, NM 88210

District III

Energy Minerals and Natural Resources Department

State of New Mexico

Oil Conservation Division 1220 South St. Francis Dr. Form C-144 July 21, 2008

For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

1000 Rio Brazos Rd, Aztec, NM 87410 For permanent pits and exceptions submit to the Santa Fe Santa Fe, NM 87505 Environmental Bureau office and provide a copy to the District IV appropriate NMOCD District Office 1220 S. St Francis Dr , Santa Fe, NM 87505 Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application Type of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request Please be advised that approval of this request does not relieve the operator of hability 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: ConocoPhillips Company OGRID#: 217817 Address: PO Box 4289, Farmington, NM 87499 Facility or well name: San Juan 32-8 Unit 226 API Number: 30-045-27868 OCD Permit Number: U/L or Qtr/Qtr: A(NE/NE) Section: 15 Township: 31N Range: County: San Juan 36.90206000°N 107.65641000°W Center of Proposed Design: Latitude: Longitude: NAD: 1927 **X** 1983 Surface Owner: X Federal Tribal Trust or Indian Allotment State Private Pit: Subsection F or G of 19 15 17.11 NMAC Drilling Workover Permanent Emergency Cavitation P&A Thickness mil LLDPE HDPE PVC Other Lined Unlined Liner type String-Reinforced Liner Seams. Welded Factory Other Volume: Subsection H of 19.15.17 11 NMAC Closed-loop System: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or Type of Operation: notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type Thickness LLDPE HDPE Liner Seams. Welded Factory Other X Below-grade tank: Subsection I of 19 15 17 11 NMAC OIL CONS. DIV. I Volume: 120 bbl Type of fluid. **Produced Water** Tank Construction material. Secondary containment with leak detection X Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off £058283 Visible sidewalls and liner Visible sidewalls only Other 45 HDPE IPVC X Other LLDPE Liner Type: Thickness mil Alternative Method: Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Form C-144

Oil Conservation Division

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6		i
Fencing: Subsection D of 19.15 17.11 NMAC (Applies to permanent ptt, temporary ptts, 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, insti	tution or churc	(h)
Four foot height, four strands of barbed wire evenly spaced between one and four feet		İ
X Alternate. Please specify 4' hogwire fence with a single strand of barbed wire on top.		
7		
Netting: Subsection E of 19.15.17 11 NMAC (Applies to permanent pits and permanent open top tanks)		
Screen Netting Other		
Monthly inspections (If netting or screening is not physically feasible)		
0		
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		
X Signed in compliance with 19 15.3 103 NMAC		
9 Administrative Assumption of Econotics as		
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 of the Santa Fe Environmental Bureau office for consi	deration of ap	proval.
Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	•	}
10		
Siting Criteria (regarding permitting) 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable		
source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the		
appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for		
consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.		ļ
,		
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.	Yes	XNo
- 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 watercourse, lakebed, sinkhole, or playa	Yes	XNo
lake (measured from the ordinary high-water mark).		
- 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	Yes	XNo
application.		
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)	∐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.	Yes	No
(Applied to permanent pits)	XNA	
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	-	Į
Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering	Yes	X No
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 Fingureer, iWATERS database search: Visual inspection (contification) of the proposed site		
- 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	Yes	X No
- Written confirmation or verification from the municipality; Written approval obtained from the municipality		
Within 500 feet of a wetland.	Yes	X No
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site		_
Within the area overlying a subsurface mine.	Yes	XNo
- Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division		\
Within an unstable area.	Yes	XNo
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological		}
Society; Topographic map	П.,	चिरा
Within a 100-year floodplain	Yes	X No

Form C-144

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
X 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
X Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ,
X Design Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
X 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 or Permit
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
Previously Approved Operating and Maintenance Plan API
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 (I) 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 Luner 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 Nusance 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
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 X Below-grade Tank Closed-loop System
Alternative
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. X Protocols and Procedures - based upon the appropriate requirements of 19 15 17.13 NMAC X Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15 17.13 NMAC X Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) X Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC X Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15 17.13 NMAC

