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

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

State of New Mexico Energy Minerals and Natural Resources

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

July 21, 2008

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

Form C-144

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

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

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

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.

Operator: ConocoPhillips Company OC	GRID#: 217817
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: AXI APACHE N 7	
API Number: 3003906050 OCD Permit Number:	
U/L or Qtr/Qtr: M Section: 12 Township: 25N Range: 4W	County: Rio Arriba
	107.20925°W NAD: X 1927 1983
Surface Owner: Federal State Private X Tribal Trust or Indian Al	llotment
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 HDI String-Reinforced Liner Seams: Welded Factory Other Volume: bt	PE PVC Other  Dimensions L x W x D
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 actinotice of intent)  Drying Pad Above Ground Steel Tanks Haul-off Bins Other  Lined Unlined Liner type: Thickness mil LLDPE HDP Liner Seams: Welded Factory Other	vities which require prior approval of a permit or  E PVD Other
4  X Below-grade tank: Subsection I of 19.15.17.11 NMAC  Volume: 120 bbl Type of fluid: Produced Water  Tank Construction material: Metal  Secondary containment with leak detection X Visible sidewalls, liner, 6-inch lift and automate Visible sidewalls and liner Visible sidewalls only Other  Liner Type: Thickness mil HDPE PVC X Other Unsp	tic overflow shut-off
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environment	ntal Bureau office for consideration of approval.

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pit, temporary pits, and below-grade tanks)  Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, in Four foot height, four strands of barbed wire evenly spaced between one and four feet  X Alternate. Please specify 4' hog wire fencing topped with two strands barbed wire.	ssitution or chu	urch)
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)  X 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:  X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for con (Fencing/BGT Liner)  Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	sideration of a	pproval.
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	XNo
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)	NA	
- 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.  (Applied to permanent pits)	Yes X NA	No
<ul> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> <li>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.</li> </ul>	Yes	XNo
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site.	- 1	-
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	XNo
Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes	XNo
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	Yes	XNo
Society; Topographic map Within a 100-year floodplain - FEMA map	Yes	XNo

	as Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC application. Please indicate, by a check mark in the box, that the documents are attached.
	upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
	) - based upon the requirements of Paragraph (2) of Subsection B of 19:15.17.9
8	
	pon the appropriate requirements of 19.15.17.10 NMAC
X Design Plan - based upon the appropriate requirement	
X Operating and Maintenance Plan - based upon the app	propriate requirements of 19.15.17.12 NMAC
X Closure Plan (Please complete Boxes 14 through 18, i 19.15.17.9 NMAC and 19.15.17.13 NMAC	if applicable) - based upon the appropriate requirements of Subsection C of
Previously Approved Design (attach copy of design)	API or Permit
	necklist: Subsection B of 19.15.17.9 NMAC application. Please indicate, by a check mark in the box, that the documents are attached. osure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
Siting Criteria Compliance Demonstrations (only for o	on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
Design Plan - based upon the appropriate requirement	ts of 19.15.17.11 NMAC
Operating and Maintenance Plan - based upon the app	propriate requirements of 19.15.17.12 NMAC
	if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9
	ADI
Previously Approved Design (attach copy of design)	API
Previously Approved Operating and Maintenance Plan	API
Permanent Pits Permit Application Checklist: Subsection	P of 10 15 17 0 NMAC
	on B of 19.15.17.9 NMAC. e application. Please indicate, by a check mark in the box, that the documents are attached.
	of Paragraph (I) of Subsection B of 19.15.17.9 NMAC
Climatological Factors Assessment	oon the appropriate requirements of 19.15.17.10 NMAC
Certified Engineering Design Plans - based upon the a	appropriate requirements of 19 15 17 11 NMAC
	I upon the appropriate requirements of 19.15.17.11 NMAC
Leak Detection Design - based upon the appropriate re	
	based upon the appropriate requirements of 19.15.17.11 NMAC
Quality Control/Quality Assurance Construction and Ir	
Operating and Maintenance Plan - based upon the appr	
	pon the appropriate requirements of 19.15.17.11 NMAC
Nuisance or Hazardous Odors, including H2S, Prevent	
Emergency Response Plan	
Oil Field Waste Stream Characterization	
Monitoring and Inspection Plan	
Erosion Control Plan	
	ts 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 thro Type: Drilling Workover Emergency Cavita	
Alternative	
Proposed Closure Method: X Waste Excavation and Remova	
Waste Removal (Closed-loop s	
On-site Closure Method (only	for temporary pits and closed-loop systems)
In-place Burial	On-site Trench
Alternative Closure Method (E	Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
15 Wasta Excavation and Pamaval Clasure Plan Charlett	(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 a	
X Protocols and Procedures - based upon the appropriate	
	on the appropriate requirements of Subsection F of 19.15.17.13 NMAC
X Disposal Facility Name and Permit Number (for liquid	
	upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
X Re-vegetation Plan - based upon the appropriate require	
X Site Reclamation Plan - based upon the appropriate req	
one recumiation i am - based upon the appropriate req	functions of Subsection of 17.13.17.13 (NVIAC

