District I , à 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

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade

Form C-144

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

| Proposed Alternative Method Permit or Closure Plan Application |
|--|
| Type of action: 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 X 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: ConocoPhillips Company GRID#: 217817 Address: PO Box 4289, Farmington, NM 87499 |
| Facility or well name: SAN JUAN 28-7 UNIT 251M |
| API Number: 30-039-30671 OCD Permit Number: |
| U/L or Qtr/Qtr: D(NW/NW) Section: 31 Township: 28N Range: 7W County: Rio Arriba |
| Center of Proposed Design: Latitude: 36.623014 °N Longitude: 107.62201 °W NAD: 1927 X 1983 |
| Surface Owner: X Federal State Tribal Trust or Indian Allotment |
| X Pit: Subsection F or G of 19.15.17.11 NMAC |
| 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 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 Volume: |
| Alternative Method: 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 foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify | uton or church |) |
|---|------------------|--------|
| 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: X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consideration pit for Pre-set) Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. | leration of appi | roval. |
| 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) | ∐NA | _ |
| - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | F-7 | \ |
| 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 NA | ∐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 - Written confirmation or verification from the municipality. Written approval obtained from the municipality | Yes | No |
| Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | Yes | No ' |
| Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division | Yes | □ No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | Yes | □No |
| Within a 100-year floodplain - FEMA map | Yes | No |

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| 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 | | | |
| 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 Workover Emergency X Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System | | | |
| Alternative | | | |
| Proposed Closure Method: Waste Excavation and Removal | | | |
| Waste Removal (Closed-loop systems only) | | | |
| On-site Closure Method (only for temporary pits and closed-loop systems) | | | |
| In-place BurialOn-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 | | | |
| 1 1 No-vegetation Fight - based upon the appropriate requirements of subsection Fol 13.17.13 Novice | | | |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | |

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| 16 " | NT | | |
|--|--|-----------------------------|--|
| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Ste Instructions Please identify the facility or facilities for the disposal of liquids, drilling | | | |
| facilities are required. | | | |
| Disposal Facility Name: Envirotech / JFJ Landfarm % IEI | Disposal Facility Name: Envirotech / JFJ Landfarm % IEI Disposal Facility Permit #: NM-01-0011 / NM-01-0010B | | |
| Disposal Facility Name: Basin Disposal Facility | Disposal Facility Permit #: NM-01-005 | | |
| Will any of the proposed closed-loop system operations and associated activi Yes (If yes, please provide the information No | ties occur on or in areas that will nbe used for future | service and | |
| 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 Plan - based upon the appropriate requirements of Subs | • | MAC | |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection Plan - based upo | | | |
| | | | |
| 17 <u>Siting Criteria (Regarding on-site closure methods only:</u> 19.15 17 10 NMAC Instructions Each siting criteria requires a demonstration of compliance in the closure plan Recertain siting criteria may require administrative approval from the appropriate district office or office for consideration of approval Justifications and/or demonstrations of equivalency are required. | commendations of acceptable source material are provided below may be considered an exception which must be submitted to the Sa | | |
| Ground water is less than 50 feet below the bottom of the buried waste. | | Yes No | |
| - NM Office of the State Engineer - IWATERS database search, USGS: Data obt | ained from nearby wells | ∐N/A | |
| Ground water is between 50 and 100 feet below the bottom of the buried was | te | Yes No | |
| - NM Office of the State Engineer - iWATERS database search; USGS, Data obta | nined from nearby wells | □N/A | |
| Ground water is more than 100 feet below the bottom of the buried waste. | | Yes No | |
| - NM Office of the State Engineer - iWATERS database search; USGS; Data obta | nined from nearby wells | □N/A | |
| - | · | | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significance (measured from the ordinary high-water mark) | cant watercourse or takeded, sinkhole, or playa take | YesNo | |
| - Topographic map; Visual inspection (certification) of the proposed site | | | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in - Visual inspection (certification) of the proposed site; Aerial photo; satellite image | ** | ∐Yes ∐No | |
| * risual inspection (certification) of the proposed site, Acrtal photo, satellite image | | □Yes □No | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less that purposes, or within 1000 horizontal fee of any other fresh water well or spring, in exist. - NM Office of the State Engineer - iWATERS database, Visual inspection (certification). | tence at the time of the initial application. | | |
| Within incorporated municipal boundaries or within a defined municipal fresh water we pursuant to NMSA 1978, Section 3-27-3, as amended | | Yes No | |
| - Written confirmation or verification from the municipality; Written approval obt | ained from the municipality | | |
| Within 500 feet of a wetland | pastian (aartification) of the proposed site | ∐Yes ∐No | |
| - US Fish and Wildlife Wetland Identification map; Topographic map; Visual insp | because (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 N | Mineral Division | | |
| Within an unstable area. | | Yes No | |
| - Engineering measures incorporated into the design, NM Bureau of Geology & M | Ineral Resources; USGS; NM Geological Society; | | |
| Topographic map | | П., П., | |
| Within a 100-year floodplain FEMA map | | Yes No | |
| 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 clos | sure plan. Please indicate, | |
| Siting Criteria Compliance Demonstrations - based upon the appropri | ate requirements of 19 15 17 10 NMAC | | |
| | - | | |
| Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 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 | | | |
| X Protocols and Procedures - based upon the appropriate requirements of 19.15.17.11 NMAC | | | |
| Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC | | | |
| X Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC | | | |
| X Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings 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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| 19 1 | | |
|---|--|--|
| 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): Marie E. Jaramillo Title: Staff Regulatory Technician | | |
| Signature: Date: | | |
| e-mail address: marie e jaramillo@conocophillips.com V Telephone: \$05-326-9865 | | |
| | | |
| 20 | | |
| OCD Approval: Permit Application (including closure plan) Closure Plan (only). OCD Conditions (see attachment) | | |
| OCD Representative Signature: 12-4-09 | | |
| | | |
| Title: OCD Permit Number: | | |
| | | |
| Closure Penert (required within 60 days of electric completion): 6 to 10 Kg store required | | |
| 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: | | |
| 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. | | |
| | | |
| 23 <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> | | |
| Liosure Report Regarding Waste Removal Closure For Closed-100p Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: 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. | | |
| 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 compliane to the items below) | | |
| Required for impacted areas which will not be used for future service and operations. | | |
| Site Reclamation (Photo Documentation) | | |
| 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 mark in | | |
| the box, that the documents are attached. Proof of Closure Notice (surface owner and division) | | |
| 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 Payagetetion Application Pates and Speding Technique | | |
| Re-vegetation Application Rates and Seeding Technique | | |
| Site Reclamation (Photo Documentation) On-site Closure Location: Latitude: Longitude: NAD 1927 1983 | | |
| On-site Closure Location: Latitude: Longitude: NAD 1927 1983 | | |
| | | |
| Operator Cleans Cartification | | |
| 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 specified in the approved closure plan. | | |
| | | |
| Name (Print): Title: | | |
| Signature: Date. | | |
| · · · · · · · · · · · · · · · · · · · | | |
| e-mail address: Telephone: | | |

