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

District IV

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	e Plan Application
Type of action: X Permit of a pit, closed-loop system, below-grade ta	
Closure of a pit, closed-loop system, below-grade to	ank, or proposed alternative method
Modification to an existing permit	, a proper distinguished
Closure plan only submitted for an existing permitt 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 res environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable go	to the state of th
Operator: ConocoPhillips Company	OGRID#: 217817
Address: PO Box 4289, Farmington, NM 87499	227027
Facility or well name: MICHENER LS 3M	
API Number: 3004530885 OCD Permit Number:	
U/L or Qtr/Qtr: M Section: 10 Township: 28N Range: 9V Center of Proposed Design: Latitude: 36.66952778°N Longitude: -1 Surface Owner: X Federal State Private Tribal Trust or Indian A	107.78044722°W NAD: X 1927 1983
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 HD String-Reinforced Liner Seams: Welded Factory Other Volume: bl	PE PVC Other
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 action notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE Liner Seams: Welded Factory Other	vities which require prior approval of a permit or E PVD Other
X Below-grade tank: Subsection I of 19.15.17.11 NMAC	
Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environment	tal Bureau office for consideration of approval.
	1

12/22/2008



1 6	
Fencing: Subsection D of 19.15.17.11 NMAC ies 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 Four foot height, four strands of barbed wire evenly spaced between one and four feet	il, institution or church)
X Alternate. Please specify 4' hog wire fencing topped with two strands barbed wire.	
g copped with two straints partied wire,	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) X Screen	and the second second second
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:	
X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for (Fencing/BGT Liner)	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 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 require Plantage Plan	
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 temperary pit permanents it permanents.	Tyes VNo
 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). 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.	Yes XNo
(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 XNA
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 X No
 Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	Yes X No
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; Topographic map	Yes X No
Within a 100-year floodplain - FEMA map	Yes XNo

Townson, Die E	
Temporary Pits, Emergency Pits and row-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. X Hydrogeologic Report (Polony grade Tanks Permit Application. Please indicate, by a check mark in the box, that the documents are attached.	
13 di ogeologie report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Culturation B. 610 to 15 annual	
Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC [X] Sitting Criteria Compliance Descriptions of Paragraph (2) of Subsection B of 19.15.17.9	
X Siting Criteria Compliance Demonstrations - 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	
A Closure Plan (Please complete Boxes 14 through 18 if applicable) - based upon the companion	
The state of the s	
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	
to on site closure) - based upon the requirements of Paragraph (3) of Subsection P of to 15 17 o	
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 Royer 14 through 19: 5 17: 11 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 description of the following items must be attached to the application.	
The state of the s	
Straig Criteria Compliance Demonstrations - based upon the appropriate requirements of 10 15 17 10 NNA C	
Chimatological Lactors Assessment	
Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC	
Dike Proceding and Structural integrity Design: based upon the appropriate requirements of 10 16 17 11 NA 6 2	
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	
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 NIMAG	
Treesoard and Overtopping Prevention Plan - based upon the appropriate requirements of 10 15 17 11 11 12 13	- 1
Translated of Frazilitating Fizs, Prevention Plan	1
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	- 1
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 X Below-grade Tank Closed loop Synthesis	
	1
Proposed Closure Method: X Waste Excavation and Removal (Below-Grade Tank)	
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 Clause Disc Clause Disc Clause	=
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	1.
X Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC	
[A] Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F. of to 15 to 25	
The same and relimit rumber (for lighted and drill outlings)	
301 backful and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 10.15 17.12 NAAC	
The regulation Figure 1 and 5 ased upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC	
X Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	
ON DAID, IT, IT MINIAC	

