District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, 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 Form C-144 July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office. For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

<u>Pit, Closed-Loop System, Below-Grade Tank, or</u> Proposed Alternative Method Permit or Closure Plan Application		
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method		
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request		
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.		
Departor: BP AMERICA PRODUCTION COMPANY OGRID #: 778		
Address: 200 Energy Court, Farmington, NM 87401		
Facility or well name: JACQUEZ 002		
API Number: 3004527522 OCD Permit Number:		
U/L or Qtr/Qtr H Section 6.0 Township 31.0N Range 08W County: San Juan County		
Center of Proposed Design: Latitude 36.929949 Longitude -107.711214 NAD: 1927 🗷 1983		
Surface Owner: 🗷 Federal 🗌 State 🛄 Private 🔲 Tribal Trust or Indian Allotment		
2. Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner seams: Welded Factory Other 3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Liner Seams: Welded Factory Other		
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.		

Oil Conservation Division

0

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits. temporary pits. and below-grade tanks)

Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)

Four foot height, four strands of barbed wire evenly spaced between one and four feet

Alternate. Please specify 4' Hogwire with single barbed wire

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

Screen Netting Other

6

7

8.

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

Signed in compliance with 19.15.16.8 NMAC

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

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

10. Siting Criteria (regarding permitting): 19.15.17.10 NMAC

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 accept	ntable source
material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appro	priate district
office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryit	
above-grade tanks associated with a closed-loop system.	
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	🗌 Yes 🗙 No
 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗋 Yes 🗶 No
 Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	☐ Yes ➤ No ☐ NA
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	☐ Yes ☐ No ➤ NA
 Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search: Visual inspection (certification) of the proposed site 	🗌 Yes 🗙 No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	🗌 Yes 🗶 No
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗋 Yes 🗶 No
 Within the area overlying a subsurface mine. Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division 	🗋 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

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are
 attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC
Previously Approved Design (attach copy of design) API Number: or Permit Number:
 12. Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC
Previously Approved Design (attach copy of design) API Number:
Previously Approved Operating and Maintenance Plan API Number: (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
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 Alternative Permanent Pit Below-grade Tank Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
 ^{15.} Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. [X] Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC [X] Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC [X] Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) [X] Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC [X] Re-vegetation Plan - based 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

^{16.} Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee Instructions: Please indentify the facility or facilities for the disposal of liquids, drill facilities are required.		
	sposal Facility Permit Number:	
	sposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities occur Ves (If yes, please provide the information below) No	on or in areas that will not be used for future serv	vice and operations?
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate record Re-vegetation Plan - based upon the appropriate requirements of Subsection 1 of Site Reclamation Plan - based upon the appropriate requirements of Subsection	F 19.15.17.13 NMAC	C
^{17.} Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the clos provided below. Requests regarding changes to certain siting criteria may require an considered an exception which must be submitted to the Santa Fe Environmental Bu demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for p	Iministrative approval from the appropriate dist areau office for consideration of approval. Justi	rict office or may be
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 ob	tained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data ob	tained from nearby wells	□ Yes □ No □ NA
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 ob	tained from nearby wells	□ Yes □ No □ NA
 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signification (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	cant watercourse or lakebed, sinkhole, or playa	🗌 Yes 🗌 No
Within 300 feet from a permanent residence, school, hospital, institution, or church in - Visual inspection (certification) of the proposed site; Aerial photo; Satellite im		🗌 Yes 🗌 No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less th watering purposes, or within 1000 horizontal feet of any other fresh water well or spring - NM Office of the State Engineer - iWATERS database; Visual inspection (cer	ig, in existence at the time of initial application.	🗌 Yes 🗌 No
 Within incorporated municipal boundaries or within a defined municipal fresh water w adopted pursuant to NMSA 1978, Section 3-27-3, as amended. Written confirmation or verification from the municipality; Written approval or section from the municipality. 		🗌 Yes 🗌 No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual ir	spection (certification) of the proposed site	🗌 Yes 🗌 No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining an	d Mineral Division	Yes No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Society; Topographic map 	Mineral Resources: USGS: NM Geological	🗌 Yes 🗌 No
Within a 100-year floodplain. - FEMA map		🗌 Yes 🗌 No
^{18.} On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the for by a check mark in the box, that the documents are attached.	llowing items must be attached to the closure pl	an. Please indicate,

by a check mark in the box, that the documents are attached.	
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC	
Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC	
Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC	
Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMA	С
Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC	
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC	
Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC	
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)	
Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC	
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	

19. Operator Application Certification:	a security and complete to the best of my knowledge and belief		
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.			
Name (Print): Jeffrey Peace Title: Field Environmental Advisor			
Signature: Streng H. Searce	Date: 6/2/10		
e-mail address: Peace. Jeffery p.com	Telephone: 505-326-9479		
20. <u>OCD Approval</u> : Permit Application (including closure plan) Clo	osure Plan (only) OCD Conditions (see attachment)		
OCD Representative Signature:	Approval Date:		
Title:	OCD Permit Number:		
	a prior to implementing any closure activities and submitting the closure report. ays of the completion of the closure activities. Please do not complete this d the closure activities have been completed.		
	Closure Completion Date:		
 22. <u>Closure Method</u>: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. 	Alternative Closure Method 🗌 Waste Removal (Closed-loop systems only)		
Instructions: Please indentify the facility or facilities for where the lique two facilities were utilized.	Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: ids, drilling fluids and drill cuttings were disposed. Use attachment if more than		
Disposal Facility Name:			
Disposal Facility Name:			
Were the closed-loop system operations and associated activities performed Yes (If yes, please demonstrate compliance to the items below)	Νο		
Required for impacted areas which will not be used for future service and Site Reclamation (Photo Documentation)	operations:		
Soil Backfilling and Cover Installation			
Re-vegetation Application Rates and Seeding Technique			
 24. <u>Closure Report Attachment Checklist</u>: <i>Instructions: Each of the follo mark in the box, that the documents are attached.</i> Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) 	owing items must be attached to the closure report. Please indicate, by a check		
Confirmation Sampling Analytical Results (if applicable)			
 Waste Material Sampling Analytical Results (required for on-site cl Disposal Facility Name and Permit Number 	losure)		
Soil Backfilling and Cover Installation			
 Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) 			
On-site Closure Location: Latitude	Longitude NAD: 1927 1983		
25.			
Operator Closure Certification: I hereby certify that the information and attachments submitted with this c belief. I also certify that the closure complies with all applicable closure r	closure report is true, accurate and complete to the best of my knowledge and requirements and conditions specified in the approved closure plan.		
Name (Print):			
Signature:			
e-mail address:	Telephone:		

SITING AND HYDRO-GEOLOGICAL REPORT FOR JACQUEZ 002

SITING CRITERIA 19.15.17.10 NMAC

Depth to groundwater at the site is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), and depth to groundwater data obtained from water wells permitted by the New Mexico State Engineer's Office (OSE, Figure 1). Local topography and proximity to adjacent water features is also considered. A topographic map of the site is provided as Figure 2 and demonstrates that the below grade tank (BGT) is not within 300 feet of any continuously flowing watercourse or within 200 feet of any other significant watercourse, lakebed, sinkhole or playa lake as measured from the ordinary high water mark. Figure 3 demonstrates that the BGT is not within 300 feet of a permanent residence, school, hospital, institution or church. Figure 4 demonstrates, based on a search of the OSE database and USGS topographic maps, that there are no freshwater wells or springs within 1000 feet of the BGT. Figure 5 demonstrates that the BGT is not within a municipal boundary or a defined municipal freshwater well field. Figure 6 demonstrates that the BGT is not within 500 feet of a wetland. Figure 7 demonstrates that the BGT is not in an area overlying a subsurface mine. The BGT is not located in an unstable area. Figure 8 demonstrates that the BGT is not within the mapped FEMA 100-year floodplain.

