District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Ave., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-144 July 21, 2008 For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office.
TELO D. D. TANOS DI, Dana P. TAN 07505	Pit, Closed-Loop System, Below-Grad	e Tank, or
Propos	sed Alternative Method Permit or Closur	
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Type of action:	X Permit of a pit, closed-loop system, below-grade to Closure of a pit, closed-loop system, below-grade	
	Modification to an existing permit	tank, or proposed and native method
	Closure plan only submitted for an existing permit	ted or non normitted nit closed loon system
	below-grade tank, or proposed alternative method	tied of non-permitted pit, closed-loop system,
Instructions: Please submit one	application (Form C-144) per individual pit, closed-loo	p system, below-grade tank or alternative request
Please be advised that approval	of this request does not relieve the operator of liability should operations re	esult in pollution of surface water, ground water or the
environment. Nor does approval re	lieve the operator of its responsibility to comply with any other applicable	governmental authority's rules, regulations or ordinances.
1 Operator: ConocoPhillips Company	NV.	OGRID#: 217817
Address: PO Box 4289, Farmingt		
Facility or well name: STATE CO		
	3004532897 OCD Permit Number	A DE MARK MANAGER
U/L or Qtr/Qtr: A Secti	and the second se	W County: San Juan
Center of Proposed Design: Latitud		-107.69119°W NAD: X 1927 1983
Surface Owner: Federal	X State Private Tribal Trust or Indian	
Permanent Emergency (Lined Unlined L String-Reinforced	rkover Cavitation P&A	HDPE PVC Other
Type of Operation: P&A Drying Pad Above Group Lined Unlined	notice of intent) and Steel Tanks Haul-off Bins Other	activities which require prior approval of a permit or DPE PVD Other
4 X Below-grade tank: Subsection Volume: 120 b Tank Construction material:	Type of fluid: Produced Water Metal Metal etection X Visible sidewalls, liner, 6-inch lift and autor Visible sidewalls only Other	matic overflow shut-off
Alternative Method: Submittal of an exception request is real Form C-144	quired. Exceptions must be submitted to the Santa Fe Environ Oil Conservation Division	mental Bureau office for consideration of approval. Page 1 of 5

6 Fenring: 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, i Four foot height, four strands of barbed wire evenly spaced between one and four feet X Alternate. Please specify <u>4' hog wire fencing topped with two strands barbed wire.</u>	unstitution or c	hurch)
7 Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) X Screen Netting Other		
X Signed in compliance with 19.15.3.103 NMAC 9 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: X 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.	onsideration of	approval.
10 <u>Siting Criteria (regarding permitting)</u> : 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.		
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes	XNo
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	XNo
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks)		XNo
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 XNA	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	XNo
- 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	XNo
 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	XNo
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes	XNo
Within an unstable area Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society Tonourmulic man	Yes	XNo
Society; Topographic map Within a 100-year floodplain - FEMA map	Yes	XNo

