District I

1625 N. French Dr , Hobbs, NM 88240

District II

Liner Type:

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 July 21, 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.

Pit, Closed-Loop System, Below-Grade Tank, or

<u>Proposed Alternative Method Permit or Closure Plan Application</u> ,
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 ordinances.
Operator: Burlington Resources Oil & Gas Company, LP OGRID#: 14538 Address: PO Box 4289, Farmington, NM 87499
Facility or well name: Hudson #2
API Number: 30-045-08950 OCD Permit Number: U/L or Qtr/Qtr: P(SESE) Section: 34 Township: 30N Range: 12W County: San Juan Center of Proposed Design: Latitude: 36.7645600' N Longitude: 108.0772700' 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 P&A Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions L x W x D
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 approval of a permit or notice of intent) Drying Pad X Above Ground Steel Tanks
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material:

Alternative Method:

Secondary containment with leak detection

Thickness

Visible sidewalls and liner

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

PVC

Other

Visible sidewalls only

HDPE

mil

Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off

Other

Fencing: Subsection D of 19 15 17.11 NMAC (Applies to permanent pit, temporary pits, and below-grade tanks)							
Penening. Subsection B of 19 13 17.11 NWAC (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							
7							
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 constant	ideration of ap	proval.					
Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.							
10							
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	ĺ						
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	□Yes	\square_{N_0}					
lake (measured from the ordinary high-water mark).							
- 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.	Yes	□No					
(Applies to temporary, emergency, or cavitation pits and helow-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.	Yes	No					
(Applied to permanent pits)	NA	_					
- 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	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.	Yes	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: 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 Solve Design Plan - based upon the appropriate requirements of 19.15.17.11 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 Previously Approved Operating and Maintenance Plan API				
Permanent Pits Permit Application Checklist: 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 Lak 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 Eroston 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 P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal 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 G of 19.15.17.13 NMAC				

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee	Tanks or Haul-off Bins Only	: (19.15 17 13 D NMAC)				
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling j are required.	unds and arm cuttings. Use at	tachment if more than two fa	cuines			
Disposal Facility Name: Envirotech	Disposal Facility Permit #:	NM-01-0011				
Disposal Facility Name: Basin Disposal Facility	Disposal Facility Permit #	NM-01-005				
Will any of the proposed closed-loop system operations and associated activities Yes (If yes, please provide the information No	occur on or in areas that wi	ll not be used for future se	rvice and operations?			
Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specification - based upon the appropria Re-vegetation Plan - based upon the appropriate requirements of Subsec Site Reclamation Plan - based upon the appropriate requirements of Subsection	tion I 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 R certain siting criteria may require administrative approval from the appropriate district office of for consideration of approval Justifications and/or demonstrations of equivalency are required.	ecommendations of acceptable soi i may be considered an exception	which must be submitted to the S				
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 obtain	ned from nearby wells		Yes No			
Ground water is between 50 and 100 feet below the bottom of the buried waste			☐Yes ☐No			
- NM Office of the State Engineer - tWATERS database search; USGS, Data obtain	ned 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 obtain	ned from nearby wells		□N/A			
•	·	leh ala an milana iai				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signific (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ant watercourse or lakebed, sini	knole, or playa lake	∐Yes ∐No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in e	xistence at the time of initial an	plication	∏Yes ∏No			
- Visual inspection (certification) of the proposed site; Aerial photo, satellite image	Associate at the time of initial ap	pheunon	∏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 existe - NM Office of the State Engineer - iWATERS database; Visual inspection (certific Within incorporated municipal boundaries or within a defined municipal fresh water we pursuant to NMSA 1978, Section 3-27-3, as amended	nce at the time of the initial appartion) of the proposed site	olication.	Yes No			
- Written confirmation or verification from the municipality; Written approval obta Within 500 feet of a wetland			Yes No			
- US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspec	ction (certification) of the prop	osed site				
Within the area overlying a subsurface mine. - Written confirantion or verification or map from the NM EMNRD-Mining and M	ineral Division		∐Yes ∐No			
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mil	neral Resources: USGS: NM G	eological Society:	Yes No			
Topographic map		<i>y</i> , , ,				
Within a 100-year floodplain FEMA map			YesNo			
On-Site Closure Plan Checklist: (19.15.17 13 NMAC) Instructions: Each a	64 - 6-11 - i i4		Discourse discours			
by a check mark in the box, that the documents are attached.	j ine jouowing uems musi e	ree unached to the closure	pian. I tease indicate,			
Siting Criteria Compliance Demonstrations - based upon the appropriate	requirements of 19.15 17 10	NMAC				
Proof of Surface Owner Notice - based upon the appropriate requirement	s of Subsection F of 19.15.1	7.13 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						
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC						

19					
	cation Certification:		ourste and complete to the	part of my knowledge and helief	ļ
	at the information subm	outted with this application is true, ac	Title:		
Name (Print):		Crystal Tafoya		Regulatory Technician	
Signature.	- Const	ax / ajoya	Date	503-326-9837	
e-mail address:	crystal	tafoya@conocophyllips com	Telephone:	/ 503-326-9837	
					\neg
20 OCD Approval	· Permit Applies	ation (including closure plan)	Closure Plan (only)	OCD Conditions (see attachment)	
		mon (mending closure plan)			
OCD Represent	tative Signature:	Bob 6 ch		Approval Date:Q-25-08	ļ
Title:	Fulico/so	2	OCD Perm	nit Number:	
Title.	-uonor sp		OCD Term	iit Adinoci.	
Instructions Oper report is required	rators are required to or to be submitted to the a		r to implementing any closuretion of the closure activities completed	re activities and submitting the closure report. The closure s. Please do not complete this section of the form until an Completion Date:	
22					7
Closure Method	<u>d:</u>	<u></u>			
Waste Exc	cavation and Removal	On-site Closure Method	Alternative Closure	Method Waste Removal (Closed-loop systems only)	
If differen	t from approved plan, p	lease explain.			
Instructions: Plea were utilized.	use identify the facility		rilling fluids and drill cutti	ound Steel Tanks or Haul-off Bins Only: ngs were disposed. Use attachment if more than two facilities	
Disposal Facili			_ Disposal Facility		
Disposal Facili	·		_ Disposal Facility		
		ns and associated activities performe omplilane to the items below)	ed on or in areas that will no	t be used for future service and opeartions?	
	•	-	_		
	mpacted areas which wi imation (Photo Docume	ll not be used for future service and entation)	operations:		
1 ≒=	filling and Cover Install				
Re-vegeta	tion Application Rates	and Seeding Technique			
24					
Closure Rep the box, that the Proof of	he documents are attac	hed. ce owner and division)	ollowing items must be atta	ched to the closure report. Please indicate, by a check mark i	n
l ⊨ ≒	(for on-site closures	•			
3	•	tical Results (if applicable)			
 		lytical Results (if applicable)			
	Facility Name and Pe	•			
<u> </u>	cfilling and Cover Inst				
-=	ų.	es and Seeding Technique			İ
	amation (Photo Docu				
On-site C	Closure Location: L	atitude:	Longitude:	NAD	
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			Telephone:		

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). 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.