Local Geology and Hydrology

This particular site is located on a mesa top between Arena Canyon and Rattlesnake Canyon which are both tributaries of Pump Canyon. Regional topography of Pump Canyon is composed of mesas dissected by deep, narrow canyons and arroyos. The more resistant cliff-forming sandstones of the San Jose Formation cap the interbedded siltstones, shales and sandstones of the Nacimiento Formation. Accumulations of talus and eroded sands at the base of canyon walls form steep to gentle slopes that transition into flat-bottomed arroyos within the canyons. Deposits of Quaternary alluvial and eolian sands occur prominently near the surface of Pump Canyon, especially near streams and washes.

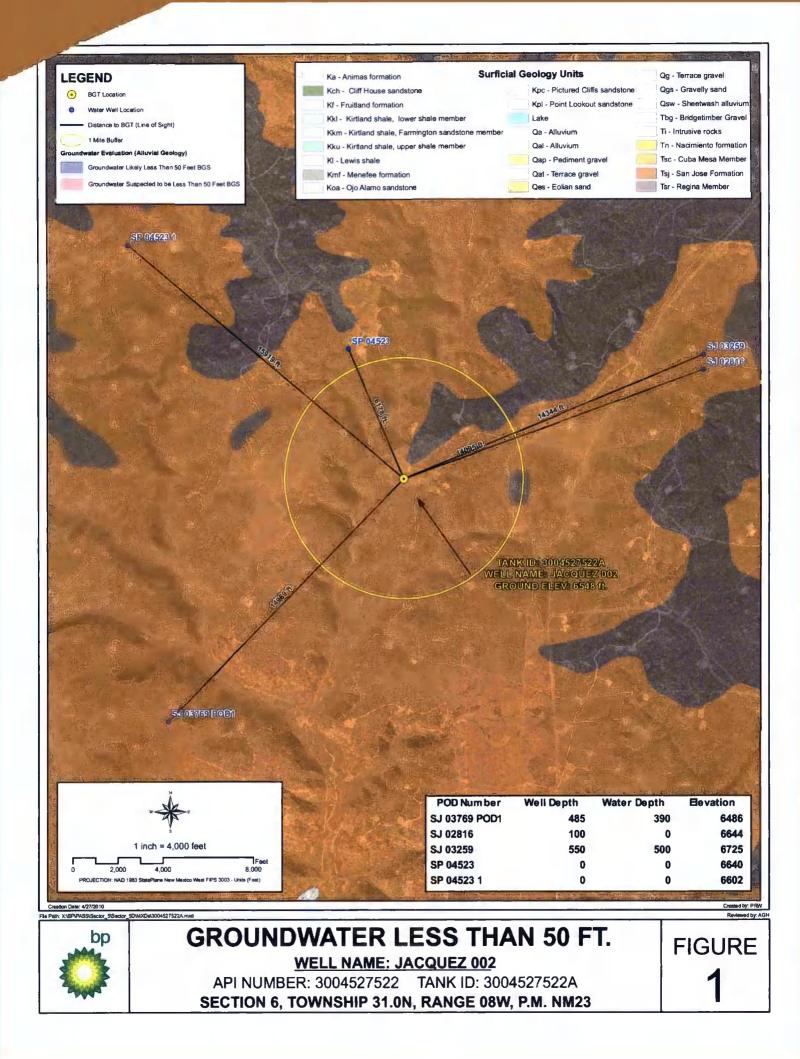
Regional Geology and Hydrology

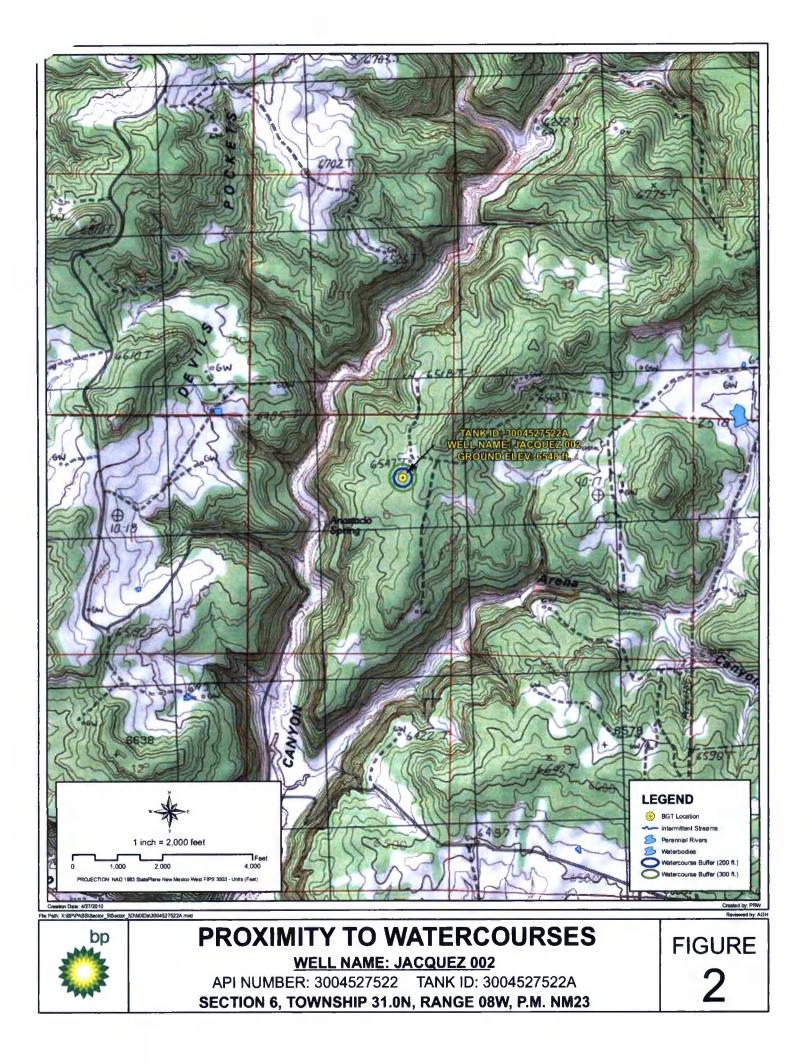
The San Juan Basin is situated in the Navajo section of the Colorado Plateau and is characterized by broad open valleys, mesas, buttes and hogbacks. Away from major valleys and canyons topographic relief is generally low. Native vegetation is sparse and shrubby. Drainage is mainly by the San Juan River, the only permanent stream in the Navajo Section of the Colorado Plateau. The San Juan River is a tributary of the Colorado River. Major tributaries include the Animas, Chaco and La Plata Rivers. Flow of the San Juan River across the basin is regulated by the Navajo Dam, located about 30 miles northeast of Farmington, New Mexico. The climate is arid to semiarid with an average annual precipitation of 8 to 10 inches. Soils within the basin consist of weathered parent rock derived from predominantly physical means mostly from eolian depositional system with fluvial having a lesser impact. Cretaceous and Tertiary sandstones, as well as Quaternary Alluvial deposits, serve as the primary aquifers in the San Juan Basin (Stone et al., 1983). The San Jose Formation of Eocene age occurs in both 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 border and overlies the Animas Formation in the general area north of the State Line. The San Jose Formation was deposited in various fluvial-type environments. In general, the unit consists of an interbedded sequence of sandstone, siltstone, and shale. Thickness of the San Jose Formation increases from west to east. Groundwater is associated with alluvial and fluvial sandstone aquifers. The occurrence of groundwater is mainly controlled by distribution of sandstone in the formation. The reported or measured discharge from numerous water wells completed in the formation range from 0.15 to 61 gallons per minute (gpm) and with a median of 5 gpm. Most of the wells provide water for livestock and domestic purposes. The formation is suitable for recharge from precipitation due to overlying soils being sandy, highly permeable and absorbent. Low annual precipitation, relatively high transpiration and evaporation rates and deep dissection of the formation by the San Juan River and its main tributaries all tend to reduce the effective recharge to the formation. Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation of Paleocene age are between 0 and 1000 feet deep in the majority of the basin as well (Stone et al., 1983).