Oil Conservation Division

		Dication Attachment Checklist: Subsection B of 19.15.17.9 NMAC
	20 - 21 - 12-1 - 22 - 23 - 21 - 21 - 22 - 22	rements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
		the requirements of Paragraph (2) of Subsection B of 19.15.17.9
12 .	upliance Demonstrations - based upon the approp	
X Design Plan - base	d upon the appropriate requirements of 19.15.17	11 NMAC
X Operating and Mai	ntenance Plan - based upon the appropriate requi	irements of 19.15.17.12 NMAC
Land	e complete Boxes 14 through 18, if applicable) and 19.15.17.13 NMAC	- based upon the appropriate requirements of Subsection C of
Previously Approved I	Design (attach copy of design) API	or Permit
	mit Application Attachment Checklist: Subset lowing items must be attached to the application. Ple	ection B of 19.15.17.9 NMAC pase indicate, by a check mark in the box, that the documents are attached.
Geologic and Hydr	ogeologic Data (only for on-site closure) - based	upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
Siting Criteria Con	pliance Demonstrations (only for on-site closure	e) - based upon the appropriate requirements of 19.15.17.10 NMAC
Design Plan - base	d upon the appropriate requirements of 19.15.17.	11 NMAC
Operating and Mai	ntenance Plan - based upon the appropriate requi	rements of 19.15.17.12 NMAC
- ·	e complete Boxes 14 through 18, if applicable) -	based upon the appropriate requirements of Subsection C of 19.15.17.9
-		
=	Design (attach copy of design) API	
_ITEVIOUSIY Approved (Operating and Maintenance Plan API	
3	and a second of the	
Permanent Pits Permit	Application Checklist: Subsection B of 19.15.	17.9 NMAC
structions: Each of the for	llowing items must be attached to the application. P	lease indicate, by a check mark in the box, that the documents are attached.
Hydrogeologic Rep	ort - based upon the requirements of Paragraph (I) of Subsection B of 19.15 17.9 NMAC
Siting Criteria Con	pliance Demonstrations - based upon the approp	riate requirements of 19.15.17.10 NMAC
Climatological Fac		
	ng Design Plans - based upon the appropriate req	
-	Structural Integrity Design: based upon the app	
=	ign - based upon the appropriate requirements of	
	ality Assurance Construction and Installation Pla	e appropriate requirements of 19.15.17.11 NMAC
8	ttenance Plan - based upon the appropriate requi	
	topping Prevention Plan - based upon the approp	
	ous Odors, including H2S, Prevention Plan	
Emergency Respon		
	cam Characterization	
Monitoring and Ins		
Erosion Control Pla		
		n C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
4 roposed Closure: 19.15	17.13 NMAC	
structions: Please complete	e the applicable boxes, Boxes 14 through 18, in rego	ards to the proposed closure plan.
ype: Drilling W	rkover Emergency Cavitation P&A	A Permanent Pit X Below-grade Tank Closed-loop System
roposed Closure Method:	X Waste Excavation and Removal (Bel	ow-Grade Tank)
DATES STOR	Waste Removal (Closed-loop systems only)	
	On-site Closure Method (only for temporary	pits and closed-loop systems)
	In-place Burial On-site Tr	rench
		t be submitted to the Santa Fe Environmental Bureau for consideration)
5 Vaste Excavation and R	moval Closure Plan Checklister 10 15 17 12 MA	AAC) Instructions: Each of the following items must be attached to the closure plan
	ark in the box, that the documents are attached.	town and actions. Each of the following tems must be attached to the closure plan
lease indicale, by a check h		of 19.15.17.13 NMAC
X Protocols and Proce	dures - based upon the appropriate requirements	
X Protocols and Proce X Confirmation Samp	dures - based upon the appropriate requirements (ing Plan (if applicable) - based upon the appropri	iate requirements of Subsection F of 19.15.17.13 NMAC
X Protocols and Proce X Confirmation Samp X Disposal Facility Na	dures - based upon the appropriate requirements of ing Plan (if applicable) - based upon the appropri- me and Permit Number (for liquids, drilling fluid	iate requirements of Subsection F of 19.15.17.13 NMAC Is and drill cuttings)
 X Protocols and Proce X Confirmation Samp X Disposal Facility Na X Soil Backfill and Co 	dures - based upon the appropriate requirements of ing Plan (if applicable) - based upon the appropri- me and Permit Number (for liquids, drilling fluid ver Design Specifications - based upon the appro-	iate requirements of Subsection F of 19.15.17.13 NMAC ds and drill cuttings) ppriate requirements of Subsection H of 19.15.17.13 NMAC
 X Protocols and Proce X Confirmation Samp X Disposal Facility Na X Soil Backfill and Co X Re-vegetation Plan 	dures - based upon the appropriate requirements of ing Plan (if applicable) - based upon the appropri- me and Permit Number (for liquids, drilling fluid	iate requirements of Subsection F of 19.15.17.13 NMAC Is and drill cuttings) opriate requirements of Subsection H of 19.15.17.13 NMAC section I of 19.15.17.13 NMAC

(Ref Conservation Division)

10			
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee Instructions: Please identify the facility or facilities for the disposed of liquids, drilling are required.			
Disposal Facility Name:	Disposal Facility Permit #:		
Disposal Facility Name:			
Will any of the proposed closed-loop system operations and associated activities			rations?
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specification - based upon the appropria Re-vegetation Plan - based upon the appropriate requirements of Subsec Site Reclamation Plan - based upon the appropriate requirements of Subsec	tion I of 19.15.17.13 NMAC	AC	
17 <u>Siting Criteria (Regarding on-site closure methods only:</u> 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 be or may be considered an exception which must be submitted to th		
Ground water is less than 50 feet below the bottom of the buried waste.	1.24	Yes	No
- NM Office of the State Engineer - iWATERS database search: USGS: Data obta	ined from nearby wells	N/A	
Crowned waters is between 50 and 100 feat below the bottom of the buried waste		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 obtai	ned from nearby welle		
· Wit Office of the State Engineer - WATERS database scatch, 0.505, Data obtain	inca non incarby wells		_
Ground water is more than 100 feet below the bottom of the buried waste.		Yes	No
 NM Office of the State Engineer - iWATERS 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	xistence at the time of initial application.	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	nce at the time of the initial application.	Yes	No
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 obtain		Yes	No
Within 500 feet of a wetland	net nom die maneipanty	Tyes	
- US Fish and Wildlife Wetland Identification map: Topographic map; Visual inspe	ction (certification) of the proposed site		L
Within the area overlying a subsurface mine.		Yes	No
- Written confiramtion or verification or map from the NM EMNRD-Mining and Mi	ineral Division		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Min	eral Resources; USGS; NM Geological Society;	Yes	No
Topographic map			
FEMA map		Yes	No
¹⁸ 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.	f the following items must bee attached to the closur	re plan. Please	indicate,
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	Social Texas and the contract of the contra		
Construction/Design Plan of Burial Trench (if applicable) based upon the			A CARLON
Construction/Design Plan of Temporary Pit (for in place burial of a drying Protocols and Procedures - based upon the appropriate requirements of 19		9.15.17.11 NM	ic .
Confirmation Sampling Plan (if applicable) - based upon the appropriate r			
Waste Material Sampling Plan - based upon the appropriate requirements		Harris	and the second
 Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection 	on H of 19.15.17.13 NMAC	not be achieved	
Re-vegetation Plan - based upon the appropriate requirements of Subsection			2000
Site Reclamation Plan - based upon the appropriate requirements of Subse	ction G of 19 15 17 13 NMAC		1