16			
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee Instructions: Please identify the facility or facilities for the disposal of liquids, drilling are required.		facilities	
Disposal Facility Name:	Disposal Facility Permit #:		
	Disposal Facility Permit #:		
Will any of the proposed closed-loop system operations and associated activities  Yes (If yes, please provide the information No			rations?
Required for impacted areas which will not be used for future service and operations:			
Soil Backfill and Cover Design Specification - based upon the appropria		C	
Re-vegetation Plan - based upon the appropriate requirements of Subsec			
Site Reclamation Plan - based upon the appropraite requirements of Sub-	section 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. Recetain siting criteria may require administrative approval from the appropriate district office of for consideration of approval. Justifications and/or demonstrations of equivalency are required.	ecommendations of acceptable source material are provided below or may be considered an exception which must be submitted to the		
Ground water is less than 50 feet below the bottom of the buried waste.		Yes	No
<ul> <li>NM Office of the State Engineer - iWATERS database search; USGS: Data obtain</li> </ul>	ned from nearby wells	N/A	
Ground water is between 50 and 100 feet below the bottom of the buried waste		Yes	No
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtain	ned from nearby wells	□N/A	
Ground water is more than 100 feet below the bottom of the buried waste.		□Yes	□No
NM Office of the State Engineer - iWATERS database search; USGS; Data obtain	ned from nearby wells	I IN/A	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signification (measured from the ordinary high-water mark).	ant watercourse or lakebed, sinkhole, or playa lake	Yes	No
Topographic map; Visual inspection (certification) of the proposed site		П.	
Within 300 feet from a permanent residence, school, hospital, institution, or church in e - Visual inspection (certification) of the proposed site; Aerial photo; satellite image	xistence at the time of initial application.	Yes	No
- Visual hispection (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 that purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existe - NM Office of the State Engineer - iWATERS database; Visual inspection (certification)	nce at the time of the initial application.		
Within incorporated municipal boundaries or within a defined municipal fresh water we pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approval obtain		Yes	No
Within 500 feet of a wetland	ned from the municipality	Пves	□No.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspe	ction (certification) of the proposed site		
Within the area overlying a subsurface mine.		Yes	No
- Written confiramtion or verification or map from the NM EMNRD-Mining and M	ineral Division		
Within an unstable area.		Yes	No
- Engineering measures incorporated into the design; NM Bureau of Geology & Mir	neral Resources: USGS; NM Geological Society;		
Topographic map Within a 100-year floodplain FEMA map		Yes	□No
10			
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached.	f the following items must bee attached to the closur	e plan. Please	indicate,
Siting Criteria Compliance Demonstrations - based upon the appropriate	requirements of 19.15.17.10 NMAC		ALL YOU
Proof of Surface Owner Notice - based upon the appropriate requirement			
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 dryin		0.15.17.11 NM	AC
Protocols and Procedures - based upon the appropriate requirements of 1			
Confirmation Sampling Plan (if applicable) - based upon the appropriate			1000000
Waste Material Sampling Plan - based upon the appropriate requirements			A STATE OF THE STA
Disposal Facility Name and Permit Number (for liquids, drilling fluids an		not be achieve	d)
Soil Cover Design - based upon the appropriate requirements of Subsecti		- Co semere	
Re-vegetation Plan - based upon the appropriate requirements of Subsect			
Site Reclamation Plan - based upon the appropriate requirements of Subs	ection G of 19 15 17 13 NMAC		

