<u>District I</u> 1625 N French Dr , Hobbs, NM 88240 State of New Mexico Energy Minerals and Natural Resources Form C-144 July 21, 2008

District II 1301 W Grand Ave , Artesia, NM 88210

District III

Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

1000 Rio Brazos Rd , Aztec, NM 87410

District IV
1220 S St Francis Dr , Santa Fe, NM 87505

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Closure of a pit, closed-loop syst Modification to an existing perm Closure plan only submitted for	an existing permitted or non-permitted pit, closed-loop system,
below-grade tank, or proposed al Instructions: Please submit one application (Form C-144) per individu Please be advised that approval of this request does not relieve the operator of liability environment. Nor does approval relieve the operator of its responsibility to comply we	ual pit, closed-loop system, below-grade tank or alternative request
Operator: Burlington Resources Oil & Gas Company, LP	OGRID#: <u>14538</u>
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: Box Canyon Com 1 API Number: 30-039-23127	OCD Permit Number
U/L or Qtr/Qtr: M(sW/sW) Section: 15 Township: 25N Center of Proposed Design: Latitude: 36.395683 °N	Range: 6W County: Rio Arriba Longitude: 107.460533 °W NAD: X 1927 1983 ibal Trust or Indian Allotment
Pit: Subsection F or G of 19 15 17 11 NMAC Temporary. Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type Thickness mil String-Reinforced Liner Seams Welded Factory Other	LLDPE HDPE PVC Other Volume bbl Dimensions L x W x D
Subsection H of 19 15 17.11 NMAC	OtherOtherPVD Other
Below-grade tank: Subsection I of 19 15 17 11 NMAC Volume	oil cons. DIV. DIST 3 c, 6-inch lift and automatic overflow shut-off Deter
Submittal of an exception request is required Exceptions must be submitted to the	ne 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 (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	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)	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	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 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.	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		

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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			
Stating Criteria Compliance Demonstrations (only for off-size closure) - 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			
Treviously Approved Operating and Maintenance Plan API			
Decree A Pic Decision Chapter of the Decision Process (Chapter of Chapter of			
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 19.13 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)			
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						
•	Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #		<u> </u>		
Disposal Facility Name		Disposal Facility Permit #				
Yes (If yes, please pro	sed-loop system operations and associated activitionide the information No	es occur on or in areas that i	will not be used for future s	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 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 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.						
) feet below the bottom of the buried waste	16 1 11		Yes No		
- NM Office of the State i	Engineer - iWATERS database search, USGS Data obt	ained from nearby wells		∐N/A		
	and 100 feet below the bottom of the buried wastingineer - iWATERS database search, USGS, Data obta			Yes No		
				Yes No		
	100 feet below the bottom of the buried waste ingineer - iWATERS database search, USGS, Data obta	ained from nearby wells		□ res □ res		
Within 300 feet of a continuous (measured from the ordinary hij	sly flowing watercourse, or 200 feet of any other signifi- gh-water mark)	cant watercourse or lakebed, si	nkhole, or playa lake	Yes No		
- Topographic map, Visual	I inspection (certification) of the proposed site					
· ·	ent residence, school, hospital, institution, or church in eation) of the proposed site, Aerial photo, satellite image		pplication	Yes No		
				Yes No		
purposes, or within 1000 horizon	private, domestic fresh water well or spring that less th ontal fee of any other fresh water well or spring, in exist ngineer - iWATERS database, Visual inspection (certifi	tence at the time of the initial ap				
pursuant to NMSA 1978, Section			ipal ordinance adopted	Yes No		
Within 500 feet of a wetland	verification from the municipality, Written approval obta	ained from the municipality		∏Yes ∏No		
	etland Identification map, Topographic map, Visual insp	pection (certification) of the pro	posed site			
Within the area overlying a				Yes No		
	erification or map from the NM EMNRD-Mining and N	Aineral Division		∏Yes ∏No		
	orporated into the design; NM Bureau of Geology & M	ineral Resources, USGS, NM	Geological Society,	Lifes Lino		
Topographic map Within a 100-year floodplair	n.			∏Yes ∏No		
- FEMA map						
* .	cklist: (19 15 17 13 NMAC) Instructions: Each, that the documents are attached.	of the following items mus	st bee attached to the closu	ıre plan. Please indicate,		
	liance Demonstrations - based upon the appropria	te 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 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						
State Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC						

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19	
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) CRYSTAL TAFOYA Title STAFF REGULATORY TECHNICIAN	
Signature	
e-mail address <u>crystal tafoya@conocophufips.com</u> Telephone (505) 326-9837	
20	
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature: (20/20/20	. ((
Title: Compliance Office OCD Permit Number:	
21	
Closure Report (required within 60 days of closure completion): Instructions Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The c	locura
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 unti	
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)
	Only)
If different from approved plan, please explain	
23	
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:	A 1714
Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two were utilized.	facilities
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)	
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 che	ck mark in
the box, that the documents are attached.	
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 19	983
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 specified in the approved closure plan	
Name (Print) Title	
Standard Dete	
Signature Date	_
e-mail address Telenhone	

Form C-144 Oil Conservation Division

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.