<u>District I</u> 1625 N French Dr , Hobbs, NM 88240

District II

State of New Mexico Energy Minerals and Natural Resources

Department
Oil Conservation Division

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 July 21, 2008 For temporary pits, closed-loop systems, and below-grade

Form C-144

For temporary pits, closed-loop sytems, and below-grad 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

1301 W Grand Ave , Artesia, NM 88210

District III
1000 Rio Brazos Rd , Aziec, NM 87410

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

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed 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 governmental authority's rules, regulations or ordinances.
Operator: Burlington Resources Oil & Gas Company, LP OGRID# 14538
Address PO Box 4289, Farmington, NM 87499
Facility or well name L C KELLY COM 100
API Number 30-045-31793 OCD Permit Number  U/L or Qtr/Qtr
Pet: Subsection F or G of 19 15 17 11 NMAC  Temporary Drilling Workover  Permanent Emergency Cavitation P&A  Lined Unlined Liner type Thickness mil LLDPE HDPE PVC Other  String-Reinforced  Liner Seams Welded Factory Other Volume bbl Dimensions L x W x D
Subsection H of 19 15 17 11 NMAC
Below-grade tank: Subsection I of 19 15 17 11 NMAC  Volume
Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental 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, 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 Notting 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  Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	aderation of app	oroval		
Sting 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. Sting 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)	□NA			
- Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	<sub> </sub>	<b>—</b>		
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 NA	No		
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 - tWATERS 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					
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 Lach 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					
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 X Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank X 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)					
Michiative Closule Method (Exceptions must be submitted to the Santa Fe Environmental Buleau for consideration)					
15					
Waste Excavation and Removal Closure Plan Checklist: (19 15 17 13 NMAC) Instructions. Each of the following items must be attached to the closure plan					
Please indicate, by a check mark in the box, that the documents are attached.					
Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC					
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC					
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)					
Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC					
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC					
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC					
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					

Form C-144 Oil Conservation Division

Page 3 of 5

16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground	Steet Tanks or Haul-off Bins On	<u>ly.</u> (19 15 17 13 D NMAC)			
Instructions Please identify the facility or facilities for the disposal of liquids, dri facilities are required	lling fluids and drill cultings Use	anachment ij more inan iwo			
Disposal Facility Name Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #		010B		
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit #				
Will any of the proposed closed-loop system operations and associated actions are the proposed closed operation with the proposed closed operation with the proposed closed closed operations and associated actions are the proposed closed operations and associated actions are the proposed closed operations are the proposed closed operations are the proposed closed operations and associated actions are the proposed closed operations are the proposed closed operation operations are the proposed closed operation operations are the proposed closed operations are the proposed closed operation operation operations are the proposed closed operation operations are the proposed operation oper		vill not be used for future	service and		
Required for impacted areas which will not be used for future service and operation.  Soil Backfill and Cover Design Specification - based upon the approximation in the service and operation.		ton H of 19 15 17 13 NM/	AC		
Re-vegetation Plan - based upon the appropriate requirements of Su					
Ste Reclamation Plan - based upon the appropriate requirements of	Subsection G of 19 15 17 13 N	MAC			
17 Stting Criteria (Regarding on-site closure methods only: 19 15 17 10 NMAC Instructions Each siting criteria requires a demonstration of compliance in the closure plan Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19 15 17 10 NMAC for guidance.					
Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS Data	obtained from nearby wells		Yes No		
Ground water is between 50 and 100 feet below the bottom of the buried w	·		☐Yes ☐No		
- NM Office of the State Engineer - tWATERS database search, USGS, Data			□ 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 sig (measured from the ordinary high-water mark)	nuficant watercourse or lakebed, su	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 - Visual inspection (certification) of the proposed site, Aerial photo, satellite in		oplication	Yes No		
			Yes No		
Within 500 horizontal feet of a private, domestic fiesh water well or spring that les purposes, or within 1000 horizontal fee of any other fiesh water well or spring, in c - NM Office of the State Engineer - iWATERS database, Visual inspection (ce	existence at the time of the initial ap	- 1			
Within incorporated municipal boundaries or within a defined municipal fresh water pursuant to NMSA 1978, Section 3-27-3, as amended		pal ordinance adopted	Yes No		
<ul> <li>Written confirmation or verification from the municipality, Written approval</li> <li>Within 500 feet of a wetland</li> </ul>	obtained from the municipality		Yes No		
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual	inspection (certification) of the pro-	posed site	<b>п.</b> п.		
Within the area overlying a subsurface mine  - Written confirantion or verification or map from the NM EMNRD-Mining ar	nd 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		
On-Site Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: E by a check mark in the box, that the documents are attached.	ach of the following items mus	st bee attached to the closi	re plan. Please indicate,		
Siting Criteria Compliance Demonstrations - based upon the approp	oriate 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		propriate requirements of	19 15 17 11 NMAC		
Protocols and Procedures - based upon the appropriate requirements of 19 15 17 13 NMAC					
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC					
Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC  Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)					
Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC					
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC					
Site Reclamation Plan - based upon the appropriate requirements of	Subsection G of 19 15 17 13 N	MAC			

Form C-144 Oil Conservation Division Page 4 of 5

Operator Application Contifications						
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	ł					
Name (Print) Denise Journey Title Regulatory Technician						
Signature Deniel Date 9/24/2012						
c-mail address Denise Journey@conocophillips.com Telephone 505-326-9556						
20 OCD Approval: Permit Application (including closurge plan) Glosure Plan (only) OCD Conditions (see attachment)						
OCD Representative Signature:Approval Date:Approval Date:						
Title: (SMP) Cance, (Section) OCD Permit Number:						
21 Classes Deposit (assessed within 60 days of allows a second river) and a second resource of the second river.						
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:						
Crosure Compression 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						
23 <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks of 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 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						
24						
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in						
the box, that the documents are attached						
Proof of Closure Notice (surface owner and division)  Proof of Deed Notice (required for on-site closure)						
Plot Plan (for on-site closures and temporary pits)						
Confirmation Sampling Analytical Results (if applicable)	}					
Waste Material Sampling Analytical Results (if applicable)						
Disposal Facility Name and Permit Number						
Soil Backfilling and Cover Installation						
Re-vegetation Application Rates and Seeding Technique						
Site Reclamation (Photo Documentation)						
On-site Closure Location Latitude Longitude NAD 1927 1983	ŀ					
25 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						

## 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.