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Form C-144

ConocoPhillips Company Cavitation Pit for Closed-Loop Locations

Design:

ConocoPhillips Company will use a cavitation pit plan when the surface casing will be pre-set on closed-loop locations. The drill cuttings will be stockpiled on the surface.

Operations and Maintenance:

The cavitation pit will be operated and maintained as follows:

- 1. Only Fresh water and air will be used in the drilling of the surface casing.
- 2. The Cement used will be: Neat Cement with no additives.
- 3. All of the fluids will be removed within 48hrs after drilling.
- 4. A representative five point composite sample will be taken of the drill cuttings, after the setting of the surface casing is complete, using sampling tools and all samples will be tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the testing criteria is not met, all contents will be dug and hauled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e.

| 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 |

5. The NMOCD will be notified via email of the test results of the cavitation surface as follows:

| Components | Tests Method | Limit (mg/Kg) | Results |
|------------|---------------------------|---------------|---------|
| Benzene | EPA SW-846 8021B or 8260B | 0.2 | N/D |
| BTEX | EPA SW-846 8021B or 8260B | 50 | 10.7 |
| TPH | EPA SW-846 418.1 | 2500 | 178 |
| GRO/DRO | EPA SW-846 8015M | 500 | N/D |
| Chlorides | EPA 300.1 | 500 | 20 |

Closure Plan:

- 1. The NMOCD will be notified of the sample results and the intent to start the closure process 3-7 days prior to the drill cuttings being transported, moved, or distributed on location.
- 2. In the event the criteria are not met, all solids and liquids will be removed and disposed of at Envirotech (Permit #NM-01-0011) and/or Basin Disposal Facility (Permit #NM-01-005) and/or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B).
- 3. Testing results will be submitted with the Closure Report of the well locations Closed-Loop Permit on Form C-144.

ConocoPhillips is aware that approval of this plan does not relieve ConocoPhillips of liability should operations result in pollution of surface water, ground water, or the environment. Nor does approval relieve ConocoPhillips of its responsibility to comply with any other applicable governmental authority's rules and regulations.