Form C-144 Oil Conservation Division

19			
Operator Application Certification: Understood Submitted with the information submitted with	th this application is true, accu	rate and complete to the	hest of my knowledge and belief.
	al Tafoya	Title:	Regulatory Technician
Signature:	al Talana	Date:	12/22/2008
	conocophillips.com	Telephone:	
e-man address.			
0 OCD Approval: Permit Application (in	cluding closure plan)	Closure Plan (only)	OCD Conditions (see attachment)
OCD Representative Signature:			Approval Date:
Title:		OCD Pern	nit Number:
	approved closure plan prior to within 60 days of the completion	o implementing any closs on of the closure activitie ompleted.	are activities and submitting the closure report. The closure s. Please do not complete this section of the form until an c Completion Date:
2			
Closure Method:  Waste Excavation and Removal  If different from approved plan, please ex	On-site Closure Method	Alternative Closure	Method Waste Removal (Closed-loop systems only)
Bound Bounding Worte Removal Cla	Turn Fox Closed less Surf	That Utilize Above Co	round Steel Toule or Houl off Bing Code
losure Report Regarding Waste Removal Cloustructions: Please identify the facility or facilit			ngs were disposed. Use attachment if more than two facilities
ere utilized.			
Disposal Facility Name:			Permit Number:
Disposal Facility Name:		Disposal Facility	
Were the closed-loop system operations and as	_	on or in areas that will no	of be used for future service and opeartions?
Yes (If yes, please demonstrate complian			
Required for impacted areas which will not be  Site Reclamation (Photo Documentation)	used for future service and op	erations:	
Soil Backfilling and Cover Installation			
Re-vegetation Application Rates and Seed	ing Technique		
4			
	Instructions: Each of the follo	owing items must be atta	ched to the closure report. Please indicate, by a check mark in
the box, that the documents are attached.			
Proof of Closure Notice (surface owne			
Proof of Deed Notice (required for on-			
Plot Plan (for on-site closures and tem	The state of the s		
Confirmation Sampling Analytical Res			
Waste Material Sampling Analytical R			
Disposal Facility Name and Permit Nu	mber		
Soil Backfilling and Cover Installation			
Re-vegetation Application Rates and S			
Site Reclamation (Photo Documentation			мар П сост
On-site Closure Location: Latitude:		Longitude:	NAD 1927 1983
5			
Operator Closure Certification:			
			and complete to the best of my knowledge and belief. I also certify that
e closure complies with all applicable closure re	equirements and conditions spe	ecified in the approved ci	losure plan.
ame (Print):		Title:	
ignature:		Date:	
-mail address:		Telephone:	

#### New Mexico Office of the State Engineer POD Reports and Downloads

Township: 25N Range	9: 04W Sections:	
NAD27 X: Y:	Zone: Se	earch Radius:
County: Basin:	Number	: Suffix:
Owner Name: (First)	(Last) C No	n-Domestic C Domestic C All
POD / Surface Data Report	Avg Depth to Water Report	Water Column Report
Clear	Form iWATERS Menu He	elp

#### WATER COLUMN REPORT 08/20/2008

	-						3=SW 4=S smalles			Depth	Depth	Water (in
POD Number	Tws	Rng	Sec	q	P	g	Zone	x	Y	Well	Water	Column
RG 50845	25N	04W	26	3						340	135	205
SJ 01111 S	25N	04W	28	4	1	2				587		
SJ 01111	25N	04W	28	4	1	2				1225		

