District 1 1625 N French Dr , Hobbs, NM 88240

District II 1301 W Grand Ave , Artesia, NM 88210 District III

State of New Mexico Energy Minerals and Natural Resources

Department Oil Conservation Division 1220 South St. Francis Dr.

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

Form C-144

tanks, submit to the appropriate NMOCD District Office

District IV 1220 S St Francis Dr., Santa Fe, NM 87505	Santa	Fe, NM 87505		exceptions submit to the Santa Fe fice and provide a copy to the strict Office
	Pit, Closed-Loop			
Prop.	osed Alternative M	ethod Permit or	Closure Plan Applic	<u>eation</u>
Type of action	X Permit of a pit, closed	-loop system, below-gr	ade tank, or proposed altern	ative method
	Closure of a pit, close	d-loop system, below-g	grade tank, or proposed alter	native method
	Modification to an ex	isting permit		
		omitted for an existing proposed alternative me	permitted or non-permitted p	it, closed-loop system,
Instructions: Please submit one a		•		e tank or alternative request
			ations result in pollution of surface w	
	eve the operator of its responsibility	y to comply with any other app	olicable governmental authority's rule	s, regulations or ordinances
1 Operator Burlington Resources O	il & Gas Company, LP		OGRID#. <u>14538</u>	
Address PO Box 4289, Farmington	on, NM 87499			
Facility or well name Reid A 1008				
API Number 3	0-045-34248	OCD Permit I	Number	
U/L or Qtr/Qtr: O(SW/SE) Secti	on 1 Township	30N Range	13W County Sa	n Juan
Center of Proposed Design Latitude	e. <u>36.837445</u>	°N Longitude.	108.152632	W NAD· X 1927 1983
Surface Owner, X Federal	State Priva	ite Tribal Trust or	Indian Allotment	
Permanent Emergency Control Co	ckover Cavitation P&A iner type Thickness actory Other tion H of 19 15 17 11 NMAC Drilling a new well W no and Steel Tanks Haul-o cer type Thickness actory Other	otice of intent)	bbl Dimensions L	
Below-grade tank: Subsection Volume tank Construction material Secondary containment with leak de Visible sidewalls and liner Liner Type Thickness	obl Type of fluid	ewalls, liner, 6-inch lift ar Other PVC Othe	d automatic overflow shut-off	
Submittal of an exception request is rec	uired Exceptions must be sul	omitted to the Santa Fe Er	nvironmental 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, involved 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)	Ittution or chu	irch)
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 consideration of approval Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	sideration of ap	pproval
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 - 1WATERS 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. (Applies to temporary, emergency, or cavitation pits and below-grade tanks)	Yes NA	No
- 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 Within an unstable area.	Yes	∐No ∏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

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC
Instructions 1:ach 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
12 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
13
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 X P&A Permanent Pit Below-grade Tank X Closed-loop System
Alternative
Proposed Closure Method
Waste Removal (Closed-loop systems only)
On-site Closure Method (only for temporary pits and closed-loop systems)
In-place Burial On-site Trench
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
15
Waste Excavation and Removal Closure Plan Checklist: (19 15 17 13 NMAC) Instructions Each of the following items must be attached to the closure plan.
Please indicate, by a check mark in the box, that the documents are attached.
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) Seel Pacifill and Course Proceedings the contractions based upon the contraction of Subsection II of 10.15.17.13.NIMAG
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	Steel Tanks or Haul-off Bins On	<u>lv:</u> (19 15 17 13 D NMAC)				
Instructions Please identify the facility or facilities for the disposal of liquids, dri facilities are required	lling fluids and drill cuttings Use	attachment if more than two				
Disposal Facility Name Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #	NM-01-0011 / NM-01-00)10B			
Disposal Facility Name Basin Disposal Facility Disposal Facility Permit # NM-01-005		NM-01-005				
Will any of the proposed closed-loop system operations and associated acti	vities occur on or in areas that v	vill not be used for future	service and			
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specification - based upon the appropriate requirements of Su	opriate requirements of Subsect bsection I of 19 15 17 13 NMA	С	AC .			
Site Reclamation Plan - based upon the appropriate requirements of	Subsection G of 19 15 17 13 N	MAC				
17 Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NI	MAC					
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 Livironmental 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			Yes	No		
- NM Office of the State Engineer - iWATERS database search, USGS Data	obtained from nearby wells		∐N/A			
Ground water is between 50 and 100 feet below the bottom of the buried w	aste		Yes	No		
- NM Office of the State Engineer - 1WATERS database search, USGS, Data	- NM Office of the State Engineer - 1WATERS database search, USGS, Data obtained from nearby wells					
Ground water is more than 100 feet below the bottom of the buried waste			Yes	No		
- NM Office of the State Engineer - (WATERS database search, USGS, Data	obtained from nearby wells		N/A			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)			Yes	□No		
- Topographic map, Visual inspection (certification) of the proposed site						
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application - Visual inspection (certification) of the proposed site, Aerial photo, satellite image			Yes	No		
			Yes	No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less purposes, or within 1000 horizontal fee of any other fresh water well or spring, in e - NM Office of the State Engineer - iWATERS database, Visual inspection (ce	existence 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 within 500 feet of a wetland 	obtained from the municipality					
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual i	Inspection (certification) of the proj	posed site	Yes	∐No		
Within the area overlying a subsurface mine			Yes	No		
- Written confiramtion or verification or map from the NM EMNRD-Mining and Mineral Division						
Within an unstable area	1000 NR44		Yes	∐No		
 Engineering measures incorporated into the design, NM Bureau of Geology & Topographic map 	: Mineral Resources, USGS, NM C	Jeological Society,				
Within a 100-year floodplain - FEMA map			Yes	□No		
18						
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Edby a check mark in the box, that the documents are attached.	ach of the following items mus	t bee attached to the closu	re plan. Plea	se indicate,		
Siting Criteria Compliance Demonstrations - based upon the approp	riate 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 Sul						
Site Reclamation Plan - based upon the appropriate requirements of						

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19 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
20
OCD Approval: Permit Application (including closure plan) / Closure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: Approval Date: 5/16/2012
Title: Comphance 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
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 Disposal Facility Permit Number 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 compliane to the items below)
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
Closure Report Attachment Checklist: 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
25
Operator Closure Certification: Thereby 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 Telenhone

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.