District 1 1625 N. French Dr., Hobbs, NM 88240

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

State of New Mexico Energy Minerals and Natural Resources

Form C-144 July 21, 2008

Dis REGISTERED 130= on Division Francis Dr. Dis June 1 0, 14M 87505 District IV

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

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

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

Places he advised that approved of this request does not relieve the approved of lightlift, should approve require result in reflection of surface custom.

| environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances. |
|---|
| Operator: Burlington Resources Oil & Gas Company, LP OGRID#: 14538 |
| Address: PO Box 4289, Farmington, NM 87499 |
| Facility or well name: SAN JUAN 27-4 UNIT 58 |
| API Number: 3003920386 OCD Permit Number: |
| U/L or Qtr/Qtr: M Section: 31 Township: 27N Range: 4W County: Rio Arriba |
| Center of Proposed Design: Latitude: 36.52484°N Longitude: -107.29616°W NAD: X 1927 1983 |
| Surface Owner: X Federal State Private Tribal Trust or Indian Allotment |
| 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 HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl 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 activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVD Other |
| Liner Seams: Welded Factory Other |
| A |
| 5 Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental 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. | stitution or ch | 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 configeration (Fencing/BGT Liner) Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. | isideration of a | ipproval. |
| 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. | | 1 |
| 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 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa | Yes | XNo |
| lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | Yes | X 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) | Yes | XNo |
| - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | LJ**** | |
| 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 |
| Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. | Yes | XNo |
| - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site. Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | Yes | X No |
| adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland | | _ |
| Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within the area overlying a subsurface mine. | Yes | X No |
| - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division | Yes | X No |
| Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | Yes | X No |
| Within a 100-year floodplain - FEMA map | Yes | XNo |

| 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. |
|--|
| X 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 |
| X Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC |
| X Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC |
| X Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC |
| X Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |
| |
| |
| 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 19.15.17.11 NMAC |
| Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC |
| Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |
| Previously Approved Design (attach copy of design) API |
| Previously Approved Operating and Maintenance Plan API |
| |
| Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC |
| Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. |
| Hydrogeologic Report - based upon the requirements of Paragraph (I) of Subsection B of 19.15.17.9 NMAC |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment |
| Certified Engineering Design Plans - based upon the appropriate requirements of 19:15.17.11 NMAC |
| Dike Protection and Structural Integrity Design: based upon the appropriate requirements of 19.15.17.11 NMAC |
| Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC |
| Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC |
| Quality Control/Quality Assurance Construction and Installation Plan |
| Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC |
| Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC |
| Nuisance or Hazardous Odors, including H2S, Prevention Plan |
| Emergency Response Plan |
| Oil Field Waste Stream Characterization |
| Monitoring and Irispection Plan Erosion Control Plan |
| Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |
| Closule Fiant - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |
| Proposed Classica 10 IS 17 12 NDAAC |
| Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. |
| Type: Drilling Workover Emergency Cavitation P&A Permanent Pit X Below-grade Tank Closed-loop System Alternative |
| Proposed Closure Method: X Waste Excavation and Removal (Below-Grade Tank) |
| Waste Removal (Closed-loop systems only) |
| On-site Closure Method (only for temporary pits and closed-loop systems) |
| In-place Burial On-site Trench |
| Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration) |
| 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) |
| 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 |

| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) | | |
|--|--|--|
| Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two are required. | facilities | |
| Disposal Facility Name: Disposal Facility Permit #: | | |
| Disposal Facility Name: Disposal Facility Permit #: | | |
| Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future Yes (If yes, please provide the information No | | erations? |
| Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specification - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | A C | |
| Siting Criteria (Regarding on-site closure methods only: 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan, Recommendations of acceptable source material are provided be certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance. | low. Requests reg. ve Santa Fe Enviro | arding changes to nmental Bureau office |
| Ground water is less than 50 feet below the bottom of the buried waste. | Yes | No |
| - NM Office of the State Engineer - iWATERS database search; USGS: Data obtained 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 obtained 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 obtained from nearby wells | □N/A | _ |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). | Yes | No |
| - Topographic map; Visual inspection (certification) of the proposed site | _ | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site: Aerial photo: satellite image | Yes | No |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existence at the time of the initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | Yes | No |
| 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 confirantion or verification or map from the NM EMNRD-Mining and Mineral Division | Yes | No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society: | Yes | No |
| Topographic map Within a 100-year floodplain FEMA map | Yes | No |
| On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must bee attached to the closur by a check mark in the box, that the documents are attached. | re plan. Please | indicate, |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC | | |
| Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC | | |
| Construction/Design Plan of Burial 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 1 | 9.15.17.11 NM | AC |
| 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 can | nnot be achieve | d) |
| 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 | C. Alfination | | |
|---|---|--|--|
| Operator Application Thereby certify that the | n Certification: information submitted with this application is true, a | ecurate and complete to the best of | f my knawdodne and belief |
| Name (Print): | Crystal Tafoya | Title: | Regulatory Technician |
| Signature: | Cuptel Infaye | Date: | 12/22/2008 |
| e-mail address: | : Ustat tatova@conocophillips.com | Telephone: | |
| | the subsequence is the second of the second | - Company | 505-720-76.11 |
| 20 OCD Approval: | Permit Application (including closure plan) | Closure Plan (only) | OCD Conditions (see attachment) |
| OCD Representative | Signature: | | Approval Date: |
| Title: | | OCD Permit Nu | mber: |
| | | | |
| 21 Closure Report (requ | uired within 60 days of closure completion): s | Subsection K of 10.15.17.13 NMAC | |
| Instructions: Operators a report is required to be s | are required to obtain an approved closure plan pric submitted to the division within 60 days of the compl as been obtained and the closure activities have been | or to implementing any closure acti etion of the closure activities. Plea n completed. | |
| | | Closure Com | pletion Date: |
| 22 Closure Method: | | | |
| Waste Excavatio | n and Removal On-site Closure Method approved plan, please explain. | Alternative Closure Metho | d Waste Removal (Closed-loop systems only) |
| | approved plan, please explain. | | |
| 23 Closure Report Regard | ing Waste Removal Closure For Closed-loop Syste | ems That Utilize Above Ground S | Steel Tanks or Haulaff Rins Only |
| Instructions: Please ider | ntify the facility or facilities for where the liquids, d | rilling fluids and drill cuttings we | re disposed. Use attachment if more than two facilities |
| were utilized. | | | |
| Disposal Facility Nan Disposal Facility Nan | | Disposal Facility Permit | |
| | system operations and associated activities performe | Disposal Facility Permit | |
| | e demonstrate complilane to the items below) | No | sed for future service and opeartions? |
| | d areas which will not be used for future service and | | |
| | (Photo Documentation) | operations: | |
| Soil Backfilling a | and Cover Installation | | |
| Re-vegetation Ap | oplication Rates and Seeding Technique | | |
| 24 | | | |
| Closure Report At | tachment Checklist: Instructions: Each of the fo | ollowing items must be attached to | the closure report. Please indicate, by a check mark in |
| | e Notice (surface owner and division) | | |
| | Notice (required for on-site closure) | | |
| = | n-site closures and temporary pits) | | |
| = | ampling Analytical Results (if applicable) | | |
| = | Sampling Analytical Results (if applicable) | | |
| = | y Name and Permit Number | | |
| | and Cover Installation | | |
| = | pplication Rates and Seeding Technique | | |
| | n (Photo Documentation) | | |
| On-site Closure | | Longitude: | NAD 1927 1983 |
| | | | |
| 25 | | | |
| Operator Closure Cer hereby certify that the in the closure complies with | | re report is ture, accurate and com- | aplete to the best of my knowledge and belief. I also certify that |
| Name (Print): | ауулганга изони с годинения ини стинионы з | Title: | ur. |
| Signature: | | | |
| rigilature. | | Date: | |
| -mail address: | | Telephone: | |

Form C-144

New Mexico Office of the State Engineer POD Reports and Downloads

| Township: 26N Range: 04W Sections: |
|--|
| NAD27 X: Y: Zone: Search Radius: |
| County: Basin: Number: Suffix: |
| Owner Name: (First) (Last) Con-Domestic Conestic |
| POD / Surface Data Report Avg Depth to Water Report Water Column Report |
| Clear Form iWATERS Menu Help |
| WATER COLUMN REPORT 08/20/2008 |
| (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Depth Depth Water (in |