Record Count: 3

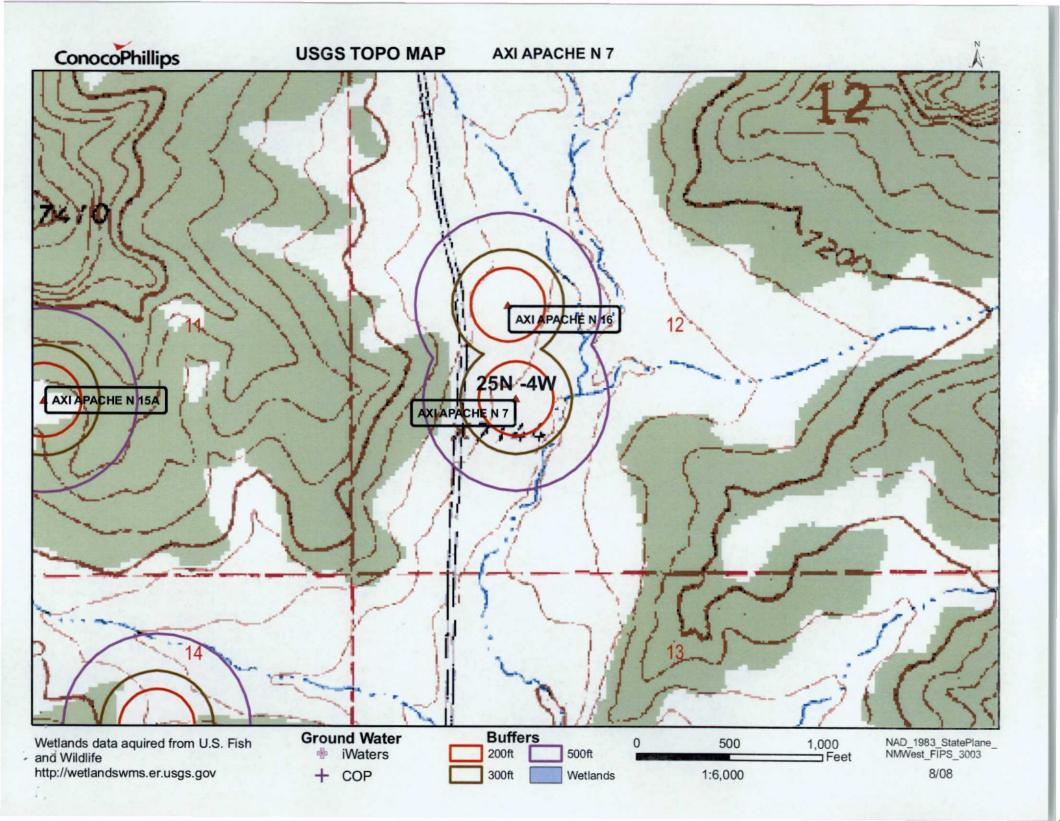
#### New Mexico Office of the State Engineer POD Reports and Downloads

