District I 1625 N. French Dr. Hokke NM 80340	State of New Mexico	Form C-144
REGISTERED	and Natural Resources partment rvation Division h St. Francis Dr.	July 21, 2008 For temporary pits, closed-loop sytems, and below-grade tanks. submit to the appropriate NMOCD District Office.
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NM 87505	For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.
	d-Loop System, Below-Grad	le Tank, or
	ive Method Permit or Closu	
Type of action: X Permit of	a pit, closed-loop system, below-grade	tank or proposed alternative method
	a pit, closed-loop system, below-grade	
	on to an existing permit	
		itted or non-permitted pit, closed-loop system,
Instructions: Please submit one application (Fo	rm C-144) per individual pit, closed-lo	op system, below-grade tank or alternative request
Please be advised that approval of this request does n	ot relieve the operator of liability should operations	result in pollution of surface water, ground water or the governmental authority's rules, regulations or ordinances.
Deperator: Burlington Resources Oil & Gas Comp	bany, LP	OGRID#: 14538
Address: PO Box 4289, Farmington, NM 87499		
Facility or well name: SAN JUAN 27-5 UNIT 96N		
API Number: 3003927275	OCD Permit Number	er
		5W County: Rio Arriba
	6.5733°N Longitude:	-107.34473°W NAD: X 1927 1983
Surface Owner: X Federal State	Private Tribal Trust or India	n Allotment
	&A ckness mil LLDPE ner Volume:	HDPE PVC Other
3 Closed-loop System: Subsection H of 19.15.17 Type of Operation: P&A Drilling a new Drying Pad Above Ground Steel Tanks		o activities which require prior approval of a permit or
Lined Unlined Liner type: Thick Liner Seams: Welded Factory Othe	kness milLLDPE I	HDPE PVD Other
		omatic overflow shut-off
Liner Type: Thickness mil	HDPE PVC XOther	Unspecified
Alternative Method:		
Submittal of an exception request is required. Exceptio	ns must be submitted to the Santa Fe Enviro	onmental Bureau office for consideration of approval.
Form C-144	Oil Conservation Division	Page 1 of 5

,

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pit, temporary pits, and below-grade tanks) Cham link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospita Four loot beight, four strands of barbed wire areas	d. institution or church)							
Four loot 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.								
7 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)								
8 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 9								
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 of (Fencing/BGT Liner) Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for the fencing/BGT Liner)	consideration of approval.							
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.								
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.								
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes XNo							
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map: Visual inspection (certification) of the proposed site	Yes XNo							
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes XNo							
(Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image								
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes No							
 (Applied to permanent pits) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	X NA							
Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.	Yes XNo							
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site.								
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes XNo							
Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within the manufacture of the proposed site	Yes XNo							
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes XNo							
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	Yes XNo							
Within a 100-year floodplain - FEMA map	Yes XNo							