Well

Water

Column

Tws Rng Sec q q q Zone

No Records found, try again

POD Number

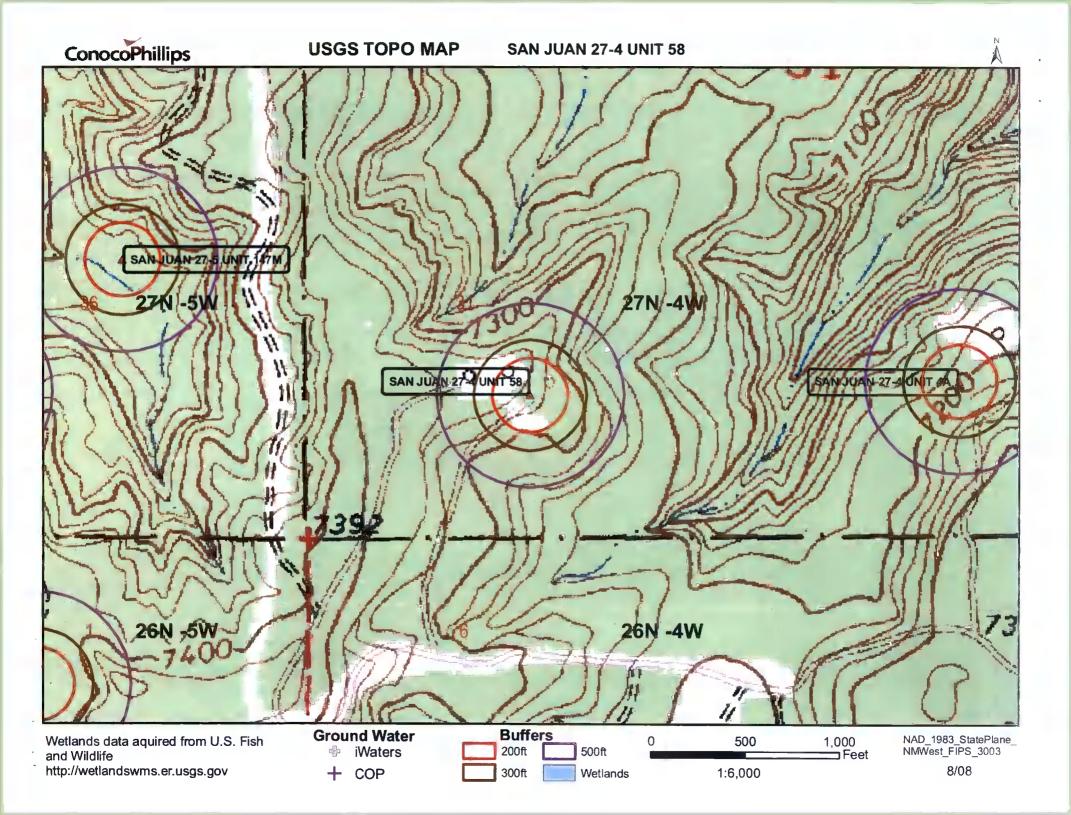
New Mexico Office of the State Engineer POD Reports and Downloads

| Township: 27N Range | e: 04W Sections: | |
|---------------------------|--------------------|-----------------------------|
| NAD27 X: Y: | Zone: | Search Radius: |
| County: Basin: | <u> </u> | Number: Suffix: |
| Owner Name: (First) | (Last) | Non-Domestic C Domestic All |
| POD / Surface Data Report | Avg Depth to Water | Report Water Column Report |
| Clear F | Form iWATERS Me | enu Help |
| | | |

WATER COLUMN REPORT 08/20/2008

| | | | | | | | 3=SW 4=SE) smallest) | | | Depth | Depth | Water | (in |
|------------|-----|-----|-----|---|---|---|----------------------|---|---|-------|-------|--------|-----|
| POD Number | Tws | Rng | Sec | q | P | P | Zone | X | Y | Well | Water | Column | • |
| SJ 00048 | 27N | 04W | 01 | | | | | | | 143 | | | |
| SJ 01049 | 27N | 04W | 18 | 4 | 2 | 2 | | | | 15 | | | |
| SJ 01205 | 27N | 04W | 34 | 4 | 4 | 4 | | | | 3054 | 750 | 2304 | |

