District I 1625 N French Dr , Hobbs, NM 88240

District II

1301 W Grand Ave , Artesia, NM 88210

1000 Rio Brazos Rd , Aztec, NM 87410

District IV

State of New Mexico Energy Minerals and Natural Resources

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

Form C-144 July 21, 2008

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

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

1220 S St Francis Dr., Santa Fe, NM 87505
Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application
Type of action
Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
Modification to an existing permit
Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the
environment Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances
Operator. Burlington Resources Oil & Gas Company, LP OGRID#. 14538
Address: PO Box 4289, Farmington, NM 87499
Facility or well name L C Kelly Com 100S
API Number. 30-045-32833 OCD Permit Number
U/L or Qtr/Qtr: P(SE/SE) Section: 4 Township. 30N Range 12W County. San Juan
Center of Proposed Design: Latitude 36.837942 °N Longitude. 108.097268 °W NAD: X 1927 1983
Surface Owner. X Federal State Private Tribal Trust or Indian Allotment
2
Pit: Subsection F or G of 19 15 17 11 NMAC RCVD NOV 16 '11
Temporary Drilling Workover
Permanent Emergency Cavitation P&A OIL COMS. DIV.
Lined Unlined Liner type Thickness mil LLDPE HDPE PVC Other
Liner Seams Welded Factory Other Volume bbl Dimensions L x W DISTO 3
3
X Closed-loop System: Subsection H of 19 15 17 11 NMAC
Type of Operation P&A Drilling a new well X Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
Drying Pad X Above Ground Steel Tanks Haul-off Bins Other
Lined Unlined Liner type Thicknessmil LLDPE HDPE PVD Other
Liner Seams
4
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, liner, 6-inch lift and automatic overflow shut-off
Visible sidewalls and liner Visible sidewalls only Other

Alternative Method:

Form C-144

Thickness

Liner Type

PVC

Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

Oil Conservation Division

Other

HDPE

mıl



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, insi	utution or chur	ch)
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 cons (Fencing/BGT Liner)	ideration of ap	proval
Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval		
Siting Critoria (regarding parmitting) 10.15.17.10 NMAC		
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	□Yes	ΠNo
(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	Yes	□No
application.		
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)	∐NA	
- Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	l	_
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)	□NA	
- 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 - 1WATERS 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.	Yes	∏No
- Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map		ш
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 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
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 Description of Pite Provided Chapters of Lands of Page 170 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 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 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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Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Onl Instructions Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use a			
facilities are required	NIA 01 0011 / NIA 01 0010D		
	NM-01-0011 / NM-01-0010B		
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 w Yes (If yes, please provide the information No		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 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			
17			
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 certain siting criteria may require administrative approval from the appropriate district office or may be considered an except office for consideration of approval Justifications and/or demonstrations of equivalency are required. Please refer to 19 15 1	on which must be submitted to the Santo		
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 obtained from nearby wells		Yes No	
Ground water is between 50 and 100 feet below the bottom of the buried waste		Yes No	
- NM Office of the State Engineer - tWATERS database search, USGS, Data obtained 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 obtained from nearby wells		N/A	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sin (measured from the ordinary high-water mark)	khole, or playa lake	Yes No	
- Topographic map, Visual inspection (certification) of the proposed site			
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial ap - Visual inspection (certification) of the proposed site, Aerial photo, satellite image	plication	Yes No	
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for dome purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existence at the time of the initial appropriate of the State Engineer - iWATERS database, Visual inspection (certification) of the proposed site	stic or stock watering	YesNo	
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal pursuant to NMSA 1978, Section 3-27-3, as amended	pal ordinance adopted	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 prop 	osed site	Yes No	
Within the area overlying a subsurface mine - Written confiramtion 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 G Topographic map	eological Society,		
Within a 100-year floodplain - FEMA map		Yes No	
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must by a check mark in the box, that the documents are attached.	bee attached to the closure plan	. Please indicate,	
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17 1	0 NMAC		
Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15			
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 Decign - based upon the appropriate requirements of Subsection H of 10.15.17.13 NMAC.			
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 NN			

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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 Comptal Taloura Date 11/15/11
e-mail address crystal tafoya@conocophillus com Telephone (505) 326-9837
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 1/18/201 Title: OCD Permit Number:
Closure Report (required within 60 days of closure completion); Subsection K of 19 15 17 13 NMAC 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. Closure Completion Date:
22 Closure Method: Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain
23 <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only.</u> 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 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)
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
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 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. Nome (Print)
Name (Print) Title
Signature Date
a mod address

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.