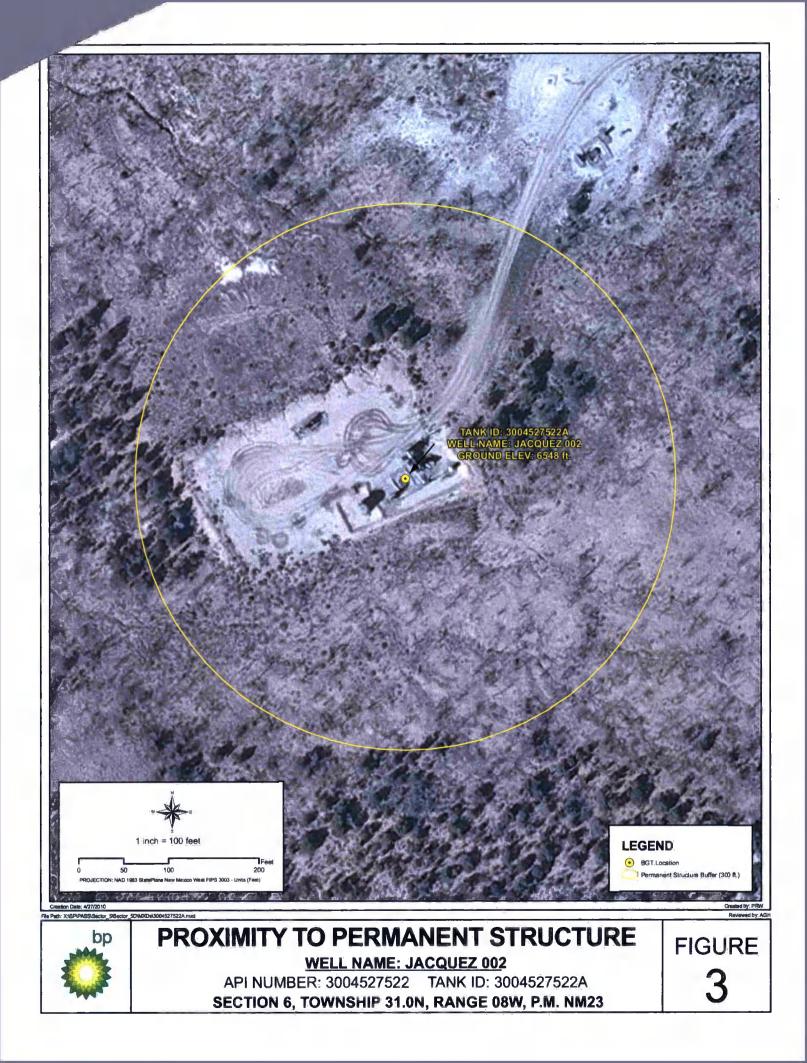
References

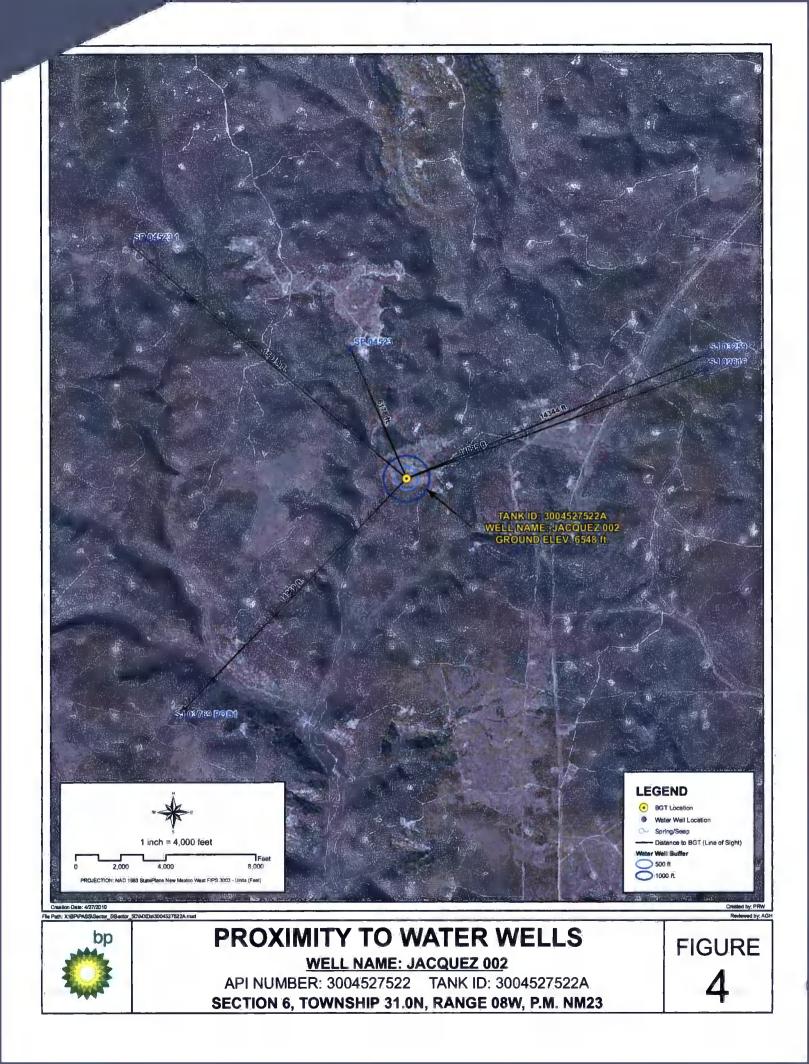
Circular 154—Guidebook to coal geology of northwest New Mexico By E. C. Beaumont, J. W. Shomaker, W. J. Stone, and others, 1976