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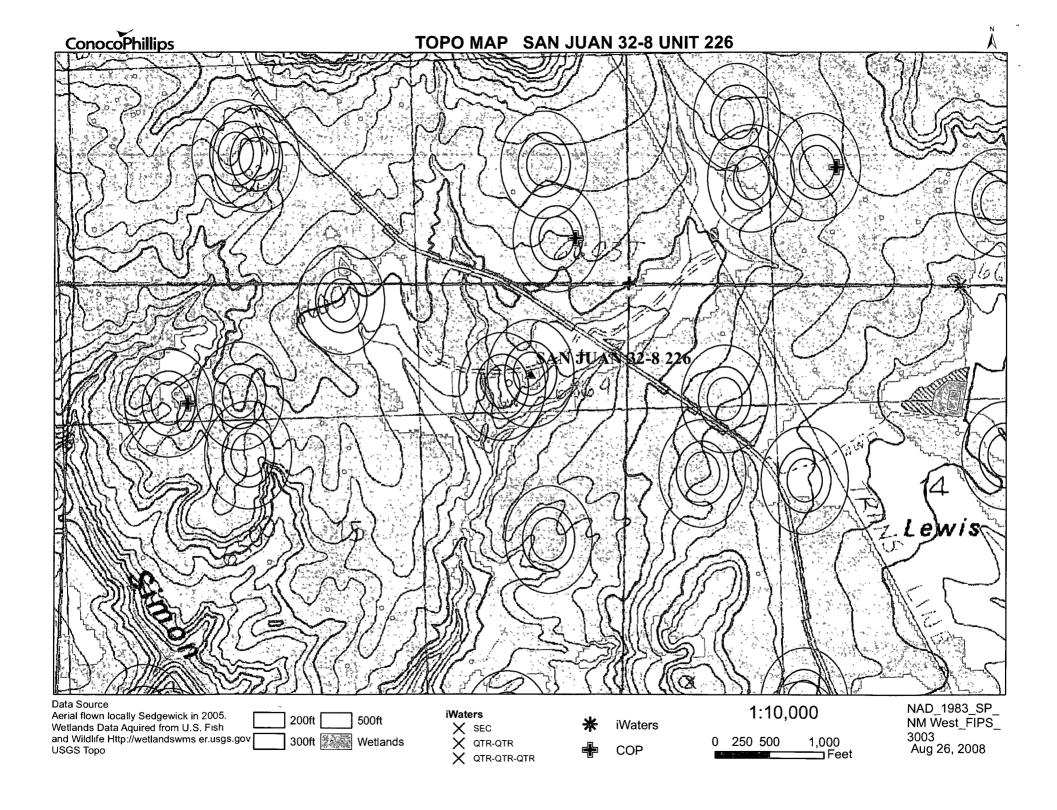
16	IT I W I MADE OF COLUMN			
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Instructions: Please identify the facility or facilities for the disposal of liquids, drilling J		cılıties		
are required.				
	Disposal Facility Permit #			
Disposal Facility Name.	Disposal Facility Permit #:			
Will any of the proposed closed-loop system operations and associated activities Yes (If yes, please provide the information No	s occur on or in areas that will not be used for future se	rvice and operations?		
Required for impacted areas which will not be used for future service and operations. Soil Backfill and Cover Design Specification - based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection 1.	tion I 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 R certain siting criteria may require administrative approval from the appropriate district office of for consideration of approval. Justifications and/or demonstrations of equivalency are required.	ecommendations of acceptable source material are provided below or may be considered an exception which must be submitted to the S			
Ground water is less than 50 feet below the bottom of the buried waste.		Yes No		
- NM Office of the State Engineer - (WATERS database search, USGS) Data obtain	ned from nearby wells	□N/A		
Ground water is between 50 and 100 feet below the bottom of the buried waste		Yes No		
- NM Office of the State Engineer - (WATERS database search, USGS, Data obtain	ned from nearby wells	∏ _{N/A}		
Ground water is more than 100 feet below the bottom of the buried waste		Yes No		
- NM Office of the State Engineer - 1WATERS database search; USGS, Data obtain	ned from nearby wells	∏N/A		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signific (measured from the ordinary high-water mark).	ant watercourse or lakebed, sinkhole, or playa lake	Yes No		
- Topographic map, Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in e - Visual inspection (certification) of the proposed site; Aerial photo; satellite image	existence at the time of initial application	Yes No		
		Yes No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less that purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existe - NM Office of the State Engineer - iWATERS database; Visual inspection (certific	ence at the time of the initial application			
Within incorporated municipal boundaries or within a defined municipal fresh water we pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obta	·	Yes No		
Within 500 feet of a wetland	med from the municipality	□Yes □No		
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspe	ection (certification) of the proposed site			
Within the area overlying a subsurface mine.		Yes No		
- Written confiramtion or verification or map from the NM EMNRD-Mining and M	fineral Division			
Within an unstable area	1000 1110	Yes No		
 Engineering measures incorporated into the design; NM Bureau of Geology & Mi Topographic map 	neral Resources, USGS, NM Geological Society,			
Within a 100-year floodplain - FEMA map		Yes No		
On-Site Closure Plan Checklist: (19.15 17.13 NMAC) Instructions: Each of the graph mark in the how that the decuments are attached.	of the following items must bee attached to the closur	e plan. Please indicate,		
by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate	e requirements of 10 15 17 10 NMAC			
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 19.15.17.11 NMAC				
Protocols and Procedures - based upon the appropriate requirements of 19.15.17.11 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.11 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 Sub	section G of 19 15 17 13 NMAC			

