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 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 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 ordinances
Operator: Burlington Resources Oil & Gas Company, LP Address: PO Box 4289, Farmington, NM 87499 OGRID#: 14538
Facility or well name: Patterson #3 API Number: 30-045-20654 OCD Permit Number: U/L or Qtr/Qtr: N(SESW) Section: 2 Township: 31N Range: 12W County: San Juan Center of Proposed Design: Latitude: 36.923220' N Longitude: 108.067980' W NAD: X 1927 1983 Surface Owner: Federal State X Private Tribal Trust or Indian Allotment
X Pit: Subsection F or G of 19.15.17.11 NMAC Temporary:
Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad
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: Thicknessmil
Liner Type: Thickness mil HDPE PVC Other Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental 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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet				
X Alternate. Please specify Please see Design Plan				
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)				
Signer Cubecase Cof 10 15 17 11 NIMAC				
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				
9				
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:				
X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for cons (Distance from pit to watercourse)	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 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	XNo		
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	XYes	□No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes	XNo		
(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.	Yes	No		
(Applied to permanent pits)	XNA			
 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	XNo		
- NM Office of the State Engineer - IWATERS database search; Visual inspection (certification) of the proposed site.		ľ		
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	XNo		
- Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland. US Figh and Widdlife Wetland Heart Section was a Transparable group Visual inspectors (actification) of the approval of the control of	Yes	XNo		
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within the area overlying a subsurface mine.	Yes	XNo		
- Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division Within an unstable area.	Yes	XNo		
- 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	XNo		

Form C-144 Oil Conservation Division Page 2 of 5

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
X Siting Criteria Compliance Demonstrations - 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 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
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
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
14
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 X 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)
X On-site Closure Method (only for temporary pits and closed-loop systems)
X 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)
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

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Ta Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluid	nks or Haul-off Bins Only: (19.15.17.13.D NMAC) Is and drill cuttings. Use attachment if more than two fa	cılınes			
are required.					
Disposal Facility Name Di					
Disposal Facility Name. Di					
Will any of the proposed closed-loop system operations and associated activities of Yes (If yes, please provide the information No	cur on or in areas that will 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 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					
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 Reconcertain siting criteria may require administrative approval from the appropriate district office or may for consideration of approval Justifications and/or demonstrations of equivalency are required. Page 17.	ay 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 obtained	from nearby wells	Yes X No			
Ground water is between 50 and 100 feet below the bottom of the buried waste		X Yes No			
- NM Office of the State Engineer - iWATERS 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 X No			
- NM Office of the State Engineer - tWATERS 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 (measured from the ordinary high-water mark).	watercourse or lakebed, sinkhole, or playa lake	X Yes No			
- Topographic map; Visual inspection (certification) of the proposed site					
Within 300 feet from a permanent residence, school, hospital, institution, or church in exist - Visual inspection (certification) of the proposed site; Aerial photo; satellite image	ence at the time of initial application.	Yes X 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 fee of any other fresh water well or spring, in existence at the time of the initial application. - NM Office of the State Engineer - iWATERS database, 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					
Within 500 feet of a wetland	Yes X No				
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection	on (certification) of the proposed site				
Within the area overlying a subsurface mine Written confirantion or verification or map from the NM EMNRD-Mining and Mine	ral Division	Yes X No			
Within an unstable area	A. D. T. M. C.	Yes X No			
- Engineering measures incorporated into the design; NM Bureau of Geology & Minera Topographic map					
Within a 100-year floodplain - FEMA map		Yes X 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.					
X Siting Criteria Compliance Demonstrations - based upon the appropriate rec	quirements of 19.15.17.10 NMAC	i			
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 p	oad) - based upon the appropriate requirements of 19	0.15.17 11 NMAC			
X Protocols and Procedures - based upon the appropriate requirements of 19.1					
Confirmation Sampling Plan (if applicable) - based upon the appropriate rec	•				
X Waste Material Sampling Plan - based upon the appropriate requirements of					
X Disposal Facility Name and Permit Number (for liquids, drilling fluids and o	*	not be achieved)			
X Soil Cover Design - 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					