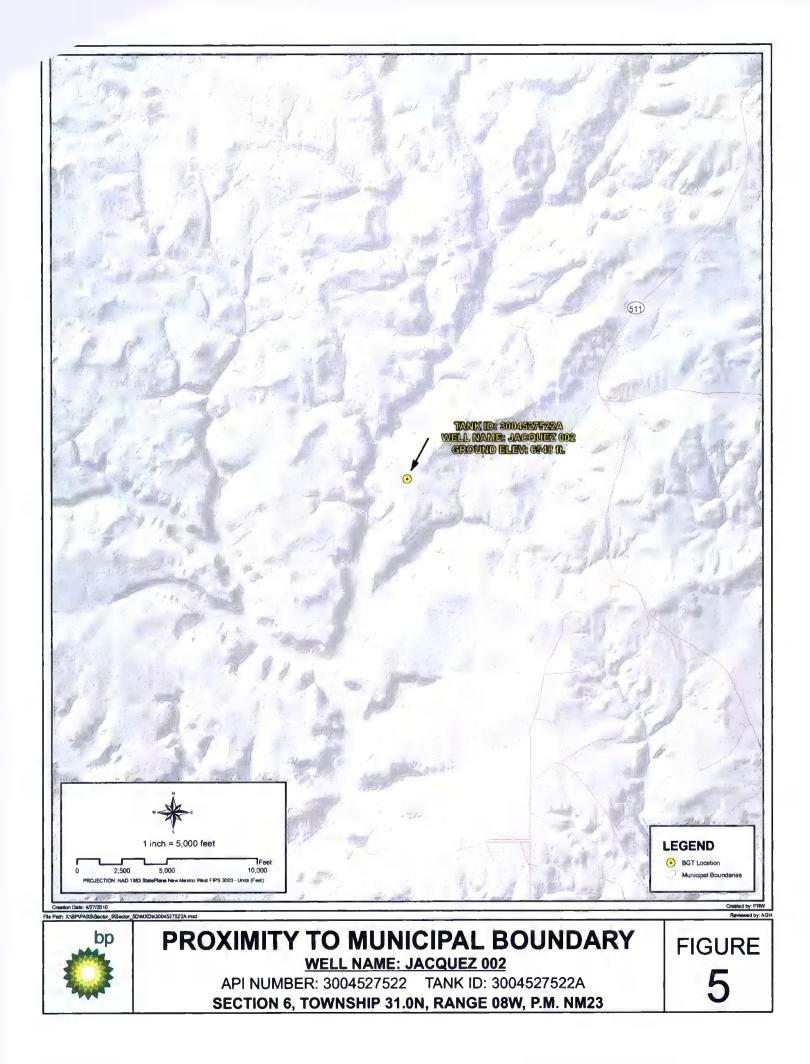
Stone, et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico, Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p





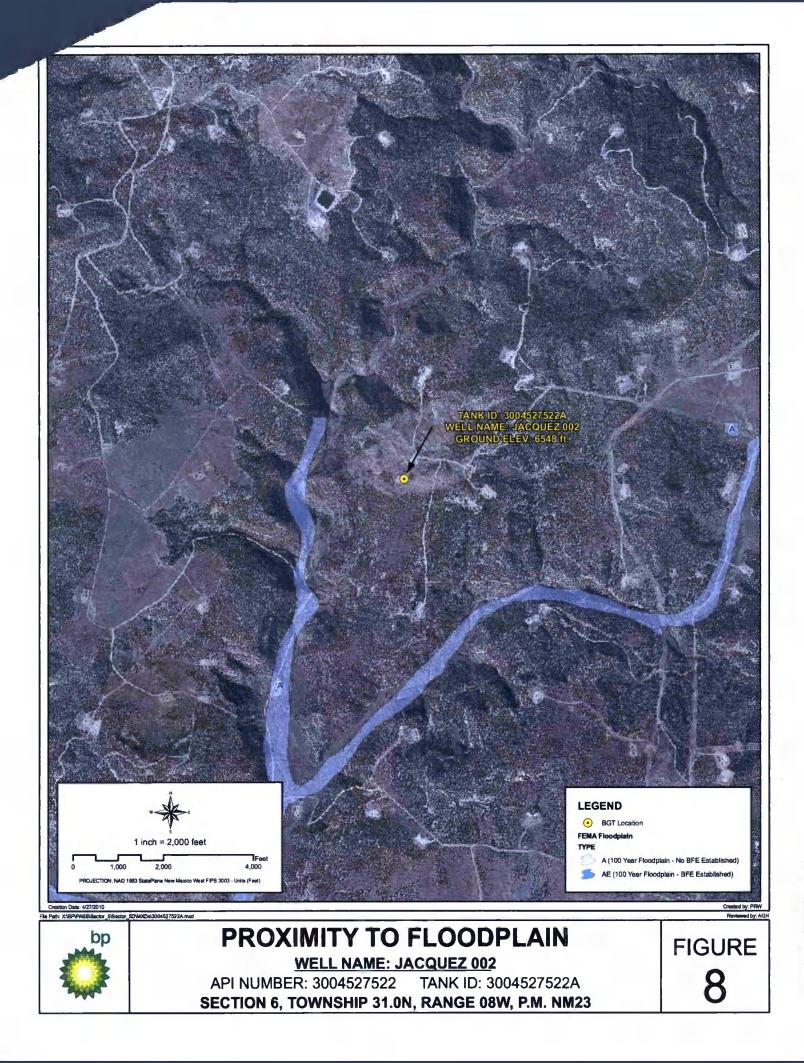












SOUTHERN SAN JUAN BASIN (SSJB)

Figure Citation List

March 2010

Figure 1: Groundwater Less Than 50 ft.

Layers:

Water Wells:

iWaters Database: NMOSE/ISC (Dec. 2009)

New Mexico Office of the State Engineer (OSE) /ISC iWaters database. (Data updated: 12/2009. Data received: 03/09/2010). Data available from: http://www.ose.state.nm.us/waters_db_index.html.