Instructions: Each of the follow	cv Pits and Below-grade Tanks P wing items must be attached to the app	Permit Application	Attachment Checklist:	Subsection B of 19,15,17.9 NMAC	
	t (Below-grade Tanks) - based upor	**************************************	Chief DV at Prock mark in the	for the second of the second s	
Hydrogeologic Data (Temporary and Emergency Pits) - [have lupon the rout	or Paragraph (4) of Subse	ction B of 19.15.17.9 NMAC	
X Siting Criteria Compl	liance Demonstrations - based upon	the appropriate co	mements of Faragraph (2	J of Subsection B of 19:15,17.9	
X Design Plan - hased u	ipon the appropriate requirements of	5 19 15 17 11 MM	quirements of 19,15,17,10	NMAC	
X Operating and Mainte	mance Plan - based upon the approp	priate requirements	-610 15 17 10 ND 11 7		
X Closure Plan (Please o	complete Boxes 1.1 through 18 if a	priate requirements	0119:15.17.12 NMAC		
19.15.17.9 NMAC an	complete Boxes 14 through 18, if a ad 19.15.17.13 NMAC	ppricable) - based u	pon the appropriate requir	rements of Subsection C of	
Previously Approved Des	ign (attach copy of design)	API	411	r Permit	
12					
Closed-loop Systems Permi	it Application Attachment Check	list: Subsection B o	E19.15.17.9 NMAC		
i i i i i i i i i i i i i i i i i i i	The news must be undered to the anal	tention Diamon in D.		ox, that the documents are attached.	
	en en and comp for on-site closur	$c \rightarrow based$ upon the	reduirements of Paragram	h (3) of Subscription D. 610 15 17 0	
Design Plan - based ur	ance Demonstrations (only for on-s pon the appropriate requirements of	site closure) - hased	upon the appropriate requ	irements of 19.15.17.10 NMAC	
Operating and Mainter	nance Plan bound upon the	19.15.17.11-NMA	С		
	nance Plan - hased upon the appropriate Roses 11 dama to 10 10	riate requirements (of 19.15.17.12 NMAC		
NMAC and 19.15.17.4	13 NMAC	plicable) - based up	on the appropriate require	ements of Subsection C of 19.15.17.9	
Previously Approved Desi		API			
	rating and Maintenance Plan	API			
		API			
13 Permanent Pits Permit App	lication Checklist: Subsection B	51015150150			
Instructions: Each of the follow	ing items must be attached to the ann	ot 19.15.17.9 NM	AC	box, that the documents are attached.	
Hydrogeologic Report	- based upon the requirements of Pa	arauraph (1) of Sub-	ale, by a check mark in the	box, that the documents are attached.	
Siting Criteria Complia	ince Demonstrations - based upon th	he appropriate man	icction B of 19.15.17.9 N	MAC	1
Cimatological ractors	Assessment			IMAC	
Certified Engineering D	Design Plans - based upon the appro	priate requirements	of 19.15.17.11 NMAC		
Dike Protection and Str	uctural Integrity Design: based upor	n the appropriate re	unirements of 1915171	INMAC	
L Lean Detection Design	 nased upon the appropriate require 	ements of 19.15 17	LINMAC		
Ciner Specifications and Outlity Control/Outline	Compatibility Assessment - based	upon the appropria	te requirements of 19.15.	17.11 NMAC	
Quality Control Quality	Assurance Construction and Install	ation Plan			1
Freeboard and Overtoon	ance Plan - based upon the appropria bing Prevention Plan - based upon the	ate requirements of	19.15.17.12 NMAC		1
Nuisance or Hazardous	Odors, including H2S, Prevention F	ne appropriate requi Plan	rements of 19.15.17.11 N	IMAC	
Emergency Response PL	an	1445			
Oil Field Waste Stream					
Monitoring and Inspection	on Plan				
Erosion Control Plan					
Closure Plan - based upo	on the appropriate requirements of S	Subsection C of 19.	15.17.9 NMAC and 19.15	.17.13 NMAC	
14 Proposed Closure: 19.15.17.11					
instructions: Please complete the	applicable boxes, Boxes 14 through 1	8. in reports to the	report alarma -la-		
Type: Drilling Workov	er Emergency Cavitation				
Alternative			matient Pir X Below-grad	le Tank Closed-loop System	
Proposed Closure Method: X	Waste Excavation and Removal	(Below-Grade	Tank)		
	Waste Removal (Closed-loop system	is only)			
	On-site Closure Method (only for ter	nporary pits and clo	sed-loop systems)		
	In-place Burial	n-site Trench			
	Alternative Closure Method (Excepti	ions must be submit	ted to the Santa Fe Environ	imental Bureau for consideration)	
15					
Vaste Excavation and Remova	al Closure Plan Checklist: (19.15.)	17.13 NMAC) Instru	ctions: Each of the followin	g items must be attached to the closure	-1
	and the second the second the second	CHED.		s and the analysed to me closure	nan.
X Confirmation Sampling Pl	- based upon the appropriate requir	ements of 19.15.17	13 NMAC		
	lan (if applicable) - based upon the id Permit Number (for liquids, drill	appropriate require	ments of Subsection F of	19.15.17.13 NMAC	
X Soil Backfill and Cover De	esign Specifications - based upon the	ing fluids and drill	cuttings)		
X Re-vegetation Plan - based	l upon the appropriate requirements	of Submating 1	irements of Subsection H	of 19.15.17.13 NMAC	
X Site Reclamation Plan - ba	used upon the appropriate requirements	ants of Subarrat	19.13.17.13 NMAC		1
		ents of Subsection (1 OF 19.15.17.13 NMAC		

