## State of New Mexico **Energy Minerals and Natural Resources**

Santa Fe, NM 87505

Form C-144 July 21, 2008

District II

1301 W Grand Ave , Artesia, NM 88210

District III

1000 Rio Brazos Rd, Aztec, NM 87410

Department Oil Conservation Division 1220 South St. Francis Dr.

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

District IV 1220 S St Francis Dr , Santa Fe, NM 87505	Environmental Bureau office and provide a copy to the appropriate NMOCD District Office				
Pit, Closed-Loop System, Below-Grad	e Tank, or				
Proposed Alternative Method Permit or Clos	ure Plan Application				
Type of action:    Proposed Alternative Method Permit or Closed   X   Permit of a pit, closed-loop system, below-grade to   Closure of a pit, closed-loop system system, below-grade a pit, closed-loop system system system system sys	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 t	ank, or proposed alternative method				
Modification to an existing permit					
Closure plan only submitted for an existing permit	ted 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.  Please be advised that approval of this request does not relieve the operator of liability should operations re	•				
environment Nor does approval relieve the operator of its responsibility to comply with any other applicable	•				
1 Overton Book of December 1	OCD   14520				
Operator: Burlington Resources Oil & Gas Company, LP	OGRID#: 14538				
Address: PO Box 4289, Farmington, NM 87499  Facility or well name: Hudson AD 1					
API Number: 30-045-06288 OCD Permit Number  U/L or Qtr/Qtr: A(NE/NE) Section: 29 Township: 27N Range: 9					
U/L or Qtr/Qtr: A(NE/NE) Section: 29 Township: 27N Range: 9  Center of Proposed Design: Latitude: 36.55031 °N Longitude:	9W         County:         San Juan           107.80547         °W         NAD:         X 1927         1983				
Surface Owner: X Federal State Private Tribal Trust or Indian					
Pit: Subsection F or G of 19 15 17 11 NMAC	RCUD APR 12'12				
Temporary Drilling Workover	OIL CONS. DIV.				
Permanent Emergency Cavitation P&A	DIST, 3				
Lined Unlined Liner type Thickness mil LLDPE	HDPE PVC Other				
String-Reinforced					
Liner Seams Welded Factory Other Volume	bbl Dimensions Lx Wx D				
3					
X Closed-loop System: Subsection H of 19 15 17 11 NMAC					
	activities which require prior approval of a permit or				
notice of intent)  Drying Pad X Above Ground Steel Tanks Haul-off Bins Other	·				
Lined Unlined Liner type Thickness mil LLDPE H	IDPE PVD Other				
Liner Seams   Welded   Factory   Other	Siz Cirvs Conc.				
4 Below-grade tank: Subsection 1 of 19 15 17 11 NMAC					
Volumebbl Type of fluid	·				
Tank Construction material					
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and autor	natic overflow shut-off				
Visible sidewalls and liner Visible sidewalls only Other					
Liner Type Thickness mil HDPE PVC Other					
5 Alternative Method:					

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Oil Conservation Division

Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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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, install Four foot height, four strands of barbed wire evenly spaced between one and four feet  Alternate Please specify	titution or chu	rch)		
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  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 Yes	□No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image	Yes NA	No		
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  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 NA 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  Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division  Within an unstable area.	Yes Yes Yes	No No No		
<ul> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society, Topographic map</li> <li>Within a 100-year floodplain</li> <li>FEMA map</li> </ul>	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			
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			
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  Out Field Weste Stream Characterization			
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 X P&A Permanent Pit Below-grade Tank X Closed-loop System  Alternative			
Proposed Closure Method Waste Excavation and Removal			
X Waste Removal (Closed-loop systems only)			
On-site Closure Method (only for temporary pits and closed-loop systems)			
In-place Burial On-site Trench			
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)			
15			
Waste Excavation and Removal Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must be attached to the closure plan.			
Please indicate, by a check mark in the box, that the documents are attached.  Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NIMAC			
Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC  Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 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			

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Ste	ool Tonks on Houl off Pins On	Jv. (10.15.17.12 D.NMAC)		
Instructions Please identify the facility or facilities for the disposal of liquids, drilling				
facilities are required .	D 15 14 D 4#	NR 4 01 0011 (NR 4 01 04	110D	
Disposal Facility Name Envirotech / JFJ Landfarm / IEI	Disposal Facility Permit #		OTOR	
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit #			
Will any of the proposed closed-loop system operations and associated activiting Yes (If yes, please provide the information No		will not be used for future:	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 appropr		on H of 10 15 17 12 NM/	C	-
Re-vegetation Plan - based upon the appropriate requirements of Subse	-			
Site Reclamation Plan - based upon the appropriate requirements of Su				
			1.00	
17 Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NMA	AC			
Instructions Each siting criteria requires a demonstration of compliance in the closure plan	Recommendations of acceptable			
certain siting criteria may require administrative approval from the appropriate district offic office for consideration of approval - Justifications and/or demonstrations of equivalency ar			the Santa Fe Environmental	Bureau
Ground water is less than 50 feet below the bottom of the buried waste			Yes No	
- NM Office of the State Engineer - 1WATERS database search, USGS Data ob	tained from nearby wells		N/A	
-				
Ground water is between 50 and 100 feet below the bottom of the buried wast - NM Office of the State Engineer - iWATERS database search, USGS, Data obt			∐Yes ∐No ∏N/A	8
- MM Office of the State Eligineet - TWATERS database search, 0303, Data out	anied from hearby wens			
Ground water is more than 100 feet below the bottom of the buried waste			∐Yes ∐No	
- NM Office of the State Engineer - (WATERS database search, USGS, Data obt	amed from nearby wells		∐N/A	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant (measured from the ordinary high-water mark)	cant watercourse or lakebed, si	nkhole, or playa lake	Yes No	
- Topographic map, Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in		pplication	Yes No	
- Visual inspection (certification) of the proposed site, Aerial photo, satellite image	e			
Within 500 homeontal fact of a mustar domastic feeth unter well or assure that loss that	on five haveshalds use for dom	actua or stook watering	∐Yes ∐No	}
Within 500 horizontal feet of a private, domestic fresh water well or spring that less the purposes, or within 1000 horizontal fee of any other fresh water well or spring, in exist.  - NM Office of the State Engineer - iWATERS database, Visual inspection (certification).	tence at the time of the initial ap			
Within incorporated municipal boundaries or within a defined municipal fresh water w 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 from the municipality		Пν Пν.	
Within 500 feet of a wetland  - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site		YesNo		
Within the area overlying a subsurface mine			∏Yes ∏No	
- Written confirantion or verification or map from the NM EMNRD-Mining and M	Mineral Division			
Within an unstable area			Yes No	
- Engineering measures incorporated into the design, NM Bureau of Geology & M	Imeral Resources, USGS, NM	Geological Society,		
Topographic map Within a 100-year floodplain			□Yes □No	
- FEMA map				
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 appropria	ate 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				
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)				

19 Outstand Application Continues				
Operator Application Certification:  1 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 L Busse  Title Staff Regulatory Technician				
1/10/10				
XIII				
e-mail address <u>døllie I busse@conocophillips com</u> Telephone 505-324-6104				
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date:				
Title: Compliance VOttice OCOPermit Number:				
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)				
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				
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				
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 Oil Conservation Division

# Burlington Resources Oil & Gas Company, LP Closed-loop Plans

### Closed-loop Design Plan

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

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

### Closed-loop Operating and Maintenance Plan

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

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

#### Closed-loop Closure Plan

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