Page 4 of 5

	Title:	Regulatory Technician
Signature:	Talana Date:	12/22/2008
e mail address:	Telephone:	505-326-9837
0 OCD Approval: Permit Application (including closed)	sure plan) Closure Plan (only)	OCD Conditions (see attachment)
OCD Representative Signature:		Approval Date:
"itle:	OCD Parm	it Number:
²¹ Closure Report (required within 60 days of closure co istructions: Operators are required to obtain an approved clo- eport is required to be submitted to the division within 60 day. pproved closure plan has been obtained and the closure activ	ssure plan prior to implementing any closu s of the completion of the closure activities ities have been completed.	re activities and submitting the closure report. The closure
and the second		
2 Closure Method: Waste Excavation and Removal If different from approved plan, please explain.	osure Method Alternative Closure	Method Waste Removal (Closed-loop systems only)
3	A large	
astructions: Prease identify the factury of factures for where ere utilized. Disposal Facility Name: Disposal Facility Name: Vere the closed-loop system operations and associated activ Yes (If yes, please demonstrate complilane to the items Required for impacted areas which will not be used for future Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	Disposal Facility Disposal Facility vities performed on or in areas that will not below) No re service and operations:	Permit Number:
	Each of the following items must be attac	hed to the closure report. Please indicate, by a check mark in
Proof of Closure Notice (surface owner and divisio	n)	
 Proof of Deed Notice (required for on-site closure) 		
Plot Plan (for on-site closures and temporary pits)		
Confirmation Sampling Analytical Results (if appli	cable)	
Waste Material Sampling Analytical Results (if app	blicable)	
Discourt Consister Manage and Description in Manage		
Disposal Facility Name and Permit Number		
Soil Backfilling and Cover Installation		
 Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technology 	nique	
Soil Backfilling and Cover Installation	nique Longitude:	NAD 🗌 1927 🔲 1983

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11-11	111	C-1	1414

Oil Conservation Division

New Mexico Office of the State Engineer

Township: 3	B1N Range:	W80	Sections:	
NAD27 X:	Y:	ŕ	Zone:	Search Radius:
County:	Basin:			Number: Suffix:
Owner Name: (First)		(Last)		○Non-Domestic ○Domestic ●All
POD / Surface Data	Report	Avg	Depth to Water F	Report Water Column Report

WATER COLUMN REPORT 08/20/2008

							3=SW 4=S smalles			Depth	Depth	Water	(in feet)
POD Number	Tws	Rng	Sec	q	q	g	Zone	x	Y	Well	Water	Column	
SJ 01167	31N	08W	24	4	4	3				465	390	75	
SJ 03306	31N	08W	25	1	4	4				600	500	100	
SJ 01822	31N	08W	25	2	2	2				550	500	50	
SJ 00012	31N	08W	30	2						1021	475	546	
SJ 00198	31N	08W	32	3	3	4				2003			

Record Count: 5

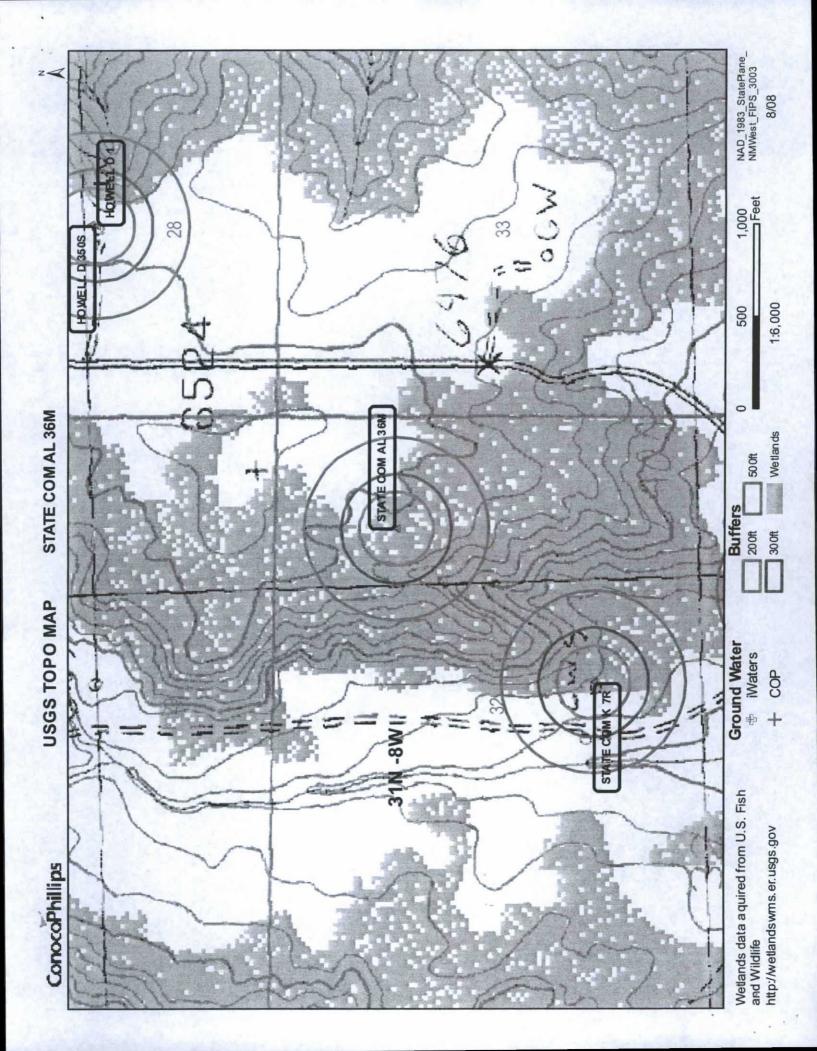
New Mexico, Office of the State Engineer