in								
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground St. Instructions: Please identify the facility or facilities for the disposal of liquids. deilin	cel Tanks or Haul-off Bins Only (19-15-17-13-0) NDCO	23.						
Instructions: Please identify the facility or facilities for the disposal of liquids, drillin are required.	g fluids and drill cuttings. Use attachment if more than a	C) two facilities						
Disposal Facility Name: Disposal Facility Permit #: Disposal Facility Name: Disposal Facility-Permit #:								
Will any of the proposed closed-loop system operations and according distributed	Disposal Facility Permit #:	·····						
		re service and operations?						
Required for impacted areas which will not be used for future service and operations.	:							
Soil Backfill and Cover Design Specification - based upon the appropriate Reverentiation Plan - based upon the appropriate service of the ser	iate requirements of Subsection H of 19.15.17.13 NI	MAC						
i subset upon the appropriate requirements of Subset	ction L of 19 15 17 13 NMAC							
Site Reclamation Plan - based upon the appropriate requirements of Su	bsection G of 19.15.17.13 NMAC							
17 Citing Children (The Children (Children (Ch								
Siting Criteria (Regarding on-site closure methods only: 19.15.17.10 NMA) Instructions: Each siting criteria requires a demonstration of counting of a dealer of the second								
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. I certain siting criteria may require administrative approval from the appropriate district office for consideration of approval. Justifications and/or demonstrations of equivalency are require	Recommendations of acceptable source material are provided- or may be considered in exception which must be submitted to	below. Requests regarding changes to						
	d. Please refer to 19.15.17.10 NMAC for guidance.	an anna ce chvaonmental 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 obta 	ained from nearby wells							
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 obtai	ned from nearby wells	Yes No						
Ground water is more than 100 feet below the bottom of the buried waste.		N/A						
 NM Office of the State Engineer - iWATERS database search; USGS; Data obtai 		Yes No						
		N/A						
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signific (measured from the ordinary high-water mark).	ant watercourse or lakebed, sinkhole, or playa lake	Yes No						
 Topographic map: Visual inspection (certification) of the proposed site 								
Within 300 feet from a permanent residence, school, hospital, institution, or church in e								
Visual inspection (certification) of the proposed site; Aerial photo: satellite image	xistence at the time of initial application.	Yes No						
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than purposes, or within 1000 horizontal fee of any other fresh water on the	a five households use for domestic or stock watering	Yes No						
 NM Office of the State Engineer - iWATERS database: Visual inspection (certification) 	BCC at the time of the initial analisation							
within incorporated inunicipal boundaries or within a defined municipal fresh water we	tion) of the proposed site							
to reading to reading, Section 5-27-5, as amended.		Yes No						
Written confirmation or verification from the municipality: Written approval obtain Within 500 funt of a multi-	ned from the municipality							
 Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map: Topographic map; Visual inspec 		Yes No						
Within the area overlying a subsurface mine.	tion (certification) of the proposed site							
- Written confiramtion or verification or map from the NM EMNRD-Mining and Min	nem Division	Yes No						
Vithin an unstable area.								
- Engineering measures incorporated into the design; NM Bureau of Geology & Mine	eral Resources: USGS: NM Geological Society	Yes No						
Topographic map Vithin a 100-year floodplain.	in the inclusion out ty.							
- FEMA map		Yes No						
8								
Description Description Checklist: (19.15.17.13 NMAC) Instructions: Each of y a check mark in the box, that the documents are attached.	the following items must bee attached to the closur	re plan. Please indicate,						
Siting Criteria Compliance Demonstrations - based upon the appropriate re	equirements of 10.15.17.10 MAA							
Proof of Surface Owner Notice - based upon the appropriate requirements	of Subsection F of 19.15.17.10 NMAC							
Construction/Design Plan of Burial Trench (if applicable) based upon the a	IDECODE A CONTRACT OF 17.13.17.13 NUTAC							
Construction/Design Plan of Temporary Pit (for in place huriat of a draine	pad) based upon the second state in the second							
Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC								
Confirmation Sampling Plan (if applicable) - based upon the appropriate re-	mirements of Subsection F 2610 17 17 17 17							
Waste Material Sampling Plan - based upon the appropriate requirements o	f Subsection F of 10.15.17.13 NMAC							
Disposal Facility Name and Permit Number (for liquids drilling fluids and	drill outlings on in an							
Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection	H of 19 15 17 13 NMAC	not be achieved)						
Re-vegetation Plan - based upon the appropriate requirements of Subsection	1 OF 19.15.17.13 NMAC							

Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

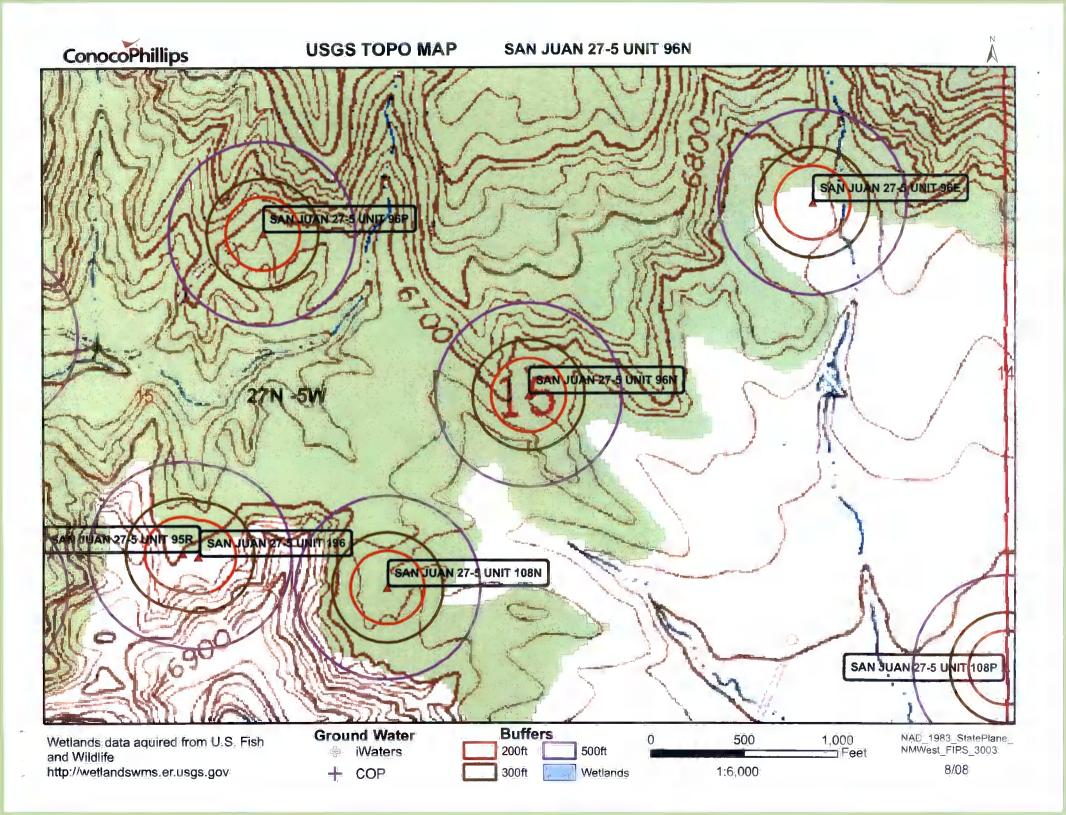
19		
Operator Application Certification:		
Thereby certify that the information submitted with this		he best of my knowledge and belief.
Name (Print): Crystal Tai	foya Title:	Regulatory Technician
Signature:	Date:	12/22/2008
e-mail address: <u>argia a targya is cono</u>	cophillips free Telephone:	505-326-9837
20		
OCD Approval: Permit Application (includit	ng closure plan) Closure Plan (only	/) OCD Conditions (see attachment)
OCD Representative Signature:	_	
		Approval Date:
Title:	OCD Per	mit Number:
21		
Closure Report (required within 60 days of close	ure completion): Subsection K of 19.15.17.13 NM	AC
instructions: Operators are required to obtain an appro-	ved closure plan prior to implementing any da	ac sure activities and submitting the closure report. The closure ies. Please do not complete this section of the form until an
approved closure plan has been obtained and the closur	e activities have been completed.	tes. Please do not complete this section of the form until an
	Closu	re Completion Date:
22		
Closure Method:		
Waste Excavation and Removal	site Closure Method Alternative Closur	e Method Waste Removal (Closed-loop systems only)
If different from approved plan, please explain.		
23		
Closure Report Regarding Waste Removal Closure Fo	or Closed-loop Systems That Utilize Above G	round Steel Tanks or Haul-off Bins Only:
were utilized.	where the liquids, drilling fluids and drill cut	tings were disposed. Use attachment if more than two facilities
Disposal Facility Name:	Disposal Facilit	y Permit Number:
Disposal Facility Name:	Disposal Facilit	v Permit Number:
Were the closed-loop system operations and associate Yes (If yes, please demonstrate compliane to the	d activities performed on or in areas that will n	of be used for future service and opeartions?
Required for impacted areas which will not be used for Site Reclamation (Photo Documentation)	<i>r future service and operations:</i>	
Soil Backfilling and Cover Installation		
Re-vegetation Application Rates and Seeding Tec	hnique	
24		
<u>Closure Report Attachment Checklist:</u> Instruct the box, that the documents are attached.	ions: Each of the following items must be atta	iched to the closure report. Please indicate, by a check mark in
Proof of Closure Notice (surface owner and d	ivision)	
Proof of Deed Notice (required for on-site clo		
Plot Plan (for on-site closures and temporary p	pits)	
Confirmation Sampling Analytical Results (if.	applicable)	
Waste Material Sampling Analytical Results (if applicable)	
Disposal Facility Name and Permit Number	if applicable)	
Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation		
 Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding ' 		
 Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Site Reclamation (Photo Documentation) 	Technique	
 Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding ' 		NAD [] 1927 [] 1983
 Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding ' Site Reclamation (Photo Documentation) On-site Closure Location: Latitude: 	Technique	NAD [] 1927 [] 1983
 Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding ' Site Reclamation (Photo Documentation) 	Technique	NAD [] 1927 [] 1983
Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Site Reclamation (Photo Documentation) On-site Closure Location: Latitude:	Technique Longitude:	
Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Site Reclamation (Photo Documentation) On-site Closure Location: Latitude:	Technique Longitude:	
Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Site Reclamation (Photo Documentation) On-site Closure Location: Latitude:	Technique Longitude:	
Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Site Reclamation (Photo Documentation) On-site Closure Location: Latitude: Deerator Closure Certification: hereby certify that the information and attachments subm the closure complies with all applicable closure requirement lame (Print):	Technique Longitude: Longitude: titted with this closure report is ture, accurate a mts and conditions specified in the approved cla Title:	
Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Site Reclamation (Photo Documentation) On-site Closure Location: Latitude: Dependence Certification:	Technique Longitude: 	