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMA) Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than to	C) wo facilities
Disposal Facility Name: Disposal Facility Permit #:	
Disposal Facility Name: Disposal Facility Permit #	
Yes (If yes, please provide the information No	re service and operations?
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 NM 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	//AC
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 to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	pelow. Requests regarding changes to the Santa Fe Environmental Bureau office
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No
Ground water is between 50 and 100 feet below the bottom of the buried waste	∐N/A
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No
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	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
- 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. - Visual inspection (certification) of the proposed site; Aerial photo; satellite image	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	Yes No
pursuant to NMSA 1978, Section 3-27-3, as amended.	Yes No
 Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland 	
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes No
within the area overlying a subsurface mine.	
- Written confirantion 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	Yes No
Within a 100-year floodplain FEMA map	Yes No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must bee attached to the closure by a check mark in the box, that the documents are attached.	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 of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Tenach (if and lively lin lively lively lively lively lively lively lively lively lively	
Construction/Design Plan of Temperature Distriction/Design Plan of Design Plan of De	
Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19 Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC	15.17.11 NMAC
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAG	
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 standard	ot be achieved
and a spot the appropriate requirements of Subsection H of 10 15 17 12 NIMAG	or be achieved)
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	

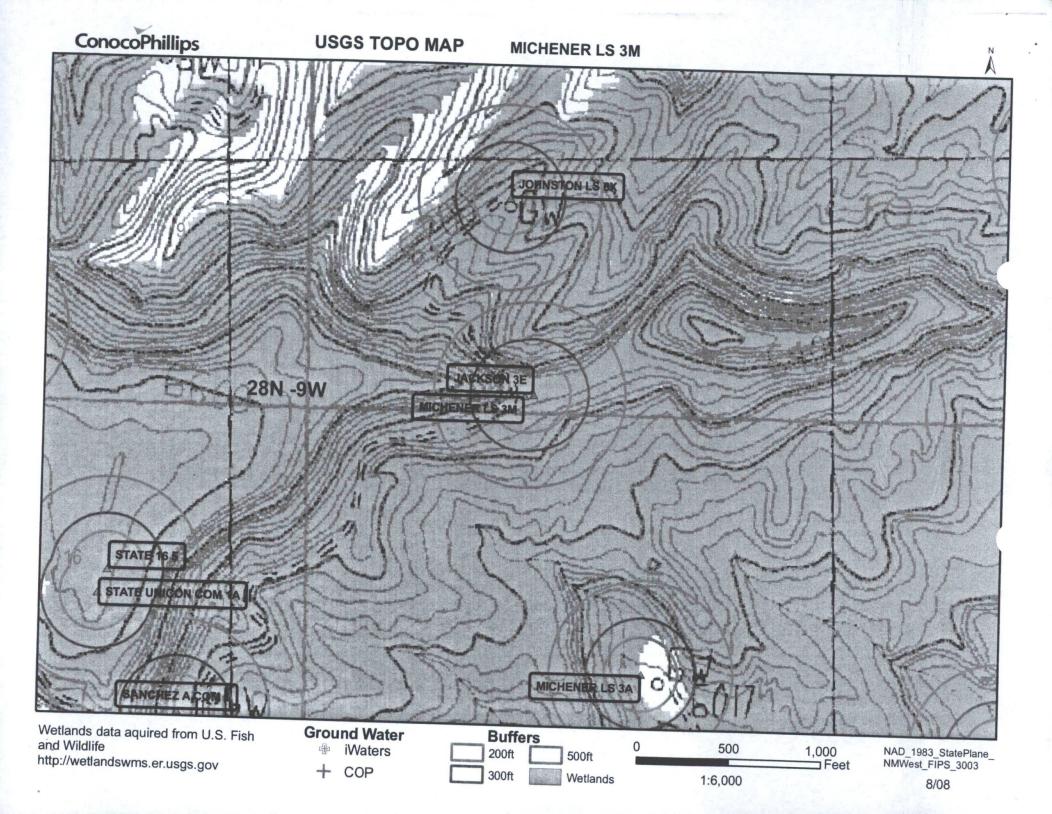
19				
Operator Application	on Certification:			
I hereby certify that the	e information submitted with this application is true, according	urate and complete to th	e best of my knowledge and belief	
Name (Print):	Crystal Tafoya	Title:	Regulatory Technician	
Signature:	Talara Talara	Date:	12/22/2008	
e-mail address:	crystal tafoya@conocophillips.com	Telephone:	505-326-9837	
			303 320-7031	
20	7-			
OCD Approval:	Permit Application (including closure plan)	Closure Plan (of ly)	OCD Conditions (see attachment)	
OCD Representative	e Signature:	100		
			Approval Date:12/16/20	
Title:		OCD Peri	mit Number:	
21				
	uired within 60 days of slaves			
The state of the s	uired within 60 days of closure completion): Subsare required to obtain an approved closure plan prior to	a incomplement of		
