District I 1625 N French Dr , Hobbs, NM 88240

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

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

Form C-144

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

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

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API Number:

U/L or Qtr/Qtr:

Surface Owner:

Federal

Pit: Subsection F or G of 19 15 17 11 NMAC

State

Private

District IV

1220 S St Francis Dr , Santa Fe, NM 87505 Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Type of action: Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances Operator: Burlington Resources Oil & Gas Company, LP OGRID#: 14538 Address: PO Box 4289, Farmington, NM 87499 Facility or well name: Lambe 1 30-045-10462 OCD Permit Number M(SW/SW) Section: 21 31N 10W Township: Range: County: San Juan 36.87922 ٥N °W NAD: **X** 1927 Center of Proposed Design: Latitude: 107.89224 Longitude:

Tribal Trust or Indian Allotment

Pit: Subsection F or G of 19 15 17 11 NMAC	RCVD FEB 14'12
Temporary Drilling Workover	
Permanent Emergency Cavitation P&A	om voita. va
Lined Unlined Liner type Thickness mil LLDPE HDPE PVC Other	Ulot.o
String-Reinforced	
Liner Seams Welded Factory Other Volume bbl Dimensions L	_x Wx D
3	
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 a notice of intent)	pproval of a permit or
Drying Pad X Above Ground Steel Tanks Haul-off Bins Other	
Lined Unlined Liner type Thickness mil LLDPE HDPE PVD Other	
Liner Seams Welded Factory Other	
4	
Below-grade tank: Subsection I of 19 15 17 11 NMAC	
Volumebbl Type of fluid	
Tank Construction material	
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	
Visible sidewalls and liner Visible sidewalls only Other	
Liner Type Thickness mil HDPE PVC Other	_
5	

Alternative Method:

Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

Fencing: Subsection D of 19 15 17.11 NMAC (Applies to permanent pit, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, 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)				
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				
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)	ideration of ap	proval		
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	□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 - tWATERS 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	□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	Yes	No		
Society; Topographic map Within a 100-year floodplain - FEMA map	Yes	□No		

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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 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 17.12 NMAC 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					
Previously Approved Operating and Maintenance Plan API					
Permanent Pits Permit Application Checklist: Subsection B of 19 15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (I) of Subsection B of 19.15 17 9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design: based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15 17.11 NMAC Quality Control/Quality Assersment - based upon the appropriate requirements of 19.15 17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H2S, Prevention Plan Expressions Plans					
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.					
l					
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 Stee	al Tanks or Haul-off Rins On	Iv. (10 15 17 13 D NDAAC)			
Instructions Please identify the facility or facilities for the disposal of liquids, drilling					
facilities are required	Diamonal Facility Domnit #1	NIA 01 0011 / NIA 01 00	NAD		
	Disposal Facility Permit #:	-	710B		
	Disposal Facility Permit #				
Will any of the proposed closed-loop system operations and associated activitie Yes (If yes, please provide the information No	es occur on or in areas that w	pui noi be used for future :	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 appropria	ate requirements of Subsecti	on H of 19 15 17 13 NMA	·C		
Re-vegetation Plan - based upon the appropriate requirements of Subsection	•				
Site Reclamation Plan - based upon the appropriate requirements of Sub	section G of 19 15 17 13 N	MAC			
17 Siting Criteria (Regarding on-site closure methods only: 19 15.17 10 NMAC Instructions Each string 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 be 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	1.0 1 11		Yes	L_No	
- NM Office of the State Engineer - tWATERS database search, USGS Data obta	ained from nearby wells		∐N/A		
Ground water is between 50 and 100 feet below the bottom of the buried waste			Yes	∐No	
- NM Office of the State Engineer - (WATERS database search; USGS, Data obta	med 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 - tWATERS database search, USGS, Data obta	ned from nearby wells		N/A		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)			Yes	□No	
- Topographic map, Visual inspection (certification) of the proposed site				_	
Within 300 feet from a permanent residence, school, hospital, institution, or church in e - Visual inspection (certification) of the proposed site; Aerial photo, satellite image	xistence at the time of initial ap	pplication	Yes	No	
			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 exists - NM Office of the State Engineer - iWATERS database, Visual inspection (certific	ence at the time of the initial ap	-	_		
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 obta Within 500 feet of a wetland 	med from the municipality		Yes	□No	
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspe	ection (certification) of the proj	posed site			
Within the area overlying a subsurface mine			Yes	No	
- Written confirantion 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 	neral Resources, USGS, NM (Geological Society,			
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	t bee attached to the closi	ıre plan. Plea	se indicate,	
Siting Criteria Compliance Demonstrations - based upon the appropriate	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 appropriate requirements of Subsection F of 19 15.17.13 NMAC					
Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC					
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)					
Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15.17 13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC					
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					

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Operator Application Cartification	
Operator Application Certification: 1 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 Cartal Talous Date 2/13/20/2	
e-mail address crystal tefoya@conocophillips com Telephone (505) 326-9837	
20 Clark Plant Andrew (and Angles of Angles (and Angles (and Angles (and Angles (and Angles (angles (a	
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature:Approval Date:Approval Date:Approval Date:Approval Date:Approval Date:	<u>~</u>
Title: Compliance Office OCD Permit Number:	
Oth piper of the	
Closure Report (required within 60 days of closure completion): 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	
23	
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.	.5
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 operations? Yes (If yes, please demonstrate compliant 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 man	k 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 LatitudeLongitudeNAD19271983	
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 to	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 Oil Conservation Division

Burlington Resources Oil & Gas Company, LP Closed-loop Plans

Closed-loop Design Plan

BR'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

BR'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.