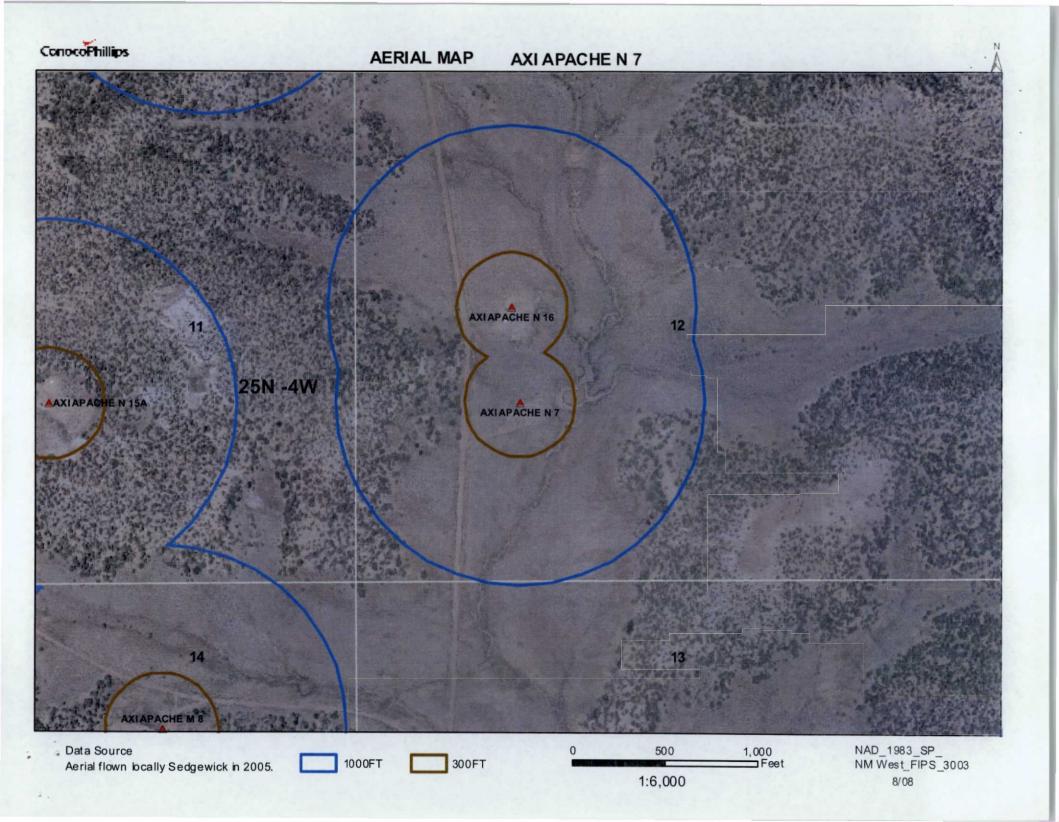
Township: 25N Range: 0	3W Sections:
NAD27 X: Y:	Zone: Search Radius:
County: Basin:	Number: Suffix:
Owner Name: (First)	(Last) C Non-Domestic C Domestic
POD / Surface Data I	Report Avg Depth to Water Report
	Water Column Report
Clear For	m iWATERS Menu Help

#### WATER COLUMN REPORT 09/06/2008

(qru	arter	s are	1=1	W	2=	NE	3=SW 4=SE)					
							smallest)			Depth	Depth	Wate
POD Number	Tws	Rng	Sec	P	g	P	Zone	x	Y	Well	Water	Colum
RG 79470	25N	03W	24	4	4	4				504	125	37
RG 45161	25N	03W	33	3	4	1				640	165	47
RG 49658	25N	03W	36	1	4	4				160	18	14
SJ 02203	25N	03W	01	2	4					665	245	42
SJ 01305	25N	03W	80	3	1	3				750	265	48
SJ 02695	25N	03W	13	1	2	3				510	225	28
SJ 02224	25N	03W	18	1	1	4				325	56	26
SJ 02520	25N	03W	22	2	2	3				1000	850	15
SJ 02520 DCL	25N	03W	22	2	2	3				1000	850	15
SJ 02949	25N	03W	23	4	1	4				260	75	18
SJ 02414	25N	03W	25	2	1	2				250	130	12
SJ 03228	25N	03W		2	2	1				550	160	35
SJ 03231	25N	03W	25	3	2	4				335	90	24
SJ 02416	25N	03W	26	1	4	4				150	110	4
SJ 02519	25N	03W	27	2	1	3				1215	650	5€
SJ 02519 DCL	25N	03W	27	2	1	3				1215	650	5€
SJ 02517 DCL	25N	03W	32	1	3	2				250	100	15
SJ 02517	25N	03W	32	1	3	2				250	100	15
SJ 02518 DCL	25N	03W	33	1	2	4				250	110	14
SJ 02415	25N	03W	35	2	4	2				50	30	2
SJ 01453	25N	03W	36	2	2					132	70	€
SJ 02076	25N	03W	36	4	4	2				295	75 -	22

