<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

<u>District II</u> 1301 W Grand Ave , Artesia, NM 88210

<u>District III</u> 1000 Rio Brazos Rd , Aztec, NM 87410

District IV

1220 S St Francis Dr , Santa Fe, NM 87505

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

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 sys	r an existing permitted or non-permitted pit, closed-loop system, alternative method  dual pit, closed-loop system, below-grade tank or alternative request bility should operations result in pollution of surface water, ground water or the
Operator: ConocoPhillips Company	OGRID#: <u>217817</u>
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: Hamilton Federal 3R	
API Number: 30-045-28636	OCD Permit Number
U/L or Qtr/Qtr:     M(SW/SW)     Section:     30     Township:     32N       Center of Proposed Design:     Latitude:     36.951999     °N       Surface Owner:     X     Federal     State     Private     Tr	Range: 10W County: San Juan  Longitude: 107.929 °W NAD: X 1927 1983  ribal 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
X Closed-loop System: Subsection H of 19 15 17 11 NMAC  Type of Operation P&A Drilling a new well X Workover or notice of into  Drying Pad X Above Ground Steel Tanks Haul-off Bins  Lined Unlined Liner type Thickness mil  Liner Seams Welded Factory Other	Drilling (Applies to activities which require prior approval of a permit or ent)  Other  LLDPE HDPE PVD Other
Below-grade tank: Subsection I of 19 15 17 11 NMAC  Volume. bbl Type of fluid  Tank Construction material  Secondary containment with leak detection Visible sidewalls, lines  Visible sidewalls and liner Visible sidewalls only Ottliner Type Thickness mil HDPE PVC	RCVD NOV 2 '11  OIL CONS. DIV.  r, 6-inch lift and automatic overflow shut-off her  Other
5  Alternative Method:  Submittal of an exception request is required Exceptions must be submitted to t	he 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 - 1WATERS 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		
<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  - Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes	No		
Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes	No		
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes	□No		
Within an unstable area Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources; USGS; NM Geological	Yes	No		
Society, Topographic map  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 Prts) - 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 19.13.17.11 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			
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			
Stting 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 X Workover Emergency Cavitation 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 1 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 Stee	, I Tanks or Haul off Rins On	lv. (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	10B			
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit #.	NM-01-005				
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 operations		** ************************************				
Soil Backfill and Cover Design Specification - based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection	•		C .			
Site Reclamation Plan - based upon the appropriate requirements of Sub-						
Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NMAC Instructions Lach siting criteria requires a demonstration of compliance in the closure plan certain siting criteria may require administrative approval from the appropriate district office	Recommendations of acceptable					
office for consideration of approval Justifications and/or demonstrations of equivalency are			ac Buria i e Emirolimental Bureau			
Ground water is less than 50 feet below the bottom of the buried waste		1	Yes No			
- NM Office of the State Engineer - 1WATERS database search, USGS Data obtain	ned from nearby wells		∐N/A			
Ground water is between 50 and 100 feet below the bottom of the buried waste			Yes No			
- NM Office of the State Engineer - IWATERS database search, USGS, Data obtain	ned from nearby wells		∐N/A			
Ground water is more than 100 feet below the bottom of the buried waste			Yes No			
- NM Office of the State Engineer - 1WATERS database search, USGS, Data obtain	ned from nearby wells		□N/A			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signification (measured from the ordinary high-water mark)	Yes No					
- Topographic map, Visual inspection (certification) of the proposed site						
Within 300 feet from a permanent residence, school, hospital, institution, or church in ex  - Visual inspection (certification) of the proposed site, Aerial photo, satellite image	sistence at the time of initial ap	oplication	Yes No			
			Yes No			
Within 500 horizontal 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 fee of any other fresh water well or spring, in existence at the time of the initial application  - 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 pursuant to NMSA 1978, Section 3-27-3, as amended	Yes No					
<ul> <li>Written confirmation or verification from the municipality, Written approval obtain</li> <li>Within 500 feet of a wetland</li> </ul>	ned from the municipality		∏Yes ∏No			
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspe	ction (certification) of the prop	posed site				
Within the area overlying a subsurface mine			Yes No			
- Written confirantion or verification or map from the NM EMNRD-Mining and Mi						
Within an unstable area	noral Dassurana LISCS NIM (	Coologial Cogisty	∐Yes ∐No			
<ul> <li>Engineering measures incorporated into the design, NM Bureau of Geology &amp; Mir Topographic map</li> </ul>	ierai Resources, USOS, NIVI C	seological Society,				
Within a 100-year floodplain - FEMA map			Yes No			
18						
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached.	of the following items mus	t bee attached to the closu	re plan. Please indicate,			
Siting Criteria Compliance Demonstrations - based upon the appropriate 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  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC						

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19 <b>Operator Application</b>	n Certification:		•	
I hereby certify that the i	nformation submitted with this application is true, acc	curate and complete to the b	est of my knowledge and belief.	
Name (Print)	CRYSTAL TAFOYA	TitleST	AFF REGULATORY TECHNICIAN	N
Signature	stal Tapaya	Date:	11/2/2011	
e-mail address	crystal tafoya@conocophill.bs com	Telephone	(505) 326-9837	
OCD Representative  Title:	nired within 60 days of closure completion): Su are required to obtain an approved closure plan prior	absection K of 19 15 17 13 NMAC r to implementing any closu	re activities and submitting the closure r	eport The closure
	ubmitted to the division within 60 days of the complet as been obtained and the closure activities have been	•	Please do not complete this section of t	he form until an
		Closure	Completion Date:	
22 Closure Method: Waste Excavatio	n and Removal On-site Closure Method approved plan, please explain	Alternative Closure l	Method Waste Removal (Closed-I	loop systems only)
Instructions: Please ider were utilized.  Disposal Facility Nan Disposal Facility Nan Were the closed-loop Yes (If yes, pleas Required for impacte. Site Reclamation Soil Backfilling a		Disposal Facility Disposal Fac	gs were disposed. Use attachment if mo Permit Number Permit Number	ore than two facilities
the box, that the doct Proof of Closur Proof of Deed N Plot Plan (for or Confirmation S Waste Material Disposal Facilit Soil Backfilling Re-vegetation A	e Notice (surface owner and division) Notice (required for on-site closure) n-site closures and temporary pits) ampling Analytical Results (if applicable) Sampling Analytical Results (if applicable) y Name and Permit Number and Cover Installation Application Rates and Seeding Technique in (Photo Documentation)	llowing items must be attack	hed to the closure report. Please indicate the closure report.	nte, by a check mark in
Operator Closure Certification:  I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.				
Name (Print).		Title		
Signature:		Date <sup>-</sup>		
e-mail address.		Telephone		

# ConocoPhillips Company Closed-loop Plans

#### Closed-loop Design Plan

COPC'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**

COPC'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.