			ure activities and submitting the closure report. The closure ss. Please do not complete this section of the form until an	
approvea ciosure pian n	as been obtained and the closure activities have been co	ompleted.	and the second of the form until an	
		Closure	e Completion Date:	
22				
Closure Method:				
Waste Excavatio	on and Removal On-site Closure Method	Alternative Closure	Method Waste Removal (Classed Inc.	
☐ If different from	approved plan, please explain.		Method Waste Removal (Closed-loop systems only)	
23				
	ing Waste Removal Closure For Closed-loop Systems	That Halling All Co		
Instructions: Please iden	ntify the facility or facilities for where the liquids, drilli	ng fluids and drill cutti	ound Steel Tanks or Haul-off Bins Only: ngs were disposed. Use attachment if more than two facilities	
		- G J	igs were uisposea. Use attachment if more than two facilities	
Disposal Facility Nam		Disposal Facility	Permit Number:	
Disposal Facility Nam		Disposal Facility	Permit Number:	
Ves (If was place)	system operations and associated activities performed or	n or in areas that will not	be used for future service and opeartions?	
		No		
Site Reclamation	d areas which will not be used for future service and open (Photo Documentation)	rations:		
	nd Cover Installation			
	plication Rates and Seeding Technique			
4	- comique			
	achment Checklist: Instructions: Each of the follow	dan		
the box, that the docum	ments are attached.	ring tiems must be attac	hed to the closure report. Please indicate, by a check mark in	
Proof of Closure	Notice (surface owner and division)			
	otice (required for on-site closure)			
Plot Plan (for on-	-site closures and temporary pits)			
Confirmation Sar	mpling Analytical Results (if applicable)			
Waste Material S	Sampling Analytical Results (if applicable)			
	Name and Permit Number			
Soil Backfilling a	and Cover Installation			
Re-vegetation Ap	plication Rates and Seeding Technique			
	(Photo Documentation)			
On-site Closure L	ocation: Latitude:	Longitude:	NAD 1927 1983	
			NAD	
perator Closure Certi	fication:			
ereby certify that the info	ormation and attachments submitted with this closure rep	port is ture, accurate and	I complete to the best of my knowledge and belief. I also certify th	
ctosure complies with a	ll applicable closure requirements and conditions specifi	ied in the approved closi	ure plan.	at
me (Print):		Title:		
nature:		Date:		
nail address:				
an address:		Telephone:		

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 28N Range: 09W Sections:
NAD27 X: Y: Zone: Search Radius:
County: Basin: Number: Suffix:
Owner Name: (First) (Last) C Non-Domestic C Domestic © All
POD / Surface Data Report Avg Depth to Water Report Water Column Report
Clear Form iWATERS Menu Help
WATER COLUMN REPORT 08/21/2008

	(quarter	s are	e l=	gg:	2: est	=NE to	3=SW 4=SE) smallest)			Depth	Donath		
POD Number SJ 03746 POD1	Tws 28N	Rng	Sec	q	q	q	Zone	x	Y	Well	Depth Water	Water Column	(in
SJ 00018	28N					_				190	40	150	
SJ 02800	2.8N									135 200	71	64	