New Mexico Office of the State Engineer

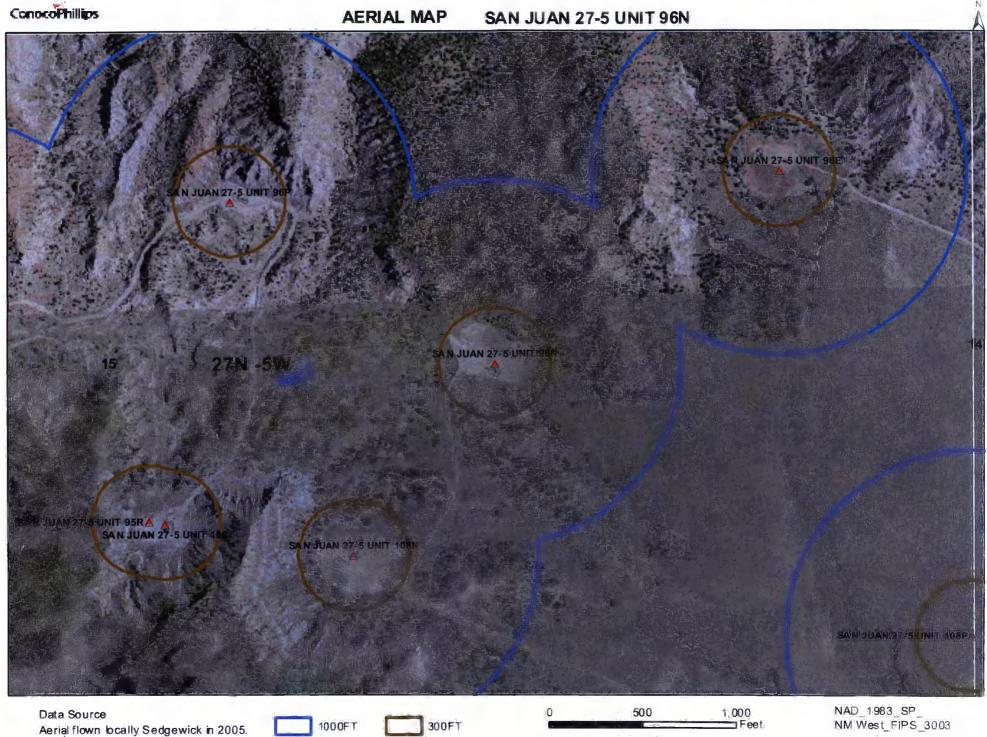
WATER COLUMN REPORT 08/20/2008

							3=SW 4=SE smallest	•		Depth	Depth	Water ((in
POD Number	Tws	Rng	Sec	q	đ	đ	Zone	х	Y	Well	Water	Column	
RG 81026	27N	05W	27	4	4	3				460	186	274	
SJ 00199	27N	05W	03	2	1					1840			
SJ 00046	27N	05W	04	4	4					506	260	246	

