District I

1625 N French Dr , Hobbs, NM 88240

District II

1301 W Grand Ave , Artesia, NM 88210 District III 1000 Rio Brazos Rd , Aztec, NM 87410

District IV

1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico **Energy Minerals and Natural Resources**

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

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade

Form C-144

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, Belov	v-Grade Tank, or
Proposed Alternative Method Permit	
Type of action: X Permit of a pit, closed-loop system, below	-grade tank, or proposed alternative method
	w-grade tank, or proposed alternative method
Modification to an existing permit	
—	ng permitted or non-permitted pit, closed-loop system,
below-grade tank, or proposed alternative Instructions: Please submit one application (Form C-144) per individual pit, c	
Please be advised that approval of this request does not relieve the operator of liability should	
environment Nor does approval relieve the operator of its responsibility to comply with any othe	r applicable governmental authority's rules, regulations or ordinances
Operator: ConocoPhillips Company	OGRID#: 217817
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: Lindrith B Unit 2	
API Number: 30-039-22138 OCD Perr	nit Number
U/L or Qtr/Qtr: <u>L(NW/SW)</u> Section: <u>28</u> Township: <u>24N</u> Rang	
Center of Proposed Design: Latitude: 36.2789 °N Longitu	
Surface Owner: Federal State X Private Tribal Trust	or Indian Allotment
String-Reinforced Liner Seams Welded Factory Other Volume 3 X Closed-loop System: Subsection H of 19 15 17 11 NMAC	
Visible sidewalls and liner Visible sidewalls only Other	t and automatic overflow shut-off Other
5 Alternative Method: Submittal of an exception request is required Exceptions must be submitted to the Santa F	

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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate Please specify				
Netting: Subsection E of 19 15 17 11 NMAC (Applies to permanent pits and permanent open top tanks) 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: Administrative approval(s) Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for cons (Fencing/BGT Liner) Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	ideration of ap	proval		
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	No		
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	No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes	No		
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)	□NA			
 Visual inspection (certification) of the proposed site; Aerial photo, Satellite image Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applied to permanent pits) 	☐Yes ☐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	No		
 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	No		
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection (certification) of the proposed site	Yes	No		
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes	∐No		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	Yes	No		
Within a 100-year floodplain - FEMA map	Yes	No		

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19 15.17 9 NMAC
Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17 9
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15.17 10 NMAC
Design Plan - based upon the appropriate requirements of 19.15.17.11 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 or Permit
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 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 Design (attack copy of design) All API
Treviously Approved Operating and Wallichance Flair Al I
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 Inspection 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
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 XP&A Permanent Pit Below-grade Tank X Closed-loop System Alternative Proposed Closure Method Waste Excavation and Removal XWaste 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)
IS .
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. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
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
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
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

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Ste	al Tanks or Haul off Rins On	by (10 15 17 13 D NMAC)	
Instructions Please identify the facility or facilities for the disposal of liquids, drilling			
facilities are required	Dignocal Equility Domit #	NIM OF COLE / NIM OF CO	110D
Disposal Facility Name Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #		<u> </u>
Disposal Facility Name Basin Disposal Facility Will any of the proposed closed-loop system operations and associated activities	Disposal Facility Permit # es occur on or in areas that v		service and
Yes (If yes, please provide the information No			
Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specification - based upon the appropri	ata raauramanta of Cubaast	on II of 10 15 17 12 NIMA	VC
Re-vegetation Plan - based upon the appropriate requirements of Subset	•		
Site Reclamation Plan - based upon the appropriate requirements of Sul			
17 Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NMA(C		
Instructions Each siting criteria requires a demonstration of compliance in the closure plan			
certain siting criteria may require administrative approval from the appropriate district offic office for consideration of approval—Justifications and/or demonstrations of equivalency are			the Santa Fe Environmental Burea
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 obt	ained from nearby wells	ļ	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 obta	lined 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 - 1WATERS database search, USGS; Data obta	aned from nearby wells		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, su	nkhole, 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	existence at the time of initial ap	pplication	Yes No
- Visual inspection (certification) of the proposed site, Aerial photo, satellite image			П. П.
Well cool and the control of			∐Yes ∐No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less that purposes, or within 1000 horizontal fee of any other fresh water well or spring, in exist - NM Office of the State Engineer - iWATERS database, Visual inspection (certification)	ence at the time of the initial ap	-	
Within incorporated municipal boundaries or within a defined municipal fresh water we	,	ipal ordinance adopted	Yes No
 pursuant to NMSA 1978, Section 3-27-3, as amended Written confirmation or verification from the municipality, Written approval obta 	aned from the manicipality		
Within 500 feet of a wetland			Yes No
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual insp	ection (certification) of the pro-	posed site	
Within the area overlying a subsurface mine			Yes No
- Written confiramtion or verification or map from the NM EMNRD-Mining and M	Ineral Division		
Within an unstable area			Yes No
 Engineering measures incorporated into the design, NM Bureau of Geology & Mi Topographic map 	ineral Resources, USGS, NM	Geological Society,	
Within a 100-year floodplain			Yes No
- FEMA map			
18			
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached.	of the following items mus	st bee attached to the closi	ure plan. Please indicate,
Siting Criteria Compliance Demonstrations - based upon the appropriat	e requirements of 19 15 17	10 NMAC	
Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC			
Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17 11 NMAC			
Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19.15 17 11 NMAC			
Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC			
Confirmation Sampling Plan (if applicable) - based upon the appropriat	e requirements of Subsection	on F of 19.15 17.13 NMAC	
Waste Material Sampling Plan - based upon the appropriate requirement	its of Subsection F of 19.15	17 13 NMAC	
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)			
Soil Cover Design - based upon the appropriate requirements of Subsection			
Re-vegetation Plan - based upon the appropriate requirements of Subse			
Site Reclamation Plan - based upon the appropriate requirements of Sul	nsection () of 10 15 17 12 N	INAAC'	•

Form C-144 Oil Conservation Division

19 On Application Contification
Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief
Name (Print) CRYSTAL TAFOYA Title. STAFF REGULATORY TECHNICIAN
Signature
e-mail address chystal tafoya@conocophilips com Telephone (505) 326-9837
C-mail address (Soot Size Soot)
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date:
Title: Compliance Office! OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Instructions Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date:
22
Closure Method: Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain
Change Bound Beganding Wests Beneval Cleans For Cleand Ion Systems That Halling About Council Steel Tools on Haul off Pin Only
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities
were utilized.
Disposal Facility Name Disposal Facility Permit Number
Disposal Facility Name Disposal Facility Permit Number Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and opeartions?
Yes (If yes, please demonstrate compliane to the items below) No
Required for impacted areas which will not be used for future service and operations
Site Reclamation (Photo Documentation)
Soil Backfilling and Cover Installation
Re-vegetation Application Rates and Seeding Technique
24 <u>Closure Report Attachment Checklist:</u> Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure)
Plot Plan (for on-site closures and temporary pits)
Confirmation Sampling Analytical Results (if applicable)
Waste Material Sampling Analytical Results (if applicable)
Disposal Facility Name and Permit Number
Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique
Site Reclamation (Photo Documentation)
On-site Closure Location Latitude Longitude NAD 1927 1983
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan
Name (Print) Title
Signature Date
e-mail address Telephone

Form C-144

ConocoPhillips Company Closed-loop Plans

Closed-loop Design Plan

COPC's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system
- 2. It will be signed in compliance with 19.15.3.103 NMAC
- 3. A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

COPC's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) on a periodic basis to prevent over topping.
- 2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.