<sup>\*</sup> <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

For temporary pits, closed-loop sytems, and below-grade Department District II tanks, submit to the appropriate NMOCD District Office 1301 W Grand Ave, Artesia, NM 88210 Oil Conservation Division 1220 South St. Francis Dr. District III 1000 Rio Brazos Rd , Aztec, NM 87410 For permanent pits and exceptions submit to the Santa Fe Santa Fe. NM 87505 Environmental Bureau office and provide a copy to the District IV 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 RCVO MAR 21'12 Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method. 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: ConocoPhillips Company	OGRID#: <u>217817</u>
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: HEATON COM B 2N	
API Number: 30-045-35326 OCD Permit Num	nber.
U/L or Qtr/Qtr: J(NW/SE) Section: 30 Township: 31N Range:	11W County: SAN JUAN
Center of Proposed Design: Latitude: 36.868454 °N Longitude:	<b>108.0280415</b> °W NAD: 1927 X 1983
Surface Owner: X Federal State Private Tribal Trust or Inc	lian Allotment
Pet: Subsection F or G of 19.15.17 11 NMAC	HDPE
notice of intent)	s to activities which require prior approval of a permit or
Drying Pad Above Ground Steel Tanks Haul-off Bins Other  Lined Unlined Liner type Thickness mil LLDPE  Liner Seams: Welded Factory Other	HDPE PVD Other
Below-grade tank: Subsection I of 19 15 17.11 NMAC  Volume:bbl	nutomatic overflow shut-off
Visible sidewalls and liner Visible sidewalls only Other  Liner Type: Thickness mil HDPE PVC Other	
5 Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Envi	ronmental 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, so.  Four foot height, four strands of barbed wire evenly spaced between one and four feet  Alternate. Please specify	hool, hospital, instituti	on or church)	
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:  X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental But (Cavitation pit for Pre-set)  Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	reau office for consider	ration of appr	oval.
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 source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval fr appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Oj consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance.  Source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Oj consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance.	om the		
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	<b>.</b>	Yes	No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	, or playa lake	Yes	□No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of application.	of initial	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 applica  (Applied to permanent pits)	ation.	Yes	No
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image		ليا	
Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or 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	ed site.		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal o adopted pursuant to NMSA 1978, Section 3-27-3, as amended  - Written confirmation or verification from the municipality. Written approval obtained from the municipality	rdinance	Yes	No
Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the p	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; N	M 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 ChecklistSubsection 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
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 (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 Workover Emergency X 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
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

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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 cutings. Use attachment if more than two facilities are required.    Disposal Facility Name: Envirotech / JFJ Landfarm % IEI   Disposal Facility Permit #: NM-01-0011 / NM-01-0010B
Disposal Facility Name: Envirotech / JFJ Landfarm % IEI
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 nbc used for future service and Yes (If yes, please provide the information No 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 G of 19 15 17 13 NMAC  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC  Instructions Each stung crueria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain stung crueria requires a demonstrative 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 (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 string criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain string 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.
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 string criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain string 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
Siting Criteria (Regarding on-site closure methods only: 19.15 17.10 NMAC  Instructions Each string criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below Requests regarding changes to certain string 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.
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 1915 17 10 NMAC for guidance  Ground water is less than 50 feet below the bottom of the buried waste.
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
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
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
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 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.
- 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 proposed site
Within the area overlying a subsurface mine.
- Written confirantion or verification or map from the NM EMNRD-Mining and Mineral Division
Within an unstable area  - Engineering measures incorporated into the design. NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society,
Topographic map  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
X 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
X Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
<ul> <li>✓ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)</li> <li>✓ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> </ul>
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 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 Regulatory Technician
Signature ( 1000 Club L Date:
e-mail address: jamie.l.goodwin@conocophillips.com Telephone: 505-326-9784
20 OCD Approval: Permit Application (including closure plan) OCD Conditions (see attachment)
OCD Representative Signature: Approval Date: 3/21/2012
Title: 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:
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: 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
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 (1f 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:
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
Operator Closure Certification:
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
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):

Form C-144

## ConocoPhillips Company Cavitation Pit for Closed-Loop Locations

## Design:

ConocoPhillips Company will use a cavitation pit plan when the surface casing will be pre-set on closed-loop locations. The drill cuttings will be stockpiled on the surface.

## **Operations and Maintenance:**

The cavitation pit will be operated and maintained as follows:

- 1. Only Fresh water and air will be used in the drilling of the surface casing.
- 2. The Cement used will be: Neat Cement with no additives.
- 3. All of the fluids will be removed within 48hrs after drilling.
- 4. A representative five point composite sample will be taken of the drill cuttings, after the setting of the surface casing is complete, using sampling tools and all samples will be tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the testing criteria is not met, all contents will be dug and hauled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e.

Components	Tests Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	500

The NMOCD will be notified via email of the test results of the cavitation surface as follows:

Components	Tests Method	Limit (mg/Kg)	Results
Benzene	EPA SW-846 8021B or 8260B	0.2	
BTEX	EPA SW-846 8021B or 8260B	50	
TPH	EPA SW-846 418.1 2500		
GRO/DRO	EPA SW-846 8015M	500	
Chlorides	EPA 300.1 500		

## Closure Plan:

- 1. The NMOCD will be notified of the sample results and the intent to start the closure process 3-7 days prior to the drill cuttings being transported, moved, or distributed on location.
- 2. In the event the criteria are not met, all solids and liquids will be removed and disposed of at Envirotech (Permit #NM-01-0011) and/or Basin Disposal Facility (Permit #NM-01-005) and/or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B).
- 3. Testing results will be submitted with the Closure Report of the well locations Closed-Loop Permit on Form C-144.

ConocoPhillips is aware that approval of this plan does not relieve ConocoPhillips of liability should operations result in pollution of surface water, ground water, or the environment. Nor does approval relieve ConocoPhillips of its responsibility to comply with any other applicable governmental authority's rules and regulations.