Cathodic Wells:

Tierra Corrosion Control, Inc. (Aug. 2008)

Tierra Corrosion Control, Inc. 1700 Schofield Ln. Farmington, NM 87401. Driller's Data Log. (Data collected: All data are associated with cathodic protection wells installed at BP facilities between 2008-2009. Data received: 05/06/2010).

Hydrogeological Evaluation:

Wright Water Engineers, Inc. (2008)

Evaluation completed by Wright Water Engineers, Inc. Durango Office. Data created using digital statewide geology at 1:500,000 from USGS in combination with 10m Digital Elevation Model (DEM) from NRCS. (Data compiled: 2008.)

Results: Spatial Polygons representing "Groundwater likely to be less than 50 ft." and "Groundwater suspected to be less than 50 ft.".

Surficial Geology:

USGS (1963/1987)

Data digitized and rectified by Geospatial Consultants. (Data digitized: 03/23/2010). Original hard copy maps sourced from United States Geological Survey (USGS). Data available from: http://pubs.er.usgs.gov/.

Geology, Structure and Uranium Deposits of the Shiprock Quadrangle, New Mexico and Arizonia. 1:250,000. I - 345. Compiled by Robert B. O'Sullivan and Helen M. Beikman. 1963.

Geologic Map of the Aztec 1 x 2 Quadrangle, Northwestern New Mexico and Southern Colorado. 1:250,000. I - 1730. Compiled by Kim Manley, Glenn R. Scott, and Reinhard A. Wobus. 1987.

Aerial Imagery:

Conoco (Summer 2009)

ConocoPhillips Company. (Flown: Summer 2009). 12 in. High Resolution Orthoimagery. Projected coordinate system name: NAD_1983_StatePlane_New_Mexico_West_FIPS_3003_Feet.

Figure 2: Proximity to Watercourses

Layers:

Perennial Streams:

National Hydrography Dataset (NHD). U.S. Geological Survey. (Data last updated: 02/19/ 2010. Data received: 03/09/2010). High-resolution: 1:24,000. Digital Representation of USGS 24k Topographic map series with field updates as required. Data available from: http://nhd.usgs.gov/.

NHD, USGS (2010)

NHD, USGS (2010)

Intermittent Streams:

National Hydrography Dataset (NHD). U.S. Geological Survey. (Data last updated: 02/19/ 2010. Data received: 03/09/2010). High-resolution: 1:24,000. Digital Representation of USGS 24k Topographic map series with field updates as required. Data available from: <u>http://nhd.usgs.gov/.</u>

Water Bodies: NHD, USGS (2010)

National Hydrography Dataset (NHD). U.S. Geological Survey. (Data last updated: 02/19/ 2010. Data received: 03/09/2010). High-resolution: 1:24,000. Digital representation of USGS 24k Topographic map series with field updates as required. Data available from: <u>http://nhd.usgs.gov/.</u>

USGS Topographic Maps:

USGS (2007)

USGS 24k Topographic map series. 1:24000. Maps are seamless, scanned images of USGS paper topographic maps. Data available from: <u>http://store.usgs.gov</u>.

Figure 3: Proximity to Permanent Structure

Layers:

Aerial Imagery:

Conoco (Summer 2009)

ConocoPhillips Company. (Flown: Summer 2009). 12 in. High Resolution Orthoimagery. Projected coordinate system name: NAD, 1983, StatePlane, New Maxico, West, EIPS, 2003, Feet

NAD_1983_StatePlane_New_Mexico_West_FIPS_3003_Feet.

Figure 4: Proximity to Water Wells

Layers:

Water Wells:

New Mexico Office of the State Engineer (OSE) /ISC iWaters database. (Data updated: 12/2009. Data received: 03/09/2010). Data available from:

http://www.ose.state.nm.us/waters_db_index.html.

Springs/Seeps:

NHD, USGS (2010)

iWaters Database: NMOSE/ISC (Dec. 2009)

National Hydrography Dataset (NHD). U.S. Geological Survey. (Data last updated: 02/19/ 2010. Data received: 03/09/2010). High-resolution: 1:24,000. Digital representation of USGS 24k Topographic map series with field updates as required. Data available from: <u>http://nhd.usgs.gov/.</u>

Aerial Imagery:

Conoco (Summer 2009)

ConocoPhillips Company. (Flown: Summer 2009). 12 in. High Resolution Orthoimagery. Projected coordinate system name: NAD_1983_StatePlane_New_Mexico_West_FIPS_3003_Feet.

Provided as tiled .tiff images and indexed using polygon index layer.

Figure 5: Proximity to Municipal Boundary

Layers:

Municipal Boundary: San Juan County, New Mexico (2010)

Data provided by San Juan County GIS Division. (Data received: 03/25/2010).

Shaded Relief:

NED, USGS (1999)

National Elevation Dataset (NED). U.S. Geological Survey, EROS Data Center. (Data created: 1999. Data downloaded: April, 2010). Resolution: 10 meter (1/3 arc-second). Data available from: <u>http://ned.usgs.gov/</u>.

StreetMap North America: Tele Atlas North America, Inc., ESRI (2008)

Data derived from Tele Atlas Dynamap/Transportation North America, version 5.2. (Data updated: annually. Data series issue: 2008).

Figure 6: Proximity to Wetlands

Layers:

Wetlands: NWI (2010)

National Wetlands Inventory (NWI). U.S Fish and Wildlife Service. (Data last updated: 09/25/2009. Data received: 03/21/2010). Data available from: <u>http://www.fws.gov/wetlands/</u>.

Aerial Imagery:

Conoco (Summer 2009)

ConocoPhillips Company. (Flown: Summer 2009). 12 in. High Resolution Orthoimagery. Projected coordinate system name: NAD_1983_StatePlane_New_Mexico_West_FIPS_3003_Feet.

Provided as tiled tiff images and indexed using polygon index layer.

Figure 7: Proximity to Subsurface Mine

Layers:

Subsurface Mine:

NM Mining and Minerals Division (2010)

New Mexico Mining and Minerals Division. (Data received: 03/12/2010). Contact: Susan Lucas Kamat, Geologist. Provided PLSS NM locations (Sections) for the two subsurface mines located in San Juan and Rio Arriba counties.

Aerial Imagery:

Conoco (Summer 2009)

ConocoPhillips Company. (Flown: Summer 2009). 12 in. High Resolution Orthoimagery. Projected coordinate system name: NAD_1983_StatePlane_New_Mexico_West_FIPS_3003_Feet.

Figure 8: Proximity to FEMA Floodplain

Layers:

FEMA Floodplain:

FEMA (varying years)

Data digitized and rectified by Wright Water Engineers, Inc. (Data digitized: August 2008). Digitized from hard copy Flood Insurance Rate Maps (FIRMs) (varying years) of San Juan County.

