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

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

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office.

Form C-144

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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 |
| lease submit one a | unnlication (Form C-144) ner individual nit-closed-loop system, below-grade tank or alternative rea |

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

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the

| chandratem. Not does approval reneve the operator of its responsibility to comply with any other approcable governmental authority's rules, regulations or ordinances. | | | | | | |
|--|--|--|--|--|--|--|
| Operator: Burlington Resources Oil & Gas Company, LP OGRID#: 14538 | | | | | | |
| Address: PO Box 4289, Farmington, NM 87499 RCUD AUG 20:08 | | | | | | |
| Facility or well name: Allison Unit 141 DIST. 3 | | | | | | |
| API Number: 30-045-29171 OCD Permit Number: | | | | | | |
| U/L or Qtr/Qtr: P (SESE) Section: 24 Township: 32N Range: 7W County: San Juan | | | | | | |
| Center of Proposed Design: Latitude: 36.961200' N Longitude: 107.511080 W NAD: X 1927 1983 | | | | | | |
| Surface Owner: Federal State X Private Tribal Trust or Indian Allotment | | | | | | |
| Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions L x W x D | | | | | | |
| X Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: X P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad X Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVD Other Liner Seams: Welded Factory Other | | | | | | |
| Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material: Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner Type: Thickness mil HDPE PVC Other | | | | | | |
| 5 Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. | | | | | | |

| 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. | | | | | |
| 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 - iWATERS 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) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | NA | | | | |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applied to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | Yes No | | | | |
| 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 Written confirmation or verification from the municipality; Written approval obtained from the municipality | Yes No | | | | |
| Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 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 Society; Topographic map Within a 100-year floodplain FEMA map | Yes No | | | | |

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| Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment ChecklistSubsection B of 19.15.17.9 NMAC | | | | |
|--|--|--|--|--|
| Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. | | | | |
| Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC | | | | |
| Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 | | | | |
| 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 | | | | |
| 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 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 | | | | |
| 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: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank X Closed-loop System | | | | |
| Alternative | | | | |
| 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 Removal Closure Plan Checklist (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. | | | | |
| Please indicate, by a check mark in the box, that the documents are attached. | | | | |
| Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC | | | | |
| Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC | | | | |
| Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) | | | | |
| Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC | | | | |
| Re-vegetation Plan - based upon the appropriate requirements of Subsection 1 of 19.15 17.13 NMAC | | | | |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | | |

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| 16 Waste Removal Closure For Closed-loop Systems That Utilize Above (| | | | | | |
|--|--|---------------------------------------|--|--|--|--|
| Instructions Please identify the facility or facilities for the disposal of liquidicities are required. | ids, drilling fluids and drill cuttings Use attachment if more than two | | | | | |
| Disposal Facility Name: Envirotech | Disposal Facility Permit #: NM-01-0011 | | | | | |
| Disposal Facility Name: Basin Disposal Facility | Disposal Facility Permit #: NM-01-005 | | | | | |
| Will any of the proposed closed-loop system operations and associ Yes (If yes, please provide the information No | ated activities occur on or in areas that will nbe 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 H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC | | | | | | |
| 17 Siting Criteria (Regarding on-site closure methods only: 19.15.1 Instructions Each siting criteria requires a demonstration of compliance in the clos certain siting criteria may require administrative approval from the appropriate distinguished for consideration of approval. Justifications and/or demonstrations of equivalents. | ure plan Recommendations of acceptable source material are provided below trict office 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 w - NM Office of the State Engineer - iWATERS database search, USG | | Yes No | | | | |
| Ground water is between 50 and 100 feet below the bottom of the | huried waste | □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ | | | | |
| NM Office of the State Engineer - iWATERS database search, USG: | | N/A | | | | |
| Ground water is more than 100 feet below the bottom of the buried | i waste | Yes No | | | | |
| - NM Office of the State Engineer - iWATERS database search, USG | | N/A | | | | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any (measured from the ordinary high-water mark) | Yes No | | | | | |
| - Topographic map; Visual inspection (certification) of the proposed s | ite | | | | | |
| Within 300 feet from a permanent residence, school, hospital, institution, c - Visual inspection (certification) of the proposed site; Aerial photo, sa | • | Yes No | | | | |
| | | Yes No | | | | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existence at the time of the initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | | | | | | |
| Within incorporated municipal boundaries or within a defined municipal fre pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written a | Yes No | | | | | |
| Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map; Topographic map | . , | Yes No | | | | |
| Within the area overlying a subsurface mine. | , | Yes No | | | | |
| - Written confiramtion or verification or map from the NM EMNRD-N | Aining and Mineral Division | | | | | |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of G | eology & 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) Instructi by a check mark in the box, that the documents are attached. | ons: Each of the following items must bee attached to the clo | osure plan. Please indicate, | | | | |
| Siting Criteria Compliance Demonstrations - based upon th | e 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 19.15.17.13 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 I of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC | | | | | | |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | | | | |

