District I 1625 N French Dr , Hobbs, NM 88240

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

District II

District III

1301 W Grand Ave , Artesia, NM 88210

Oil Conservation Division 1220 South St. Francis Dr.

Department Santa Fe, NM 87505 For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

District IV

1000 Rio Brazos Rd , Aztec, NM 87410

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 D	istrict Office			
	Pit, Closed-Loop Syste	m, Below-Grade Tank, or				
Proposed Alternative Method Permit or Closure Plan Application						
Type of action	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 p		Andrive metros			
	Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,					
	below-grade tank, or propose					
_	-	vidual pit, closed-loop system, below-grad liability should operations result in pollution of surface				
		ly with any other applicable governmental authority's rul				
Operator: Burlington Resources Oi	l & Gas Company, LP	OGRID#. <u>14538</u>				
Address PO Box 4289, Farmingto	n, NM 87499					
Facility or well name. Huerfano Ur	it 177R					
API Number 30	0-045-24299	OCD Permit Number				
U/L or Qtr/Qtr: O(SW/SE) Section	 ·					
Center of Proposed Design: Latitude			PW NAD. X 1927 1983			
Surface Owner X Federal	State Private	Tribal Trust or Indian Allotment				
Pit: Subsection F or G of 19 15 17	'11 NMAC		RCVD JUN 22 '12			
Temporary Drilling World			OIL CONS. DIV.			
	Cavitation P&A					
	ner type Thickness m	ul LLDPE HDPE PVC	OtherDIST. 3			
String-Reinforced						
Liner Seams Welded Fa	octory Other	Volumebbl Dimensions L	x Wx D			
3						
X <u>Closed-loop System:</u> Subsecti Type of Operation P&A	ion H of 19 15 17 11 NMAC Drilling a new well X Workover	r or Drilling (Applies to activities which require	nrior approval of a normit or			
Type of Operation	notice of		риог арргочагот а региптог			
Drying Pad X Above Groui	nd Steel Tanks Haul-off Bins	Other				
	r type Thicknessmil	LLDPE HDPE PVD O	ther			
Liner Seams Welded Fa	octory Other	—				
4 Below-grade tank: Subsection I	of 19 15 17 11 NMAC					
Volume bl						
Tank Construction material						
Secondary containment with leak det	ection Visible sidewalls, l	ner, 6-inch lift and automatic overflow shut-off				
Visible sidewalls and liner	Visible sidewalls only	Other				
Liner Type Thickness	mil HDPE PV	C Other				
5 Alternative Method:						
	ured Exceptions must be submitted:	o the Santa Fe Environmental Bureau office for	consideration of approval			
2 30 mm. o. an enception request is requ	zareeparens must be submitted t	S and Same 1 & Entrionmental Dureau office for	20oracranon or approvar			

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 consideration of approval (Fencing/BGT Liner). 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) - 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. Acrial photo. Satellite image.	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 - 1WATERS 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				

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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			
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			
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 XP&A Permanent Pit Below-grade Tank X Closed-loop System Alternative			
Proposed Closure Method Waste Excavation and Removal			
X 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)			
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 I of 19 15 17 13 NMAC			
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC			

16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground	Steel Tanks or Haul-off Rins Or	dv: (19 15 17 13 D NMAC)			
Instructions Please identify the facility or facilities for the disposal of liquids, dril					
facilities are required Disposal Facility Name Envirotech / JFJ Landfarm / IEI	Disposal Facility Permit #	NM-01-0011 / NM-01-0	010B		
	Disposal Facility Permit #		0105		
Disposal Facility Name Basin Disposal Facility Will any of the proposed closed-loop system operations and associated activities.	_ ·		service and		
Yes (If yes, please provide the information No					
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specification - based upon the appropriate to the service and operation of the service and operation operation of the service and operation of the service and operation		ion H of 19 15 17 13 NM/	AC		
Re-vegetation Plan - based upon the appropriate requirements of Sul					
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 string criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below. Requests regarding changes to certain string 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. Instifications 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 pearby wells		Yes No		
- NW Office of the State Engineer - TWATERS database search, OSOS Data	obtained from hearby wens		∐N/A		
Ground water is between 50 and 100 feet below the bottom of the buried w			∐Yes ∐No		
- NM Office of the State Engineer - 1WATERS database search, USGS, Data	obtained 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 - IWATERS database search, USGS, Data of	obtained 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)	nificant 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 - Visual inspection (certification) of the proposed site, Aerial photo, satellite im		pplication	∐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 pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval of the municipality.		ipal ordinance adopted	Yes No		
Within 500 feet of a wetland	ootained from the municipality		□Yes □No		
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual i	inspection (certification) of the pro	posed site			
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	M In 11000 M	a 1 10	YesNo		
 Engineering measures incorporated into the design, NM Bureau of Geology & Topographic map 	Mineral Resources, USGS, NM	Geological Society,			
Within a 100-year floodplain - ΓΕΜΑ 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	st bee attached to the closi	ure plan. Please 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 Subsection Lof 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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19 On and Amphastica Contifications						
Operator Application Certification: Thereby 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 / 1/1/2 / 1/1/2 Date 6/2/1/2						
e-mail address dollie I busse@conocophillips com Telephone 505-324-6104						
20 OCD Approval: Permit Application (including closure plan) Closure plan (only) OCD Conditions (see attachment)						
1/00/67/						
OCD Representative Signature: Approval Date: 42420						
Title: (OMO Tevel) to to Tel OCD Permit Number:						
Closure Report (required within 60 days of closure completion): Subsection K of 1915 1713 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 Cleaner Method:						
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 hquids, drilling fluids and drill cuttings were disposed Use attachment if more than two facilities						
were utilized Disposal Facility Name						
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: 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

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.