District I 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

State of New Mexico Energy Minerals and Natural Resources

Department Oil Conservation Division 1220 South St. Francis Dr. 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

# Santa Fe, NM 87505

<u>District IV</u> 1220 S St Francis Dr , Santa Fe, NM 87505	appropriate NMOCD District C				
· · · · · · · · · · · · · · · · · · ·	Pit, Closed-Loop System, Below-Grade Tank, or				
Propo	osed Alternative Method Permit or Closure Plan Application	<u>on</u>			
Type of action:	e of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method				
4167	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, clobelow-grade tank, or proposed alternative method	osed-loop system,			
Instructions: Please submit one a	pplication (Form C-144) per individual pit, closed-loop system, below-grade tan	k or alternative request			
	f this request does not relieve the operator of liability should operations result in pollution of surface water, give the operator of its responsibility to comply with any other applicable governmental authority's rules, regu				
Operator: Burlington Resources Oi	il & Gas Company, LP OGRID#: 14538				
Address: PO Box 4289, Farmingto	on, NM 87499				
Facility or well name: Canyon Larg	go Unit 148				
API Number: 30	0-039-20261 OCD Permit Number				
U/L or Qtr/Qtr: D(NW/NW) Section	' ' '				
Center of Proposed Design: Latitude		NAD: X 1927 1983			
Surface Owner: X Federal	State Private Tribal Trust or Indian Allotment				
Pit: Subsection F or G of 19 15 17  Temporary Drilling Wor	7 11 NMAC				
	Cavitation P&A				
Lined Unlined Li	ner type. Thickness mil LLDPE HDPE PVC Other				
String-Reinforced					
Liner Seams Welded Fa	actory Other Volume bbl Dimensions L	_x Wx D			
3 X Closed-loop System: Subsect Type of Operation X P&A	non H of 19.15 17 11 NMAC Drilling a new well Workover or Drilling (Applies to activities which require prior a	approval of a permit or			
Drugg Bod V Above Crow	notice of intent)  nd Steel Tanks Haul-off Bins Other				
	nd Steel Tanks Haul-off Bins Other  r type. Thickness mil LLDPE HDPE PVD Other				
Liner Seams Welded Fa	actory Other				
4		RCVD NOV 2'11			
Below-grade tank: Subsection I		OIL CONS. DTV.			
Volume. b Tank Construction material	bl Type of fluid				
Secondary containment with leak de	tection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	DIST. 3			
Visible sidewalls and liner	Visible sidewalls only Other				
Liner Type Thickness	mil HDPE PVC Other				
5 Alternative Method:					
Submittal of an exception request is req	uired Exceptions must be submitted to the Santa Fe Environmental Bureau office for considerations.	deration of approval			

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Oil Conservation Division

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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, ins  Four foot height, four strands of barbed wire evenly spaced between one and four feet  Alternate Please specify	titution or chu	rch)
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  Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	ideration of ap	pproval
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.  (Applies to temporary, emergency, or cavitation pits and below-grade tanks)	Yes NA	No
- Visual inspection (certification) of the proposed site; Aerial photo, Satellite image  Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applied to permanent pits)	Yes	No
<ul> <li>Visual inspection (certification) of the proposed site; Aerial photo, Satellite image</li> <li>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.</li> </ul>	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> <li>US Fish and Wildlife Wetland Identification map, Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	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
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	Yes	∐No
Within a 100-year floodplain - FEMA map	Yes	No