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19 Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and	belief
Name (Print). Ethel Tally Title Staff Regulatory Tec	chnician
Signature: The Jally Date 10-10-0	28
e-mail address: Ethel. Tally@ConocoPhillips com Telephone: 505-599-402	27
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (including closure plan)	and attachmants
OCD Representative Signature: Approval Da	nte: \$29/2012
Title: OMDIQUE OFFICE OCD Permit Number:	, ,
21 Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC	
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting	g 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 approved closure plan has been obtained and the closure activities have been completed.	this section of the form until an
Closure Completion Date:	
22 Closure Method:	
	noval (Closed-loop systems only)
If different from approved plan, please explain.	lovar (element loop systems emy)
23 Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Hau	l-off Bins Only:
Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use at	tachment if more than two facilities
were utilized. Disposal Facility Name: Disposal Facility Permit Number:	
Disposal Facility Name: Disposal Facility Permit Number:	
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service	e and opeartions?
Yes (If yes, please demonstrate compliane to the items below)	
Required for impacted areas which will not be used for future service and operations	
Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
24	
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report.	Please indicate, by a check mark in
the box, that the documents are attached.	
Proof of Closure Notice (surface owner and division)	
Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits)	
Confirmation Sampling Analytical Results (if applicable)	·
Waste Material Sampling Analytical Results (if applicable)	
Disposal Facility Name and Permit Number	
Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
Site Reclamation (Photo Documentation)	
On-site Closure Location Latitude Longitude. NAI	D
<u></u>	
On and the Classica Captification	
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of	f my knowledge and belief. Lalso certify that
the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.	m, morreage and better Tutab certify that
Name (Print)· Title:	
Signature Date:	
e-mail address: Telephone.	

New Mexico Office of the State Engineer POD Reports and Downloads

1 OD Reports and Downloads	
Township: 31N Range: 08W Sections: 9,10,11,14,15,16,21,22,23	
NAD27 X: Y: Zone: Search Radius:	
County: Basin: Suffix:	
Owner Name: (First) (Last) Onn-Domestic ODomes	tic
POD / Surface Data Report Avg Depth to Water Report	
Water Column Report	
Clear Form iWATERS Menu Help	
WATER COLUMN REPORT 10/09/2008	
(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) POD Number Tws Rng Sec q q q Zone X Y Well Water	Wate Colum
No Records found, try again	



DATA SHEET FOR DEEP BED CATHODIC PROTECTION WELLS NORTHWESTERN NEW MEXICO

(SUBMIT 2 COPIES TO OCD AZTEC OFFICE)

21-30-045-10781 226-30-045-17868

PPCO DESIGNATION: FM-466

OPERATOR: PHILLIPS PETROLEUM COMPANY

LOCATION: A 15 31 8 LEASE NUMBER: 650117

FARMINGTON, N.M. 87401

(505) 599-3400

NAME OF WELL/S OR PIPELINE SERVED: (1) SJ 32-8 UNIT #21 MV

(2) 32-8#226

ELEVATION: NA

. ♥,

COMPLETION DATE: 09/22/81

TOTAL DEPTH: 500 FT.