Form C-144 Oil Conservation Division Page 4 of 5

Name (Print):	Crystal Tafoya	Title:	Regulat	ory Technician
Signature:	motal Tale	ma Date:	8/19/01	8
e-mail address:	crystal.tafoya@conocopbillip	Telephone	50	05-326-9837
90 200 + F	ln - A 1 & 2,11 1 1.	Oleans Plea	(l-)	a diciona (ana attachmana)
JCD Approval:	Permit Application (including closi	ure plan) Closure Plan	· - <u>-</u>	onditions (see attachment)
OCD Representative	Signature:	Tell	Ap	proval Date: <u>8-26-08</u>
Fitte: \overline{E}_n	intener	00	D Permit Number:	
); 101 5pac			
21				
	ired within 60 days of closure cou			I submitting the closure report. The closure
				complete this section of the form until an
ipproved closure plan ho	as been obtained and the closure activi	ties have been completed.		
			Closure Completion 1	Date:
22				
Closure Method:				
Waste Excavatio	n and Removal On-site Clo	osure Method Alternative	Closure Method '	Waste Removal (Closed-loop systems only)
If different from	approved plan, please explain.			
23				
	ing Waste Removal Closure For Clos			
'nstructions: Please ider vere utilized.	tify the facility or facilities for where	the liquids, drilling fluids and dr	ill cuttings were dispose	ed. Use attachment if more than two facilities
Disposal Facility Nan	ne:	Disposal	Facility Permit Number:	:
Disposal Facility Nan		-	Facility Permit Number:	
Were the closed-loop	system operations and associated activ		-	
Yes (If yes, pleas	e demonstrate complilane to the items	below) No		
	l areas which will not be used for futur	re service and operations:		
=	(Photo Documentation)			
=	and Cover Installation	_		
Re-vegetation Ap	plication Rates and Seeding Technique	ē		
Closure Penant At	tachment Charliet, Instructions	Each of the following items mus	t he attached to the clos	was report. Blogge indicate by a shock mark in
the box, that the doci		Each of the following tiems mus	to the anachea to the closs	ure report. Please indicate, by a check mark in
Proof of Closur	e Notice (surface owner and divisio	n)		
Proof of Deed N	Notice (required for on-site closure)			
Plot Plan (for or	n-site closures and temporary pits)			
Confirmation S	ampling Analytical Results (if applu	cable)		
Waste Material	Sampling Analytical Results (if app	olicable)		
Disposal Facilit	y Name and Permit Number			
=	and Cover Installation			
Do wood-ti A	application Rates and Seeding Tech	nique		
=	n (Photo Documentation)			🗖 👨
Site Reclamation	Location Latitude:	Longitude:		NAD
=				
Site Reclamation				
Site Reclamation On-site Closure	4.6.			-
Site Reclamation On-site Closure		with this clasure veneral to the e	courate and complete to	the heat of my knowledge and balled. Lake comety the
On-site Closure 25 Operator Closure Ce thereby certify that the te		•	•	the best of my knowledge and belief. I also certify that
Site Reclamation On-site Closure 25 Operator Closure Ce Thereby certify that the the closure complies with	nformation and attachments submitted	nd conditions specified in the app	proved closure plan	the best of my knowledge and belief. I also certify that
Site Reclamation On-site Closure 25 Decrator Closure Centerby Certify that the the closure complies with	nformation and attachments submitted	•	proved closure plan	the best of my knowledge and belief. I also certify that
Site Reclamation On-site Closure 25 Operator Closure Centre that the tentre in the te	nformation and attachments submitted	nd conditions specified in the app	proved closure plan	the best of my knowledge and belief. I also certify that

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 31N Range: 12W Sections: 1,2,3,10,11,12						
NAD27 X:		· Y:	Zone:		Search Radius:	1
County:		Basin:	,	ŭ _{ij}	Number:	Suffix:
Owner Name: (First)		(L	Last) ⊚ All	}	○ Non-Domestic	ODomestic
POD / Surface Data Report Avg Depth to Water Report Water Column Report						
Clear Form WATERS Menu Help						

