

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

District IV
1220 S St Francis Dr, Santa Fe, NM 87505

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 systems, 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

96061

- Type of action
- 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 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.

1
Operator Burlington Resources Oil & Gas Company, LP OGRID#: 14538
Address: PO Box 4289, Farmington, NM 87499
Facility or well name: Hudson 2
API Number: 30-045-08950 OCD Permit Number _____
U/L or Qtr/Qtr. P(SE/SE) Section. 34 Township 30N Range: 12W County: San Juan
Center of Proposed Design. Latitude: 36.76456 °N Longitude: 108.07727 °W NAD. 1927 1983
Surface Owner Federal State Private Tribal Trust or Indian Allotment

2
 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 LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams Welded Factory Other _____ Volume _____ bbl Dimensions L _____ x W _____ x D _____

RCVD FEB 24 '12
OIL CONS. DIV.
DIST. 3

3
 Closed-loop System: Subsection H of 19 15 17 11 NMAC
Type of Operation P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
 Drying Pad Above Ground Steel Tanks Haul-off Bins Other _____
 Lined Unlined Liner type Thickness _____ mil LLDPE HDPE PVD Other _____
Liner Seams Welded Factory Other _____

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 _____
Liner Type Thickness _____ mil HDPE PVC Other _____

5
 Alternative Method:
Submission of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6 **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 _____

7 **Netting:** Subsection E of 19 15 17 11 NMAC (*Applies to permanent pits and permanent open top tanks*)

Screen Netting Other _____

Monthly inspections (*If netting or screening is not physically feasible*)

8 **Signs:** Subsection C of 19 15 17 11 NMAC

12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19 15 3 103 NMAC

9 **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

10 **Siting Criteria (regarding permitting)** 19 15 17 10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15 17 10 NMAC for guidance Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank Yes No
 - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (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 existence at the time of initial application. Yes No
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)
 NA
 - 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. Yes No
(Applied to permanent pits)
 NA
 - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image

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 feet of any other fresh water well or spring, in existence at the time of initial application. Yes No
 - NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended Yes No
 - Written confirmation or verification from the municipality, Written approval obtained from the municipality

Within 500 feet of a wetland. Yes No
 - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site

Within the area overlying a subsurface mine. Yes No
 - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division

Within an unstable area. Yes No
 - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map

Within a 100-year floodplain Yes No
 - FEMA map

11

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 _____

12

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19 15 17 9
- Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19 15 17 10 NMAC
- Design Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
- Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC
- Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC

Previously Approved Design (attach copy of design) API _____

Previously Approved Operating and Maintenance Plan API _____

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 (1) of Subsection B of 19 15 17 9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17 10 NMAC
- Climatological Factors Assessment
- Certified Engineering Design Plans - based upon the appropriate requirements of 19 15 17 11 NMAC
- Dike Protection and Structural Integrity Design based upon the appropriate requirements of 19 15 17 11 NMAC
- Leak Detection Design - based upon the appropriate requirements of 19 15 17 11 NMAC
- Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19 15 17 11 NMAC
- Quality Control/Quality Assurance Construction and Installation Plan
- Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC
- Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
- Nuisance or Hazardous Odors, including H2S, Prevention Plan
- Emergency Response Plan
- Oil Field Waste Stream Characterization
- Monitoring and Inspection Plan
- Erosion Control Plan
- Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC

14

Proposed Closure: 19 15 17 13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System
 Alternative

Proposed Closure Method Waste Excavation and Removal
 Waste Removal (Closed-loop systems only)
 On-site Closure Method (only for temporary pits and closed-loop systems)
 In-place Burial On-site Trench
 Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

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

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19 15 17 13 D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name _____ Disposal Facility Permit # _____

Disposal Facility Name _____ 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 operations

Soil Backfill and Cover Design Specification - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC

Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC

Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC

Siting Criteria (Regarding on-site closure methods only): 19 15 17 10 NMAC

Instructions: Each 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
- NM Office of the State Engineer - iWATERS database search, USGS Data obtained from nearby wells

Yes No
 N/A

Ground water is between 50 and 100 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
 N/A

Ground water is more than 100 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
 N/A

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or 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
- Visual inspection (certification) of the proposed site, Aerial photo, satellite image

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 feet 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

Yes No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as 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

On-Site 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.*

- 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

19

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief

Name (Print) _____ Title _____
Signature _____ Date _____
e-mail address _____ Telephone _____

20

OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)

OCD Representative Signature: Jonathan P. Kelly **Approval Date:** 2/24/2012
Title: Compliance Officer **OCD Permit Number:** _____

21

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: 9/26/2008

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

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only.

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name Envirotech / JFJ Landfarm % IEI Disposal Facility Permit Number NM-01-0011 / NM-01-0010B
Disposal Facility Name Basin Disposal Facility Disposal Facility Permit Number NM-01-005

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance 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

24

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- Proof of Closure Notice (surface owner and division)
- Proof of Deed Notice (required for on-site closure)
- Plot Plan (for on-site closures and temporary pits)
- Confirmation Sampling Analytical Results (if applicable)
- Waste Material Sampling Analytical Results (if applicable)
- Disposal Facility Name and Permit Number
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation (Photo Documentation)

On-site Closure Location Latitude _____ Longitude _____ NAD 1927 1983

25

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print) CRYSTAL TAFOYA Title STAFF REGULATORY TECHNICIAN
Signature Crystal Tafoya Date 2/23/12
e-mail address crystal.tafoya@conocophillips.com Telephone (505) 326-9837