District 1

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District H1

1000 Rio Brazos Rd., Aztec. NM 87410

District (V

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

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

June 16, 2008 For temporary pits, closed-loop sytems, and below-grade

Form C-144

tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe

For permanent pits and exceptions submit to the Santa F Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit. Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

| parage | ility should operations result in pollution of surface water, ground water or the |
|---|--|
| perator: Burlington Resources Oil & Gas Company, LP | OGRID#: 14538 |
| ddress PO Box 4289, Farmington, NM 87499 | |
| acility or well name: San Juan 27-4 Unit 58N | |
| PI Number: 30-039-30275 OC | D Pennit Number: |
| /L or Qtr/Qtr: M (SWSW) Section 31 Township: 27N | Range: 4W County: Rio Arriba |
| | ongitude: 107.296030' W NAD: 1927 X 1983 al Trust or Indian Alfotment |
| X Pit: Subsection For G of 19.15.17.11 NMAC | Closed-loop Systems: Subsection H of 19.15.17.11 NMAC |
| Temporary: X Drilling Workover | Drying Pad Tanks Haul-off Bins Other: |
| Permanent Emergency X Cavitation | Lined Unlined |
| X Lined Unlined | Liner type: Thickness mil LLDPE HDPE PVC |
| Liner type: Thickness 20 mil XLLDPE HDPE PVC | Other: |
| Other String-Reinforced | Seams: Wekled Factory Other: |
| Scams: X Welded X Factory Other | Volume: bbl yd3 |
| Volume: 7000 bbl Dimensions: L 120' xW 55' xD 12' | Dimernsions: Length x Width |
| X Below-grade tank: Subsection 1 of 19.15.17.11 NMAC | Fencing: Subsection D of 19.15.17.11 NMAC |
| Volume: 120 bbl | Chain link, six feet in height, two strangs of barbed wire at top |
| Type of fluid. Produced Water | Four foot height, four strands of barbed wire evenly spaced between |
| Tank Construction Material: Metal | one and four feet |
| Secondary containment with leak detection | Netting: Subsection E of 19.15.17.11 |
| X Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off | X Screen Netting Other |
| Visible sidewalls and liner | X Monthly inspections |
| Visible sidewalls only | Signs: Subsection C of 19.15.17.11 NMAC |
| Other: | 12"x 24", 2" lettering, provided Operator's name, site location, and |
| Liner type: Thickness: 60 mil X HDPE PVC | emergency telephone numbers |
| Other: | X Signed in compliance with 19.15.3.103 NMAC |
| Alternative Method: | Administrative Approvals and Exceptions: |
| Submittal of an exception request is required. Exceptions must be | Justifications and/or demonstrations of equivalency are required. Please |
| submitted to the Santa Fe Environmental Bureau office for consideration | refer to 19.15.17 NMAC for guidance. |
| of approval. | Please check a box if one or more of the following is requested, if not leave blank: |
| | X Administrative approval(s): Requests must be submitted to the |
| | appropriate division district or the Santa Fe Environmental Bureau |
| | office for consideration of approval. (Fencing in Design Plan) Exception(s): Requests must be submitted to the Santa Fe |
| | CONTRACTOR AND ADDRESS AND |

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 | X 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 | X No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | Yes | X No |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo: Satellite image | □N∧ | i |
| 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 | XNA | |
| 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 | X 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 putsuant to NMSA 1978, Section 3-27-3, as amended | ∐Yes | X No |
| Written confirmation or verification from the municipality: Written approval obtained from the municipality Within 500 feet of a wetland. | Yes | XNo |
| - US Fish and Wildlife Wetland Identification map; Topographic map: Visual inspection (certification) of the proposed site | r== | |
| Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division | Yes | XNo |
| Within an austable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | Yes | XNo |
| Within a 100-year floodplain - FEMA map | Yes | XNo |
| Temporary Pils, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.5 Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the de- | | e attached. |
| X Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC X Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC X Sixing Criteria Compliance Demonstrations - 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 Maintence Plan - based upon the appropriate requirements of 19.15.17.12 NMAC X Closure Plan - 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 API Number: 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 dattached. | ocuments a | re |
| Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19. Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 No. 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 - 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 API Number: | | |

| 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. | ached. | | | | |
| 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 | | | | | |
| Etosion Control Plan | | | | | |
| Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17 13 NMAC | | | | | |
| Constitution of the state of th | | | | | |
| Proposed Closure: 19.15.17.13 NMAC | | | | | |
| Type: X Drilling Workover Emergency X Cavitation Permanent Pit X Below-grade Tank Closed-loop System Alternation Closed-loop System Alternation Closed-loop System Cl | ative | | | | |
| | Market . | | | | |
| Proposed Closure X Waste Excavation and Removal (Below-Grade Tank) | | | | | |
| XOn-site Closure Method (only for temporary pits and closed-loop | | | | | |
| X In-place On-site Trench | | | | | |
| Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau fo | OI . | | | | |
| | | | | | |
| Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC | | | | | |
| Instructions: Each siting criteria requires a demonstration of compliance in the classice plan. Recommentations of acceptable source | | | | | |
| muterial 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. Justification and/or demonstrations of equivalency are required. Pleuse refer to 19.15.17.10 NMAC for guidance. | : | | | | |
| | | | | | |
| Ground water is less than 50 feet below the bottom of the buried waste. | □Yes□No | | | | |
| NM Office of the State Engineer - iWATERS database scarch; USGS; Data obtained from nearby wells | XINA | | | | |
| Ground water is between 50 and 100 feet below the bottom of the buried waste | ☐Yes ☐No | | | | |
| - NM Office of the State Engineer - iWATERS database serach; USOS; Data obtained from nearby wells | XNA | | | | |
| Ground water is more than 100 feet below the bottom of the buried waste. | [X] Yes No | | | | |
| NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | □NA | | | | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lal | = . | | | | |
| · · · · · · · · · · · · · · · · · · · | ☐Yes XINo | | | | |
| (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 | FTIVes Wine | | | | |
| - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | Yes X No | | | | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic | Yes X No | | | | |
| or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time | [] res[VIVO | | | | |
| of initial application, | | | | | |
| - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | | | | | |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal | ∏vas[V]va | | | | |
| ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended | Yes X No | | | | |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | ' | | | | |
| | | | | | |
| Within 500 feet of a wetland. | Yes X No | | | | |
| proposed site | | | | | |
| Tithin 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 X No | | | | |
| - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM | ٠٠٠ تشار ٢٠٠ | | | | |
| Geological Society; Topugraphic map | | | | | |
| | | | | | |
| Within a 100-year floodplain | Yes X No | | | | |