Record Count: 22

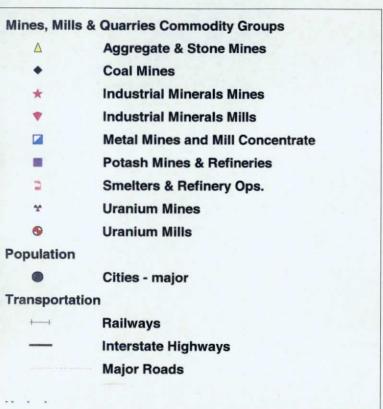


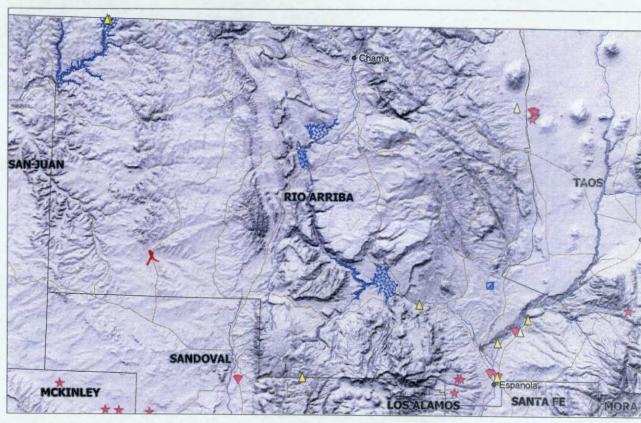


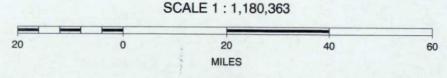
### Mines, Mills and Quarries Web Map

#### **AXI APACHE N 7**

Unit Letter: M, Section: 12, Town: 025N, Range: 004W









#### **AXI APACHE N7**

Site Specific Hydrogeology

A visual site inspection confirming the information contained herein was performed on the well 'AXI APACHE N 7', which is located at 36.409488 degrees North latitude and 107.20925 degrees West longitude. This location is located on the Schmitz Ranch 7.5' USGS topographic quadrangle. This location is in section 12 of Township 25 North Range 4 West of the Public Land Survey System (New Mexico Principal Meridian). This location is located in Rio Arriba County, New Mexico. The nearest town is La Jara, located 25.9 miles to the southeast. The nearest large town (population greater than 10,000) is Farmington, located 59.8 miles to the northwest (National Atlas). The nearest highway is State Highway 537, located 1.1 miles to the southeast. The location is on Tribal land and is 4,285 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 2174 meters or 7130 feet above sea level and receives 13 inches of rain each year. The vegetation at this location is classified as Inter-Mountain Basins Semi-Desert Shrub Steppe as per the Southwest Regional Gap Analysis Program.

The estimated depth to ground water at this point is 6 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 48 feet to the southeast and is classified by the USGS as an intermittent stream. The nearest perennial stream is 2,863 feet to the south. The nearest water body is 2,863 feet to the south. It is classified by the USGS as an intermittent lake and is 1.1 acres in size. The nearest spring is 35,251 feet to the north. 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 5,774 feet to the southeast. There is no wetland data available for this area. The slope at this location is 2 degrees to the west 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 SAN JOSE FORMATION--Siltstone, shale, and sandstone with a Sandstone dominated formations of all ages substrate. The soil at this location is 'Orlie-Nalivag loams, 2 to 8 percent slopes' and is well drained and not hydric with moderate erosion potential as taken from the NRCS SSURGO map unit, downloaded January 2008. The nearest underground mine is 18.3 miles to the southeast as indicated on the Mines, Mills and Quarries Map of New Mexico provided.