Record Count: 3



AERIAL MAP SAN JUAN 27-5 UNIT 96N



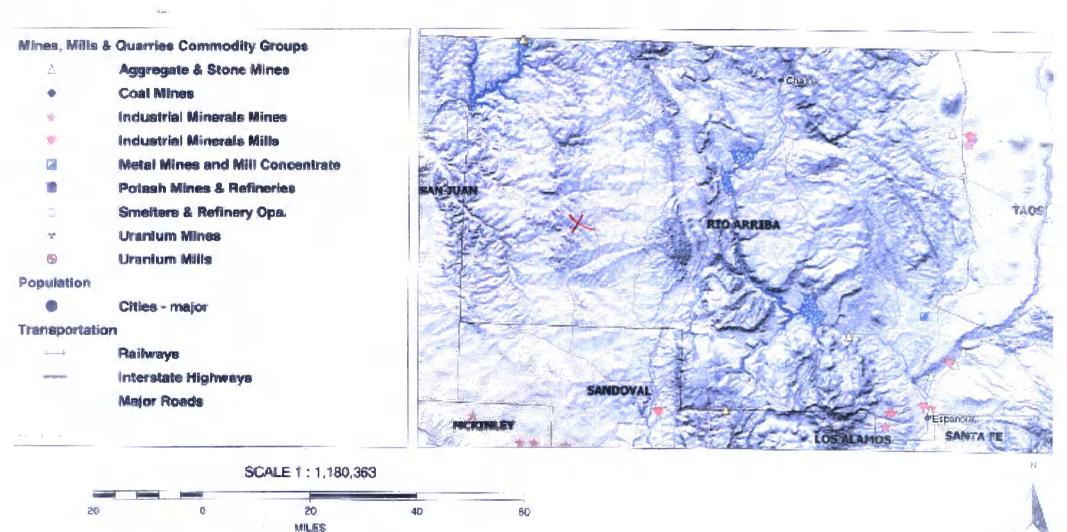
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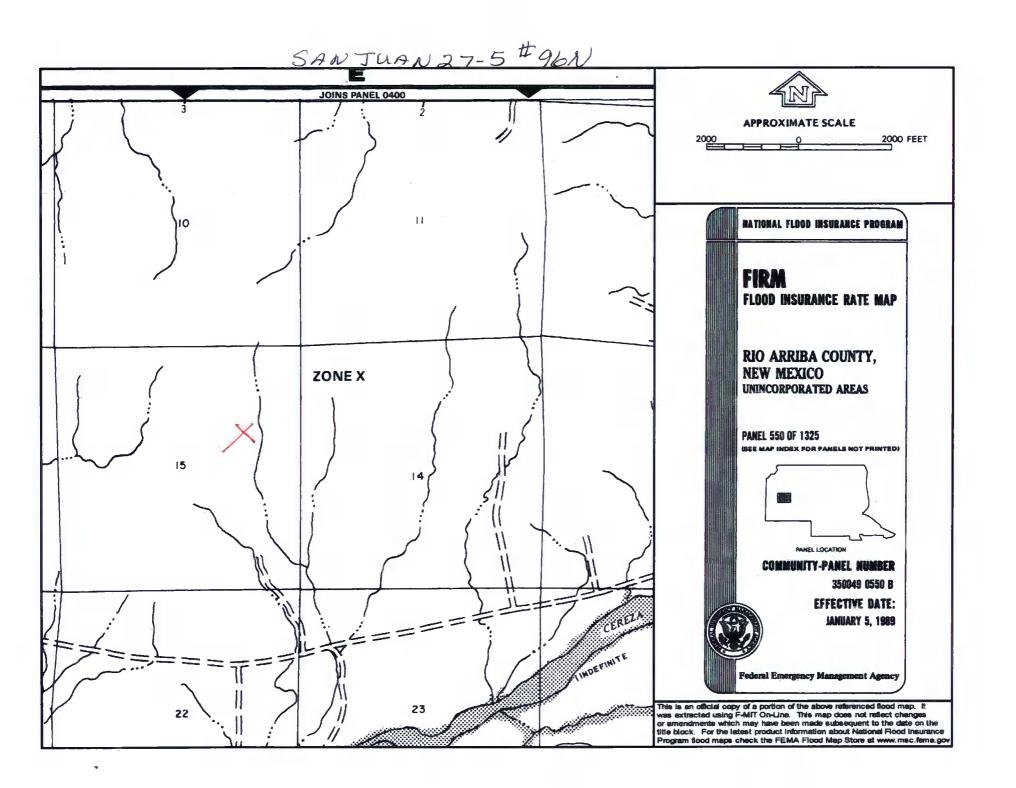
8/08