LAND: FEDERAL

IN.

CASING INFO.: SIZE: NA

TYPE: NA

DEPTH: NA

FT. CEMENT USED: NA

IF CEMENT OR BENTONITE PLUGS HAVE BEEN PLACED, SHOW DEPTHS & AMOUNTS:

PLUG DEPTH: NONE PLUG AMOUNT: NONE

WATER INFORMATION:

WATER DEPTH (FT): (1) 160 (2) -0-

WATER INFORMATION: NA

DEPTHS GAS ENCOUNTERED (FT): NA

TYPE AND AMOUNT OF COKE BREEZE USED:

COKE TYPE: METALLURGICAL COKE BREEZE

COKE AMOUNT: 7450 LBS.

DEPTHS ANODES PLACED (FT):

180,200,210,245,285,295,305,455,465,475

DEPTH VENT PIPE PLACED (FT): 500

VENT PIPE PERFORATIONS (FT): TOP 170 BOTTOM 500

REMARKS: -0-

IF ANY OF THE ABOVE DATA IS UNAVAILABLE, PLEASE INDICATE SO. COPIES OF ALL LOGS, INCLUDING DRILLERS LOG, WATER ANALYSIS & WELL BORE SCHEMATICS SHOULD BE SUBMITTED WHEN AVAILABLE. UNPLUGGED ABANDONED WELLS ARE TO BE INCLUDED.

* - LAND TYPE MAY BE SHOWN: F-FEDERAL; I-INDIAN; S-STATE; P-FEE IF FEDERAL OR INDIAN, ADD LEASE NUMBER.

NA-INFORMATION NOT AVAILABLE

FEB2 1 1992

OIL CON. DIV.