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC				
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached				
Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15 17.9 NMAC  Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9				
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC				
Design Plan - based upon the appropriate requirements of 19.15.17.10 NMAC				
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17 11 NMAC				
Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of				
19.15.17.9 NMAC and 19.15 17.13 NMAC				
Previously Approved Design (attach copy of design) API or Permit				
12				
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC  Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9				
Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15 17 10 NMAC				
X Design Plan - based upon the appropriate requirements of 19 15.17.11 NMAC				
X Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC				
X Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15.17 9 NMAC and 19 15.17 13 NMAC				
Previously Approved Design (attach copy of design)  API				
Previously Approved Operating and Maintenance Plan API				
13				
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC				
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.				
Hydrogeologic Report - based upon the requirements of Paragraph (I) of Subsection B of 19.15.17.9 NMAC				
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15.17 10 NMAC				
Climatological Factors Assessment				
Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC				
Dike Protection and Structural Integrity Design based upon the appropriate requirements of 19.15.17.11 NMAC				
Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC				
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC  Quality Control/Quality Assurance Construction and Installation Plan				
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC				
Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15 17.11 NMAC				
Nuisance or Hazardous Odors, including H2S, Prevention Plan				
Emergency Response Plan				
Oil Field Waste Stream Characterization				
Monitoring and Inspection Plan				
Erosion Control Plan				
Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17.9 NMAC and 19.15 17 13 NMAC				
14  Departured Classics 10 15 17 12 12 12 12 12 12 12 12 12 12 12 12 12				
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.  Destroyle and Proceedings has different the common the common that requirements of 10 15 17 13 NIMAC.				
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 10.15.17.13 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 St	teel Tanks or Haul-off Rins On	dv: (19.15.17.13.D.NMAC)				
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 Permit #	NM-01-0011 / NM-01-00	010B			
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit #					
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and  Yes (If yes, please provide the information No						
Required for impacted areas which will not be used for future service and operation						
Soil Backfill and Cover Design Specification - based upon the approp  Re-vegetation Plan - based upon the appropriate requirements of Subs	•		AC .			
Site Reclamation Plan - based upon the appropriate requirements of S						
17 Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NM						
Instructions Each siting criteria requires a demonstration of compliance in the closure pla certain siting criteria may require administrative approval from the appropriate district off						
office for consideration of approval Justifications and/or demonstrations of equivalency a						
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 of	otained from nearby wells		. N/A			
Ground water is between 50 and 100 feet below the bottom of the buried was			Yes	No		
- NM Office of the State Engineer - IWATERS database search, USGS, Data ob	tained from nearby wells		∐N/A			
Ground water is more than 100 feet below the bottom of the buried waste				No		
- NM Office of the State Engineer - iWATERS database search, USGS, Data ob	tained 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)	icant watercourse or lakebed, su	nkhole, 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	•	pplication	Yes	No		
- Visual inspection (certification) of the proposed site, Aerial photo, satellite imag	ge		Yes	$\square_{No}$		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less the	nan five households use for dome	estic or stock watering	ш			
purposes, or within 1000 horizontal fee of any other fresh water well or spring, in exis	•	pplication		İ		
- NM Office of the State Engineer - iWATERS database, 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			Yes	$\square_{No}$		
pursuant to NMSA 1978, Section 3-27-3, as amended	1	·				
<ul> <li>Written confirmation or verification from the municipality, Written approval ob</li> <li>Within 500 feet of a wetland</li> </ul>	tained from the municipality		Yes	$\square_{N_0}$		
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual ins	pection (certification) of the pro-	posed site				
Within the area overlying a subsurface mine			Yes	□No		
- Written confirantion or verification or map from the NM EMNRD-Mining and	Mineral Division		Yes			
Within an unstable area  - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society,				□No		
Topographic map		seciogiesi society,		_		
Within a 100-year floodplain - FEMA map			Yes	No		
18						
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached.	h of the following items mus	t bee attached to the closu	re plan. Plea:	se indicate,		
Siting Criteria Compliance Demonstrations - based upon the appropria	ate requirements of 19 15 17	10 NMAC		ļ		
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 emprengate requirements of Subsection H of 19.15.17.13 NIMAC.						
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						

perator Application Certification:	
ereby 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	
SignatureDateDateDate	
-mail address <u>crystal tafoya@conocophillibs.com</u> Telephone (505) 326-9837	
CD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)  Approval Date: Completion Completion: Subsection K of 19 15 17 13 NMAC  Surre Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC  Structions Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure prior 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 proved closure plan has been obtained and the closure activities have been completed  Closure Completion Date:	
Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)  If different from approved plan, please explain	
osure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: structions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities re 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) No  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	
	$\dashv$
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	
perator Closure Certification: ereby 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 closure complies with all applicable closure requirements and conditions specified in the approved closure plan	
ame (Print) Title	
gnature Date	
mail address Telephone	l

## 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.