District I 1625 N French Dr Hobbs, NM 88240

District II

1301 W Grand Ave , Artesia, NM 88210

District III

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 tanks, submit to the appropriate NMOCD District Office

Form C-144

| 4 | 9 | 5 | 1 |  |
|---|---|---|---|--|

| 1000 Rio Brazos Rd Aztec, NM 87410   | Santa Fe, NM 87505  | For permanent pits and exceptions submit to the Santa                                   | a Fe            |
|--|---|---|-----------------|
| District IV<br>1220 S St Francis Dr , Santa Fe, NM 87505   |   | Environmental Bureau office and provide a copy to the appropriate NMOCD District Office |                 |
|  | osed-Loop System, Below-C                                     | Grade Tank, or  |                 |
|  | ternative Method Permit or C                                  |   |                 |
| Type of action Perm  | it of a pit, closed-loop system, below-gr                     | rade tank, or proposed alternative method   |                 |
| =  |   | grade tank, or proposed alternative method  |                 |
| =  | fication to an existing permit                                | , , , , , , , , , , , , , , , , , , ,   |                 |
|  |   | permitted or non-permitted pit, closed-loop system,                                     |                 |
|  | v-grade tank, or proposed alternative me                      |   |                 |
| Instructions: Please submit one application  | (Form C-144) per individual pit, close                        | d-loop system, below-grade tank or alternative requ                                     | iest            |
|  |   | nons result in pollution of surface water, ground water or the                          |                 |
| environment Nor does approval relieve the operation  | or of its responsibility to comply with any other application | cable governmental authority's rules, regulations or ordinances                         |                 |
| Operator Burlington Resources Oil & Gas C  | Company, LP   | OGRID#· <u>14538</u>  |                 |
| Address: PO Box 4289, Farmington, NM 87  | 7499  | ·   |                 |
| Facility or well name Mexico Federal N 1   | 1   |   |                 |
| API Number <b>30-045-083</b> .   | OCD Permit N  | Number  |                 |
| U/L or Qtr/QtrF(SE/NW) Section15   | Township. 29N Range:  | 11W County Rio Arriba   |                 |
| Center of Proposed Design Latitude   | <b>36.72778</b> °N Longitude                                  | 107.98187 °W NAD X 1927 1   | 983             |
| Surface Owner $oxed{X}$ Federal $oxed{\Box}$ St  | ate Private Tribal Trust or l                                 | Indian Allotment  |                 |
| Temporary Drilling Workover  Permanent Emergency Cavitation  Lined Unlined Liner type  String-Reinforced  Liner Seams Welded Factory | P&A Thickness mil LLDPE Other Volume                          | HDPE PVC Other  |                 |
| 3  X Closed-loop System: Subsection H of 19  Type of Operation P&A X Drilling a  |   | lies to activities which require prior approval of a permit o                           |                 |
| X Drying Pad X Above Ground Steel Ta X Lined Unlined Liner type Liner Seams X Welded X Factory                                       |   | HDPE PVD Other A3031-12   | 3 <sub>45</sub> |
| 4 Below-grade tank: Subsection I of 19 15 I  | 7.11 NMAC   | d automatic overflow shut-off   | 010             |
|  | pe of fluid   | /2 OII CONS DIV   | DICT 1          |
| Tank Construction material   | Po 0  | ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~  | . ונוטו.        |
| Secondary containment with leak detection  | Visible sidewalls, liner, 6-inch lift and                     | d automatic overflow shut-off   | 9               |
|  | ble sidewalls only Other                                      | -602618   | LL              |
| Liner Type Thickness mil   | HDPE PVC Other  | r   |                 |
|  |   |   |                 |
| 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)  |                 | ٠               |  |
|--|-----------------|-----------------|--|
| 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   |                 |                 |  |
| 7  |                 |                 |  |
| 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)   |                 |                 |  |
| 8  |                 |                 |  |
| 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 (Fencing/BGT Liner)   | eration of appr | roval           |  |
| Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval  |                 | i               |  |
| 10   |                 |                 |  |
| 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.   | Yes             | No              |  |
| - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells  Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake  |                 | □No             |  |
| (measured from the ordinary high-water mark).  - 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   | □v <sub>~</sub> | □ <sub>Ne</sub> |  |
| application.   | Птез            | □ <sub>N0</sub> |  |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks)  | NA              |                 |  |
| - Visual inspection (certification) of the proposed site; Aerial photo, Satellite image  | <u></u>         |                 |  |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.   | Yes             | No              |  |
| (Applied to permanent pits)  - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image   | ∐NA             |                 |  |
|  | Πvos            | □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  | Yes             | ∐No             |  |
| <ul> <li>Written confirmation or verification from the municipality, Written approval obtained from the municipality</li> <li>Within 500 feet of a wetland.</li> </ul>   | Yes             | □No             |  |
| - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection (certification) of the proposed site   |                 |                 |  |
| 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.   | 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   | 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  |  |  |
| 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   |  |  |
|  |  |  |
| Parmanent Dite Parmit Application Checklists Subsection P of 10.15.17.0 NMAC   |  |  |
| 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 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 Burial On-site Trench Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)  |  |  |
| Alternative Closule Method (Exceptions must be sublifited to the Santa Fe Environmental Buleau 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  |  |  |
| Site (Colamation Fram - based upon the appropriate requirements of Subsection Col 17 15 17 15 1811)  |  |  |