WATER COLUMN REPORT 08/01/2008

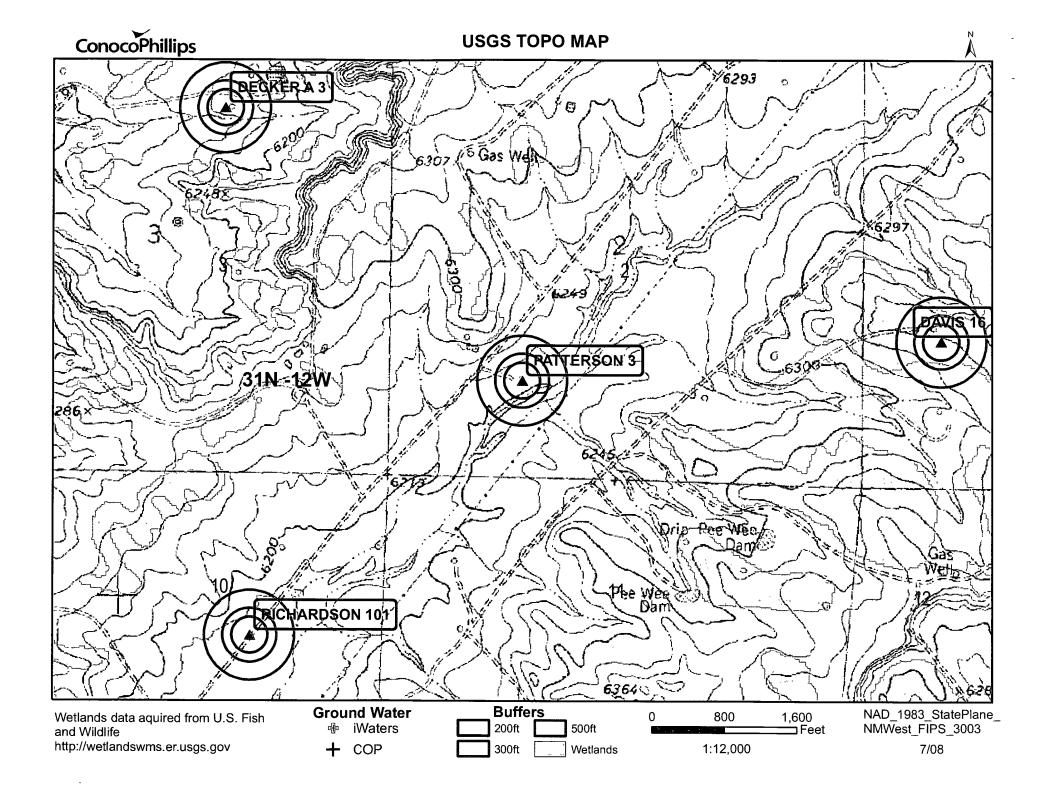
(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Depth Depth Wat∈ POD Number Tws Rng Sec q q q Zone X Well Water Colun SJ 03488 31N 12W 01 3 3 2 150 ____ 31N SJ 03738 POD1 12W 01 4 1 3 115 50 SJ 02034 31N 12W 01 85 55 SJ 03134 31N 12W 01 80 20 ϵ 31N 12W 01 SJ 03022 490 250 24 SJ 01660 31N 12W 01 4 3 3 275 320 Ļ SJ 01649 12W 01 4 3 4 31N 161 220 SJ 03660 31N 12W 01 4 3 4 70 42 SJ 02099 31N 12W 01 4 4 95

Record Count: 9

New Mexico Office of the State Engineer POD Reports and Downloads

Tow	nship: '32N	Range: 12W	Sections: 34	,35,36	garma garma a sarriya wa ya aftir ininin ngaranga angaranga an angaranga an angaranga an angaranga an angarang		ng gaggaga ganganan
NAD27	_	Y:	Zone:		Search Radius:	}	
County:		Basin:			Number:	Suffix	:
Owner Name:		face Data Repo	Last)	g Depth t	O Non-Domestic O Water Report Help	○ Dome	stic
WATER COLUMN REPORT 08/01/2008 (quarters are 1=NW 2=NE 3=SW 4=SE)							
POD Number SJ 01106			st to smallest q Zone	•	Y Well 180	Depth Water 115	Wat∈ Colun ∈

Record Count: 1



30-045-11069

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS

Operator Mevidian Of	INC. Location	on: Unit \underline{E} Sec. \underline{J} Twp $\underline{3/Rng/2}$
Name of Well/Wells.or P	peline Serviced	.,
PATTERSON B Com #1		·
ElevationCompletio	Date 5-595Total	Depth 4/2 Land Type
• •	4	SET 99 OF 8" PVC CASING.
NO GAS, WATER, OF BO	Iders Ware ENCO	untered During CASING.
If Casing Strings are o	emented, show amount	s & types used Cemented
WITH 20 SACKS.		
If Cement or Bentonite	Plugs have been plac	ced, show depths & amounts used
None		
	,	cription of water: Fresh, Clear,
Depths gas encountered	Ning	
Ground bed depth with		e breeze used: 4/2
Depths anodes placed:	395 375 765 755 340	338 315 290 260 250 240, 230 215 200 19
Depths vent pipes place		ce to 4/2'
Vent pipe perforations	From 156 to	
Remarks: //c 565 en	ountered during de	cilling 11994.
· · · · · · · · · · · · · · · · · · ·	<u> </u>	OIL CON. DIV.
		DIST. 3

