D_zstrict 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

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

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	appropriate NMOCD District Office.			
	op System, Below-Grade Tank, or			
Proposed Alternative Method Permit or Closure Plan Application				
Type of action: X Permit of a pit, clo	osed-loop system, below-grade tank, or proposed alternative method			
Closure of a pit, c	losed-loop system, below-grade tank, or proposed alternative method			
Modification to ar				
	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				
	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 respons	ibility to comply with any other applicable governmental authority's rules, regulations or ordinances			
1 Operator: ConocoPhillips Company	OGRID#: <u>217817</u>			
Address: PO Box 4289, Farmington, NM 87499				
Facility or well name: San Suan 2	87 Uni+ #174			
API Number: 30-039-20698	OCD Permit Number:			
U/L or Qtr/Qtr: P(SESE) Section: 21 Township				
Center of Proposed Design: Latitude: 36.553741				
Surface Owner: X Federal State P	Private Tribal Trust or Indian Allotment			
2 Pite Subscript For Cof 10 15 17 11 NIMAC				
Pit: Subsection F or G of 19.15.17.11 NMAC				
Temporary: Drilling Workover Permanent Emergency Cavitation P&A				
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 NM	IAC			
Type of Operation: X P&A Drilling a new well	Workover or Drilling (Applies to activities which require prior approval of a permit or			
During Dad W. About County Steel Tools.	notice of intent)			
Drying Pad X Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVD Other				
Liner Seams: Welded Factory Other				
Below-grade tank: Subsection I of 19.15.17.11 NMAC	m MAR 2000			
Volume: bbl Type of fluid:	OIL CONS. DIV. DIST. 3			
Tank Construction material:				
	e sidewalls, liner, 6-inch lift and automatic overflow shut-off			
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 HDPE	E PVC Other			
5 Alternative Method:				
	I I in to the state of the Free incompany I Day 1955 of the state of t			
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 Alternate. Please specify				
Netting: Subsection E of 19.15.17 11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)				
Signs: Subsection C of 19.15 17 11 NMAC 12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers X Signed in compliance with 19.15 3.103 NMAC				
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.				
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.				
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	Yes No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes No			
(Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	NA			
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applied to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No			
Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.	Yes No			
 NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site. Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended Written confirmation or verification from the municipality; Written approval obtained from the municipality 	Yes No			
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within the area overlying a subsurface mine. 	Yes No			
- Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division				
Within an unstable area. - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources; USGS, NM Geological Society; Topographic map	Yes No			
Within a 100-year floodplain - FEMA map	Yes No			

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				
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				
12				
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions. Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9				
Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC				
X Design Plan - based upon the appropriate requirements of 19 15.17.11 NMAC				
X Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17 12 NMAC				
X Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15 17.9				
NMAC and 19.15.17.13 NMAC				
Previously Approved Design (attach copy of design) API				
Previously Approved Operating and Maintenance Plan API				
13				
Permanent Pits Permit Application Checklist: Subsection B of 19.15 17.9 NMAC				
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.				
Hydrogeologic Report - based upon the requirements of Paragraph (I) of Subsection B of 19.15.17.9 NMAC				
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC				
Climatological Factors Assessment				
Certified Engineering Design Plans - based upon the appropriate requirements of 19 15.17.11 NMAC				
Dike Protection and Structural Integrity Design: based upon the appropriate requirements of 19 15.17 11 NMAC				
Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC				
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC				
Quality Control/Quality Assurance Construction and Installation Plan				
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17.12 NMAC				
Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17 11 NMAC				
Nuisance or Hazardous Odors, including H2S, Prevention Plan Emergency Response Plan				
Oil Field Waste Stream Characterization				
Monitoring and Inspection Plan				
Erosion Control Plan				
Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19 15.17 13 NMAC				
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 Workover Emergency Cavitation XP&A Permanent Pit Below-grade Tank XClosed-loop System				
Alternative Proposed Closure Method. Waste Excavation and Removal				
X Waste Removal (Closed-loop systems only)				
On-site Closure Method (only for temporary pits and closed-loop systems)				
In-place Burial On-site Trench				
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)				
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				
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15.17.13 NMAC				