Mines, Mills and Quarries Web Map

SAN JUAN 27-5 UNIT 96N

Unit Letter: G, Section: 15, Town: 027N, Range: 005W





SAN JUAN 27-5 UNIT 96N

Site Specific Hydrogeology

A visual site inspection confirming the information contained herein was performed on the well 'SAN JUAN 27-5 UNIT 96N', which is located at 36.5733 degree, North latitude and 107.34473 degree, West longitude. This location is located on the Vigas Canyon 7.5' USGS topographic quadrangle. This location is in section 15 of Township 27 North Range 5 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 Turley, located 27.2 miles to the northwest. The nearest large town (population greater than 10,000) is Farmington, located 49.1 miles to the west (National Atlas). The nearest highway is US Highway 64, located 8.3 miles to the north. The location is on BLM land and is 1,027 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 as Colorado Plateau Pinon-Juniper Woodland as per the Southwest Regional Gap Analysis Program.

The estimated depth to ground water at this point is 333 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 805 feet to the south and is classified by the USGS as an intermittent stream. The nearest perennial stream is 1,425 feet to the east. The nearest water body is 1,371 feet to the east. It is classified by the USGS as an intermittent lake and is 0.4 acres in size. The nearest spring is 16,314 feet to the east. 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 1,835 feet to the northwest. The nearest wetland is a 0.3 acre other located 2,737 feet to the southeast. The slope at this location is 4 degree, to the south as calculated from USGS 30M National Elevation Dataset. This information is also discerned from the aerial and topographic map included. The surface geology at this location is SAN JOSE FORMATION -- Siltstone, shale, and sandstone with a Sandstone dominated formations of all ages substrate. The soil at this location is 'Rock outcrop-Vessilla-Menefee complex, 15 to 45 percent slopes' and is well drained and not hydric with not rated erosion potential as taken from the NRCS SSURGO map unit, downloaded January 2008. The nearest underground mine is 17.9 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 aguifer 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.

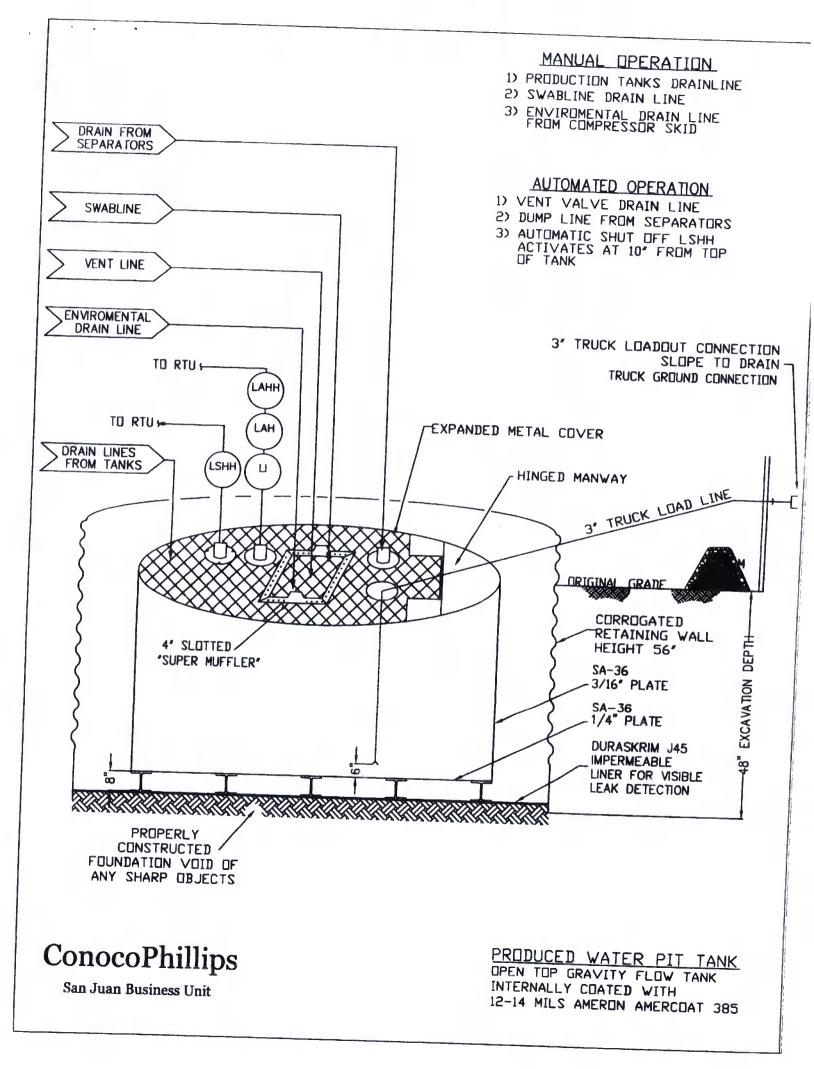
Burlington Resources Oil & Gas Company, LP San Juan Basin Below Grade Tank Design and Construction

