District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

District 1V

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

1220 S. St. Francis Dr., Santa Fe, NM 87505			appropriate NMOCD District	Office.	
/	Pit, Closed-Loop System				
Propo	osed Alternative Method	Permit or Clos	ure Plan Applicati	<u>on</u>	
Type of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,					
Instructions: Please submit one ap	below-grade tank, or propose pplication (Form C-144) per indi-		o system, below-grade tai	nk or alternative request	
• •	this request does not relieve the operator of	•	•	=	
Operator: Burlington Resources Oi	l & Gas Company, LP	-	OGRID#: <u>14538</u>		
Address: PO Box 4289, Farmingto	n, NM 87499				
Facility or well name: SAN JUAN 2	8-5 UNIT 83				
API Number: 30	0-039-20242	OCD Permit Number	r:		
U/L or Qtr/Qtr: M(SW/SW) Section			County: Rio A		
Center of Proposed Design: Latitude Surface Owner: X Federal		Longitude: Tribal Trust or Indian		NAD: X 1927 1983	
Lined Unlined Li String-Reinforced Liner Scams: Welded Fa	avitation P&A ner type: Thickness m ctory Other on H of 19.15.17.11 NMAC	Volume:	HDPE PVC Othe	x Wx D	
Drying Pad X Above Grou	notice of ind Steel Tanks Haul-off Bins r type: Thickness milectory Other	ntent) Other	IDPE PVD Other	RECEIVED	
	, – –	ner, 6-inch lift and autor Other C Other	matic overflow shut-off	PEB 2011 ON CONS DIV UIST	
Submittal of an exception request is req	uired. Exceptions must be submitted t	o the Santa Fe Environn	nental Bureau office for cons	sideration of approval.	
i ' '	•				

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. (Fencing/BGT Liner) 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		□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				
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		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		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		

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 19.15.17.10 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				
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 X P&A Permanent Pit Below-grade Tank X Closed-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)				
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 1 of 19.15.17.13 NMAC				
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

16	S. LT. L. W. L. (CD. O. L. (10 LC LC L2 D. NAAC)			
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Statistructions: Please identify the facility or facilities for the disposal of liquids, drila	Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) ling fluids and drill cuttings. Use attachment if more than two			
facilities are required.				
Disposal Facility Name: Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #: NM-01-0011 / NM-01-0	<u>010B</u>		
Disposal Facility Name: Basin Disposal Facility	Disposal Facility Permit #: NM-01-005			
Will any of the proposed closed-loop system operations and associated active Yes (If yes, please provide the information No	rities occur on or in areas that will not be used for future	service and		
Required for impacted areas which will not be used for future service and operatio Soil Backfill and Cover Design Specification - based upon the appro		A.C.		
Re-vegetation Plan - based upon the appropriate requirements of Sub	•	AC		
Site Reclamation Plan - based upon the appropriate requirements of				
17 Siting Criteria (Regarding on-site closure methods only: 19.15.17.10 NN	MAC			
Instructions: Each siting criteria requires a demonstration of compliance in the closure p certain siting criteria may require administrative approval from the appropriate district of				
office for consideration of approval. Justifications and/or demonstrations of equivalency		o me bung re parronnemui bareur		
Ground water is less than 50 feet below the bottom of the buried waste.	44. A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-A-	Yes No		
- NM Office of the State Engineer - iWATERS database search; USGS: Data	obtained from nearby wells	∏N/A ☐		
Ground water is between 50 and 100 feet below the bottom of the buried water	acte	— ☐Yes ☐No		
- NM Office of the State Engineer - iWATERS database search; USGS; Data of		N/A		
Crowd water is more than 100 feet below the bottom of the buried water				
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 of	obtained from nearby wells	N/A		
	•			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sign (measured from the ordinary high-water mark).	nificant watercourse or lakebed, sinkhole, or playa lake	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 at the time of initial application.	Yes No		
- Visual inspection (certification) of the proposed site; Aerial photo; satellite im	age			
		Yes No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less purposes, or within 1000 horizontal fee of any other fresh water well or spring, in each of the strength of the strengt	•			
- NM Office of the State Engineer - iWATERS database; Visual inspection (cer	tification) of the proposed site			
Within incorporated municipal boundaries or within a defined municipal fresh water pursuant to NMSA 1978, Section 3-27-3, as amended.	Yes No			
- Written confirmation or verification from the municipality; Written approval of	obtained from the municipality			
Within 500 feet of a wetland		Yes No		
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual in	nspection (certification) of the proposed site			
Within the area overlying a subsurface mine. - Written confirantion or verification or map from the NM EMNRD-Mining and	d Mineral Division	Yes No		
Within an unstable area.	d Milletat Division	Yes No		
- Engineering measures incorporated into the design; NM Bureau of Geology &	Mineral Resources; USGS; NM Geological Society;			
Topographic map	,			
Within a 100-year floodplain. - FEMA map		Yes No		
18				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Ea	nch of the following items must bee attached to the close	ure plan. Please indicate,		
by a check mark in the box, that the documents are attached.				
Siting Criteria Compliance Demonstrations - based upon the appropr	·			
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 1 of 19.15.17.13 NMAC				
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

19 Operator Application Certification	on:				
	omitted with this application is true, accura	ate and complete to	the best of my kno	wledge and belief.	
Name (Print):	CRYSTAL TAFOYA	Title:	STAFF REGU	LATORY TECHNICIAN	
Signature:	stal Tapeyou	Date:	2/s	7/2011	
e-mail address: <u>crysta</u>	al.tafoya@conocophillips.com	Telephone: _		(505) 326-9837	
OCD Representative Signature:	ication (including closure plan)			Conditions (see attachment	
Title:	han Officer	OCD I	Permit Number:		
Instructions: Operators are required to report is required to be submitted to the	60 days of closure completion): Subse obtain an approved closure plan prior to e division within 60 days of the completion ed and the closure activities have been co	o implementing any n of the closure acti Impleted.	closure activities d	not complete this section of the	
Closure Method: Waste Excavation and Remova If different from approved plan		Alternative Clo	sure Method	Waste Removal (Closed-lo	op systems only)
	moval Closure For Closed-loop Systems ty or facilities for where the liquids, drilli				
Disposal Facility Name:		Disposal Fa	cility Permit Numb	oer:	
Disposal Facility Name:	- Carlos		cility Permit Numb		
	ions and associated activities performed or complitane to the items below)	n or in areas that <i>wi</i> No	<i>ll not</i> be used for:	future service and opeartions?	
	will not be used for future service and op- nentation) allation				
the box, that the documents are att Proof of Closure Notice (sur Proof of Deed Notice (requir Plot Plan (for on-site closure Confirmation Sampling Ana	face owner and division) red for on-site closure) s and temporary pits) lytical Results (if applicable) nalytical Results (if applicable) Permit Number nstallation ates and Seeding Technique	owing items must be	e attached to the c	losure report. Please indicate	e, by a check mark in
on site closure Executori.					L 1703
	d attachments submitted with this closure e closure requirements and conditions spe			to the best of my knowledge a	nd belief. I also certify that
Name (Print):		Title:			
Signature:		Date:			
e-mail address:		Telephone:			

Burlington Resources Oil & Gas Company, LP Closed-loop Plans

Closed-loop Design Plan

BR's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system
- 2. It will be signed in compliance with 19.15.3.103 NMAC
- 3. A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

BR's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) 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) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). 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.