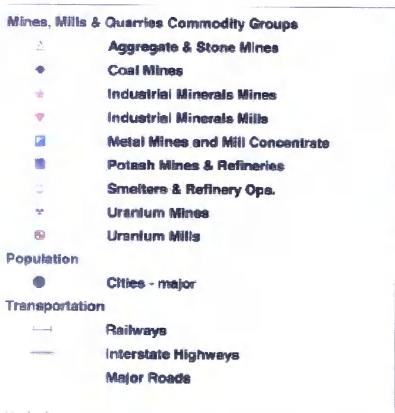
Record Count: 3

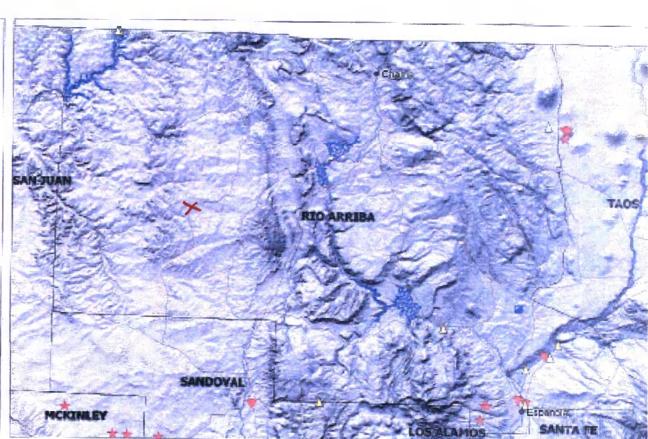


Mines, Mills and Quarries Web Map

SAN JUAN 27-4 UNIT 58

Unit Letter: M, Section: 31, Town: 027N, Range: 004W









SAN JUAN 27-4 UNIT 58

Site Specific Hydrogeology

A visual site inspection confirming the information contained herein was performed on the well 'SAN JUAN 27-4 UNIT 58', which is located at 36.52484 degree, North latitude and 107.29616 degree, West longitude. This location is located on the Vigas Canyon 7.5' USGS topographic quadrangle. This location is in section 31 of Township 27 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 Nageezi, located 30.6 miles to the southwest. The nearest large town (population greater than 10,000) is Farmington, located 52.6 miles to the west (National Atlas). The nearest highway is State Highway 537, located 5.9 miles to the east. The location is on National Forest land and is 823 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 2223 meters or 7291 feet above sea level and receives 12.5 inches of rain each year. The vegetation at this location is classified as Colorado Plateau Pinon-Juniper Woodland as per the Southwest Regional Gap Analysis Program.

The estimated depth to ground water at this point is 553 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 716 feet to the northwest and is classified by the USGS as an intermittent stream. The nearest perennial stream is 5,216 feet to the southeast. The nearest water body is 5,209 feet to the southeast. It is classified by the USGS as a perennial lake and is 0.3 acres in size. The nearest spring is 7,803 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 5,990 feet to the southeast. The nearest wetland is a 1.2 acre other located 5,800 feet to the northeast. The slope at this location is 7 degree, to the east as calculated from USGS 30M National Elevation Dataset. This information is also discerned from the aerial and topographic map included. The surface geology at this location is SAN JOSE FORMATION--Siltstone, shale, and sandstone with a Sandstone dominated formations of all ages substrate. There is no SSURGO soil data available for this location. The nearest underground mine is 21.4 miles to the north 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 interbedded 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.

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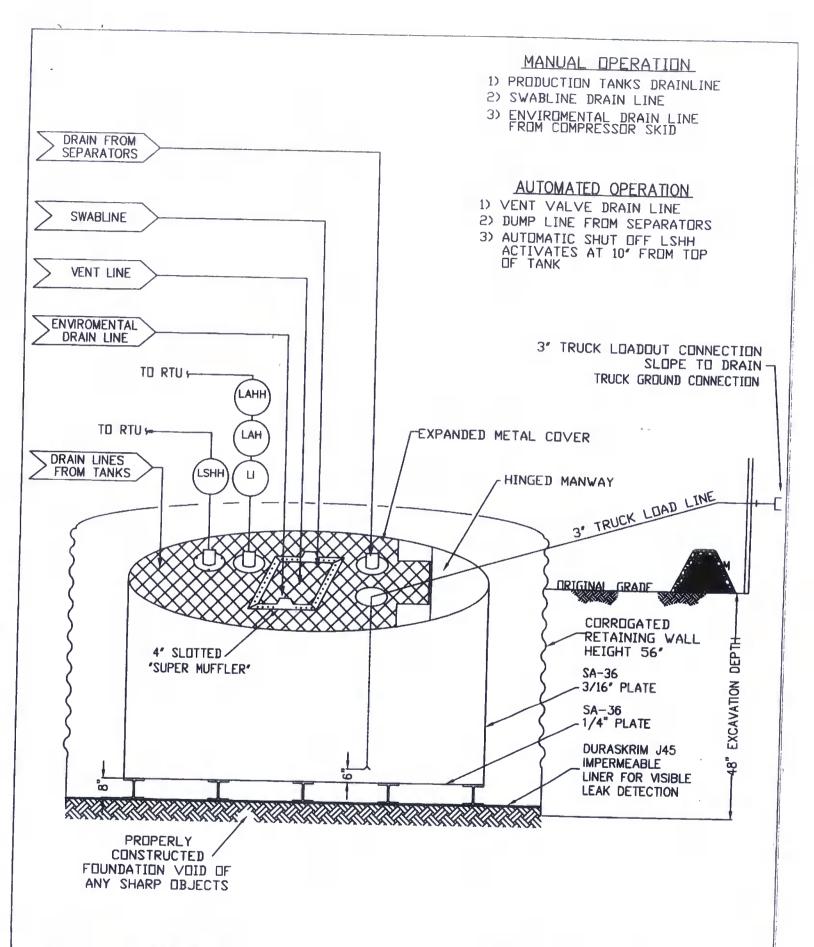
Burlington Resources Oil & Gas Company, LP San Juan Basin Below Grade Tank Design and Construction

