District I 1625 N French Dr , Hobbs, NM 88240

State of New Mexico Energy Minerals and Natural Resources 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

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

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

9899

1220 S St Francis Dr., Santa Fe, NM 87505		appropriate NMOCD L	District Office
	Pit, Closed-Loop System	n, Below-Grade Tank, or	
Propo	osed Alternative Method	Permit or Closure Plan Appli	<u>ication</u>
Type of action:	X Permit of a pit, closed-loop sys	stem, below-grade tank, or proposed alter	rnative method
•	Closure of a pit, closed-loop sy	ystem, below-grade tank, or proposed alto	ernative method
	Modification to an existing pe		
	Closure plan only submitted for below-grade tank, or proposed	or an existing permitted or non-permitted	pit, closed-loop system,
Instructions: Please submit one a	0 , 1 1	idual pit, closed-loop system, below-gra	de tank or alternative request
·	•	nability should operations result in pollution of surface	•
environment Nor does approval reli	eve the operator of its responsibility to comply	with any other applicable governmental authority's ru	tles, regulations or ordinances
Operator: ConocoPhillips Company	/	OGRID#: 21781	7
Address: PO Box 4289, Farmingto	n, NM 87499		
Facility or well name: <u>Jicarilla K 1.</u>	3		
API Number: 30	0-039-20292	OCD Permit Number	
U/L or Qtr/Qtr: E(SW/NW) Section		Range: 5W County: I	
Center of Proposed Design: Latitude Surface Owner: Federal		Longitude: 107.3338 Fribal Trust or Indian Allotment	<u>°W</u> NAD: [X] 1927 [_] 1983
Surface Owner: Federal	State Private X	Thoat Trust of Indian Anotheric	
Pit: Subsection F or G of 19 15 17	' II NMAC		RCVD APR 13'12
	kover		ou coms. Div.
	Cavitation P&A		DIST. 3
Lined Unlined Li	ner type Thickness mi	I LLDPE HDPE PVC	Other
String-Reinforced			
Liner Seams Welded Fa	octory Other	Volumebbl Dimensions I	x Wx D
3			
	ion H of 19 15 17 11 NMAC	D. H. (A. I. (1) (1) (1) (1)	1.6.
Type of Operation. X P&A	Drilling a new well Workover notice of it	or Drilling (Applies to activities which requirentent)	e prior approval of a permit or
Drying Pad X Above Grou	nd Steel Tanks Haul-off Bins	Other	•
	r type Thicknessmil	LLDPE HDPE PVD C	Other
Liner Seams Welded Fa	actory Other	_	
4	L-610 15 17 11 NIMAC		
	l of 19 15.17 11 NMAC bl Type of fluid		
Tank Construction material			
Secondary containment with leak de	tection Visible sidewalls, lii	 ner, 6-inch lift and automatic overflow shut-of	f
Visible sidewalls and liner	Visible sidewalls only	Other	
Liner Type. Thickness	mil HDPE PV	C Other	
5			
Alternative Method:			
Submittal of an exception request is req	uired Exceptions must be submitted to	o the Santa Fe Environmental Bureau office fo	or 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	∐NA 				
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applied to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	∏Yes ∏No ∏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 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					
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					
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					
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)					
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 1 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 Stee Instructions Please identify the facility or facilities for the disposal of liquids, drilling					
facilities are required	nuius una arin cinings - Ose	unachment ij more man iwo			
Disposal Facility Name Envirotech / JFJ Landfarm / IEI	Disposal Facility Permit #	NM-01-0011 / NM-01-00	10B		
	Disposal Facility Permit #				
Will any of the proposed closed-loop system operations and associated activities Yes (If yes, please provide the information No	s occur on or in areas that it	all not be used for future s	service and		
Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specification - based upon the appropria	to requirements of Subsecti	on U of 10 15 17 12 NMA	C		
Re-vegetation Plan - based upon the appropriate requirements of Subsec	•		·C		
Site Reclamation Plan - based upon the appropriate requirements of Sub					
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 certain siting criteria may require administrative approval from the appropriate district office office for consideration of approval Justifications and/or demonstrations of equivalency are	Recommendations of acceptable or may be considered an except	ion which must be submitted to			
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 obta	ned from nearby wells		N/A		
Ground water is between 50 and 100 feet below the bottom of the buried waste			Yes	No	
- NM Office of the State Engineer - (WATERS database search; USGS, Data obtain	ned 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 - tWATERS database search, USGS, Data obtain	ned from nearby wells		☐ 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)			Yes	□No	
- Topographic map, Visual inspection (certification) of the proposed site					
Within 300 feet from a permanent residence, school, hospital, institution, or church in ex	sistence at the time of initial ap	oplication.	Yes	No	
- Visual inspection (certification) of the proposed site, Aerial photo, satellite image			□v		
Within 500 horizontal feet of a private, doinestic fresh water well or spring that less that purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existe - NM Office of the State Engineer - iWATERS database, Visual inspection (certific	nce at the time of the initial ap		Yes	□ INO	
Within incorporated municipal boundaries or within a defined municipal fresh water well pursuant to NMSA 1978, Section 3-27-3, as amended		pal ordinance adopted	Yes	No	
 Written confirmation or verification from the municipality, Written approval obtain Within 500 feet of a wetland 	ned from the municipality		Yes		
- 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 confiramtion or verification or map from the NM EMNRD-Mining and M	meral Division		Пу	_,	
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mil	peral Resources LISGS NM (Geological Society	∐Yes	∐No	
Topographic map	iciai Resources, 0505, 14141	scological Society,			
Within a 100-year floodplain - FEMA map			Yes	No	
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached.	of the following items mus	t bee attached to the closu	re plan. Pleas	e indicate,	
Siting Criteria Compliance Demonstrations - based upon the appropriate	requirements of 19 15 17.	10 NMAC			
Proof of Surface Owner Notice - based upon the appropriate requiremen	ts of Subsection F of 19 15	17 13 NMAC			
Construction/Design Plan of Burial Trench (if applicable) based upon the	e appropriate requirements	of 19 15 17 11 NMAC			
Construction/Design Plan of Temporary Pit (for in place burial of a dryi	ng pad) - based upon the ap	propriate requirements of	19 15 17 11 NN	ИАС	
Protocols and Procedures - based upon the appropriate requirements of					
Confirmation Sampling Plan (if applicable) - based upon the appropriate	•				
Waste Material Sampling Plan - based upon the appropriate requirement					
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 Re-vegetation Plan - based upon the appropriate requirements of Subsection Subsection Reverse Subsection Subsection					
Site Reclamation Plan - based upon the appropriate requirements of Subset					

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) Dollie Busse Title Staff Regulatory Technician
Signature Dillia Toluse Date 4/12/12
e-mail address dollie I 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: 4/19/2012
OCD Representative Signature: Approval Date:
Title: OM Cancel Charge 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 ütilized.
Disposal Facility Name Disposal Facility Permit Number
Disposal Facility Name Disposal Facility Permit Number Were the closed lean quature and accounted activities and accounted activities are represented by the counter of t
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
The regulation replication reacts and seeding recriming to
Change Depart Attachment Charlifet, Instruction First, Cell C.H., the formal attachment at the department of the charles and the charles at t
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
En sue cresure Location Lantitue Location Lantit
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
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 .

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.