District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 16, 2008

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.

RCVD JUL 22 '08
OIL CONS. DIV.
DIST. 3

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

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: **ConocoPhillips Company** OGRID#: **217817**
Address: **PO Box 4289, Farmington, NM 87499**
Facility or well name: **Maddox WN Federal #1**
API Number: **30-045-09529** OCD Permit Number:
U/L or Qtr/Qtr: **H(SENE)** Section: **13** Township: **30N** Range: **13W** County: **San Juan**
Center of Proposed Design: Latitude: **36.8155510' N** Longitude: **108.15035100' W** 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
Temporary: [ ] Drilling [ ] Workover
[ ] Permanent [ ] Emergency [ ] Cavitation
[ ] Lined [ ] Unlined
Liner type: Thickness _____ mil [ ] LLDPE [ ] HDPE [ ] PVC
[ ] Other _____ [ ] String-Reinforced
Seams: [ ] Welded [ ] Factory [ ] Other _____
Volume: _____ bbl Dimensions: L ____ xW ____ xD ____

[X] **Closed-loop Systems:** Subsection H of 19.15.17.11 NMAC
[ ] Drying Pad [X] Tanks [ ] Haul-off Bins [ ] Other: _____
[ ] Lined [ ] Unlined
Liner type: Thickness _____ mil [ ] LLDPE [ ] HDPE [ ] PVC
[ ] Other: _____
Seams: [ ] Welded [ ] Factory [ ] Other: _____
Volume: **500** bbl **104** yd3
Dimensions: Length **45'** x Width **10'**

[ ] **Below-grade tank:** Subsection I of 19 15.17 11 NMAC
Volume: _____ bbl
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: _____

Fencing: Subsection D of 19 15.17.11 NMAC
[ ] Chain link, six feet in height, two strangs of barbed wire at top
[ ] Four foot height, four strands of barbed wire evenly spaced between one and four feet
Netting: Subsection E of 19.15.17.11
[ ] Screen [ ] Netting [ ] Other _____
[ ] Monthly inspections
Signs: Subsection C of 19.15 17.11 NMAC
[ ] 12"x 24", 2" lettering, provided Operator's name, site location, and emergency telephone numbers
[X] Signed in compliance with 19.15.3.103 NMAC

[ ] **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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 or the Santa Fe Environmental Bureau office for consideration of approval. **(Fencing in Design Plan)**
[ ] 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. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ 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 ☐ No ☐ NA
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. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site.	☐ Yes ☐ No
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

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 NMAC
☐ 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 Maintence Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan - 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 API Number: _____ 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 (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan - 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 API Number: _____

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

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☒ Closed-loop System ☐ Alternative

Proposed Closure
- ☒ Waste Excavation and Removal
- ☐ On-site Closure Method (only for temporary pits and closed-loop
  - ☐ In-place ☐ On-site Trench
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for

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. Recommentations 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. Justification and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database serach; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lal (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 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes,or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
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. 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

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 indicfate, by a check mark in the box, that the documents are attached.*

- [X] Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- [ ] Confiramtion Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17 13 NMAC
- [X] 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
- [X] Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15 17 13 NMAC
- [X] Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17 13 NMAC

Waste Removal Closure for Closed-loop Systems That Utilize Haul-off Bins Only: (19 15 17 13 D NMAC) *Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: **Envirotech, Basin Disposal** Disposal Facility Permit Number: **NM-01-0011 & NM-01-005**

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 appropriate requirements of 19.15.17.10 NMAC
- [ ] Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17 13 NMAC
- [ ] Construction and Design of Burial Trench (if applicable) 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
- [ ] 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

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: **Regulatory Technician**

Signature: Crystal Tafoya Date: **7/21/2008**

e-mail address: crystal.tafoya@conocophillips.com Telephone: **505-326-9837**

OCD Approval: [X] Permit Application (including closure plan) [ ] Closure Plan (only)

OCD Representative Signature: Brad Bell **Approval Date:** 7/25/08

Title: Enviro Ispec OCD Permit Number

Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC

[ ] **Closure Completion Date:**

Closure Method:

[ ] Waste Excavation and Removal [ ] On-Site Closure [ ] Alternative Closure

[ ] If different from approved plan, please explain

Closure Report Attactment 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
- [ ] Proof of Deed Notice (if applicable)
- [ ] Plot Plan
- [ ] Confirmation Sampling Analytical Results
- [ ] Waste Material Sampling Analytical Results
- [ ] 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 Latitude: Longitude: NAD: [ ] 1927 [ ] 1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, 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-128
Revised 5/1/57