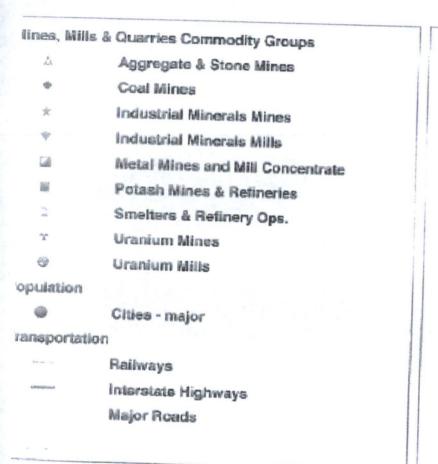
Record Count: 3

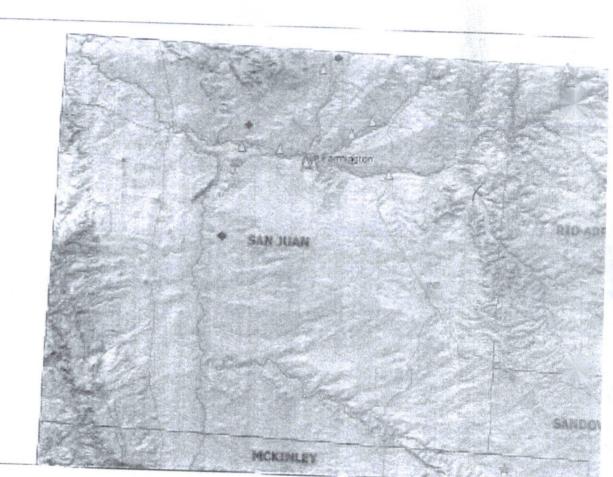


Mines, Mills and Quarries Web Map

MICHENER LS 3M

Unit Letter: M, Section: 10, Town: 028N, Range: 009W

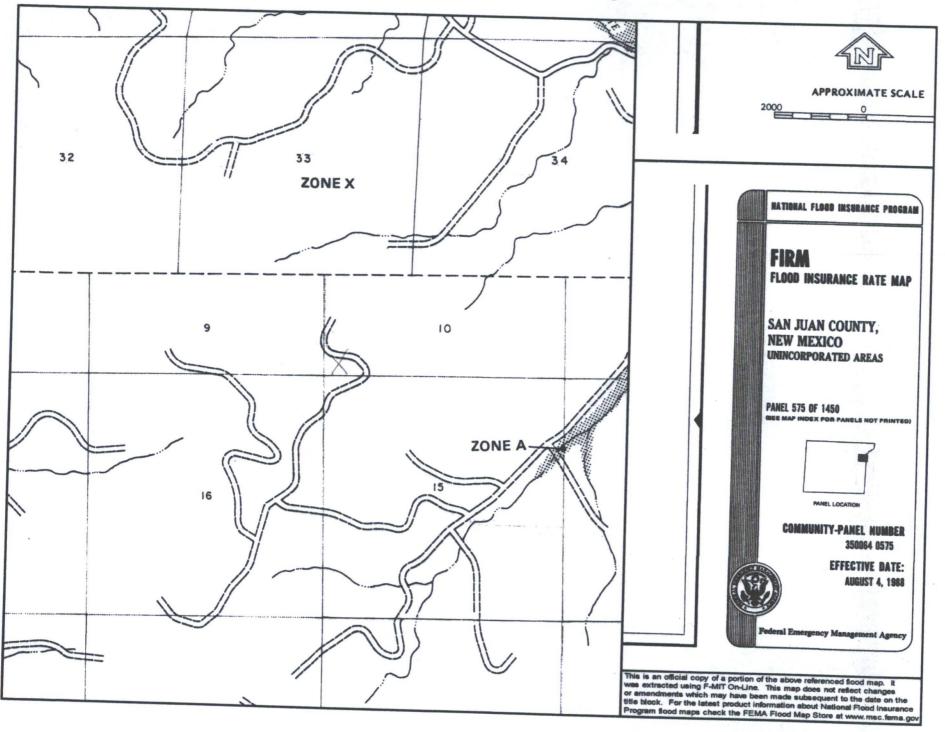








MICHENER LS # 3M



MICHENER LS 3M

Site Specific Hydrogeology

A visual site inspection confirming the information contained herein was performed on the well 'MICHENER LS 3M', which is located at 36.66952778 degrees North latitude and 107.78044722 degrees West longitude. This location is located on the Blanco 7.5' USGS topographic quadrangle. This location is in section 10 of Township 28 North Range 9 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 Blanco, located 4.6 miles to the northwest. The nearest large town (population greater than 10,000) is Farmington, located 24.0 miles to the west (National Atlas). The nearest highway is US Highway 64, located 4.0 miles to the north. The location is on BLM land and is 1,339 feet from the edge of the parcel as notated in the BLM land status layer updated January 2008. This location is in the Blanco Canyon. New Mexico, Sub-basin. This location is located 1911 meters or 6268 feet above sea level and receives 11.5 inches of rain each year. The vegetation at this location is classified as Inter-Mountain Basins Semi-Desert Grassland as per the Southwest Regional Gap Analysis Program.

The estimated depth to ground water at this point is 501 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 844 feet to the southwest and is classified by the USGS as an intermittent stream. The nearest perennial stream is 3,650 feet to the southeast. The nearest water body is 5,043 feet to the northeast. It is classified by the USGS as an intermittent lake and is 0.1 acres in size. The nearest spring is 9,701 feet to the southeast. 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 3,329 feet to the north. The nearest wetland is a 23.9 acre Ravine located 3,851 feet to the southeast. The slope at this location is 0 degrees to the east 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 NACIMIENTO FORMATION-Shale and sandstone with a Shale dominated formations of all ages substrate. The soil at this location is 'Rock outcrop-Travessilla-Weska complex, extremely 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 21.2 miles to the north as indicated on the Mines, Mills and Quarries Map of New Mexico provided.