In accordance with NMAC 19.15.17 the following information describes the design and construction of below grade tanks on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR'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:

- BR 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.
- BR signage will comply with 19.15.3.103 NMAC when BR is the operator. If BR is not the operator it will comply with 19.15.17.11NMAC. BR includes Emergency Contact information on all signage.
- 3. BR has approval to use alternative fencing that provides better protection. BR 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. BR ensures that all gates associated with the fence are closed and locked when responsible personnel are not onsite.
- 4. BR will construct a screened, expanded metal covering, on the top of the BGT.
- BR 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 BR 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. BR shall operate and install the below-grade tank to prevent the collection of surface water run-on. BR has built in shut off devices that do not allow a belowgrade tank to overflow. BR 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. BR 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. BR 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 BR 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 BR'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 BR 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 J30BB J36BB | | | | 68B | J45BB | | | |
|---|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|--|
| | | Min. Roll Averages | Typical Roll Averages | Min. Roll Averages | Typical Roll Averages | Min. Roll Averages | Typical Rol Averages | | |
| Appearance | | Blac | ck/Black | Black | k/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 | | **Ext | rusion laminate | with encapsula | , , | nal scrim reinfor | | | |
| 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 | | -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 hability 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

08/06

RAVEN INDUSTRIES INC. EXPOSED GEOMEMBRANE LIMITED WARRANTY

Raven Industries Inc. warrants Dura-Skrim J30BB, J36BB, and J45BB to be free from manufacturing defects and to be able to withstand normal exposure to sunlight for a period of 20 years from the date of sale for normal use in approved applications in the U.S and Canada, excluding Hawaii. This warranty is effective for products sold and shipped from January 1, 2008 to December 31, 2008. These dates will be updated prior to December 31, 2008.

This Limited Warranty does not include damages or defects in the Raven geomembrane resulting from acts of God, casualty or catastrophe including but not limited to: earthquakes, floods, piercing hail, or tornadoes. The term "normal use" as used herein does not include, among other things improper handling during transportation, unloading, storage or installation, the exposure of Raven geomembranes to harmful chemicals, atypical atmospheric conditions, abuse of Raven geomembranes by machinery, equipment or people; improper site preparation or covering materials, excessive pressures or stresses from any source or improper application or installation. Raven geomembrane material warranty is intended for commercial use only and is not in effect for the consumer as defined in the Magnuson Moss Warranty or any similar federal, state, or local statues. The parties expressly agree 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.

Burlington Resources Oil & Gas Company, LP 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 Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all BGT. A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- 1. BR 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. BR 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. BR will not discharge into or store any hazardous waste in the BGT.
- 3. BR shall operate and install the below-grade tank to prevent the collection of surface water run-on. BR has built in shut off devices that do not allow a belowgrade tank to overflow. BR 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, BR 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, BR's multi-skilled operators (MSOs) are required to visit each well location once per week. If detected on either inspection, BR 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.
- 5. BR 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 BR shall remove all liquid above the damage or leak line within 48 hours. BR shall notify the appropriate district office. BR 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, BR shall promptly remove and install a below grade tank or pit liner that complies with Subsection I of 19.15.17.11 NMAC. BR 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.

Burlington Resources Oil & Gas Company, LP 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 Burlington Resources Oil & Gas Company, LP locations hereinafter known as BR locations. This is BR'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. BR 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, BR will file the C144 Closure Report as required.
- 2. BR shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility. The facilities to be used will be Basin Disposal (Permit #NM-01-005) and Envirotech Land Farm (Permit #NM-01-011). The liner after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.
- 3. BR 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 BR shall remove the equipment, unless the equipment is required for some other purpose.
- 5. BR shall test the soils beneath the below-grade tank to determine whether a release has occurred. BR 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. BR shall notify the division of its results on form C-141.
- 6. If BR or the division determines that a release has occurred, then BR 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 BR shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.
- Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
- The surface owner shall be notified of BR'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. BR 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 (un-impacted) 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. BR 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