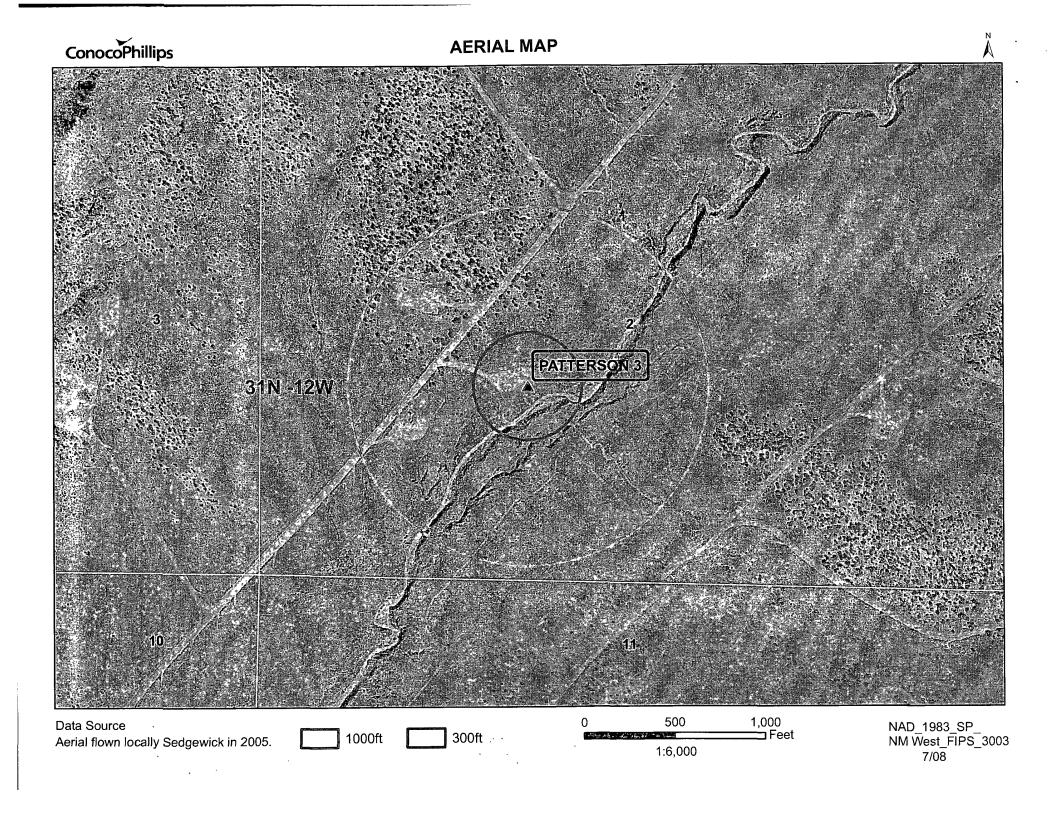
If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & Well Bore Schematics should be submitted when available. Unplugged abandoned wells are to be included.

Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee. If Federal or Indian, add Lease Number.

NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL OR RECOMPLETE

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission. OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO Gentlemen: You are hereby notified that it is our intention to commence the (Drilling) (Recompletion) of a well to be known as Company or Operator located line and feet from the feet from the (GIVE LOCATION FROM SECTION LINE) Pool, County If State Land the Oil and Gas Lease is No. ... 11625 - Corrected 11644 - ... If patented land the owner is. D \mathbf{C} R A per. Ner sees using natural gas notices. F G ч E K 1 L J N M O P CASING PROGRAM We propose to use the following strings of Casing and to cement them as indicated: Size of Casing Size of Male Weight per Foot New or Second Hand Depth Sacks Cement -3/4" Permed to 13-3/4" 9-5/ 290 To surface 5090 290 If changes in the above plans become advisable we will notify you immediately. ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.) Well will be shot with about 1200 Quarte of alter from 5100' to 5400'. to Sec. 2, T-11-H., Suis-W: SW: - Mary Ving - SEC 123-11 - SEC; SE HE: - Steen Blides - Secver Lodge Cal Corp.; 12 Mit - State B-11625-- Bay Potroleum Carpa Sincerely yours, Except as follows: inications regarding well to Name... Southern - Union Con Co. Address Bart Blegg Dellas 1, Torne TitlePETROLEUM ENGINEER DIST. NO. 3



The **Patterson #3** is located near a possible watercourse as indicated on the aerial map. Due to this a field inspection was performed on **August 13th, 2008** and the distance from the edge of the pit to the edge of the wash was determined to be 195'.

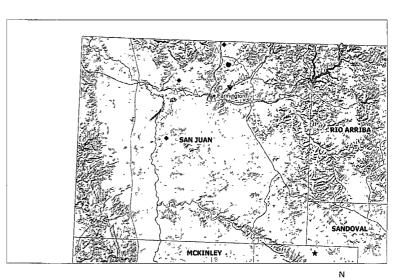
I hereby certify the above statement is true and accurate to the best of my ability.

