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

State of New Mexico Energy Minerals and Natural Resources

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

 $\label{eq:July 21, 2008} July~21,~2008$  For temporary pits, closed-loop sytems, and below-grade

Form C-144

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

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

1220 S St Francis Dr , Santa Fe, NM 87505		арргоргіа	te NMOCD District Office
5911a	Pit, Closed-Loop System.		
Prop	osed Alternative Method P	ermit or Closure Pla	in Application
Type of action:	X Permit of a pit, closed-loop system Closure of a pit, closed-loop system.		
	Modification to an existing pern		
			n-permitted pit, closed-loop system,
	below-grade tank, or proposed a		
Instructions: Please submit one a	pplication (Form C-144) per individ	ual pit, closed-loop system,	below-grade tank or alternative request
• • • • • • • • • • • • • • • • • • • •	of this request does not relieve the operator of habiteve the operator of its responsibility to comply w	• •	
Operator: Burlington Resources O	il & Gas Company, LP	OGRID#	#: <u>14538</u>
Address: PO Box 4289, Farmingto	on, NM 87499		
Facility or well name: Huerfano U	nit 557		
API Number: 3	0-045-34681	OCD Permit Number.	
U/L or Qtr/Qtr: O(SW/SE) Section	on: 35 Township: 26N	Range: 9W	County: San Juan
Center of Proposed Design: Latitude	e: 36.439702 °N	Longitude: <b>107.754</b>	992 °W NAD: 1927 X 1983
Surface Owner: x Federal	State Private Tr	ibal Trust or Indian Allotme	nt
Permanent Emergency Continued Lined Unlined Lined String-Reinforced	cavitation P&A  Iner type Thickness mil  actory Other	ULLDPE HDPE Volume bbl D	PVC Other imensions L x W x D
3 X Closed-loop System: Subsect Type of Operation. X P&A	ion H of 19 15.17 11 NMAC Drilling a new well Workover or notice of inte	- 1 - 1	which require prior approval of a permit or
Lined Unlined Line	nd Steel Tanks Haul-off Bins or type Thickness mil actory Other	OtherHDPE	PVD Other 34567897072
4 Below-grade tank: Subsection	I of 19 15 17 11 NMAC		OE APR 2010
	bl Type of fluid		65 APR 2010
Tank Construction material		<u> </u>	- \\frac{\infty}{c_2} OIL CONS. DIV. DIST. 3
Secondary containment with leak de	tection Visible sidewalls, liner	, 6-inch lift and automatic over	flow shut-off
Visible sidewalls and liner	Visible sidewalls only Oth	ner	3622237606
Liner Type: Thickness	mil HDPE PVC	Other	flow shut-off
5 Alternative Method: Submittal of an exception request is req	uired. Exceptions must be submitted to the	ne Santa Fe Environmental Bure	
<del></del>			

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 consi  (Fencing/BGT Liner)  Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	ideration of ap	proval			
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 ☐NA	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	Yes	□No			
Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division		□No			
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS, NM Geological Society; Topographic map</li> </ul>	Yes	No			
Within a 100-year floodplain - FEMA map	Yes	No			

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15 17 9 NMAC				
Instructions: 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				
X Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9				
NMAC and 19.15.17 13 NMAC				
Previously Approved Design (attach copy of design)  API				
Previously Approved Operating and Maintenance Plan API				
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 X 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 I of 19.15 17.13 NMAC				
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

	d-loop Systems That Utilize Above Ground Ste tity or facilities for the disposal of liquids, drilling						
facilities are required	ny or jacinnes for the disposal of riquids, arithms	g pulas and arm cullings Ose	unachment ij more man iwo				
Disposal Facility Name Envi	rotech / JFJ Landfarm % IEI	Disposal Facility Permit #.	NM-01-0011 / NM-01-00	010B			
Disposal Facility Name Basii	a 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							
Instructions: Each siting criteria require certain siting criteria may require admi.	ite closure methods only: 19 15.17 10 NMAGes a demonstration of compliance in the closure plan instrative approval from the appropriate district offic stifications and/or demonstrations of equivalency are	Recommendations of acceptable or may be considered an except	tion which must be submitted to				
	below the bottom of the buried waste			Yes	No		
<ul> <li>NM Office of the State Engine</li> </ul>	eer - iWATERS database search, USGS. Data obti	ained from nearby wells		N/A			
Ground water is between 50 and 1	Ground water is between 50 and 100 feet below the bottom of the buried waste				No		
- NM Office of the State Engineer	er - IWATERS database search, USGS; Data obta	uned from nearby wells		N/A			
Ground water is more than 100 fe	eet below the bottom of the burned waste			Yes	□No		
- NM Office of the State Engineer	er - IWATERS database search, USGS, Data obta	ined from nearby wells		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)				Yes	□No		
	ection (certification) of the proposed site			<b>-</b> 7			
=	sidence, school, hospital, institution, or church in e of the proposed site; Aerial photo, satellite image		pplication	Yes	∐No		
- Visual inspection (certification)	of the proposed site, Acriai photo, saterite image			∏Yes	□No		
purposes, or within 1000 horizontal for	e, domestic fresh water well or spring that less that ee of any other fresh water well or spring, in exist or - iWATERS database; Visual inspection (certific	ence at the time of the initial ap	-	ш.			
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 verifica Within 500 feet of a wetland	ation from the municipality, Written approval obta	ined from the municipality		□Yes	□No		
	Identification map, Topographic map, Visual inspe	ection (certification) of the prop	posed site	L res	L		
Within the area overlying a subsui	rface mine			Yes	□No		
- Written confiramtion or verification or map from the NM EMNRD-Mining and Mineral Division			_				
Within an unstable area	stad into the degions NIM Disease of Coolean, 8, M.	I D LISCS: ND4.6	Scalarical Courts	Yes	∐No		
Topographic map	ated into the design; NM Bureau of Geology & Mi	meral Resources, USGS; NM C	Jeological Society,				
Within a 100-year floodplain - FEMA map				Yes	No		
18 On-Site Closure Plan Checklist:	: (19 15 17 13 NMAC) Instructions: Each	of the following items mus	t bee attached to the closu	re plan. Plea	se indicate,		
by a check mark in the box, that					)		
	Demonstrations - based upon the appropriate	•					
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 Burial Trench (if applicable) based upon the appropriate requirements of 19 15 17 11 NMAC  Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19 15 17 11 NMAC						
Protocols and Procedures - based upon the appropriate requirements of 19 15 17 11 NMAC							
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)							
=	upon the appropriate requirements of Subsec						
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							

Operator Application Certification:  Thereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief
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
111=1:7
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: Self Self Approval Date: 5/11/10
OCD Representative Signature: Self Self OCD Permit Number: OCD Permit Number:
Title: OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.  Closure Completion Date:
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
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 compliane to the items below)
Required for impacted areas which will not be used for future service and operations  Site Reclamation (Photo Documentation)
Soil Backfilling and Cover Installation
Re-vegetation Application Rates and Seeding Technique
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
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

Form C-144 Oil Conservation Division

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

## Closed-loop Closure Plan

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