1625 N French Dr , Hobbs, NM 88240

State of New Mexico Energy Minerals and Natural Resources Form C-144 July 21, 2008

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

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

10075	
100	

# Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application Type of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method 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 ordinance.

environment Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordin	ances
Operator: Burlington Resources Oil & Gas Company, LP OGRID#: 14538	
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: Vanderslice 101S	
API Number: 30-045-31990 OCD Permit Number	
U/L or Qtr/Qtr: D(NW/NW) Section: 19 Township: 32N Range: 10W County: San Juan	
Center of Proposed Design: Latitude: 36.97429 °N Longitude: 107.92865 °W NAD: X	927 1983
Surface Owner: X Federal State Private Tribal Trust or Indian Allotment	
Temporary. Drilling Workover Discharge Driver Dill C	194 17'12 ONS. DIV. IST. 3 
Subsection H of 19.15 17 11 NMAC   Type of Operation   X P&A   Drilling a new well   Workover or Drilling (Applies to activities which require prior approval of a notice of intent)   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	permit or
Below-grade tank: Subsection I of 19 15 17 11 NMAC  Volume	
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of a	pproval

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 consi  (Fencing/BGT Liner)  Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	ideration 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 - 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) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	□NA			
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applied to permanent pits)  - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	Yes NA	No		
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  Within a 100-year floodplain	Yes	□No		
FEMA moupain	٠٠٠ ا	<b>—</b> —"		

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  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   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   Previously Approved Operating API   Previously Approved Operating API   Previously Approved Operating API   Previously API   P
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  Onl 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 baxes, Baxes 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

Form C-144 Oil Conservation Division

16  Waste Removal Closure For Closed-loop Systems That Utilize Above Ground S Instructions, Please identify the facility or facilities for the disposal of liquids, drill						
facilities are required	ing fidius and arm cutings Ose	unachment ij more man iwo				
Disposal Facility Name Envirotech / JFJ Landfarm / IEI	_ Disposal Facility Permit #	NM-01-0011 / NM-01-00	010B			
Disposal Facility Name Basin Disposal Facility	_ Disposal Facility Permit #	NM-01-005				
Will any of the proposed closed-loop system operations and associated activ  Yes (If yes, please provide the information No	ities occur on or in areas that v	will not 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 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						
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 stling 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.			Yes No			
- NM Office of the State Engineer - (WATERS database search, USGS) Data of	obtained from nearby wells		∐N/A			
Ground water is between 50 and 100 feet below the bottom of the buried wa	ste		Yes No			
- NM Office of the State Engineer - (WATERS database search; USGS, Data of	btained 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 - (WATERS database search, USGS, Data o	btained from nearby wells		□N/A			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sign (measured from the ordinary high-water mark)	aficant watercourse or lakebed, si	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 i - Visual inspection (certification) of the proposed site, Aerial photo, satellite ima	· ·	pplication	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 ex - NM Office of the State Engineer - iWATERS database; Visual inspection (cert	istence at the time of the initial ap	-	∐Yes ∐No			
Within incorporated municipal boundaries or within a defined municipal fresh water pursuant to NMSA 1978, Section 3-27-3, as amended  - Written confirmation or verification from the municipality, Written approval of		pal ordinance adopted	Yes No			
Within 500 feet of a wetland  - US Fish and Wildlife Wetland Identification map, Topographic map; Visual in		posed site	Yes No			
Within the area overlying a subsurface mine.			Yes No			
- Written confirantion 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 & Topographic map	Mineral Resources, USGS, NM	Geological Society,	YesNo			
Within a 100-year floodplain - FEMA map			Yes No			
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must bee attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.						
Siting Criteria Compliance Demonstrations - based upon the appropr	ate 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 upor	the appropriate requirements	of 19 15.17 11 NMAC				
Construction/Design Plan of Temporary Pit (for in place burial of a d	, , , , ,	propriate requirements of	19 15 17 11 NMAC			
Protocols and Procedures - based upon the appropriate requirements		E -610 16 17 12 12 12 12 12 12 12 12 12 12 12 12 12	,			
Confirmation Sampling Plan (if applicable) - based upon the appropr  Waste Material Sampling Plan - based upon the appropriate requirem	•					
			annot 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 Page 4 of 5

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) Dollie L. Busse Title. Staff Regulatory Technician
Signature. 1 Julie Lausse Date: 5/16/12
e-mail address dollie I.busse@conocophillips.com Telephone 505-324-6104
20 OCD Approval: Permit Application (including clossife plan) Clossife Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: Approval Date: 5/27/2012
Title: (omplance) Office Och Permit Number:
21
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 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)
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
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:
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 Telenhone

# 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.