Regulatory Technician

Date

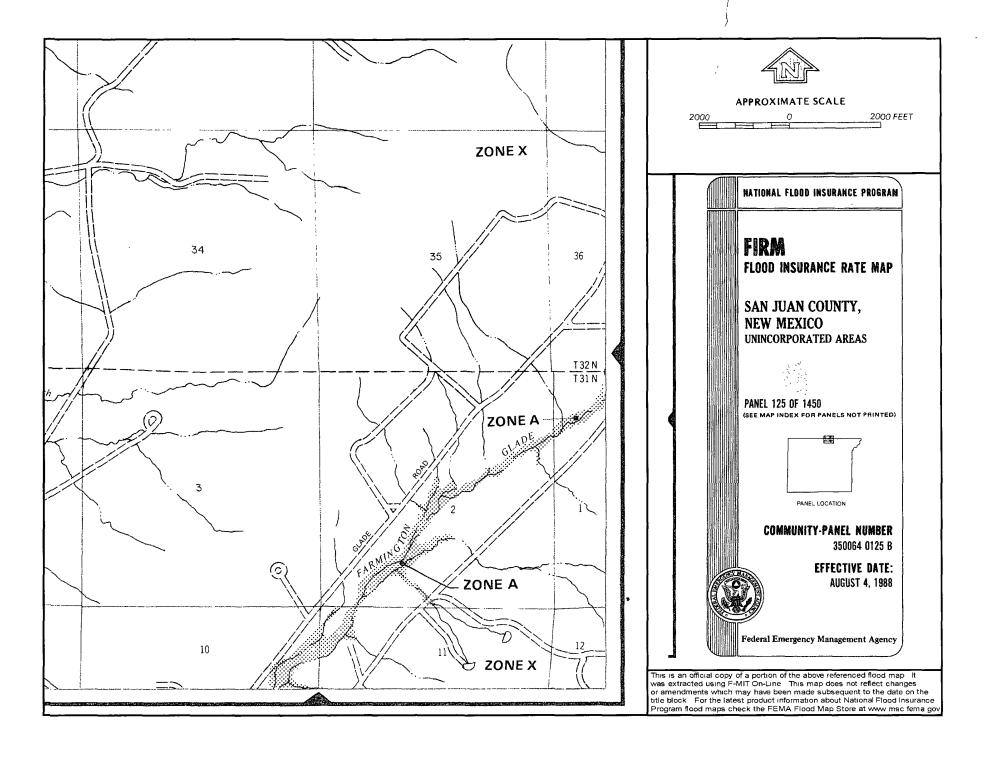
Patterson #3 Mines, Mills and Quarries Web Map

Mines, Mil	ls & Quarries Commodity Groups
Δ	Aggregate & Stone Mines
•	Coal Mines
*	Industrial Minerals Mines
•	Industrial Minerals Mills
	Metal Mines and Mill Concentrate
	Potash Mines & Refineries
3	Smelters & Refinery Ops.
*	Uranium Mines
•	Uranium Mills









Hydrogeological Report for Patterson #3

Regional Geological context:

The Nacimiento Formation is of Paleocene age (Baltz, 1967, p. 35). It crops out in a broad band inside the southern and western margins of the central basin and in a narrow band along the west face of the Nacimiento Uplift. The Nacimiento is a nonresistant unit and typically erodes to low, rounded hills or forms badland topography.

The Nacimiento Formation occurs in approximately only the southern two-thirds of the San Juan Basin where it commformably overlies and intertongues with the Ojo Alamo Sandstone (Fassett, 1974, p. 229). The Nacimiento Formation grades laterally into the main part of the Animas Formation (Fassett and Hinds, 1971, p. 34); thus, in this area, the two formations occupy the same stratigraphic interval.

Strata of the Nacimiento Formation were deposited in lakebeds in the central basin area with lesser deposition in stream channels (Brimhall, 1973, p. 201). In general, the Nacimiento consists of drab, interbedded black and gray shale with discontinuous, white, medium- to very coarse grained arkosic sandstone (Stone e al., 1983, p.30). Stone et al. indicated that the formation may contain more sandstone than commonly reported because some investigators assume the slope-forming strata in the unit area shales, whereas in many places the strata actually are poorly consolidated sandstones. Total thickness of the Nacimiento Formation ranges from about 500 to 1,300 feet. The unit generally thickens from the basin margins toward the basin center (Steven et al., 1974). The sandstone deposits within the Nacimiento Formation are much thinner than the total thickness of the formation because their environment of deposition was localized stream channels (Brimhall, 1973, p. 201). The thickness of the combined San Jose, Animas, and Nacimiento Formations ranges from 500 to more than 3.500 feet.