Regional Geological context:

The Nacimiento Formation is of Paleocene age (Baltz, 1967, p. 35). It crops out in a broad band inside the southern and western margins of the central basin and in a narrow band along the west face of the Nacimiento Uplift. The Nacimiento is a nonresistant unit and typically erodes to low, rounded hills or forms badland topography.

The Nacimiento Formation occurs in approximately only the southern two-thirds of the San Juan Basin where it conformably overlies and intertongues with the Ojo Alamo Sandstone (Fassett, 1974, p. 229). The Nacimiento Formation grades laterally into the main part of the Animas Formation (Fassett and Hinds, 1971, p. 34); thus, in this area, the two formations occupy the same stratigraphic interval.

Strata of the Nacimiento Formation were deposited in lakebeds in the central basin area with lesser deposition in stream channels (Brimhall, 1973, p. 201). In general, the Nacimiento consists of drab, interbedded black and gray shale with discontinuous, white, medium- to very coarse grained arkosic sandstone (Stone e al., 1983, p.30). Stone et al. indicated that the formation may contain more sandstone than commonly reported because some investigators assume the slope-forming strata in the unit area shales, whereas in many places the strata actually are poorly consolidated sandstones.

Total thickness of the Nacimiento Formation ranges from about 500 to 1,300 feet. The unit generally thickens from the basin margins toward the basin center (Steven et al., 1974). The sandstone deposits within the Nacimiento Formation are much thinner than the total thickness of the formation because their environment of deposition was localized stream channels (Brimhall, 1973, p. 201). The thickness of the combined San Jose, Animas, and Nacimiento Formations ranges from 500 to more than 3.500 feet.

Hydraulic Properties:

Reported well yields for 53 wells completed in either the Animas or Nacimiento Formations range from 2 to 90 gallons per minute and the median yield is 7.5 gallons per minute. The primary use of water from Nacimiento and Animas Formations is domestic and livestock supplies. There are no known aquifer tests for the Animas or Nacimiento Formations, but specific capacities reported for six wells range from 0.24 to The Animas and Nacimiento Formations (Levings et al., 1990).