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel 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 fluids and drill cuttings. Use attachment if more than two facilities				
are required.	ma arın cınımgy — ose anacımeni ij more man iwo jac	umes		
	osal Facility Permit #: NM-01-0011			
	osal Facility Permit #: NM-01-005			
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations? Yes (If yes, please provide the information No				
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specification - based upon the appropriate requirements of Subsection H of 19 15 17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC				
17 Siting Criteria (Regarding on-site closure methods only: 19.15.17.10 NMAC Instructions Each siting criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain 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 Justifications and/or demonstrations of equivalency are required Please refer to 19 15 17 10 NMAC for guidance.				
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS: Data obtained from the state of th	om nearby wells	Yes No		
- 144 Office of the State Engineer - 147/1/EKS database scarcity 0505. Data obtained in	om hearby wens			
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained fro	om nearby wells	∐Yes ∐No ∏N/A		
	ni licatoy wells			
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 fro	om nearby wells	∐Yes ∐No ∏N/A		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant wa (measured from the ordinary high-water mark).	·	Yes No		
- Topographic map; Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence - Visual inspection (certification) of the proposed site, Aerial photo; satellite image	ce at the time of initial application.	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 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 - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection		Yes No		
Within the area overlying a subsurface mine.		Yes No		
 Written confirantion or verification or map from the NM EMNRD-Mining and Mineral Within an unstable area. 	Division	Tyes No		
- Engineering measures incorporated into the design, NM Bureau of Geology & Mineral F Topographic map	Resources, USGS; NM Geological Society,			
Within a 100-year floodplain FEMA map		Yes No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must bee attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.				
Siting Criteria Compliance Demonstrations - based upon the appropriate requi	rements of 19.15.17.10 NMAC	,		
Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC				
Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC				
Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19 15.17.11 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC				
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17 13 NMAC				
Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC				
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)				
Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC				
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

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		· · · · · · · · · · · · · · · · · · ·		
Operator Application Certification:				
I hereby certify that the information submitted with this application is true, as	ccurate and complete to the	best of my knowledge and belief.		
Name (Print): Kelly,Jeffery	Title:	Regulatory Technician		
Signature:	Date:	3/11/2009		
e-mail address: jeffekr@conocop##lftps.com	Telephone:	505-599-4025		
20	7 (I Pl (1-)	Dog Condition (constructions)		
OCD Approval: Permit Application (including closure plan)	Closure Plan (only)	OCD Conditions (see attachment)		
OCD Representative Signature:	<u>U</u>	Approval Date: 4-17-69		
Title: Enviro/spec	OCD Pern	nit Number:		
21				
Closure Report (required within 60 days of closure completion): Some Instructions: Operators are required to obtain an approved closure plan price				
report is required to be submitted to the division within 60 days of the compl				
approved closure plan has been obtained and the closure activities have been				
	Closure	e Completion Date:		
22				
Closure Method:				
Waste Excavation and Removal On-site Closure Method	Alternative Closure	Method Waste Removal (Closed-loop systems only)		
If different from approved plan, please explain.		r		
23	1. 1.			
Closure Report Regarding Waste Removal Closure For Closed-loop Syst				
Instructions: Please identify the facility or facilities for where the liquids, a were utilized.	drilling fluids and drill cutti	ngs were disposed. Use attachment if more than two facilities		
Disposal Facility Name:	Disposal Facility	Permit Number:		
Disposal Facility Name	_	Permit Number:		
Were the closed-loop system operations and associated activities perform	ed on or in areas that will no	of be used for future service and opeartions?		
Yes (If yes, please demonstrate complilane to the items below)	No			
Required for impacted areas which will not be used for future service and	d operations:			
Site Reclamation (Photo Documentation)				
Soil Backfilling and Cover Installation Payagetation Application Pates and Seeding Technique				
Re-vegetation Application Rates and Seeding Technique				
Closure Report Attachment Checklist: Instructions: Each of the f	following items must be atte	sched to the closure report. Please indicate, by a check mark in		
the box, that the documents are attached.	onowing nems must be une	teneral to the crossite report. Trease materials, by a check mark in		
Proof of Closure Notice (surface owner and division)				
Proof of Deed Notice (required for on-site closure)				
Plot Plan (for on-site closures and temporary pits)				
Confirmation Sampling Analytical Results (if applicable)				
Waste Material Sampling Analytical Results (if applicable)				
Disposal Facility Name and Permit Number				
Soil Backfilling and Cover Installation				
Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)				
On-site Closure Location Latitude:	Longitude:	NAD 🗍 1927 📗 1983		
Off-site Closure Escation Landace.	Longitude.	1770		
25				
Operator Closure Certification:				
I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief. I also certify that				
the closure complies with all applicable closure requirements and conditions	s specified in the approved o	losure plan.		
Name (Print):	Title:			
Signatura	Date			
Signature	Date:			
e-mail address:	Telephone:			

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.