	Township: 30N	Range: 08W Se	ections:	
NA	D27 X:	Y:	Zone:	Search Radius:
County:	Ba	sin:	v	Number: Suffix:
Owner Name:	(First)	(Last)		⊂ Non-Domestic ⊂ Domestic @ All
000 (1	Surface Data Rep	ort Ava De	pth to Water R	Report Water Column Report

WATER COLUMN REPORT 08/21/2008

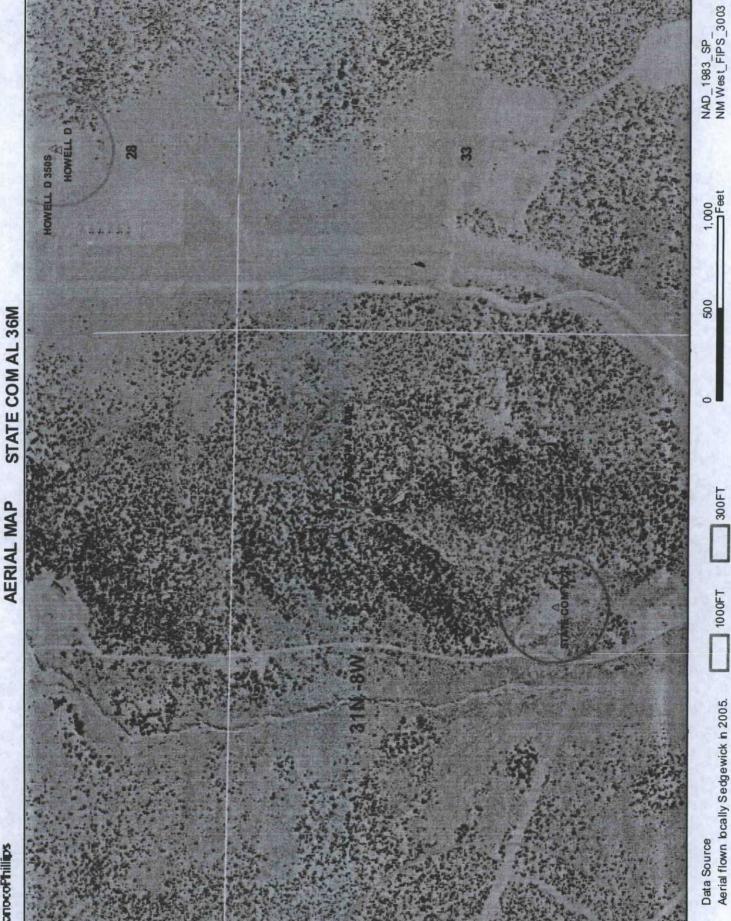
			1000				3=SW 4=s o smalles			Depth	Depth	Water	(in	feet)
POD Number	Tws	Rng	Sec	P	q	P	Zone	x	Y	Well	Water	Column		,
SJ 01022	30N	08W	15	1						19	10	9		
SJ 01858	30N	08W	17							25	10	15		
SJ 00556	30N	08W	17	4	1	4				20	5	15		
SJ 00090	30N	08W	17	4	3	1				23	12	11		
SJ 03603	30N	08W	17	4	3	1				18	10	8		
SJ 01307	30N	08W	17	4	4					29	19	10		
SJ 01209	30N	08W	17	4	4					25	14	11		
SJ 02807	30N	08W	17	4	4	1				28	15	13		
SJ 01516	30N	08W	19	2	2					15	10	5		
SJ 01742	30N	08W	20	1	3					17	11	6		
SJ 01097	30N	08W	20	2						40	27	13		
SJ 01558	30N	08W	20	2	1					20	8	12		
SJ 01024	30N	08W	20	2	1					115				
SJ 03694 POD1	30N	08W	27	2	2	3				120	40	80		
SJ 03155	30N	08W	27	2	2	4				150	80	70		
SJ 03694	30N	08W	27	2	4	2				120	40	80		
SJ 00008	30N	08W	27	3						535				
SJ 03467	30N	08W	30	1	2	2				40	16	24		
SJ 03699 POD1	30N	08W	30	1	4	1				21	10	11		
SJ 03699	30N	08W	30	1	4	2					21			

Record Count: 20





AERIAL MAP

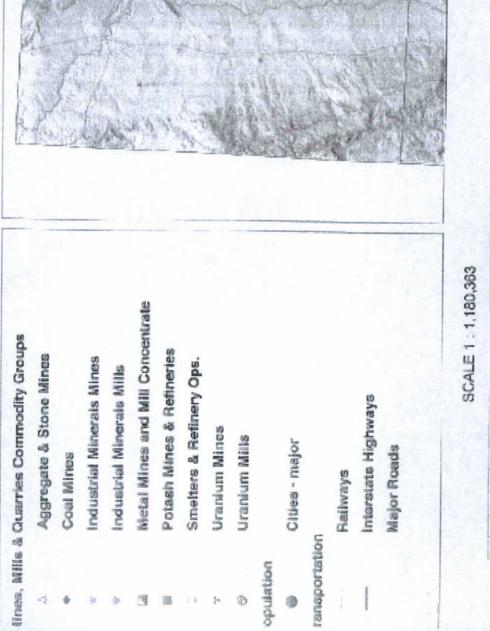


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Mines, Mills and Quarries Web Map

