District II

District III

State of New Mexico Energy Minerals and Natural Resources

Santa Fe, NM 87505

Form C-144 July 21, 2008

Department 1302 W. Grand Ave , Artesia, NM 88210 Oil Conservation Division 1220 South St. Francis Dr.

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

1000 Rio Biazos Rd., Aztec, NM 87410

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	appropriate NMOCD District Office					
2101110	Pit, Closed-Loop System, Below-Grade Tank, or RCVD JUN 15 '05					
SUA () Propo	osed Alternative Method Permit or Closure Plan Application IL CONS. DIV.					
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 hability 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	and Gas Company LP OGRID#: 14538					
Address: PO Box 4289, Farmington	n, NM 87499					
Facility or well name: Skelly State (Com 1					
API Number: 30	0-045-06462 OCD Permit Number:					
U/L or Qtr/Qtr: P(SESE) Section Center of Proposed Design: Latitude: Surface Owner: Federal						
Lincd Unlined Lin	•					
Type of Operation: X P&A Drying Pad X Above Groun Lined Unlined Liner	ion H of 19.15.17.11 NMAC Drilling a new well					
Below-grade tank: Subsection I Volume: bl Tank Construction material: Secondary containment with leak de Visible sidewalls and liner Liner Type: Thickness	bl Type of fluid:					
5 Alternative Method: Submittal of an exception request is req	uired. 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) if our 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.	ideration of ap	proval.		
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 - 1WATERS database search; USGS; Data obtained from nearby wells	Yes	No		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	Yes	No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks)	☐Yes ☐NA	No		
- 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. (Applied to permanent pits)	Yes	No		
 Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. 	Yes	No		
- NM Office of the State Engineer - 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 Within an unstable area.	Yes Yes	∐No ∏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					
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 <u>Proposed Closure:</u> 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 X P&A Permanent Pit Below-grade Tank X 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					
1 Alternative Closure Method (Exceptions must be submitted to the Santa Re Environmental Rureau for consideration)					
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)					
15					
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.					
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.					
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					
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					
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)					
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					
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)					

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Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee Instructions Please identify the facility or facilities for the disposal of liquids, drilling are required.	l Tanks or Haul-off Bins Only fluids and drill cuttings Use at	<u>:</u> (19.15.17.13.D NMAC) ttachment if more than two fa	cilities			
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 activitie Yes (If yes, please provide the information No	s 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 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 I 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.	Recommendations of acceptable soi or may be considered an exception	which must be submitted to the				
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 obta	uned 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			N/A			
Ground water is more than 100 feet below the bottom of the buried waste.			Yes No			
- NM Office of the State Engineer - (WATERS database search, USGS; Data obtained)	ined from nearby wells		□N/A			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signific (measured from the ordinary high-water mark).	cant watercourse or lakebed, sin	khole, or playa lake	Yes No			
- Topographic map, Visual inspection (certification) of the proposed site			m. m.			
Within 300 feet from a permanent residence, school, hospital, institution, or church in - Visual inspection (certification) of the proposed site; Aerial photo; satellite image	•	plication.	Yes No			
Within 500 horizontal feet of a private, domestic fresh water well or spring that less the purposes, or within 1000 horizontal fee of any other fresh water well or spring, in exist - NM Office of the State Engineer - iWATERS database; Visual inspection (certific	ence at the time of the initial app	- I	YesNo			
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		osed site	Yes No			
- Written confirantion or verification or map from the NM EMNRD-Mining and M	Ameral Division		,			
Within an unstable area - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society;		eological Society;	YesNo			
Topographic map Within a 100-year floodplain FEMA map			∐Yes			
On-Site Closure Plan Checklist: (19.15 17 13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached.	of the following items must	bee attached to the closur	e plan. Please indicate,			
Siting Criteria Compliance Demonstrations - based upon the appropriate	e requirements of 19.15.17.1	0 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						

Operator Application Contification	
Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.	
Name (Print) Rhonda Rosers Title Regulatory Technician	
Signature Date: 6/16/2009	
e-mail address. rogerrs@conocophilips.com Telephone 505-599-4018	
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature: Description See Approval Date: 7-7-09	_
Title: Enviro 15pec OCD Permit Number:	
Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC Instructions, Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date:	
Closure Method: Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)	
If different from approved plan, please explain.	
23 <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.	es
Disposal Facility Name: Disposal Facility Permit Number:	
Disposal Facility Name: Disposal Facility Permit Number	
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations?	
Yes (If yes, please demonstrate complilane to the items below)	
Required for impacted areas which will not be used for future service and operations: Site Reclamation (Photo Documentation)	j
Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
24	
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mar	k in
the box, that the documents are attached. Proof of Closure Notice (surface owner and division)	
Proof of Deed Notice (squired 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	-
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 the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.	certify that
Name (Print): Title:	ļ
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

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.