CC: CP FILE--FARMINGTON

HOUSTON

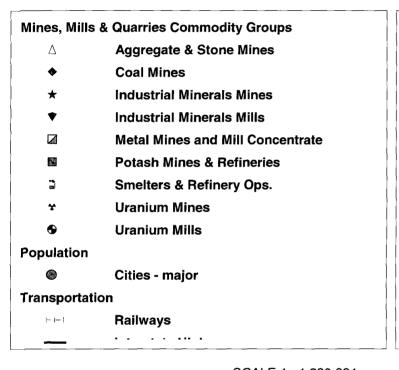
REPRODUCTION OF "OCD" FORM

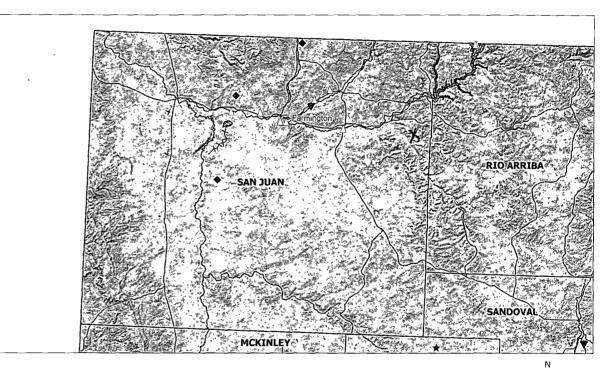
⊐Feet

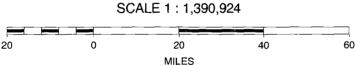
1000ft

USGS Topo

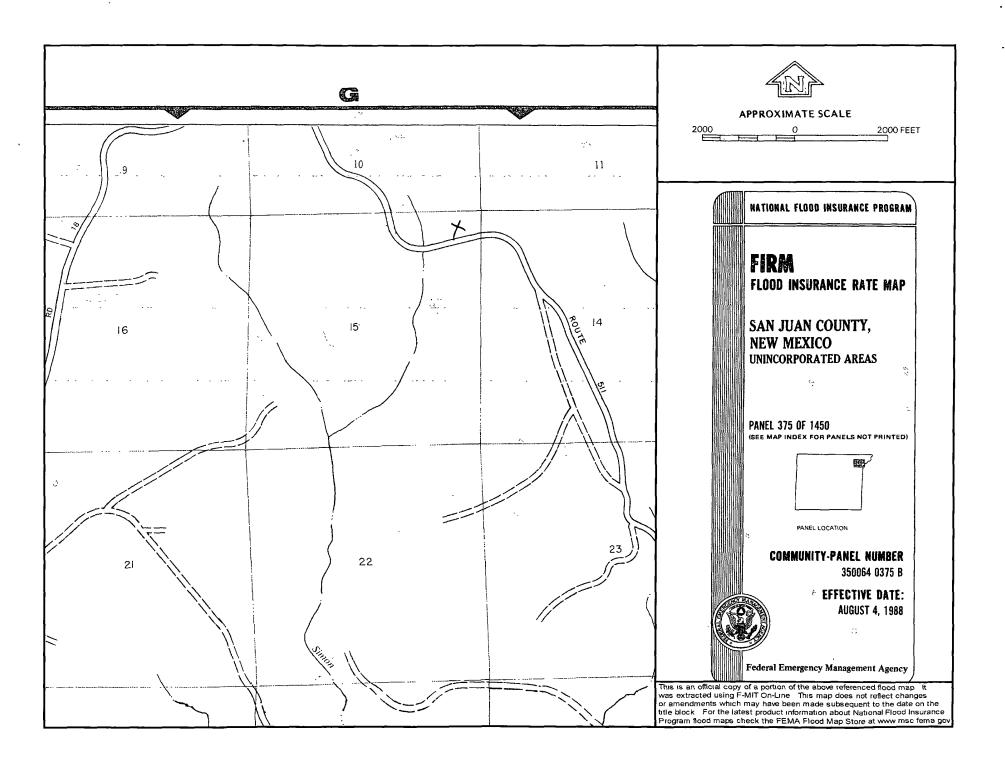
SJ 32-8 UNIT 226/MINES, MILLS AND QUARRIES MAP











Siting Criteria Compliance Demonstration & Hydro Geologic Analysis

The San Juan 32-8 Unit 226 is not located in an unstable area. The location is not over a mine and is not on the side of a hill as indicated on the Mines, Mills and Quarries Map and Topographic Map. The location of the excavated pit material will not be located within 300' of any continuously flowing watercourse or 200' from any other watercourse as indicated on the Topographic Map. The location is not within a 100-year floodplain area as indicated on the FEMA Map. The groundwater depth is considered to be greater than 160' as determined by the topographic map and the Cathodic well data. The San Juan 32-8 has an elevation of 6555' and groundwater depth of 160'. Using this cathodic data point the indication of groundwater depth is greater than 160'. The hydro geologic analysis indicates the groundwater depth and the San Jose formation will create a stable area for this new location.

Hydrogeological report for San Juan 32-8 Unit 226

Regional Hydrogeological context:

The San Jose Formation of Eocene age occurs in New Mexico and Colorado, and its outcrop forms the land surface over much of the eastern half of the central basin. It overlies the Nacimiento Formation in the area generally south of the Colorado-New Mexico State line and overlies the Animas Formation in the area generally north of the State line.

The San Jose Formation was deposited in various fluvial-type environments. In general, the unit consists of an interbedded sequence of sandstone, siltstone, and variegated shale. Thickness of the San Jose Formation generally increases from west to east (200 feet in the west and south to almost 2,700 feet in the center of the structural basin). Ground water is associated with alluvial and fluvial sandstone aquifers. Thus, the occurrence of ground water is mainly controlled by the distribution of sandstone in the formation. The distribution of such sandstone is the result of original depositional extent plus any post-depositional modifications, namely erosion and structural deformation. Transmissivity data for San Jose Formation are minimal. Values of 40 and 120 feet squared per day were determined from two aquifer tests (Stone et al, 1983, table 5). The reported or measured discharge from 46 water wells completed in San Jose Formation ranges from 0.15 to 61 gallons per minute and the median is 5 gallons per minute. Most of the wells provide water for livestock and domestic use.

