SEP 1 7 2014

Phone: (281) 206-5356

August 28, 2014

Conditions

CSNG\_\_\_\_ Loc Chng ReComp\_\_\_\_ Add New Well Cancl Well Create Pool

## Closed Loop System Design, Operating and Maintenance, and Closure Plan

ConocoPhillips Company

Well: East Vacuum Graybury San Andres Unit (EVGBSA) No. 510

Location: Sec. 33, T17S, R35E

Date: 8/28/2014

ConocoPhillips proposes the following plan for design, operating and maintenance, and closure of our proposed closed loop system for the above named well:

1. We propose to use a closed loop system with steel pits, haul-off bins, and frac tanks for containing all cuttings, solids, mud, water, brine, and liquids. We will not dig a pit, nor will we use a drying pad, nor will we build an earth pit above ground level, nor will we dispose of or bury any waste on location.

All drilling waste and all drilling fluids (fresh water, brine, mud, cuttings, drill solids, cement returns, and any other liquid or solid that may be involved) will be contained on location in the rig's steel pits or in hauloff bins or in frac tanks as needed. The intent is as follows:

- We propose to use the rigs' steel pits for containing and maintaining the drilling fluids.
- We propose to remove cuttings and drilled solids from the mud by using solids control equipment and to contain such cuttings and drilled solids on location in haul-off bins.
- We propose that any excess water that may need to be stored on location will be stored in tanks.

The closed loop system components will be inspected daily by each tour and any needed repairs will be made immediately. Any leak in the system will be repaired immediately, and any spilled liquids and/or solids will be cleaned immediately, and the area where any such spill occurred will be remediated immediately.

2. Cuttings and solids will be removed from location in haul-off bins by an authorized contractor and disposed of at an authorized facility. For this well, we propose the following disposal facility:

R-360 Inc.

4507 West Carlsbad Hwy, Hobbs, NM 88240,

P.O. Box 388; Hobbs, New Mexico 88241

Toll Free Phone: 877.505.4274, Local Phone Number: 432.638.4076

The physical address for the plant where the disposal facility is located is Highway 62/180 at mile marker 66 (33 miles East of Hobbs, NM and 32 miles West of Carlsbad, NM).

The Permit Number for R-360 is NM-01-0006.

A photograph showing the type of haul-off bins that will be used is attached.

- 3. Mud will be transported by vacuum truck and disposed of at R-360 Inc. at the facility described above.
- 4. Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine as needed:
  - Nabors Well Services Company, 3221 NW County Rd; Hobbs, NM 88240, PO 5208 Hobbs, NM, 88241, Permit SWD 092. (Well Location: Section 3, T19S R37E)
  - Basic Energy Services, P.O. Box 1869; Eunice, NM 88231 Phone Number: 575.394.2545, Facility located at Hwy 18, Mile Marker 19; Eunice, NM.

Steven Herrin Drilling Engineer Office: 281-206-5115 Cell: 432-209-7558

## SPECIFICATIONS

FLOOR: 3/16" PL one piece CROSS MEMBER: 3 x 4.1 channel 16" on

WALLS: 3/16" PL solid welded with tubing

top, insi de liner hooks

DOOR: 3/16 PL with tubing frame

ERONE 8/16/21 slankformed

PICK U.F. Standard eable with 2" x 6" x 1/4" rails, quiesel al each crossmember

WHEELS: 10 DIA x 9 long with rease fittings DOOR LATCH: 3 independent ratchet binders With chains, vertical second latch

GASKETS: Extruded rubber seal with metal.

WELDER: All welds continuous excent sub-

Structure crossmembers

FINISH: Coated inside and out with direct to metal, rust inhibiting acrylic enamel color coat. HYDROTESTING: Full capacity static test. DIMENSIONS: 22'-1f" long (21'-8" inside), 99" wid e (88" inside), see drawing for height.

OPTIONS: Sieel grit blast and special paint: Amplicell, Heilland Dine elekue

HOOF: 3/16" PL roof panels with tubing and

channel support frame
LIDS: (2) 68" x 90" metal rolling lids spring
loaded, self raising
ROLLERS: 4" V-groove rollers with detrinbearings and grease fittings

OPENING: (2) 60" x 82" openings

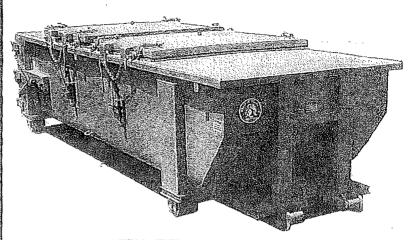
with 8<sup>4</sup> divider centered on

container

LATOH (2) independent ratchet binders with chains perlid

GASKETS Extruded rubber seal with metal retainers

## Heavy Duty Split Metal Rolling Lid



CONT.	A	В
20 YD	41	53
25 YD	53	65
30 YD	65	77