The Animas and Nacimiento Formations are in many ways hydrologically similar to the San Jose Formation because sands in both units produce approximately the same quantities of water. However, the greater percentage of fine materials in the Animas and Nacimiento Formations may restrict downward vertical leakage to the Ojo Alamo Sandstone or Kirtland Shale. The poorly cemented fine material is highly erodible, forms a badland terrain, and supports only spotty vegetation. These conditions are more conductive to runoff than retention of precipitation.

References:

Baltz, E.H., 1967, Stratigraphy and regional tectonic implications of part of Upper Cretaceous rocks, eastcentral San Juan Basin, New Mexico: USGS Professional Paper 552, 101 p.

Brimhall, R.M., 1973, Ground-water hydrology of Tertiary rocks of the San Juan Basin, New Mexico, in Fassett, J.E., ed., Cretaceous and Tertiary rocks of the Southern Colorado Plateau: Four Corners Geological Society Memoir, p. 197-207.

Fassett, J.E., 1974, Cretaceous and Tertiary rocks of the eastern San Juan Basin, New Mexico and Colorado, in Guidebook of Ghost Ranch, central-northern New Mexico: New Mexico Geological Society, 25th Field Conference, p. 225-230.

Fassett, J.E., and Hinds, J.S., 1971, Geology and fuel resources of the Fruitland Formation and Kirtland Shale of the San Juan Basin, New Mexico and Colorado: USGS Professional Paper 676, 76 p. Levings, G.W., Craigg, S.d., Dam, W.L., Kernodle, J.M., and Thorn, C.R., 1990, Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan structural basin, New Mexico, Colorado, Arizona, and Utah: USGS Hydrologic Investigations Atlas HA-720-A, 2 sheets.

Stone, W.J., Lyford, F.P., Frenzel, P.F., Mizell, N.H., and Padgett, E.T., 1983, Hydrogeology and water resources of San Juan Basin, New Mexico: New Mexico Bureau of Mines and Mineral Resources, Hydrologic Report 6.

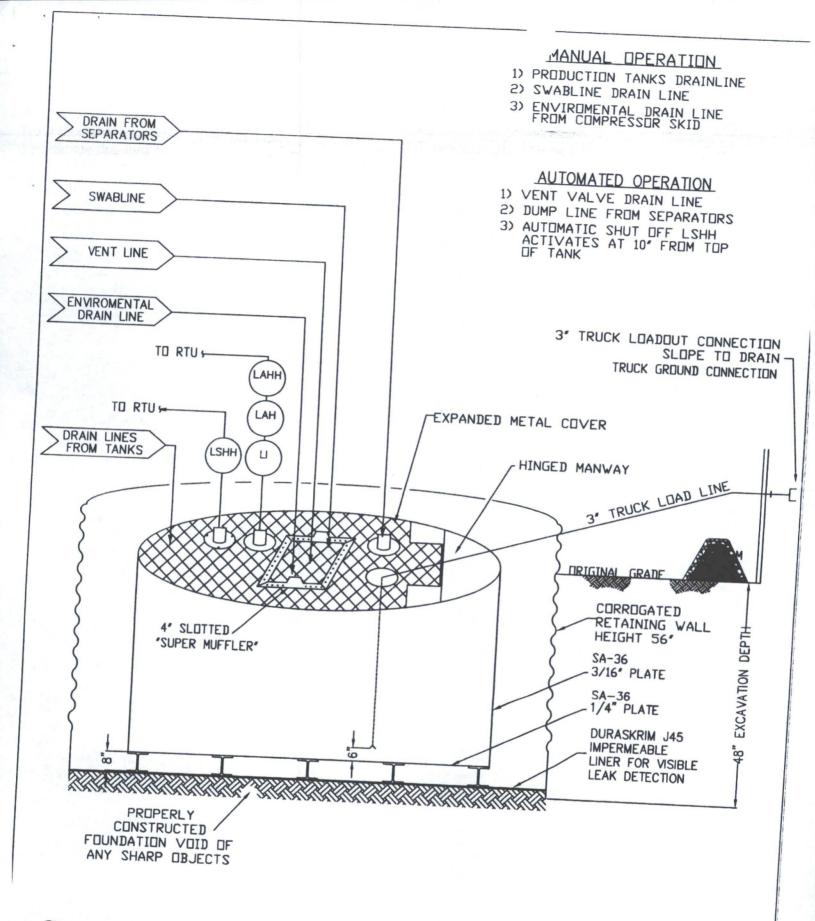
ConocoPhillips Company San Juan Basin Below Grade Tank Design and Construction