The San Jose Formation is a very suitable unit for recharge from precipitation because soils that form on the unit are sandy and highly permeable and therefore readily adsorb precipitation. However, low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the San Jose Formation by the San Juan River and its tributaries all tend to reduce the effective recharge to the unit.

Stone et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico: Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

ConocoPhillips Company San Juan Basin Below Grade Tank Design and Construction

In accordance with NMAC 19.15.17 the following information describes the design and construction of below grade tanks on ConocoPhillips Company (COPC) locations. This is COPC's standard procedure for all below grade tanks (BGT). A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

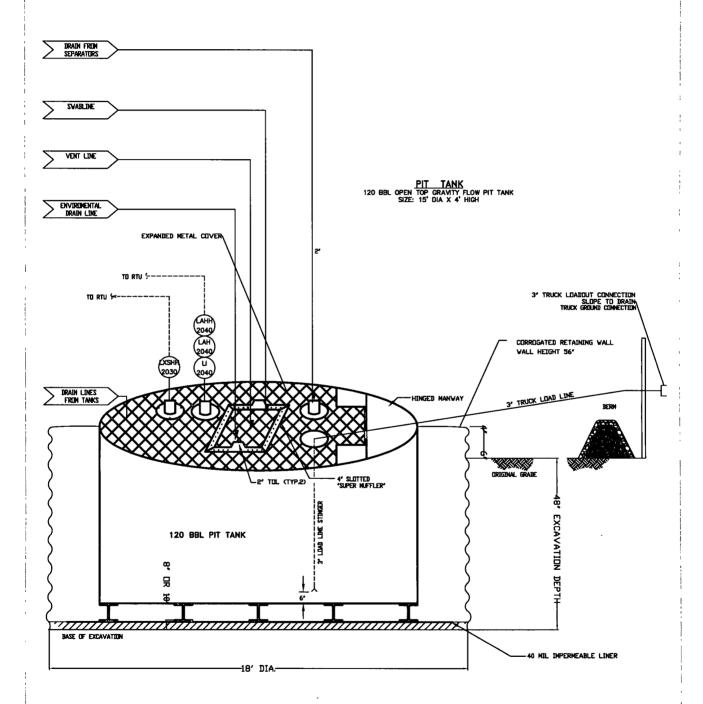
- COPC will design and construct a properly sized and approved BGT which will
 contain liquids and should prevent contamination of fresh water to protect the
 public health and environment.
- 2. COPC will sign the well location in compliance with 19.15.3.103 NMAC.
- 3. COPC shall construct fencing around the BGT using 4 foot hog wire fencing topped with two strands of barbed wire, or with a pipe top rail. A six foot chain link fence topped with three strands of barbed wire will be use if the well location is within 1000 feet of permanent residence, school, hospital, institution or church.
- COPC will construct a screened, expanded metal covering, on the top of the BGT.
- COPC shall ensure that a below-grade tank is constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight.
- 6. The COPC below-grade tank system shall have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.
- 7. COPC shall construct a below-grade tank to prevent overflow and the collection of surface water run-on.
- 8. COPC will construct and use a below-grade tank that does not have double walls. The below-grade tank's side walls will be open for visual inspection for leaks, the below-grade tank's bottom is elevated a minimum of six inches above the underlying ground surface and the below-grade tank is underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
- 9. COPC has equipped the below-grade tanks with the ability to detect high level in the tank and provide alarm notification and shutdown process streams into the tank. Once high level is detected RTU logic closes the inlet separator sales valve and does not permit vent valve to open. This shutdown of the sales valve and gagging of the vent valves prevents any hydrocarbon process streams from entering the pit tank once a high level is detected. Furthermore, an electronic page is sent to the COPC MSO for that well site and to the designated contract

"Water-Hauling" Company indicating a high level and that action must be taken to address this alarm. The environmental drain line from COPC's compressor skid under normal operating conditions is in the open position. The environmental drain line is in place to capture any collected rain water or spilled lubricants from our compressor skids. The swab drain line is a manually operated drain and by normal operating procedures is in the closed position. The tank drain line is also a manually operated drain and during normal operations it is in the closed position.