Unit Letter: A, Section: 32, Town: 031N, Range: 008W



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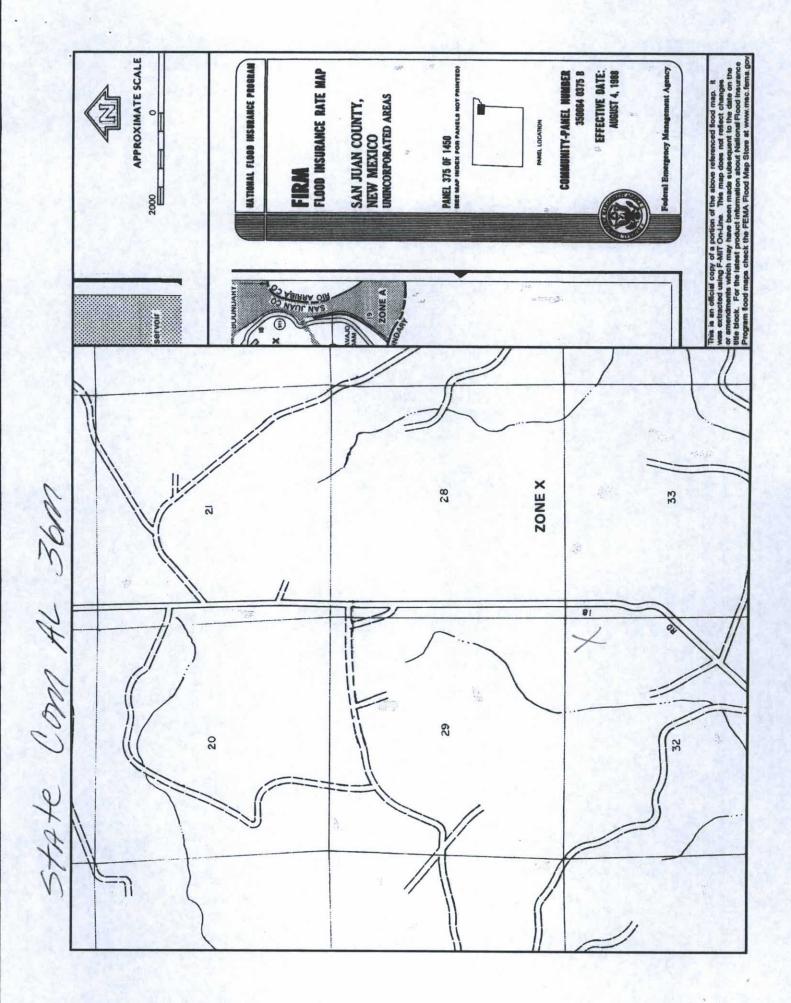
8

MILES

9

3

ACK/200



STATE COM AL 36M

Site Specific Hydrogeology

A visual site inspection confirming the information contained herein was performed on the well 'STATE COM AL 36M', which is located at 36.85978 degrees North latitude and 107.69119 degrees West longitude. This location is located on the Archuleta 7.5' USGS topographic quadrangle. This location is in section 32 of Township 31 North Range 8 West of the Public Land Survey System (New Mexico Principal Meridian). This location is located in San Juan County, New Mexico. The nearest town is Turley, located 9.1 miles to the southwest. The nearest large town (population greater than 10,000) is Farmington, located 29.8 miles to the west (National Atlas). The nearest highway is State Highway 511, located 3.2 miles to the northeast. The location is on State land and is 386 feet from the edge of the parcel as notated in the BLM land status layer updated January 2008. This location is in the Upper San Juan. Colorado. New Mexico, Sub-basin. This location is located 1991 meters or 6530 feet above sea level and receives 13.5 inches of rain each year. The vegetation at this location is classified as Colorado Plateau Pinion-Juniper Woodland as per the Southwest Regional Gap Analysis Program.

The estimated depth to ground water at this point is 481 feet. This estimation is based on the data published on the New Mexico Engineer's iWaters Database website and water depth data from ConocoPhillips' Cathodic wells. Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. The nearest stream is 1,477 feet to the west and is classified by the USGS as an intermittent stream. The nearest perrenial stream is 2,442 feet to the southwest. The nearest water body is 2,366 feet to the southwest. It is classified by the USGS as an intermittent lake and is 0.4 acres in size. The nearest spring is 8,924 feet to the northwest. All stream, river, water body and spring information was determined as per the USGS Hydrographic Dataset (High Resolution), downloaded 3/2008. The nearest water well is 5,655 feet to the southwest. The nearest wetland is a 0.6 acre other located 2,341 feet to the southwest. The slope at this location is 5 degrees to the southwest as calculated from USGS 30M National Elevation Dataset. This information is also discerned from the aerial and topographic map included. The surface geology at this location is SAN JOSE FORMATION--Siltstone, shale, and sandstone with a Sandstone dominated formations of all ages substrate. The soil at this location is 'Travessilla-Weska-Rock outcrop complex, moderately steep' and is well drained and not hydric with severe erosion potential as taken from the NRCS SSURGO map unit, downloaded January 2008. The nearest underground mine is 13.3 miles to the northwest as indicated on the Mines, Mills and Quarries Map of New Mexico provided.

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.