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date 8-1-60

Operator Three States Natural Gas Company Lease Maddox

Well No. 1 Unit Letter H Section 13 Township 30 North Range 13 West NMPM

Located 1650 Feet From North Line, 990 Feet From East Line

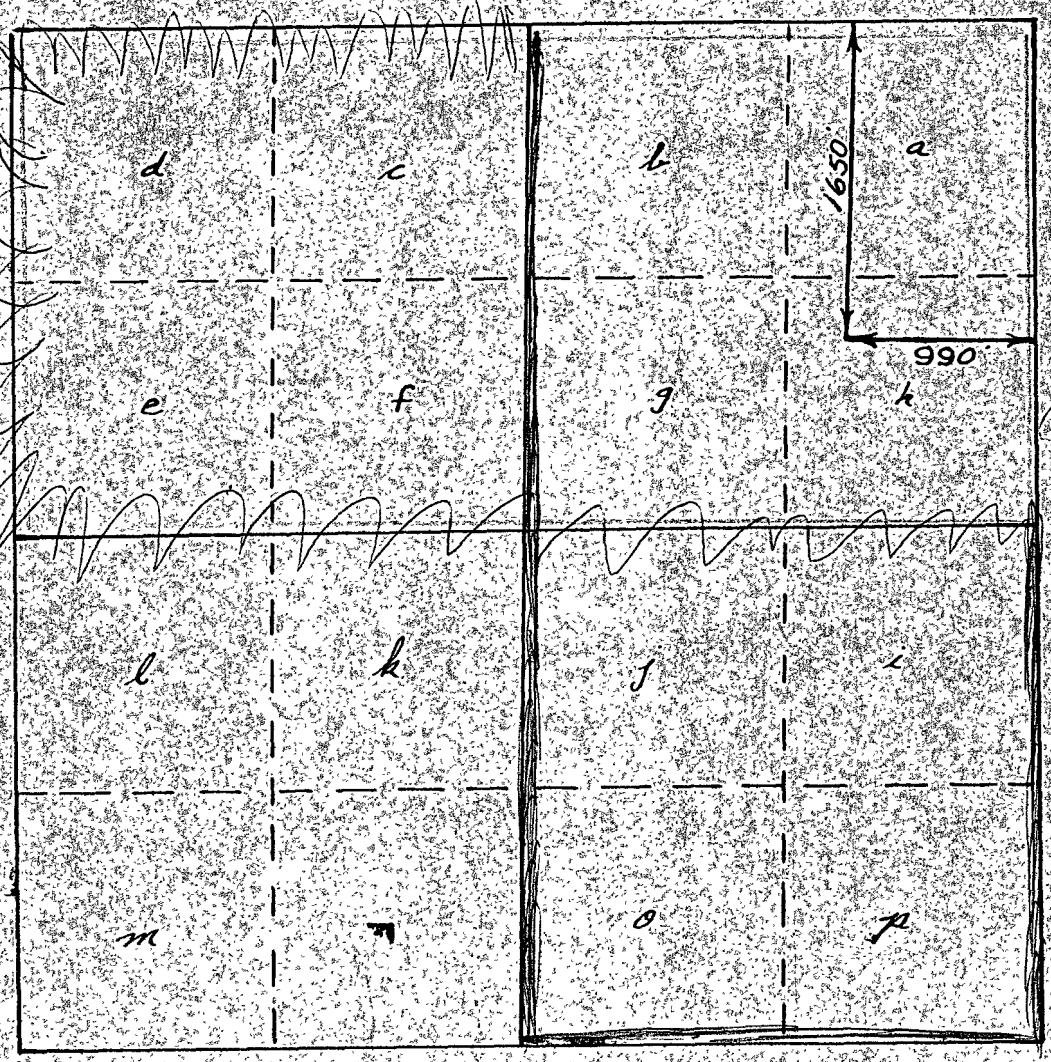
County San Juan G. L. Elevation 5908 Dedicated Acreage 320 NW E/4 Acres

Name of Producing Formation Dakota Pool Undesignated Dakota

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
   Yes x No ____.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ____ No ____. If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Three States Natural Gas Co.
(Operator)

John Paddock
(Representative)

Box 67
Farmington, New Mexico
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed July 29, 1960

Ernest V. Echohawk
Registered Land Surveyor.

Certificate No. 1545

ConocoPhillips Company
Closed-loop Plans

Closed–loop Design Plan

COPC's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and 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

COPC's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) 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
4. All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.

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) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005). 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.