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.
- 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.
- The general specification for design and construction are attached in the COPC document.



ConocoPhillips

San Juan Business Unit

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

RA-SKRIM®

130, 136 a 14

PROPERTIES	TEST METHOD		130BB	J. 19	36BB	· 1000000000000000000000000000000000000	AEDA
A		Min. Roll Averages	Typical Roll Averages	THE RESERVE OF THE PARTY OF MANY	Typical Ro Averages	oll Min. Roll	45BB
Appearance		Bla	ck/Black		ck/Black	- 300	Averages
Thickness	ASTM D 5199	27 mil	30 mil	32 mil			ck/Black
Weight Lbs Per MSF (oz/yd²)	ASTM D 5261	126 lbs (18.14)	140 lbs	151 lbs	36 mil	40 mil	45 mil
Construction			(20.16)	(21.74)	(24.19)	(27.21)	(30.24)
Ply Adhesion	ASTM D 413	EX	trusion laminate	d with encapsu	lated tri-direction	onal scrim reinfo	rcement
	A01WID 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	THE TOTAL	138 lbf MD
1" Tensile Elongation @ Break % (Film Break)	ASTM D 7003	550 MD 550 DD	750 MD 750 DD	550 MD	750 MD	84 lbf DD 550 MD	105 lbf DD 750 MD
1" Tensile Elongation @ Peak % (Scrim Break)	ASTM D 7003	20 MD	33 MD	550 DD 20 MD	750 DD 30 MD	550 DD	750 DD
		20 DD	33 DD	20 DD	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
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	160 lbf MD	258 lbf DD 193 lbf MD
Dimensional Stability	ASTM D 1204	<1	<0.5		172 lbf DD	160 lbf DD	191 lbf DD
ouncture Resistance	ASTM D 4833	50 lbf		<1	<0.5	<1	<0.5
Maximum Use Temperature		180° F	64 lbf	65 lbf	83 lbf	80 lbf	99 lbf
linimum Use Temperature			180° F	180° F	180° F	180° F	180° F
) = Machine Direction		-70° F	-70° F	-70° F	-70° F	-70° F	-70° F

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

Note: RAVEN INDUSTRIES MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANTABILITY OF PRODUCTS REFERRED TO, no guarantee of satisfactory results from reliance upon contained information or recommendations and

PLANT LOCATION

Sioux Falls, South Dakota

SALES OFFICE

P.O. Box 5107 Sioux Falls, SD 57117-5107 (605) 335-0174 (605) 331-0333 FAX 800-635-3456

RAVEN INDUSTRIES

08/06

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

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 replaced is clean, dry, and unencumbered. This includes, but is not limited to, the area made available for repair and/or 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 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 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 DISCLAIMS ANY LIABILITY FOR ANY WARRANTY THAT APPLIES TO THE MATERIALS REFERRED TO HEREIN AND RAVEN INDUSTRIES INC.

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 multiskilled 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
- 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 o f19.15.17.11 NMAC within five years, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC; 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.
- 2. 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.
- 3. 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 100 mg/kg; and the chloride concentration, whichever is greater. COPC shall notify the division of its results on form C-141.

- 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.
- 8. 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 (unimpacted) 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