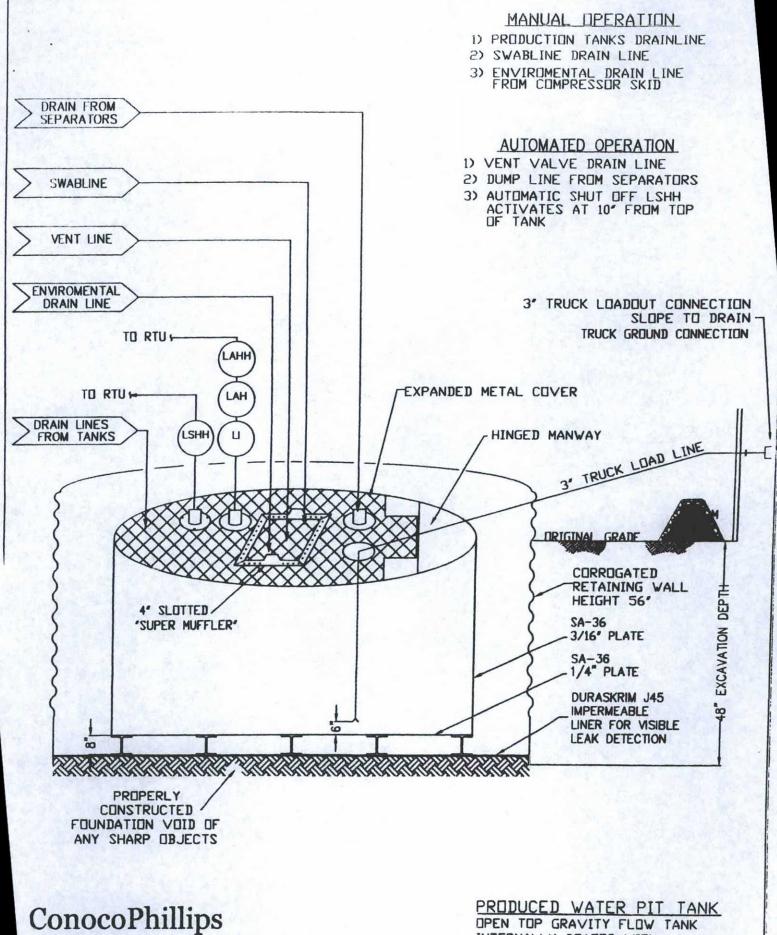
ConocoPhillips Company San Juan Basin Below Grade Tank Design and Construction

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.
- COPC signage will comply with 19.15.3.103 NMAC when COPC is the operator. If COPC is not the operator it will comply with 19.15.17.11NMAC. COPC includes Emergency Contact information on all signage.
- 3. COPC has approval to use alternative fencing that provides better protection. COPC constructs 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 ensures that all gates associated with the fence are closed and locked when responsible personnel are not onsite.
- COPC will construct a screened, expanded metal covering, on the top of the BGT.
- 5. 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 as shown on design drawing and specification sheet.
- 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 as shown on design drawing.
- 7. COPC shall operate and install the below-grade tank to prevent the collection of surface water run-on. COPC has built in shut off devices that do not allow a below-grade tank to overflow. COPC constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the below grade tank as shown on the design plan.
- 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 J45BB. This product is a four layer reinforced laminated containing no adhesives. The outer layers consist of a high strength polyethylene film manufactured using virgin grade resins and stabilizers for UV resistance in exposed applications. The J45BB is reinforced with 1300 denier (minimum) tri-directional scrim reinforcement. It exceeds ASTMD3083 standard by 10%. J45BB has a warranty for 20 years from Raven Industries and is attached. It is typically used in Brine Pond, Oilfield Pit liner and other industrial applications. The manufacture specific sheet is attached and the design attached displays the proper installation of the liner.
- 11. The general specification for design and construction are attached in the COPC document.



San Juan Business Unit

OPEN TOP GRAVITY FLOW TANK INTERNALLY COATED WITH 12-14 MILS AMERON AMERCOAT 385

862 13088 TEST METHOD PROPERTIES J3688 J4588 Min. Roll Min. Roll Typical Roll **Typical Roll** Min. Roll Typical Roll Averages Averages Averages Averages Averages Averages Black/Black Black/Black Appearance Black/Black **ASTM D 5199** 27 mil 30 mil 32 mil Thickness 36 mil 40 mil 45 mil Weight Lbs Per MSF 126 lbs 140 lbs 151 lbs 168 lbs 189 lbs 210 lbs ASTM D 5261