#### Regional Hydrogeological context:

The San Jose Formation of Eocene age occurs in New Mexico and Colorado, and its outcrop forms the land surface over much of the eastern half of the central basin. It overlies the Nacimiento Formation in the area generally south of the Colorado-New Mexico State line and overlies the Animas Formation in the area generally north of the State line. The San Jose Formation was deposited in various fluvial-type environments. In general, the unit consists of an inter-bedded sequence of sandstone, siltstone, and variegated shale. Thickness of the San Jose Formation generally increases from west to east (200 feet in the west and south to almost 2,700 feet in the center of the structural basin). Ground water is associated with alluvial and fluvial sandstone aquifers. Thus, the occurrence of ground water is mainly controlled by the distribution of sandstone in the formation. The distribution of such sandstone is the result of original depositional extent plus any post-depositional modifications, namely erosion and structural deformation. Transmissivity data for San Jose Formation are minimal. Values of 40 and 120 feet squared per day were determined from two aquifer tests (Stone et al, 1983, table 5). The reported or measured discharge from 46 water wells completed in San Jose Formation ranges from 0.15 to 61 gallons per minute and the median is 5 gallons per minute. Most of the wells provide water for livestock and domestic use. The San Jose Formation is a very suitable unit for recharge from precipitation because soils that form on the unit are sandy and highly permeable and therefore readily adsorb precipitation. However, low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the San Jose Formation by the San Juan River and its tributaries all tend to reduce the effective recharge to the unit.

Stone et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico: Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

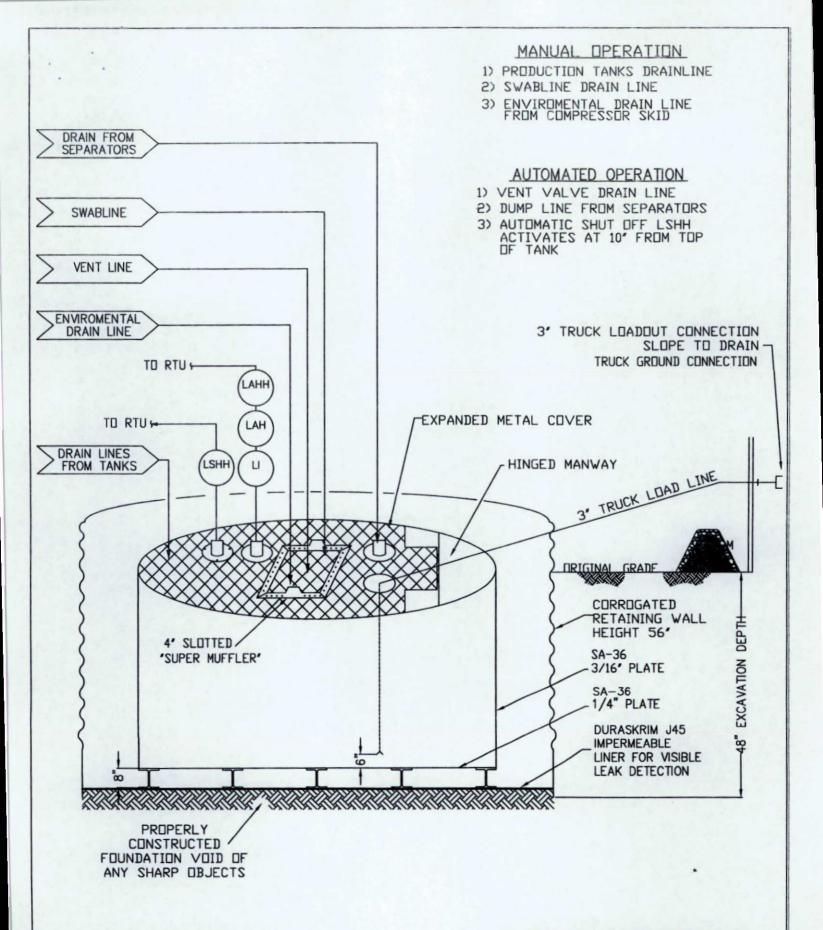
#### ConocoPhillips Company San Juan Basin Below Grade Tank Design and Construction