Form C-144 Oil Conservation Division

| 19 | | | | | | |
|---|---|-------------------------------|--|--|--|--|
| Operator Application Certific I hereby certify that the information | cation: n submitted with this application is true, accu | rate and complete to the best | t of my knowledge and belief. | | | |
| Name (Print): | Rhonda Rogers | Title: | Regulatory Technician | | | |
| Signature: Ron | 64 Beelin | Date: | 8/18/2008 | | | |
| e-mail address: | rogerrs@conocophilles com | Telephone: | 505-599-4018 | | | |
| | | | | | | |
| \ <u></u> | Application (including closure plan) | Closure Plan (only) | OCD Conditions (see attachment) | | | |
| OCD Representative Signatur | re: Did 6-et | | Approval Date: 8-26-08 | | | |
| Title: Faviro | Ispec | OCD Permi | it 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 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: | | | | | | |
| 22 | | | | | | |
| Closure Method: Waste Excavation and Ren If different from approved | | Alternative Closure M | Method Waste Removal (Closed-loop systems only) | | | |
| | | | | | | |
| Instructions: Please identify the fo | e Removal Closure For Closed-loop System acility or facilities for where the liquids, dril | | and Steel Tanks or Haul-off Bins Only: were disposed. Use attachment if more than two facilities | | | |
| were utilized. Disposal Facility Name: | | Disposal Facility I | Permit Number: | | | |
| Disposal Facility Name: | | _ Disposal Facility I | | | | |
| Were the closed-loop system of | perations and associated activities performed | on or in areas that will not | be used for future service and opeartions? | | | |
| Yes (If yes, please demons | trate complilane to the items below) | No | | | | |
| l | hich will not be used for future service and o | perations: | | | | |
| Site Reclamation (Photo D Soil Backfilling and Cover | | | | | | |
| 1 = | Rates and Seeding Technique | | | | | |
| 24 | | | | | | |
| Closure Report Attachmen | | llowing items must be attack | ned to the closure report. Please indicate, by a check mark in | | | |
| the box, that the documents ar | e attached. (surface owner and division) | | | | | |
| | equired for on-site closure) | | | | | |
| | osures and temporary pits) | | | | | |
| Confirmation Sampling | Analytical Results (if applicable) | | | | | |
| Waste Material Samplin | ng Analytical Results (if applicable) | | | | | |
| Disposal Facility Name | and Permit Number | | | | | |
| Soil Backfilling and Co | | | | | | |
| _ ` `` | on Rates and Seeding Technique | | | | | |
| Site Reclamation (Photo | , | Logaritus | NAD [] 1027 [] 1022 | | | |
| On-site Closure Locatio | n: Latitude: | Longitude: | NAD | | | |
| 25 | | | | | | |
| 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 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: | | | | |

Burlington Resources Oil & Gas Company, LP Closed-loop Plans

Closed-loop Design Plan

BR'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

BR'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). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) 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
- 4. All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.

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) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005). 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.