Hydraulic Properties:

Reported well yields for 53 wells completed in either the Animas or Nacimiento Formations range from 2 to 90 gallons per minute and the median yield is 7.5 gallons per minute. The primary use of water from Nacimiento and Animas Formations is domestic and livestock supplies. There are no known aquifer tests for the Animas or Nacimiento Formations, but specific capacities reported for six wells range from 0.24 to 2.30 gallons per minute per foot of drawdown (Levings et al., 1990).

The Animas and Nacimiento Formations are in many ways hydrologically similar to the San Jose Formation because sands in both units produce approximately the same quantities of water. However, the greater percentage of fine materials in the Animas and Nacimiento Formations may restrict downward vertical leakage to the Ojo Alamo Sandstone or Kirtland Shale. The poorly cemented fine material is highly erodible, forms a badland terrain, and supports only spotty vegetation. These conditions are more conductive to runoff than retention of precipitation.

References:

Baltz, E.H., 1967, Stratigraphy and regional tectonic implications of part of Upper Cretaceous rocks, east-central San Juan Basin, New Mexico: USGS Professional Paper

552, 101 p.

Brimhall, R.M., 1973, Ground-water hydrology of Tertiary rocks of the San Juan Basin, New Mexico, in Fassett, J.E., ed., Cretaceous and Tertiary rocks of the Southern Colorado Plateau: Four Corners Geological Society Memoir, p. 197-207.

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ConocoPhillips Company GRFS / PTRRC – San Juan Business Unit Mary Kay Cornwall 3401 East 30th Street Farmington, NM 87402

Telephone: (505) 326-9597 Facsimile: (505) 324-6136

August 19, 2008

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED 7110-6605-9590-0026-1293

Ande H. Peterson 285 West Morrison Ct. Grand Junction, CO 81503

Re:

Patterson #3

SW Section 2, T31N, R12W San Juan County, New Mexico

Dear Mr. Peterson:

Pursuant to Paragraph 1 (b) of Subsection F of 19.15.17.13 NMAC, an operator shall provide the surface owner notification of the operator's proposal to close a temporary pit on-site in compliance with the on-site closure methods specified in the same Subsection of the NMAC. In compliance of this requirement, please consider this notification of ConocoPhillips' intent to close the temporary pit on the above referenced location.

If you have any questions, please contact Maxwell Blair @ (505)599-4021.

Sincerely,

Mary Kay Cornwall

Mary Kay Cornwall Staff Associate, PTRRC

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

Effective 1-1-65 All distances must be from the outer boundaries of the Section. Lease Operator Well No. Aztec Oil & Cas Company Patterson 3 Unit Letter Section Township Range County 2 12W 31N San Juan Actual Footage Location of Well: feet from the South 1490 West line and feet from the Ground Level Elev. Producing Formation Dedicated Acreage; 6219 Pictured Cliffs Undesignated 160 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests nsolidated by communitization, unitization, force-pooling. etc? JUN 2 1970 If answer is "yes," type of consolidation Yes No OIL CON. COM. If answer is "no," list the owners and tract descriptions which have actually been consolidate is been side of this form if necessary.)_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. ¢riginal signed by joe c. salmon Name Joe C. Salmon Position District Superintendent Aztec Oil & Gas Company May 28, 1970 Sec 2 I hereby certify that the well location shown on this plat 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.