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

# DURA-SKRIM®

# J30, J36 & J45

PROPERTIES	TEST METHOD	J3	0BB	J36	BB	J45BB		
		Min. Roll Averages	Typical Roll Averages	Min. Roll Averages	Typical Roll Averages	Min. Roll Averages	Typical Roll Averages	
Appearance		Black	k/Black	Black	/Black	Black	Black	
Thickness	ASTM D 5199	27 mil	30 mil	32 mil	36 mil	40 mil	45 mil	
Weight Lbs Per MSF (oz/yd²)	ASTM D 5261	126 lbs (18.14)	140 lbs (20.16)	151 lbs (21.74)	168 lbs (24.19)	189 lbs (27.21)	210 lbs (30.24)	
Construction		**Extr	usion laminated	with encapsula	ted tri-direction	al scrim reinford	ement	
Ply Adhesion	ASTM D 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	110 lbf MD 84 lbf DD	138 lbf MD 105 lbf DD	
1" Tensile Elongation @ Break % (Film Break)	ASTM D 7003	550 MD 550 DD	750 MD 750 DD	550 MD 550 DD	750 MD 750 DD	550 MD 550 DD	750 MD 750 DD	
1" Tensile Elongation @ Peak % (Scrim Break)	ASTM D 7003	20 MD 20 DD	33 MD 33 DD	20 MD 20 DD	30 MD 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 258 lbf DD	
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 172 lbf DD	160 lbf MD 160 lbf DD	193 lbf MD 191 lbf DD	
* Dimensional Stability	ASTM D 1204	<1	<0.5	<1	<0.5	<1	<0.5	
Puncture Resistance	ASTM D 4833	50 lbf	64 lbf	65 lbf	83 lbf	80 lbf	99 lbf	
Maximum Use Temperature		180° F						
Minimum Use Temperature	No. of the last	-70° F						

MD = Machine Direction
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 reinforcement.

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 disclaims all liability for resulting loss or damage.

**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 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 that the sale hereunder is for commercial or industrial use only.

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 repaired or replaced is clean, dry, and unencumbered. This includes, but is not limited to, the area made available for repair and/or replacement of Raven geomembrane to be free from all water, dirt, sludge, residuals and liquids of any kind. If after inspection it is 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 or alterations 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 implied, and by accepting delivery of the material; Purchaser waives all other possible warranties, except those specifically given. 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 PARTICULAR PURPOSE. THIS IS THE ONLY WARRANTY THAT APPLIES TO THE MATERIALS REFERRED TO HEREIN AND RAVEN INDUSTRIES INC. DISCLAIMS ANY LIABILITY FOR ANY WARRANTIES GIVEN BY ANY OTHER PERSON OR ENTITY, EITHER WRITTEN OR ORAL.

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 years.
- 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.
- 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 250 mg/kg, or the background 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
  - 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

# OCD Aztec District III Conoco Phillips/Burlington Checklist Below Grade Tank Registration

19.15.17.9 Permit application
Signed C-144 (Page 5 of C-144)
Site Specific Hydrogeology
19/15.17.10 Siting requirements
New Mexico Office of State Engineer attachment
USGS TOPO map
Aerial Map
Mines, Mills and Quarries Web Map
FIRM map (flood insurance rate map from Federal Emergency Management Agency) N/A
19.15.17.11 Design Plan Contents
Below Grade Tank Design and Construction Plan.
19,15.17.12 Operating and Maintenance Plan
Below Grade Tank Operating and Maintenance Plan
19,15.17.13 Closure Plan
Below Grade Tank Closure Plan
Requirements: 19.15.17.10 > FIRM Map

Registration Date: 9/19/2016