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:

- 1. 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.
- 2. 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.
- 5. 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.
- 6. 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.
- 11. The general specification for design and construction are attached in the BR document.



PROPERTIES TEST METHOD J30BB J36BE **J45BE** Min, Roll Typical Roll Min. Roll Typical Roll Min. Roll Averages Typical Roll Averages Averages Averages Averages Averages Appearance Black/Black Black/Black Black/Black Thickness ASTM D 5199 27 mil 30 mil 32 mil 36 mil 40 mil 45 mil Weight Lbs Per MSF 126 lbs 140 lbs ASTM D 5261 151 lbs (oz/yd²) 168 lbs 189 lbs 210 lbs (18.14)(20.16)(21.74)(24.19)(27.21)(30.24)Construction **Extrusion laminated with encapsulated tri-directional scrim reinforcement **Ply Adhesion ASTM D 413** 16 lbs 20 lbs 19 lbs 24 ibs 25 lbs 31 lbs 1* Tensile Strength 88 lbf MD 110 lbf MD **ASTM D 7003** 90 lbf MD 113 Ibf MD 110 lbf MD 138 lbf MD 63 lbf DD 79 lbf DD 70 lbf DD 87 lbf DD 84 lbf DD 105 lbf DD 1" Tensile Elongation @ 550 MD 750 MD ASTM D 7003 Break, % (Film Break) 550 MD 750 MD 550 MD 750 MD 550 DD 750 DD 550 DD 750 DD 550 DD 750 DD 1" Tensile Elongation @ 20 MD 33 MD Peak % (Scrim Break) ASTM D 7003 20 MD 30 MD 20 MD 36 MD 20 DD 33 DD 20 DD 31DD 20 DD 36 DD 75 lbf MD Tongue Tear Strength ASTM D 5884 97 lbf MD 75 lbf MD 104 lbf MD 100 lbf MD 75 lbf DD 117 lbf MD 90 lbf DD 75 lbf DD 92 lbf DD 100 lbf DD 118 lbf DD Grab Tensile 180 lbf MD 218 /bf MD ASTM D 7004 180 lbf MD 222 lbf MD 220 lbf MD 257 lbf MD 180 lbf DD 210 lbf DD 180 lbf DD 223 lbf DD 220 lbf DD 258 lbf DD Trapezoid Tear 120 lbf MD 146 lbf MD **ASTM D 4533** 130 lbf MD 189 lbf MD 160 lbf MD 193 lbf MD 120 lbf DD 141 lbf DD 130 lbf DD 172 lbf DD 160 lbf DD 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

MD = Machine Direction

Minimum Use Temperature

DD = Diagonal Directions

Note: Minimum Roll Averages are set to take into account product variability in addition to testing variability between laboratories.

180° F

-70° F

180° F

-70° F

*Dimensional Stability Maximum Value

180° F

-70° F

**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.

THE LIPAVEN TIDUSTRIES MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANTABILITY OF PRODUCTS REFERRED TO, to guarantee of satisfactory results from results upon contained information or recommendations and



PLANT LOCATION

180° F

-70° F

Sioux Falls, South Dakota

SALES OFFICE

180° F

-70° F

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

180° F

-70° F

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.

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

Should defects or premature loss of use within the scope of the above Limited Warranty occur, Raven Industries Inc. will, at its option, repair or replace the Raven geomembrane on a pro-rata basis at the then current price in such manner as to charge the Purchaser/User only for that portion of the warranted life which has elapsed since purchase of the material. Raven Industries Inc. will, at its 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 replacement of Raven geomembrane to be free from all water, dirt, sludge, residuals and liquids of any kind. If after inspection it is 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:

- 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 below-grade 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:

- 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.
- 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.
- 4. 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 50 mg/kg; the TPH division approves, does not exceed 100 mg/kg; and the chloride concentration, as determined by 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, nonwaste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.
- 8. Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number
- 9. 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 .