Aerial Imagery:

Conoco (Summer 2009)

ConocoPhillips Company. (Flown: Summer 2009). 12 in. High Resolution Orthoimagery. Projected coordinate system name: NAD_1983_StatePlane_New_Mexico_West_FIPS_3003_Feet.

BP AMERICA PRODUCTION COMPANY

San Juan Basin in Northwest New Mexico Below-Grade Tank Design and Construction Plan

Pursuant to Rule 19.15.17.11 NMAC, BP America Production Company (BP) shall construct a below-grade tank (BGT) or modify an existing permitted BGT according to the following plan. Any deviations from this plan will be addressed on the New Mexico Oil Conservation Division's (NMCOD) form C-144 at the time of submittal.

Design and Construction Plan

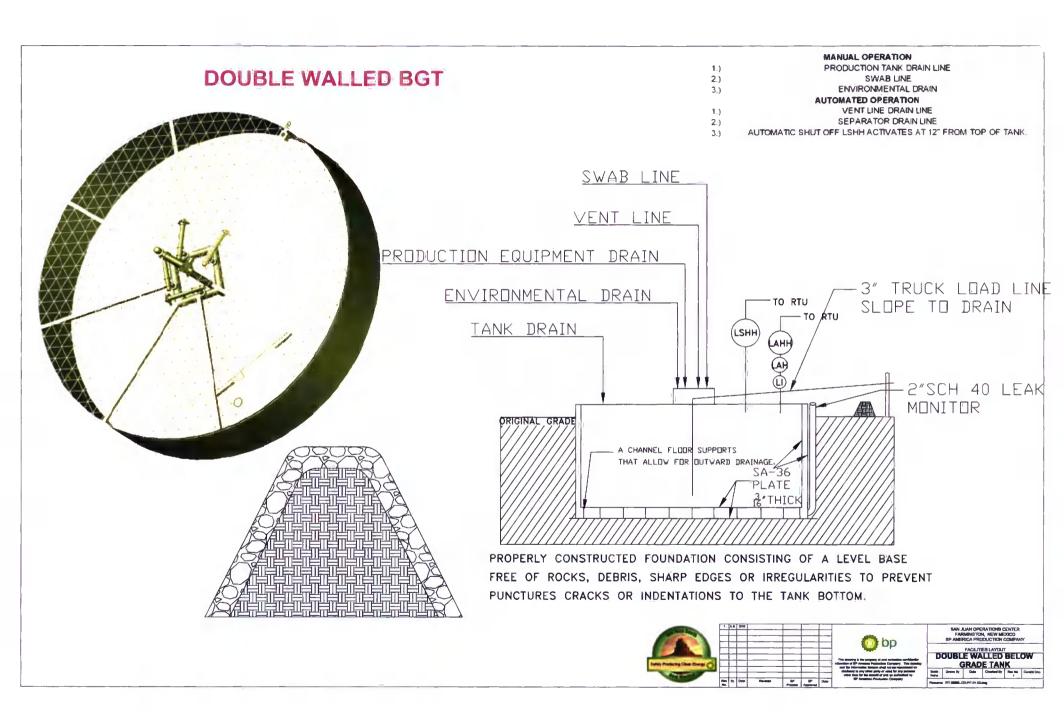
- 1. BP will design and construct a BGT which will be constructed to contain liquids and prevent contamination of fresh water and protect public health and the environment.
- 2. BP is the well operator and shall install and maintain a well sign that is in compliance with 19.15.16.8 NMAC. The sign will be posted at the well site to address, at a minimum;
 - a. Well Number
 - b. Property name
 - c. Operators name
 - d. Location by footage, quarter-quarter section, township and range (or unit letter)
 - e. API number

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- f. Emergency contact information
- 3. BP will fence or enclose its BGTs in a manner that prevents unauthorized access and shall maintain its fence in good repair.
- 4. BP will fence or enclose a BGT located within 1,000 feet of a permanent residence, school, hospital, institution or church with, at a minimum a chain link security fence at least six (6) feet in height with at least two (2) strands of barbed wire at the top. BP will ensure that all gates associated with the fence are closed and locked when responsible personnel are not on-site.
- 5. BP is requesting NMOCD's approval for an alternative fence design that provides, at a minimum, equivalent protection to the design specified in Paragraph 3 of Subsection D of 19.15.17.11 NMAC for BGTs beyond the stated distance in paragraph 4 of this document. BP's proposed design for its BGTs will utilize 48" steel mesh field-fence (hogwire) with a metal or steel top rail. Perimeter T-post will be installed roughly every 10 feet.
- 6. BP will construct an expanded metal covering that completely covers the top of the BGT. The covering will be constructed such that it will prevent hazardous conditions to wildlife, including migratory birds
- 7. BP shall construct the BGT of materials that are resistant to produced water, any contained liquids, and damage from sunlight. BP's BGTs will be constructed of carbon steel that meets the requirements of ASTM A36.
- 8. BP's BGTs shall have a properly constructed earthen foundation consisting of a level base free of rocks, debris, sharp edges, or irregularities as to prevent punctures, cracks or indentations to the tank bottom as demonstrated on the design drawing.
- 9. BP will construct and operate the BGT to prevent surface water run-on by using both earthen

berms and leaving a portion of the BGT above the original grade as demonstrated on the design drawing.

- 10. BP will construct and operate the BGT to prevent overflow and overfilling of the BGT. Overflow will be prevented by use of an electronic high fluid level detector that will automatically engage an electronic shut-off valve when a 1 foot freeboard is reached. The Hi-level automatic alarm notifies well optimizers when liquid level has reached within a preset distance to the top of the BGT. The Hi Hi alarm will trigger the Hi-level automatic shutdown valve which will close in the well until the liquid level can be lowered.
- 11. BP will construct and install a double-walled tank design per Subparagraph (b) of Paragraph (4) of Subsection I of 19.15.17.11 NMAC with a two (2) inch diameter leak detection port. The floor supports located in the annular space of the tank bottom will be channeled to allow outward movement of liquid between the walls. Leak detection will be monitored per BP's Operating and Maintenance Plan. The walls of the BGT will be constructed of carbon steel that meets the ASTM A36 standard. BP's BGT design will insure containment of tank contents and protect underlying groundwater. The production equipment line drain is an automated drain that allows water level in production equipment (generally the separator) to be maintained within the equipment's operating parameters. The environmental drain is a manually operated drain that is used to drain liquids off of equipment. The tank drain is a manually operated drain, typically in the closed position that is used to rid the condensate tank of any water accumulation. The vent drain is a manually operated drain off the discharge of production equipment (usually the separator) and is used to blowdown the wellsite. The swab drain line is a manually operated drain originating between the wellhead and separator and is used during well workovers when large amounts of liquid are removed from the well and sent straight to the BGT.
- 12. BP owned and operated BGTs that were constructed and installed prior to June 16, 2008 that do not meet all the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and are not included in Paragraph (6) of Subsection I of 19.15.17.11 NMAC are not required to equip or be retrofit to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as the BGT demonstrates integrity. If the existing BP BGT does not demonstrate integrity, BP shall promptly remove the BGT and install a BGT that complies with the BP NMOCD approved BGT design attached to the Design and Construction Plan. BP shall comply with the operational requirements of 19.15.17.12 NMAC.
- 13. BP owned and operated BGTs that were constructed and installed prior to June 16, 2008 that are single walled and where any portion of the tank side wall is below ground surface and not visible shall be retrofit or replaced to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or shall be closed within 5 years of June 16, 2008. If the existing BP owned and operated BGT does not demonstrate integrity, BP shall promptly remove the BGT and install a BGT that complies with the BP NMOCD approved BGT design attached to the Design and Construction Plan. BP shall comply with the operational requirements of 19.15.17.12 NMAC.
- 14. The general specifications for the design and construction of the BGT have been provided in the attached BP design and construction schematic.



