Listrict I 1625 N French Dr , Hobbs, NM 88240

District II 1301 W Grand Ave , Artesia, NM 88210 District III

District IV

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. Santa Fe, NM 87505

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade

Form C-144

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

1220 S St Francis Dr , Santa Fe, NM 87505	appropriate NMOCD District Office						
	Pit, Closed-Loop System, Below-Grade Tank, or						
Propo	osed Alternative Method Permit or Closure Plan Application						
Type of action:	X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method						
	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 ap	oplication (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 Oi	l & Gas Company, LP OGRID#: 14538						
Address: PO Box 4289, Farmingto	n, NM 87499						
Facility or well name: Lambe 1							
API Number: 30	0-045-10462 OCD Permit Number						
U/L or Qtr/Qtr: M(SW/SW) Section	on: 21 Township: 31N Range: 10W County: San Juan						
Center of Proposed Design: Latitude							
Surface Owner: X Federal	State Private Tribal Trust or Indian Allotment						
Lined Unlined Li String-Reinforced Liner Seams Welded Fa X Closed-loop System: Subsect Type of Operation X P&A Drying Pad X Above Grou Lined Unlined Line	RUVU FEB 14:12						
Below-grade tank: Subsection I of 19.15 17 11 NMAC Volume							
5 Alternative Method: Submittal of an exception request is requ	uired 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) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate Please specify				
Netting: Subsection E of 19 15 17 11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)				
Signs: Subsection C of 19 15 17 11 NMAC 12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers X Signed in compliance with 19 15 3 103 NMAC				
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required Please refer to 19 15 17 NMAC for guidance Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s) Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consideration of approval (Fencing/BGT Liner) Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval				
Siting Criteria (regarding permitting) 19 15.17 10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.				
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes	No		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	Yes	No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes	No		
(Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image				
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applied to permanent pits)	Yes NA	No		
 Visual inspection (certification) of the proposed site, Aerial photo; Satellite image Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. 	Yes	No		
- NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site				
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - 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 Society, Topographic map	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 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 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 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 Design (attach copy of design) API Previously Approved Operating and Maintenance Plan API 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						
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						
Proposed Closure: 19 15 17 13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type Drilling Workover Emergency Cavitation X P&A Permanent Pit Below-grade Tank X Closed-loop System						
Alternative						
Proposed Closure Method Waste Excavation and Removal X Waste Removal (Closed-loop systems only)						
On-site Closure Method (only for temporary pits and closed-loop systems)						
In-place Burial On-site Trench						
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)						
15						
Waste Excavation and Removal Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must be attached to the closure plan.						
Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures, based was the components as a strength 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						

Form C-144 Oil Conservation Division Page 3 of 5

16						
Waste Removal Closure For Closed-loop Systems That Utilize Above Green Instructions Please identify the facility or facilities for the disposal of liquidicalities are required	ound Steel Tanks or Haul-off Bins On a, drilling fluids and drill cuttings Use	aly: (19 15 17 13 D NMAC) attachment if more than two				
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 #		<u></u>			
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 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						
17		- 100				
Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NMAC Instructions Each siting criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval Justifications and/or demonstrations of equivalency are required Please refer to 19 15 17 10 NMAC for guidance						
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 obtained from nearby wells		∐N/A			
Ground water is between 50 and 100 feet below the bottom of the burne	ed waste		Yes	□No		
- NM Office of the State Engineer - 1WATERS database search, USGS, I	Data obtained from nearby wells		☐N/A	_		
Ground water is more than 100 feet below the bottom of the buried wa	ste		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 othe (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 che- - Visual inspection (certification) of the proposed site, Aerial photo, satelli	•	pplication	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 field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended				□No		
 Written confirmation or verification from the municipality, Written appre Within 500 feet of a wetland 	ovar obtained from the municipanty		□Yes	□No		
- US Fish and Wildlife Wetland Identification map, Topographic map, Vi	sual inspection (certification) of the pro-	posed site				
Within the area overlying a subsurface mine			Yes	No		
- Written confirmation or verification or map from the NM EMNRD-Minii	ng 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	gy & Milleran Resolutees, 0505, 14111	decological decicty,				
Within a 100-year floodplain - FEMA map			Yes	□No		
18						
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must bee attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.						
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						
Ste Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC						

Form C-144 Oil Conservation Division

19						
Operator Application						
	nformation submitted with this application is true, accu	•				
Name (Print)	CRYSTAL TAFOYA	Title	STAFF REGULATORY TECHNICIAN			
Signature	motal lataya	Date	2/13/2012			
e-mail address	crystal tafoya@conocophillips.com	Telephone	(505) \$26-9837			
OCD Approval:	Permit Application (including clasure plan)	Closure Plan (onl	y) OCD Conditions (see attachment)			
	` \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	M				
OCD Representative	Signature:		Approval Date: 2/15/2012			
Title: (GW	Miance Ottroe	() OCD Pe	ermit Number:			
21	,					
	ired within 60 days of closure completion): Sub-					
			losure activities and submitting the closure report The closure ties Please do not complete this section of the form until an			
'	as been obtained and the closure activities have been c	*	Trease do not complete mis section of the form simil an			
		☐ Clos	ure Completion Date:			
						
22 Closure Method:						
Waste Excavation	n and Removal On-site Closure Method	Alternative Closu	ire Method Waste Removal (Closed-loop systems only)			
	approved plan, please explain	thermanye cross	wate nemotia (closed loop systems only)			
I different from	approved plan, picase explain					
23						
	ling Waste Removal Closure For Closed-loop System ntify the facility or facilities for where the liquids, dril.		Ground Steel Tanks or Haul-off Bins Only: uttings were disposed. Use attachment if more than two facilities			
were utilized.	may include the inquities for marcine inquities, arm	ing finas una una ca	mings were anaposed. Ose and entirely more man two facilities			
Disposal Facility Nan		Disposal Facil	lity Permit Number			
Disposal Facility Nan	ne	Disposal Facil	lity Permit Number			
l —	system operations and associated activities performed of	_	not be used for future service and opeartions?			
Yes (If yes, pleas	se demonstrate complilane to the items below)	No				
l 🖵' ' '	d areas which will not be used for future service and of	perations				
) =	(Photo Documentation) and Cover Installation					
	pplication Rates and Seeding Technique					
	0					
24 Closure Report At	ttachment Checklist: Instructions: Fach of the fall	lowing items must he i	attached to the closure report. Please indicate, by a check mark in			
the box, that the doci		oring nems must be t				
Proof of Closur	re Notice (surface owner and division)					
Proof of Deed 1	Notice (required for on-site closure)					
Plot Plan (for o	n-site closures and temporary pits)					
Confirmation S	ampling Analytical Results (if applicable)					
Waste Material	Sampling Analytical Results (if applicable)					
Disposal Facilit	ty Name and Permit Number					
_ = '	g and Cover Installation					
	Application Rates and Seeding Technique					
-	on (Photo Documentation)	_	🗆 🖂			
On-site Closure	Location Latitude	Longitude	NAD			
25						
Operator Closure Ce		a noncont to town	ate and complete to the hast of my beauty does and halted. I also contribute			
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				
		T-1 1				
e-mail address		Telephone				

Form C-144

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.