(oz/yd²)	ASTN 0 5201	(18.14)	(20.16)	(21.74)	(24.19)	(27.21)	(30.24)
Construction		**Ext	rusion laminated	with encapsula	ated tri-direction	al scrim reinfor	cement
Ply Adhesion	ASTM D 413	16 lbs	20 lbs	19 lbs	24 lbs	25 lbs	31 lbs
1* Tensile Strength	ASTM D 7003	88 lbf MD 63 lbf DD	110 lbf MD 79 lbf DD	90 lbf MD 70 lbf DD	113 lbf MD 87 lbf DD	110 lbf MD 84 lbf DD	138 lbf MD 105 lbf DD
1" Tensile Elongation @ Break % (Film Break)	ASTM D 7003	550 MD 550 DD	750 MD 750 DD	550 MD 550 DD	750 MD 750 DD	550 MD 550 DD	750 MD 750 DD
1" Tensile Elongation @: Peak % (Scrim Break)	ASTM D 7003	20 MD 20 DD	33 MD 33 DD	20 MD 20 DD	30 MD 31DD	20 MD 20 DD	36 MD 36 DD
Tongue Tear Strength	ASTM D 5884	75 lbf MD 75 lbf DD	97 lbf MD 90 lbf DD	75 lbf MD 75 lbf DD	104 lbf MD 92 lbf DD	100 lbf MD 100 lbf DD	117 lbf MD 118 lbf DD
Grab Tensile	ASTM D 7004	180 lbf MD 180 lbf DD	218 lbf MD 210 lbf DD	180 lbf MD 180 lbf DD	222 lbf MD 223 lbf DD	220 lbf MD 220 lbf DD	257 lbf MD 258 lbf DD
Trapezoid Tear	ASTM D 4533	120 lbf MD 120 lbf DD	146 lbf MD 141 lbf DD	130 lbf MD 130 lbf DD	189 lbf MD 172 lbf DD	160 lbf MD 160 lbf DD	193 lbf MD 191 lbf DD
* Dimensional Stability	ASTM D 1204	<1	<0.5	<1	<0.5	<1	<0.5
Puncture Resistance	ASTM D 4833	50 lbf	64 lbf	65 lbf	83 lbf	80 lbf	99 lbf
Maximum Use Temperature	1. 30 - 4 -	180° F					
Minimum Use Temperature		-70° F					

MD = Machine Direction

DD = Diagonal Directions



Note: Minimum Roll Averages are set to take into account product variability in addition to testing variability between laboratories.

*Dimensional Stability Maximum Value

**DURA-SKRIM J30BB, J36BB & J45BB are a four layer reinforced laminate containing no adhesives. The outer layers consist of a high strength polyethylene film manufactured using virgin grade resins and stabilizers for UV resistance in exposed applications. DURA-SKRIM J30BB, J36BB & J45BB are reinforced with a 1300 denier (minimum) tri-directional scrim reinforcement.

Note: RAVEN INDUSTRIES MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANT/ABILITY OF PRODUCTS REFERRED TO, no guarantee of satisfactory results from reliance upon contained information or recommendations and usclaims all hability for resulting loss or damage.



PLANT LOCATION

Sioux Falls, South Dakota

SALES OFFICE

P.O. Box 5107 Sioux Falls, SD 57117-5107 (605) 335-0174 (605) 331-0333 FAX **300-635-3456**

RAVEN INDUSTRIES INC. EXPOSED GEOMEMBRANE LIMITED WARRANTY

Raven Industries Inc. warrants Dura-Skrim J30BB, J36BB, and J45BB to be free from manufacturing defects and to be able to withstand normal exposure to sunlight for a period of 20 years from the date of sale for normal use in approved applications in the U.S and Canada, excluding Hawaii. This warranty is effective for products sold and shipped from January 1, 2008 to December 31, 2008. These dates will be updated prior to December 31, 2008.

This Limited Warranty does not include damages or defects in the Raven geomembrane resulting from acts of God, casualty or catastrophe including but not limited to: earthquakes, floods, piercing hail, or tornadoes. The term "normal use" as used herein does not include, among other things improper handling during transportation, unloading, storage or installation, the exposure of Raven geomembranes to harmful chemicals, atypical atmospheric conditions, abuse of Raven geomembranes by machinery, equipment or people; improper site preparation or covering materials, excessive pressures or stresses from any source or improper application or installation. Raven geomembrane material warranty is intended for commercial use only and is not in effect for the consumer as defined in the Magnuson Moss Warranty or any similar federal, state, or local statues. The parties expressly agree that the sale hereunder is for commercial or industrial use only.

Should defects or premature loss of use within the scope of the above Limited Warranty occur, Raven Industries Inc. will, at its option, repair or replace the Raven geomembrane on a pro-rata basis at the then current price in such manner as to charge the Purchaser/User only for that portion of the warranted life which has elapsed since purchase of the material. Raven Industries Inc. will have the right to inspect and determine the cause of any alleged defect in the Raven geomembrane and to take appropriate steps to repair or replace the Raven geomembrane if a defect exists which is covered under this warranty. This Limited Warranty extends only to Raven's geomembrane, and does not extend to the installation service of third parties nor does it extend to materials furnished or installed by others in connection with the intended use of the Raven geomembranes.

Any claim for any alleged breach of this warranty must be made in writing, by certified mail, to the General Manager of Engineered Films Division of Raven Industries Inc. within ten (10) days of becoming aware of the alleged defect. Should the required notice not be given, the defect and all warranties are waived by the Purchaser, and Purchaser shall not have any rights under this warranty. Raven Industries Inc. shall not be obligated to perform repairs or replacements under this warranty unless and until the area to be repaired or replaced is clean, dry, and unencumbered. This includes, but is not limited to, the area made available for repair and/or replacement of Raven geomembrane to be free from all water, dirt, sludge, residuals and liquids of any kind. If after inspection it is determined that there is no claim under this Limited Warranty, Purchaser shall reimburse Raven Industries Inc. for its costs associated with the site inspection.

In the event the exclusive remedy provided herein fails in its essential purpose, and in that event only, the Purchaser shall be entitled to a return of the purchase price for so much of the material as Raven Industries Inc. determines to have violated the warranty provided herein. Raven Industries Inc. shall not be liable for direct, indirect, special, consequential or incidental damages resulting from a breach of this warranty including, but not limited to, damages for loss of production, lost profits, personal injury or property damage. Raven Industries Inc. shall not be obligated to reimburse Purchaser for any repairs, replacement, modifications or alterations made by Purchaser unless Raven Industries Inc. specifically authorized, in writing, said repairs, replacements, modifications or alteration in advance of them having been made. Raven Industry's liability under this warranty shall in no event exceed the replacement cost of the material sold to the Purchaser for the particular installation in which it failed.