BP AMERICA PRODUCTION COMPANY

San Juan Basin in Northwest New Mexico Below-Grade Tank Operating and Maintenance Plan

Pursuant to Rule 19.15.17.12 NMAC, BP America Production Company (BP) shall maintain and operate a below-grade tank (BGT) with the following requirements. Deviations from this plan will be addressed with a submittal to the New Mexico Oil Conservation Division's (NMOCD) using form C-144 at the time of the BGT permit or modification to an existing permitted BGT application.

Operating and Maintenance Plan

- 1. BP's BGTs will be operated and maintained to contain liquids and solids and promptly identify a release or potential release. BP's BGTs will be operated and maintained to prevent contamination to freshwater and protect public health and the environment. BP will use automated high fluid level alarms and automated shut-off valves to insure that liquids are contained within the vessel and that the vessel does not overflow. These alarms and shut-off valves will be consistent with those demonstrated in the design plan. BP will perform and document inspections of the BGTs on a monthly basis to confirm the integrity of the vessel.
- 2. BP will not knowingly discharge or store any hazardous waste into a BGT
- 3. If a BGT develops a leak, or a release occurs due to mechanical failure or vandalism, or if a penetration of the BGT occurs below the liquid's surface, BP shall: 1) evacuate liquids from the BGT to a level below the damage or leak line within 48 hours; and 2) notify the NMOCD's District III office within 48 hours of the discovery. BP will review #4 of the BP Operating and Maintenance plan prior to any repair or replacement to determine if the BGT and location will require closure. If appropriate BP shall repair or replace the BGT with the BP NMOCD approved design. If a release from the BGT occurs BP shall follow the release reporting procedures of 19.15.29 NMAC. If closure of the BGT is required, BP shall implement the approved closure plan for the BGT.
- 4. If a BP operated BGT that was constructed and installed prior to June 16, 2008 that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC does not demonstrate integrity or if the BGT develops any of the conditions identified in Paragraph (5) of Subsection A of 19.15.17.12 NMAC, BP shall close the existing BGT pursuant to the closure requirements of 19.15.17.13 NMAC and will install a BGT that complies with BP NMOCD approved BGT design attached to the Design and Construction Plan.
- 5. If a BP operated BGT that was constructed and installed prior to June 16, 2008 that does not comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC is equipped or retrofit to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, BP shall visually inspect the area beneath the BGT during the retrofit and shall document any areas that are wet, discolored or showing other evidence of a release on Form C-141. BP shall demonstrate to the division whether evidence of contamination indicates that an imminent threat to fresh water, public health, safety or the environment exists. If the division

BP Operating and Maintenance Plan 04-01-2010

- 6. BP will install and construct the BGT following the BP NMOCD approved Design and Construction Plan, and will control surface water run on by the use of a berm or leaving a portion of the tank wall exposed. BP will use high level shot-off devices to insure that the BGT does not overflow.
- 7. The following requirements adhere to Subsection D of 19.15.17.12 NMAC.
 - a. BP will remove any visible or measurable layer of oil from the fluid surface of the BGT.
 - b. BP will inspect the BGT monthly. The monthly inspection will consist of the following:
 - i. Personnel will conduct a walk-around of the BGT to observe any abnormalities or signs of corrosion on the vessel. Personnel will inspect the surface run-on berm. Where applicable, inspection of the BGT's double wall double bottom inspection port, tank flanges and valves for signs of leakage or spills will be conducted. Personnel will record any BGT deficiencies, repair as necessary and report to BP Dispatch Office immediately if an imminent danger to fresh water, public heath, or to the environment is observed. BP will maintain a written record of the monthly inspections on the BP inspection from referred to as the San Juan Lease Inspection Form. BP will maintain these written records for at least five (5) years. A copy of the San Juan Lease Inspection Form is attached.
- 8. BP will maintain sufficient freeboard of one foot in the BGT to prevent overtopping.

ate:	Run:		Location: Name of Inspector:	
es	Action	N/A	Required Signs	
		_	Does location have Well Sign and emergency phone number?	
			Do compressor engines have Hearing Protection signs?	
			Hydrogen Sulfide Signs (where applicable) Chemical containers and tanks have proper Hazcom label or BP Multi-Product Hazcom numbers?	
es	Action	N/A	Location- General	
			Housekeeping satisfactory?	
			Tripping or falling hazards are absent? If NO, identify and report to FSC.	
			Rig anchors/Deadmen adequately marked and visible if they present a hazard to drivers?	
			Driving hazards such as risers are marked or flagged?	
			Painting meets safety standards?	
			Cattleguards/gates properly maintained?	
			Tarps in good repair?	
		-	Seeps, drips, or leaks are absent?	
-				
			Is weed control adequate?	
			Stains on ground are absent? If NO, remediate immediately, identify and report to FEC.	
_	A	- NIŽA	Are there any open ended valves that are not plugged?	
es	Action	N/A	Vessel/Tank	
			Adequate fencing around below grade tank?	
	·		Are the dike/berm walkover in place, used and stable?	
			Are dikes/berms in good condition?	
			Is there adequate and safe access to pit for gauging?	
			Does the pit have a high level alarm?	
_			Are stairways and catwalks properly maintained and in good condition?	
	<u> </u>		Toprail, midrail and toeboard in place?	
			Are thief hatches in good condition, seal properly, and in the closed position?	
			Is tank vent line equipped with a PV valve? (Enardo)	
			Does the tank have a high level alarm?	
			Are open ended load lines and pipes capped?	
			Is soil around load lines clean of oil stains?	
			Is tank area free of any evidence of seeps or leaks (including manway cover)?	
			Are there proper seals on sales and drain valves?	
			Are all suspected dump lines well supported?	
			Are above ground dump lines marked with t-posts and plastic covers?	
			Have all fiberglass drip pits been removed?	
es	Action	N/A	Treaters/Separators/Compressors/Pump Jacks	
			If there is a block valve upstream of the relief valve, is the block valve secured in the open position?	
			Are relief valve discharge and blow downs piped to a safe area and secured against movement?	
			Has flame arrestor been inspected within the last 5 years?	
			Is flame port closed?	
			Do all lines pass through a super muffler or swirl pot to the pit/tank? If not, are all lines secured?	
			Is starting gas vented to a safe area, at least 10' vertically?	
			No excessive vibration, knocking or unusual noises anywhere on unit or piping?	
			Are site glasses in operating condition?	
			Are environmental rails piped to a pit in a dedicated line?	
			Do all blow downs, relief valve discharges, and risers have rain caps?	
			Stuffing box leaks are absent?	
			Are the weight guards and belt guard in place?	
			Are skids in good condition?	
			Are concrete bases / foundations in good condition?	
		_	Are concrete bases free from erosion or settlement problems?	
			Is secondary containment in place for day tanks?	

