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

State of New Mexico Energy Minerals and Natural Resources

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

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

Form C-144

For permanent pits and exceptions submit to the Santa Fe

Environmental Bureau office and provide a copy to the

1220 S St Francis Dr , Santa Fe, NM 87505		appropriate NMOCD District Office						
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Pit, Closed-Loop System, Below-Gra	ide Tank, or						
Prope	osed Alternative Method Permit or Clo							
925 Type of action:	Modification to an existing permit	tank, or proposed alternative method e tank, or proposed alternative method UIL CONS. DIV.						
	Closure plan only submitted for an existing perm							
Instructions: Please submit one a	below-grade tank, or proposed alternative method DIST. 3 Instructions: Please submit one application (Form C. 141) per individual pit closed loop system, below grade tank or alternative request.							
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the								
environment Nor does approval reli	eve the operator of its responsibility to comply with any other applicab	le governmental authority's rules, regulations or ordinances						
Operator ConocoPhillips Compan	у	OGRID#· 217817						
Address PO Box 4289, Farmingto								
Facility or well name: San Juan 28								
API Number: 3	0-039-27015 OCD Permit Number	ber						
U/L or Qtr/Qtr: J(NW/SE) Section Center of Proposed Design: Latitude	e: 36.673228 °N Longitude	7W County Rio Arriba 107.538028 °W NAD X 1927 1983						
Surface Owner. X Federal	State Private Tribal Trust or Indi	an Allotment						
Permanent Emergency Continued Lined Unlined L String-Reinforced Liner Seams Welded F	7 11 NMAC -kover Cavitation P&A iner type Thickness mil LLDPE actory Other Volume	HDPE PVC Other bbl Dimensions L x W x D						
X Closed-loop System: Subsection H of 19 15 17 11 NMAC Type of Operation P&A Drilling a new well X Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad X Above Ground Steel Tanks Haul-off Bins Other								
	er type Thickness mil LLDPE actory Other	HDPE PVD Other						
4 Below-grade tank: Subsection Volume	l of 19 15 17 11 NMAC obl Type of fluid							
Tank Construction material Secondary containment with leak de Visible sidewalls and liner Liner Type Thickness	etection Visible sidewalls, liner, 6-inch lift and au Visible sidewalls only Other mil HDPE PVC Other	itomatic overflow shut-off						
5 Alternative Method:								
Submittal of an exception request is rec	quired Exceptions must be submitted to the Santa Fe Enviro	onmental 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, inst Four foot height, four strands of barbed wire evenly spaced between one and four feet	uunon or chur	cn)		
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)				
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	<u> </u>			
9 Administrative Approvals and Executions				
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 consideration of approval (Fencing/BGT Liner)				
Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval				
10				
Siting Criteria (regarding permitting) 19 15 17 10 NMAC				
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 - tWATERS 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	Yes	□No		
(measured from the ordinary high-water mark). - 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.	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.	Yes	No		
(Applied to permanent pits)	□NA			
- 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	Yes	No		
- Written confirmation or verification from the municipality, Written approval obtained from the municipality				
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site	Yes	□ _{INO}		
Within the area overlying a subsurface mine.	Yes	□No		
- Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division				
Within an unstable area. - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources; USGS, NM Geological	∐Yes	∐ _{N0}		
Society, Topographic map				
Within a 100-year floodplain - FEMA map	Yes	□No		
= LLavies (IIdV				

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 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 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 Previously Approved Design (attach copy of design) API Previously Approved Operating and Maintenance Plan API					
Permanent Pits Permit Application Checklist: 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 Chimatological 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					
14 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					
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 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 G of 19 15 17 13 NMAC					

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Ste Instructions Please identify the facility or facilities for the disposal of liquids, drilling					
facilities are required	grand, and arm change Osc	unuchment y more man two			
Disposal Facility Name Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #	NM-01-0011 / NM-01-00	10B	1	
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit #	NM-01-005			
Will any of the proposed closed-loop system operations and associated activiting Yes (If yes, please provide the information No	es occur on or in areas that i	will not be used for future s	service and		
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 G of 19 15 17 13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC					
17					
Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NMAC Instructions Each siting criteria requires a demonstration of compliance in the closure plan 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. Justifications and/or demonstrations of equivalency are required. Please refer to 19 15 17 10 NMAC for guidance					
Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS Data obtained from nearby wells				No	
Ground water is between 50 and 100 feet below the bottom of the buried waster	3		Yes	□No	
- NM Office of the State Engineer - iWATERS database search, USGS, Data obta			□ res		
Cround water is more than 100 feet below the bettern of the himself water	•		Yes	□No	
Ground water is more than 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obta	uned from nearby wells		□ I'es		
	•				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake Yes No (measured from the ordinary high-water mark)					
- Topographic map, Visual inspection (certification) of the proposed site		1	□vos		
 Within 300 feet from a permanent residence, school, hospital, institution, or church in a Visual inspection (certification) of the proposed site, Aerial photo, satellite image 		oplication	Yes	∐No	
			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					
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				No	
Written confirmation or verification from the municipality, Written approval obtained from the municipality Within 500 feet of a wetland				No	
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual insp	ection (certification) of the pro	posed site	□vas		
Within the area overlying a subsurface mine - Written confirantion or verification or map from the NM EMNRD-Mining and N	Ameral Division		L		
Within an unstable area			Yes	No	
- Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map					
Within a 100-year floodplain - FEMA map			Yes	No	
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 closu	re plan. Pleas	e 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 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 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 Disposed Faculty Name and Parmyt Number (for liquids drilling fluids and drill outlings or up ages an acts allowers standards connect be achieved)					
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC					
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC					
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC					

Form C-144 Oil Conservation Division

19 Operator Application	Certification:				
	formation 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	Stal Takoya	Date			
e-mail address	crystal tafoya@conocophilfips.com	Telephone	(505) 326-9837		
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: Approval Date: 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 If different from a	and Removal On-site Closure Method [Alternative Clo	osure Method Waste Removal (Closed-loop systems only)		
Instructions: Please iden were utilized Disposal Facility Name Disposal Facility Name	e	g fluids and drill Disposal Fa Disposal Fa	cuttings were disposed. Use attachment if more than two facultues culty Permit Number culty Permit Number		
i	· · -	No			
	l areas which will not be used for future service and oper	rations			
Site Reclamation	(Photo Documentation)				
	nd Cover Installation				
Re-vegetation Ap	plication Rates and Seeding Technique				
the box, that the docu Proof of Closure Proof of Deed N Plot Plan (for or Confirmation Sa	ements are attached c Notice (surface owner and division) dotice (required for on-site closure) n-site closures and temporary pits) ampling Analytical Results (if applicable)	ving items must b	be attached to the closure report Please indicate, by a check mark in		
l =	Sampling Analytical Results (if applicable)				
= '	y Name and Permit Number				
_	and Cover Installation Application Rates and Seeding Technique				
= -	n (Photo Documentation)				
On-site Closure	·	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)		Tıtle			
Signature		Date			
e-mail address		Telephone	e		

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 'lluids 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.