

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

State of New Mexico  
Energy Minerals and Natural Resources

Form C-144  
July 21, 2008

District II  
1301 W Grand Ave., Artesia, NM 88210

Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

District IV  
1220 S St Francis Dr., Santa Fe, NM 87505

4770

Pit, Closed-Loop System, Below-Grade Tank, or  
Proposed Alternative Method Permit or Closure Plan Application

- Type of action:
- Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
  - Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
  - Modification to an existing permit
  - Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

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

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

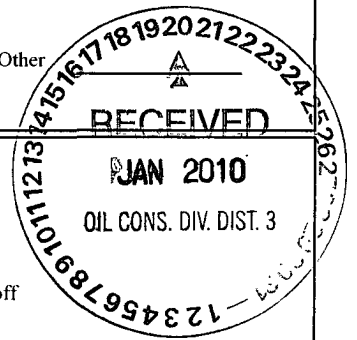
1  
Operator: ConocoPhillips Company OGRID#: 217817  
Address: PO Box 4289, Farmington, NM 87499  
Facility or well name: AXI Apache O 12  
API Number: 30-039-21431 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr: L(NW/SW) Section: 4 Township: 25N Range: 4W County: Rio Arriba  
Center of Proposed Design: Latitude: 36.425571 °N Longitude: 107.26267 °W NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2  
 **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 \_\_\_\_\_

3  
 **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Type of Operation:  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  Above Ground Steel Tanks  Haul-off Bins  Other \_\_\_\_\_  
 Lined  Unlined Liner type: Thickness \_\_\_\_\_ mil  LLDPE  HDPE  PVD  Other \_\_\_\_\_  
Liner Seams:  Welded  Factory  Other \_\_\_\_\_

4  
 **Below-grade tank:** Subsection I of 19.15.17.11 NMAC  
Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_  
Tank Construction material: \_\_\_\_\_  
 Secondary containment with leak detection  Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off  
 Visible sidewalls and liner  Visible sidewalls only  Other \_\_\_\_\_  
Liner Type: 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.



6 **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 \_\_\_\_\_

7 **Netting:** Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

Screen  Netting  Other \_\_\_\_\_

Monthly inspections (*If netting or screening is not physically feasible*)

8 **Signs:** Subsection C of 19.15.17.11 NMAC

12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19.15.3.103 NMAC

9 **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. (Fencing/BGT Liner)

Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10 **Siting Criteria (regarding permitting) 19.15.17.10 NMAC**  
*Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.*

**Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.**  Yes  No  
 - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

**Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).**  Yes  No  
 - Topographic map; Visual inspection (certification) of the proposed site

**Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.**  Yes  No  
*(Applies to temporary, emergency, or cavitation pits and below-grade tanks)*  
 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

**Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.**  Yes  No  
*(Applied to permanent pits)*  
 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

**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 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.**  Yes  No  
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

**Within the area overlying a subsurface mine.**  Yes  No  
 - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division

**Within an unstable area.**  Yes  No  
 - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

**Within a 100-year floodplain**  Yes  No  
 - FEMA map

11  
**Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist** Subsection B of 19.15.17.9 NMAC  
*Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached*

- Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9
- 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
- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Previously Approved Design (attach copy of design)      API \_\_\_\_\_

Previously Approved Operating and Maintenance Plan      API \_\_\_\_\_

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:  Drilling  Workover  Emergency  Cavitation  P&A  Permanent Pit  Below-grade Tank  Closed-loop System  
 Alternative

Proposed Closure Method:  Waste Excavation and Removal  
 Waste Removal (Closed-loop systems only)  
 On-site Closure Method (only for temporary pits and closed-loop systems)  
 In-place Burial  On-site Trench  
 Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15  
**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 I of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**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-01-0010B

Disposal Facility Name: Basin Disposal Facility Disposal Facility Permit #: NM-01-005

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  Yes (If yes, please provide the information)  No

*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

**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 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. 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS. Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site, Aerial photo; satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> 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 feet 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

**On-Site 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.*

- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 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 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

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): Jamie Goodwin Title: Regulatory Technician  
Signature: Jamie Goodwin Date: 11/8/10  
e-mail address: Jamie.L.Goodwin@conocophillips.com Telephone: 505-326-9784

20

**OCD Approval:**  Permit Application (including closure plan)  Closure Plan (only)  OCD Conditions (see attachment)

OCD Representative Signature: [Signature] Approval Date: 3/9/10  
Title: Enviro / Spec OCD Permit Number: \_\_\_\_\_

21

**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15 17 13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting 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 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 Tanks 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 compliance to the items below)
- No

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 true, 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: \_\_\_\_\_

## **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). 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.