District I

1625 N French Dr , Hobbs, NM 88240

District II

1301 W Grand Ave, Artesia, NM 88210

1000 Rio Brazos Rd, Aztec, NM 87410

District III

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 sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

For permanent pits and exceptions submit to the Santa Fe

District IV 1220 S St Francis Dr., Santa Fe, NM 87505	Environmental Bureau office and provide a copy to the appropriate NMOCD District Office
Pit, Closed-Loop System, Below-Grad	le Tank, or
Proposed Alternative Method Permit or Clos	sure Plan Application
Type of action: X Permit of a pit, closed-loop system, below-grade to	ank, 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 permit	tted 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-loo	
Please be advised that approval of this request does not relieve the operator of liability should operations renvironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable	
1 Operator. ConocoPhillips Company	OGRID#: 21781 7
Address PO Box 4289, Farmington, NM 87499	
Facility or well name: State E Gas Com 1E	
API Number 30-045-25145 OCD Permit Number	er
U/L or Qtr/Qtr. A(NE/NE) Section. 16 Township 29N Range	10W County. San Juan
Center of Proposed Design Latitude. 36.730999 °N Longitude	107.884 °W NAD X 1927 1983
Surface Owner. Federal X State Private Tribal Trust or India	n Allotment
notice of intent)	PCUTURES 2012 DIST. 3 HDPE PVC Other bbl Dimensions L x W x D activities which require prior approval of a permit or
Drying Pad X Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type Thickness mil LLDPE I Liner Scams Welded Factory Other	HDPE w PVD Other w which with the same of
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 auto Visible sidewalls and liner Visible sidewalls only Other Liner Type Thickness mil HDPE PVC Other	omatic overflow shut-off
Alternative Method: Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environ	mental Bureau office for consideration of approval

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Fencing: Subsection D of 19 15 17 11 NMAC (Applies to permanent pit, 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 X 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 of 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	ideration of ap	• pproval			
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 - 1WATERS database search, USGS, Data obtained from nearby wells	Yes	No			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, 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.	Yes	No			
(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. (Applied to permanent pits)	Yes NA	∐No			
 Visual inspection (certification) of the proposed site, Aerial photo, Satellite image Within 500 horizonal 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. 	Yes	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	Yes	No			
 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 	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	Yes	No			
Society, Topographic map 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 Lach 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			
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 (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			
12			
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			
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			
X 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			
13			
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			
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			
Proposed Closure Method Waste Excavation and Removal			
X Waste Removal (Closed-loop systems only)			
On-site Closure Method (only for temporary pits and closed-loop systems)			
In-place Burial On-site Trench			
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)			
Waste Excavation and Remoyal 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			

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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 identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two						
facilities are required Disposal Facility Name Envirotech / JFJ Landfarm / IEI	Disposal Facility Permit #	NM-01-0011 / NM-01-0	010B			
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit #					
Will any of the proposed closed-loop system operations and associated activ	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					
Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specification - based upon the appropriate requirements of Subsection II 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						
17 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 string 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 hatwarn 50 and 100 feet below the bottom of the himself we	anta		☐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		Ycs No			
Ground water is more than 100 feet below the bottom of the buried waste			Yes No			
- NM Office of the State Engineer - (WATERS database search, USGS, Data of	obtained from nearby wells		□N/A			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sign (measured from the ordinary high-water mark)	uficant watercourse or lakebed, su	nkhole, 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 - Visual inspection (certification) of the proposed site, Aerial photo, satellite im-	•	pplication	Yes No			
Within 500 horizontal feet of a private, domestic fiesh water well or spring that less purposes, or within 1000 horizontal fee of any other fresh water well or spring, in ey - NM Office of the State Engineer - iWATERS database, Visual inspection (cer	sistence at the time of the initial ap	· · ·	Yes No			
Within incorporated municipal boundaries or within a defined municipal fresh water pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval of		pal ordinance adopted	Yes No			
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual ii	, ,	posed site	Yes No			
Within the area overlying a subsurface mine		posed sile	Yes No			
- Written confirmation or verification or map from the NM EMNRD-Mining and	d Mineral Division					
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology &	Mineral Resources, USGS, NM (Geological Society,	Yes No			
Topographic map 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 bee 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 upo	n 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 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 Sub						

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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) Dollie L_Busse Title Staff Regulatory Technician				
Signature Mallie Signature Date 3/27/12				
e-mail address dollie I busse@conocophillips com Telephone 505-324-6104				
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)				
OCD Representative Signature: Approval Date: \$29/2012				
Title: (SMD (GMC) OFTE () OCD Permit Number:				
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:				
Closure Method:				
Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)				
If different from approved plan, please explain				
23				
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Fanks or Haul-off Bins Only:				
Instructions Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment 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 and operations?				
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 NAD 1927 1983				
25				
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is time, 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				

Form C-144

ConocoPhillips Company Closed-loop Plans

Closed-loop Design Plan

COPC's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system
- 2. It will be signed in compliance with 19.15.3.103 NMAC
- 3. A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

COPC's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) on a periodic basis to prevent over topping.
- 2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.