Raven Industries Inc. neither assumes nor authorizes any person other than the undersigned of Raven Industries Inc. to assume for it any other or additional liability in connection with the Raven geomembrane made on the basis of the Limited Warranty. The Limited Warranty on the Raven geomembrane herein is given in lieu of all other possible material warranties, either expressed or implied, and by accepting delivery of the material; Purchaser waives all other possible warranties, except those specifically given. This Limited Warranty may only be modified by written document mutually executed by Owner and Raven Industries Inc.

Limited Warranty is extended to the purchaser/owner and is non-transferable and non-assignable; i.e., there are no third-party beneficiaries to this warranty.

Purchaser acknowledges by acceptance that the Limited Warranty given herein is accepted in preference to any and other possible materials warranties.

THIS LIMITED WARRANTY SHALL BE GOVERNED BY SOUTH DAKOTA LAW AND VENUE FOR ALL LEGAL PROCEEDINGS IN CONNECTION WITH THIS LIMITED WARRANTY SHALL BE IN MINNEHAHA COUNTY, SOUTH DAKOTA. RAVEN INDUSTRIES INC. MAKES NO WARRANTY OF ANY KIND OTHER THAN THAT GIVEN ABOVE AND HEREBY DISCLAIMS ALL WARRANTIES, BOTH EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS IS THE ONLY WARRANTY THAT APPLIES TO THE MATERIALS REFERRED TO HEREIN AND RAVEN INDUSTRIES INC. DISCLAIMS ANY LIABILITY FOR ANY WARRANTIES GIVEN BY ANY OTHER PERSON OR ENTITY, EITHER WRITTEN OR ORAL.

RAVEN INDUSTRIES' WARRANTY BECOMES AN OBLIGATION OF RAVEN INDUSTRIES INC. TO PERFORM UNDER THE WARRANTY ONLY UPON RECEIPT OF FINAL PAYMENT AND EXECUTION BY A DULY AUTHORIZED OFFICER OF RAVEN INDUSTRIES INC.

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:

- 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. COPC will accomplish this by performing an inspection on a monthly basis, installing cathodic protection, and automatic overflow shutoff devices as seen on the design plan.
- 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 has built in shut off devices that do not allow a below-grade tank to overflow. COPC constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the below grade tank as shown on the design plan.
- 4. As per 19.17.15.12 Subsection D, Paragraph 3, COPC will inspect the below-grade tank at least monthly reviewing several items which include 1) containment berms adequate and no oil present, 2) tanks had no visible leaks or sign of corrosion, 3) tank valves, flanges, and hatches had no visible leaks and 4) no evidence of significant spillage of produced liquids. In addition, COPC's multi-skilled operators (MSOs) are required to visit each well location once per week. If detected on either inspection, COPC shall 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. The written record of the monthly inspections will include the items listed above and will be maintained for five years.
- COPC shall require and maintain a 10" adequate freeboard to prevent overtopping of the below-grade tank.
- 6. If the below grade tank develops a leak, or if any penetration of the pit liner or below grade tank, occurs below the liquid's surface, then COPC shall remove all liquid above the damage or leak line within 48 hours. COPC shall notify the appropriate district office. COPC shall repair or replace the pit liner or below grade tank, within 48 hours of discovery. If the below grade tank or pit liner does not demonstrate integrity, COPC shall promptly remove and install a below grade tank or pit liner that complies with Subsection I of 19.15.17.11 NMAC. COPC shall notify the appropriate district office of a discovery of leaks less than 25 barrels 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:

- 1. COPC shall close a below-grade tank within the time periods provided in Subsection A of 19.15.17.13 NMAC. This will include a) below-grade tanks that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC within five years, if NMAC; b) permitted below-grade tanks within 60 days of cessation of the below-grade tank's operation., or c) an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. For any closure, COPC will file the C144 Closure Report as required.
- 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 after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.
- 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.
- If there is any on-site equipment associated with a below-grade tank, then COPC shall remove the equipment, unless the equipment is required for some other purpose.
- 5. 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.

- 6. 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.
- 7. 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.
- 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.
- 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.
- 10. 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.
- 11. 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 stipulated seed mixes will used on federally jurisdicted lands and division-approved seed mixtures (administratively approved if required) will be utilized on all State or private 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. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. COPC will repeat seeding or planting will be continued until successful vegetative growth occurs.
- 12. 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.
- 13. 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 belowgrade 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

OCD Aztec District III Conoco Phillips/Burlington Checklist Below Grade Tank Registration

19.15.17.9 Permit application

Signed C-144 (Page 5 of C-144)

Site Specific Hydrogeology

19.15.17.10 Siting requirements

- New Mexico Office of State Engineer attachment
- USGS TOPO map
- Aerial Map
- Mines, Mills and Quarries Web Map
- FIRM map (flood insurance rate map from Federal Emergency Management Agency)

19.15.17.11 Design Plan Contents

Below Grade Tank Design and Construction Plan.

19.15.17.12 Operating and Maintenance Plan

Below Grade Tank Operating and Maintenance Plan

19.15.17.13 Closure Plan

Below Grade Tank Closure Plan

Requirements:

Registration Date: 2/15/2016