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| 16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground St  | eel 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 facilities are required  | g fluids and drill cuttings Use attachment if more than two                            |   |  |  |  |
| Disposal Facility Name   | Disposal Facility Permit #   |   |  |  |  |
| Disposal Facility Name   | Disposal Facility Permit #   |   |  |  |  |
| Will any of the proposed closed-loop system operations and associated activ  Yes (If yes, please provide the information No  | ities 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 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 string criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain string criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval Justifications and/or demonstrations of equivalency are required Please refer to 19 15 17 10 NMAC for guidance |  |   |  |  |  |
| Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS Data ob   | tained from nearby wells   | Yes No  |  |  |  |
| Ground water is between 50 and 100 feet below the bottom of the buried wa  | ste  | ☐Yes ☐No  |  |  |  |
| - NM Office of the State Engineer - IWA FERS database search, USGS, Data obt   |  | □ res |  |  |  |
| Ground water is more than 100 feet below the bottom of the buried waste  |  | —<br>□Yes □No   |  |  |  |
| - NM Office of the State Engineer - (WATERS database search, USGS, Data obt  | ained from nearby wells  | □N/A  |  |  |  |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signif (measured from the ordinary high-water mark)  - Topographic map, Visual inspection (certification) of the proposed site   | icant watercourse or lakebed, sınkhole, or playa lake                                  | Yes No  |  |  |  |
| 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 imag   |  |   |  |  |  |
| 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 (certification) within proporting municipal boundaries or within a defined municipal fresh water we   | stence at the time of the initial application ication) of the proposed site            | ∐Yes, ∐No   |  |  |  |
| 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 ainended  - Written confirmation or verification from the municipality, Written approval obtained from the municipality  |  | YesNo   |  |  |  |
| 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  |  | ☐Yes ☐No  |  |  |  |
| <ul> <li>Written confirantion or verification or map from the NM EMNRD-Mining and<br/>Within an unstable area</li> </ul>   | Mineral Division   | ∏Yes ∏No  |  |  |  |
| - Engineering measures incorporated into the design, NM Bureau of Geology & M Topographic map  | fineral Resources, USGS, NM Geological Society,  |   |  |  |  |
| Within a 100-year floodplain - FEMA map  |  | Yes No  |  |  |  |
| On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached.   | n of the following ttems must bee attached to the clo                                  | 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 Temporary Pit (for in place burial of a d  |  | 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  | ·-   | AC  |  |  |  |
| Waste Material Sampling Plan - based upon the appropriate requirem   |  | s cannot be achieved)   |  |  |  |
| 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 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) Title  |
| Signature Date  |
| e-mail addiess Telephone  |
| 20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature:  |
| OCD Representative Signature:Approval Date:Approval Date:   |
| 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 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.  [X] Closure Completion Date: 7/30/2009 |
| X Closure Completion Date: 7/30/2009  |
| 22 Closure Method: Waste Excavation and Removal On-site Closure Method Alternative Closure Method X Waste Removal (Closed-loop systems 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: 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 Envirotech / JFJ Landfarm % IEI Disposal Facility Permit Number NM-01-0011 / NM-01-0010B  |
| Disposal Facility Name  Basin Disposal Facility  Disposal Facility Permit Number  NM-01-005   |
| 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)   |
| Regun ed for impacted areas which will not be used for futive 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 Deed Notice (required for on-site closure)   |
| Plot Plan (for on-site closures and temporary pits)   |
| Confirmation Sampling Analytical Results (if applicable)  |
| Waste Material Sampling Analytical Results (if applicable)  |
| Disposal Facility Name and Permit Number  |
| Soil Backfilling and Cover Installation   |
| Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)  |
| On-site Closure Location Latitude Longitude NAD 1927 1983   |
|   |
| Operator Closure Certification:  I hereby certify that the information and attachments submitted with this closure report is true, 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)  Jamie Goodwin  Title  Regulatory Technician  Signature  Date  1/29/2010   |
| e-mail address Jamie L Goodwin@conocophillips com Telephone 505-326-9784  |