Signature of Inspector: My signature assures that this location is SAFE, is in compliance with the LAW, and exhibits high standards of Pride, Ownership and Excellence.

BP AMERICA PRODUCTION COMPANY SAN JUAN BASIN, NORTHWEST NEW MEXICO

BELOW-GRADE TANK CLOSURE PLAN

This plan will address the standard protocols and procedures for closure of below-grade tanks (BGTs) on BP America Production Company (BP) well sites. As stipulated in Paragraph A of 19.15.17.13 NMAC, BP shall close a BGT within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the New Mexico Oil Conservation Division (NMOCD) requires because of imminent danger to fresh water, public health, safety or the environment. If deviations from this plan are necessary, any specific changes will be included on form C-144 and approved by the NMOCD. BP shall close an existing BGT that does 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 1 of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofit with a BGT that complies with the BP NMOCD approved BGT design attached to the BP Design and Construction Plan. BP shall close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, if not previously retrofitted to comply with the BP NMOCD approve BGT Design attached to the BP Design and Construction Plan, prior to any sale or change in operator pursuant to 19.15.9.9 NMAC. BP shall close the permitted BGT within 60 days of cessation of the BGTs operation or as required by the transitional provisions of Subsection B, D, or E of 19.15.17.17 NMAC.

General Closure Plan

- 1. BP shall notify the surface owner by certified mail that it plans to close a BGT. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records demonstrates compliance with this requirement.
- 2. BP shall notify the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice shall include the operator's name, and the location to be closed by unit letter, section, township and range. If the BGT closure is associated with a particular well, then the notice shall also include the well's name, number and API number.
- 3. BP shall remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. The facilities to be used are:
 - a. BP Crouch Mesa Landfarm, Permit NM-02-003 (Solids)
 - b. JFJ Landfarm, Permit NM-01-010(B) (Solids and Sludge)
 - c. Basin Disposal, Permit NM-01-0005 (Liquids)
 - d. Envirotech Inc Soil Remediation Facility, Permit NM-01-0011 (Solids and Sludge)
 - e. BP Operated E.E. Elliott SWD #1, API 30-045-27799 (Liquids)
 - f. BP Operated 13 GCU SWD #1, API 30-045-28601 (Liquids)
 - g. BP Operated GCU 259 SWD, API 30-045-20006 (Liquids)
 - h. BP Operated GCU 306 SWD, API 30-045-24286 (Liquids)
 - i. BP Operated GCU 307 SWD, API 30-045-24248 (Liquids)
 - j. BP Operated GCU 328 SWD, API 30-045-24735 (Liquids)
 - k. BP Operated Pritchard SWD #1, API 30-045-28351 (Liquids)

- 4. BP shall remove the BGT and dispose of it in a NMOCD approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD approves. If a liner is present and must be disposed of it will be cleaned by scraping any soils or other attached materials on the liner to a de minimus amount and disposed at a permitted solid waste facility, pursuant to Subparagraph (m) of Paragraph (1) of Subsection C of 19.15.35.8 NMAC. Documentation as to the final disposition of the removed BGT will be provided in the final closure report.
- 5. BP shall remove any on-site equipment associated with a BGT unless the equipment is required for well production.
- 6. BP shall test the soils beneath the BGT to determine whether a release has occurred. BP shall collect at a minimum: a five (5) point composite sample and individual grab samples from any area that is wet, discolored or showing other evidence of a release and analyze for BTEX, TPH and chlorides. The testing methods for those constituents are as follows;

Constituents	Testing Method	Release Verification (mg/Kg)
Benzene	US EPA Method SW-846 8021B or 8260B	0.2
Total BTEX	US EPA Method SW-846 8021B or 8260B	50
TPH	US EPA Method SW-846 418.1	100
Chlorides	US EPA Method 300.0 or 4500B	250 or background

- Notes: mg/Kg = milligram per kilogram, BTEX = benzene, toluene, ethylbenzene, and total xylenes, TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. Chloride closure standards will be determined by which ever concentration level is greatest.
- 7. BP shall notify the division District III office of its results on form C-141.
- 8. If it is determined that a release has occurred, then BP will comply with 19.15.30 NMAC and 19.15.29 NMAC, as appropriate.
- 9. If the sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then BP shall backfill the excavation, with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover, re-contour and re-vegitate the location. The location will be reclaimed if it is not with in the active process area.
- 10. BP shall reclaim the BGT location and all areas associated with the BGT including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. BP shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC, re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Subsection I of 19.15.17.13 NMAC.
- 11. The soil cover for closures where the BGT has been removed or remediated to the NMOCD's satisfaction shall consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. The soil

- 12. BP shall seed the disturbed area the first growing season after closure of the BGT. Seeding will be accomplished by drilling on the contour whenever practical or by other division-approved methods. Vegetative cover will be, at a minimum, 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation), consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of that cover through two successive growing seasons. During the two growing seasons that prove viability, there shall be no artificial irrigation of the vegetation.
- 13. BP shall seed, plant and re-seed pursuant to Paragraph (3) of Subsection I of 19.15.17.13 NMAC, until the location successfully achieves the required vegetative cover.
- 14. Pursuant to Paragraph (5) of Subsection I of 19.15.17.13 NMAC, BP shall notify the NMOCD when it has seeded or planted and when it successfully achieves revegetation.
- 15. Within 60 days of closure completion, BP shall submit a closure report on NMOCD's form C-144, and will include the following;
 - a. proof of closure notification (surface owner and NMOCD)
 - b. sampling analytical reports; information required by 19.15.17 NMAC;
 - c. disposal facility name and permit number
 - d. details on back-filling, capping, covering, and where applicable re-vegetation application rates and seeding techniques and
 - e. site reclamation, photo documentation.Disposal Facility Name and Permit Number
- 16. BP shall certify that all information in the report and attachments is accurate, truthful, and compliant with all applicable closure requirements and conditions specified in the approved closure plan.