- 10. The geomembrane liner consists of a 45-mil flexible LLDPE material manufactured by Raven Industries as RUFCO 4000B. This product provides a level of UV and harsh weather conditions protection. It is rated to a Low temperature impact failure of -94°F. It exceeds ASTMD3083 standard by 10%. It is typically used in Brine Pond, Oilfield Pit liner and other industrial applications. The manufacture specific sheet is attached.
- 11. The general specification for design and construction are attached in the COPC document.

MANUAL OPERATIONS
PRODUCTION TANKS DRAINLINE
SWABLINE DRAIN LINE
ENVIROMENTAL DRAIN LINE
FROM COMPRESSOR SKID

AUTOMATED OPERATION
VENT VALVE DRAIN LINE
DUMP LINE FROM SEPARATORS



ConocoPhillips

San Juan Business Unit

ConocoPhillips Company San Juan Basin Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of Below Grade Tank (BGT) on ConocoPhillips Company (COPC) locations. This is COPC's standard procedure for all BGT. A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- 1. COPC will operate and maintain a BGT to contain liquids and solids and maintain the integrity of the liner, liner system and secondary containment system to prevent contamination of fresh water and protect public health and environment.
- 2. COPC will not discharge into or store any hazardous waste in the BGT.
- 3. COPC shall operate and install the below-grade tank to prevent the collection of surface water run-on. COPC shall not allow a below-grade tank to overflow or allow surface water run-on to enter the below-grade tank.
- COPC shall continuously remove any visible or measurable layer of oil from the fluid surface of a below-grade tank in an effort to prevent significant accumulation of oil overtime.
- 5. COPC shall inspect the below-grade tank at least monthly and maintain a written record of each inspection for five years.
- 6. COPC shall maintain adequate freeboard to prevent overtopping of the below-grade tank.
- 7. If a leak develops below the liquid's level, COPC shall remove all liquids within 48 hours and repair the damage or replace the below-grade tank. COPC shall notify the Aztec Division office by phone or email within 48 hours of the discovery for leaks less than 25 barrels. COPC shall notify the Aztec Division office as required pursuant to Subsection B of 19.15.3.116 NMAC shall be reported within twenty-four (24) hours of discovery of leaks greater than 25 barrels. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), and Subparagraph (d) of 19.15.3.116 NMAC shall be reported to the division's Environmental Bureau Chief.

ConocoPhillips Company San Juan Basin Below Grade Tank Closure Plan

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of Below Grade Tanks (BGTs) on ConocoPhillips Company locations hereinafter known as COPC locations. This is COPC's standard procedure for all BGTs. A separate plan will be submitted for any BGT which does not conform to this plan.

General Requirements:

- COPC shall close a below-grade tank within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- 2. COPC shall close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation. The closure report will be filed on C-144
- 3. COPC shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility. The facilities to be used will be Basin Disposal (Permit #NM-01-005) and Envirotech Land Farm (Permit #NM-01-011). The liner will be disposed of at the San Juan County Landfill located on CR 3100.
- 4. COPC will receive prior approval to remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. Documentation of how the below-grade tank was disposed of or recycled will be provided in the closure report.
- 5. If there is any on-site equipment associated with a below-grade tank, then BR shall remove the equipment, unless the equipment is required for some other purpose.
- 6. COPC shall test the soils beneath the below-grade tank to determine whether a release has occurred. COPC shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyze for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100 mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. COPC shall notify the division of its results on form C-141.

- 7. If COPC or the division determines that a release has occurred, then COPC shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.
- 8. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then COPC shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.
- 9. Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
- 10. The surface owner shall be notified of COPC's closing of the below-grade tank prior to closure as per the approved closure plan via certified mail, return receipt requested.
- 11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 12. COPC shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.
- 13. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
- 14. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on C-144 and incorporate the following:
 - Soil Backfilling and Cover Installation
 - Re-vegetation application rates and seeding techniques
 - Photo documentation of the site reclamation
 - Confirmation Sampling Results
 - Proof of closure notice