1320 | 1650

1980 2310

2640

2000

1500

1000

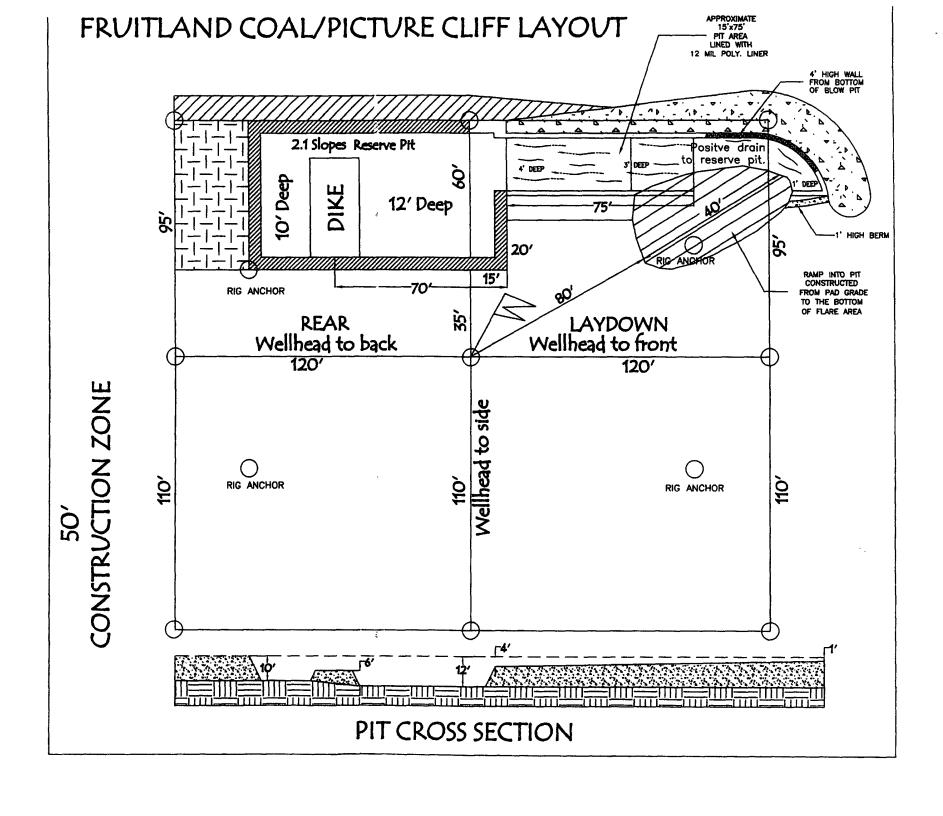
500

330

660

90

i



Burlington Resources Oil & Gas Company, LP San Juan Basin Pit Design and Construction Plan

In accordance with Rule 19.15.17 the following information describes the design and construction of temporary pits on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

General Plan:

- 1. BR will design and construct a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- Prior to constructing the pit, topsoil will be stockpiled in the construction zone for later use in restoration.
- 3. BR will post a well sign, not less than 12" by 24", on the well site prior to construction of the temporary pit. The sign will list the operator on record as the operator; the location of the well site by unit letter, section, township range; and emergency telephone numbers.
- 4. BR shall construct all new fences utilizing 48" steel mesh field-fence (hogwire) on the bottom with a single strand of barbed wire on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Temporary pits will be fenced at all times excluding drilling or workover operations, when the front side of the fence will be temporarily removed for operational purposes.
- 5. BR shall construct the temporary pit so that the foundation and interior slopes are firm and free of rocks, debris, sharp edges or irregularities to prevent liner failure.
- BR shall construct the pit so that the slopes are no steeper than two horizontal feet to 1 vertical foot.
- 7. Pit walls will be walked down by a crawler type tractor following construction
- 8. All temporary pits will be lined with a 20-mil, string reinforced, LLDPE liner, complying with EPA SW-846 method 9090A requirements.
- Geotextile will be installed beneath the liner when rocks, debris, sharp edges or irregularities cannot be avoided.
- All liners will be anchored in the bottom of a compacted earth-filled trench at least 18 inches deep.
- 11. BR will minimize liner seams and orient them up and down, not across a slope. Factory seams will be used whenever possible. BR will ensure all field seams are welded by qualified personnel. Field seams will be overlapped four to six inches and will be oriented parallel to the line of maximum slope. BR will minimize the number of field seams in corners and irregularly shaped areas.
- 12. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.
- 13. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.
- 14. The volume of the pit shall not exceed 10 acre-feet, including freeboard.
- 15. Temporary blow pits will be constructed to allow gravity flow to discharge into lined drill pit.
- 16. The lower half of the blow pit (nearest lined pit) will be lined with the same 20 mil liner. The upper half of the blow pit will remain unlined as allowed in Rule 19.15.17.11 F.11.
- 17. BR will not allow freestanding liquids to remain on the unlined portion of a temporary blow pit.

Burlington Resources Oil & Gas Company, LP San Juan Basin Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of temporary pits on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

General Plan:

- 1. BR will operate and maintain a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. BR will conserve drilling fluids by transferring liquids to pits ahead of the rigs whenever possible. All other drilling fluids will be disposed at Basin Disposal Inc., permit # NM-01-005.
- 3. BR will not discharge or store any hazardous waste in any temporary pit.
- 4. If any pit liner's integrity is compromised, or if any penetration of the liner occurs above the liquid's surface, then BR shall notify the Aztec Division office by phone or email within 48 hours of the discovery and repair the damage or replace the liner.
- 5. If a leak develops below the liquid's level, BR shall remove all liquids above the damaged liner within 48 hours and repair the damage or replace the liner. BR shall notify the Aztec Division office by phone or email within 48 hours of the discovery for leaks less than 25 barrels BR shall notify the Aztec Division office as required pursuant to Subsection B of 19.15.3.116 NMAC shall be reported within twenty-four (24) hours of discovery of leaks greater than 25 barrels. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), and Subparagraph (d) of 19.15.3.116 NMAC shall be reported to the division's Environmental Bureau Chief.
- 6. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.
- 7. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.
- 8. BR shall immediately remove any visible layer of oil from the surface of the temporary pit after cessation of a drilling or workover operation. Oil absorbent booms will be utilized to contain and remove oil from the pit's surface. An oil absorbent boom will stored on-site until closure of pit.
- 9. Only fluids generated during the workover process may be discharged into a temporary pit.
- 10. BR will maintain the temporary pit free of miscellaneous solid waste or debris.
- 11. During workover operations, BR will inspect the temporary pit at least once daily to ensure compliance with this plan. Inspections will be logged in the IADC reports. BR will file this log with the Aztec Division office upon closure of the pit.
- 12. After workover operations, BR will inspect the temporary pit weekly so long as liquids remain in the temporary pit. A log of the inspections will be stored at BR's office electronically and will be filed with the Aztec Division office upon closure of the pit.
- 13. BR shall maintain at least two feet of freeboard for a temporary pit.
- 14. BR shall remove all free liquids from a temporary pit within 30 days from the date the operator releases the drilling rig.
- 15. BR shall remove all free liquids from a cavitation pit within 48 hours after completing cavitation. BR may request additional time to remove liquids from the Aztec Division office if it is not feasible to remove liquids within 48 hours.

Burlington Resources Oil & Gas Company, LP San Juan Basin Closure Plan

In accordance with Rule 19.15.17.12 NMAC the following information describes the closure requirements of temporary pits on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of pit closure. Closure report will be filed on C-144 and incorporate the following:

- Details on Capping and Covering, where applicable.
- Plot Plan (Pit Diagram)
- Inspection Reports
- Sampling Results
- C-105
- Copy of Deed Notice will be filed with County Clerk

General Plan:

- 1. All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division—approved facility or recycle, reuse or reclaim the liquids in a manner that the appropriate division district office approves.
- 2. The preferred method of closure for all temporary pits will be on-site burial, assuming that all the criteria listed in sub-section (B) of 19.15.17.13 are met.
- 3. The surface owner shall be notified of BR's closing of the temporary pit as per the approved closure plan using certified mail, return receipt requested.
- 4. Within 6 months of the Rig Off status occurring BR will ensure that temporary pits are closed, re-contoured, and reseeded.
- 5. Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
- 6. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "All" of the liner i.e., edges of liner entrenched or buried. All excessive liner will be disposed of at a licensed disposal facility.
- 7. Pit contents shall be mixed with non-waste containing, earthen material in order to achieve the solidification process. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed a safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents.
- 8. A five point composite sample will be taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e., Dig and haul.

Components	Tests Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	1000(500)

9. A five point composite sample will be taken from the cavitation pit pursuant to 19.15.17.13(B)(1)(b)(i) in order to assure there has not been any type of release.

Components	Tests Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	500

- 10. Upon completion of solidification and testing standards being passed, the pit area will be backfilled with compacted, non-waste containing, earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater. If standard testing fails BR will dig and haul all contents pursuant to 19.15.17.13.i.a. After doing such, confirmation sampling will be conducted to ensure a release has not occurred.
- 11. During the stabilization process if the liner is ripped by equipment the Aztec OCD office will be notified within 48 hours and the liner will be repaired if possible. If the liner can not be repaired then all contents will be excavated and removed.
- 12. Dig and Haul Material will be transported to the Envirotech Land Farm located 16 miles south of Bloomfield on Angel Peak Road, CR 7175. Permit # NM010011
- 13. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 14. Notification will be sent to OCD when the reclaimed area is seeded.
- 15. BR shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

Туре	Variety or Cultivator	PLS/A
Western wheatgrass	Arriba	3.0
Indian ricegrass	Paloma or Rimrock	3.0
Slender wheatgrass	San Luis	2.0
Crested wheatgrass	Hy-crest	3.0
Bottlebrush Squirreltail	Unknown	2.0
Four-wing Saltbrush	Delar	.25

Species shall be planted in pounds of pure live seed per acre: Present Pure Live Seed (PLS) = Purity X Germination/100 Two lots of seed can be compared on the basis of PLS as follows:

Source No. One (poor quality)

Purity

50 percent

Germination

40 percent

Percent PLS

20 percent

Source No. two (better quality)

Purity

80 percent

Germination

63 percent

Percent PLS

50 percent

5 lb. bulk seed required to make 2 lb. bulk seed required to make

1 lb. PLS 1 lb. PLS

16. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot tall riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time of all wells on the pad are abandoned. The operator's information will include the following: Operator Name, Lease Name, Well Name and number, Unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location.