District I 1625 N French Dr , Hobbs, NM 88240

State of New Mexico Energy Minerals and Natural Resources Department

Form C-144 July 21, 2008

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

Oil Conservation Division 1220 South St Francis Dr.

Santa Fe, NM 87505

Pit, Closed-Loop System, Below-Grade Tank, or

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

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<u>Prop</u>	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 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 hability 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	le governmental authority's rules, regulations or ordinances
Operator: ConocoPhillips Company Address PO Part 4280 Ferminature NIM 87400	OGRID#· <u>217817</u>
Address PO Box 4289, Farmington, NM 87499 Facility or well name. San Juan 28-7 Unit 11	
API Number: 30-039-07263 OCD Permit Numb	
U/L or Qtr/Qtr: B(NW/NE) Section 36 Township 28N Range. Center of Proposed Design Latitude: 36.622053 °N Longitude:	7W County. Rio Arriba 107.519327 °W NAD X 1927 1983
Surface Owner X Federal State Private Tribal Trust or Indi	
Pit: Subsection F or G of 19 15 17 11 NMAC Temporary Drilling Workover Permanent Emergency Cavitation P&A	RCVD MAR 1 '12 OIL CONS. DIV. HDPE PVC Other
X Closed-loop System: Subsection H of 19 15 17 11 NMAC Type of Operation X P&A Drilling a new well Workover or Drilling (Applies to notice of intent) Drying Pad X Above Ground Steel Tanks Haul-off Bins Other	o activities which require prior approval of a permit or HDPE PVD Other
Below-grade tank: Subsection I of 19 15 17 11 NMAC Volume bbl Type of fluid Tank Construction material Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and aut Visible sidewalls and liner Visible sidewalls only Other Liner Type Thickness mil HDPE PVC Other	lomatic overflow shut-off
5 Alternative Method: Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environ	nmental 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, insi	utution or chu	rch)
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)		
Netting: Subsection E of 1915 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 X 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 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		
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. - 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	No
(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.	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) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	∐NA	
Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering	Yes	No
purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.		
- 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.	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 - 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
String 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
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
String 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 10.15.17.11.NIMAC
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 XP&A Permanent Pit Below-grade Tank X Closed-loop System
Alternative Proposed Closure Method Waste Excavation and Removal
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)
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

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Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tai Instructions Please identify the facility or facilities for the disposal of liquids, drilling fluid	nks or Haul-off Bins On 's and drill cuttings Use	(19 15 17 13 D NMAC) attachment if more than two		
facilities are required	15 1: 5 : 4			
		NM-01-0011 / NM-01-00	10B	
	osal Facility Permit #		 .	
Will any of the proposed closed-loop system operations and associated activities occurred and associated activities activities activities and associated activities	cur on or in areas that w	vill not be used for future s	ervice 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 re	equirements of Subsect	on H of 10 15 17 13 NMA	C	Ì
Re-vegetation Plan - based upon the appropriate requirements of Subsection			C	
Site Reclamation Plan - based upon the appropriate requirements of Subsect				
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 Reco certain siting criteria may require administrative approval from the appropriate district office or n				
office for consideration of approval Instifications and/oi demonstrations of equivalency are requi			me Sama i e isn	in onmemur pareur
Ground water is less than 50 feet below the bottom of the buried waste			Yes	No
- NM Office of the State Engineer - (WATERS database search, USGS) Data obtained	from nearby wells		∏n/a	
Ground water is between 50 and 100 feet below the bottom of the buried waste			— Yes	Пио
- NM Office of the State Engineer - (WATERS 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 - IWATERS 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 w	•	skholo, or playe leke		□N-
(measured from the ordinary high-water mark)	atercourse of facebed, sir	ikiloie, or piaya take	Yes	∐No
- Topographic map, Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in exister	nce at the time of initial ap	pplication	Yes	□No
- Visual inspection (certification) of the proposed site, Aerial photo, satellite image			□vaa	□N ₂
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five	households use for dome	estic or stock watering	∐Yes	∐No
purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existence and NM Office of the State Engineer - iWATERS database, Visual inspection (certification)	at the time of the initial ap	Č I		
Within incorporated municipal boundaries or within a defined municipal fresh water well fiel 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 Within 500 feet of a wetland	from the municipality		Пν	
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection	(certification) of the proj	oosed site	Yes	∐No
Within the area overlying a subsurface mine			Yes	No
- Written confiramtion or verification or map from the NM EMNRD-Mining and Minera	Division		_	_
Within an unstable area	D 11000 1111		∐Yes	∐No
Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Topographic map	Resources, USGS, NM (jeological Society,		
Within a 100-year floodplain		1	Yes	No
- FEMA map				
18				
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the by a check mark in the box, that the documents are attached.	ne following items mus	t bee attached to the closu	re plan. Plea	se indicate,
Siting Criteria Compliance Demonstrations - based upon the appropriate req	uirements of 19 15 17	10 NMAC		
Proof of Surface Owner Notice - based upon the appropriate requirements of				
Construction/Design Plan of Burial Trench (if applicable) based upon the ap				
Construction/Design Plan of Temporary Pit (for in place burial of a drying p	ad) - based upon the ap	propriate requirements of	19 15 17 11 N	MAC
Protocols and Procedures - based upon the appropriate requirements of 19 1:	5 17 13 NMAC			
Confirmation Sampling Plan (if applicable) - based upon the appropriate req	uirements of Subsectio	n 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 o	-		innot be achie	ved)
Soil Cover Design - based upon the appropriate requirements of Subsection				
Re-vegetation Plan - based upon the appropriate requirements of Subsection				

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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) Dollney_ Busse Title Staff Regulatory Technician
Signature Allis T. Burner Date 2/29/12
e-mail address dollie busse@conocophillips com Telephone 505-324-6104
20
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: Approval Date: 3/01/2011
Title: COMPLIANCE OFFICE OCD Permit Number:
The Complance CAT CET OCCUPENHIN NUMBER.
Closure Report (required within 60 days of closure completion): Subsection K of 1915 1713 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 aleas that will not be used for future service and operations? Yes (If yes, please demonstrate compiliane to the items below) No
Required for impacted areas which will not be used for future service and operations
Ste 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. Description of Closure Network (surface course and division).
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
Consider Coolaire Execution Landaux Longitude 1927 1985
- 25
Operator Closure Certification:
I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief. I also certify that
the closure complies with all applicable closure requirements and conditions specified in the approved closure plan
Name (Print) Title
Signature Date
e-mail address Telephone

Form C-144

ConocoPhillips Company Closed-loop Plans

Closed-loop Design Plan

COPC's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system
- 2. It will be signed in compliance with 19.15.3.103 NMAC
- 3. A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

COPC's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) on a periodic basis to prevent over topping.
- 2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.