| 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 indicfate, by a cheek mark in the box, that the documents are attached. Prolocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC |
| Confirantion 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 Haul-off Bins Only; (19.15.17.13.D NMAC) Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cutting. |
| Disposal Facility Name: Disposal Facility Permit Number |
| On-Site 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. X Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15,17.10 NMAC |
| Siting Criteria Compinance Demonstrations - disear upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC |
| X Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC |
| X Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC |
| X 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 |
| 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 NMAC |
| |
| Operator Application Certification: I bereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief. |
| Name (Print): Crystal Tafoya Title: Regulatory Technician |
| Signature: Control Tahaya Date: 7/8/2008 |
| e-mail address: crystal.ta/try.@comorophillips.com Telephone: 505-326-9837 |
| |
| Telephone. 599-589-7057 |
| OCD Approval: Permit Application (including closuse plan) Closuse Plan (only) |
| |
| OCD Approval: Permit Application (including closuse plan) Closuse Plan (only) |
| OCD Approval: Perms Application (including closure plan) Chance Plan (only) OCD Representative Signature: Approval Date: 7-9-08 |
| OCD Approval: Permit Application (including closuse plan) Closuse Plan (only) OCD Representative Signature: Balabala Plan (only) Approval Date: 7-9-08 Title: Enviro / Spec OCD Permit Number: |
| OCD Approval: Permst Application (including closuse plan) |
| OCD Approval: Permst Application (including closuse plan) OCD Representative Signature: Back bell Approval Date: 7-9-08 Title: Enviro / Spec OCD Permit Number: Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC: Closure Method: Waste Excavation and Removal On-Sife Closure Alternative Closure |
| OCD Approval: Permst Application (including closuse plant) |
| OCD Approval: Permst Application (including closute plant) OCD Representative Signature: Approval Date: 7-9-08 Title: Enviro / Spec OCD Permit Number: Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC: Closure Method: Waste Excavation and Removal On-Site Closure Alternative Closure If different from approved plant, please explain Closure Report Attactment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the |
| OCD Approval: Permst Application (including closuse plant) |
| OCD Approval: Permst Application (including closure plant) |
| OCD Approval: Permit Application (including closuse plan) OCD Representative Signature: Ball full Approval Date: 7-9-08 Title: Enviro Spec OCD Permit Number: Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC: Closure Method: Waste Excavation and Removal On-Site Closure Alternative Closure If different from approved plan, please explain Closure Report Attactment Checklist: Instructums: 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 Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan |
| OCD Approval: Permst Application (including closure plant) |
| OCD Approval: Permst Application (including closure plan) OCD Representative Signature: Ball ball Title: Envico Spec OCD Permit Number: 7-9-08 Title: Envico Spec OCD Permit Number: OCD Permit Number: |
| OCD Approval: Permit Application (including closuse plant) |
| OCD Approval: Permst Application (including closure plan) OCD Representative Signature: Ball ball Title: Envico Spec OCD Permit Number: 7-9-08 Title: Envico Spec OCD Permit Number: OCD Permit Number: |
| OCD Approval: Permit Application (including closuse plant) OCD Representative Signature: Back of Closure Plan (unity) Approval Date: 7-9-08 Title: Enviro Spec OCD Permit Number: Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC: Closure Method: Waste Excavation and Removal On-Site Closure Alternative Closure If different from approved plant, please explain Closure Report Attactment Checklist: Instructume: Each of the following items must be anached to the closure report. Please indicate, by a clieck mark in the book that the documents are attached. Proof of Closure Notice Proof of Deed Notice (if applicable) Plot Plan Confirmation Sampling Analytical Results Waste Material Sampling Analytical Results Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique |
| OCD Approral: Permit Application (including closure plan) |
| OCD Approval: Permit Application (including closuse plant) Chouse Plan (only) OCD Representative Signature: Back Approval Date: 7-9-08 Title: Enviro Spec OCD Permit Number: Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC: Closure Completion Date: Closure Method: Closure Completion Date: |
| OCD Approval: |
| OCD Approval: Permit Application (including closure plan) OCD Representative Signature: But |
| OCD Approval: |

New Mexico Office of the State Engineer POD Reports and Downloads

| Township: 27 | 7N Range: 04W | Sections: | | |
|---------------------|-------------------------------|------------------------|-----------------------|-----------|
| NAD27 X: | Y:, | Zone: | Search Radius: | • |
| County: | Basin: | ! | Number: | Suffix: |
| Owner Name: (First) | (Las | st) | O Non-Domestic | ODomestic |
| POD | / Surface Data Report Wate | Avg r Column Report | Depth to Water Report | |
| | Clear Form | iWATERS Mer | nu Help | |

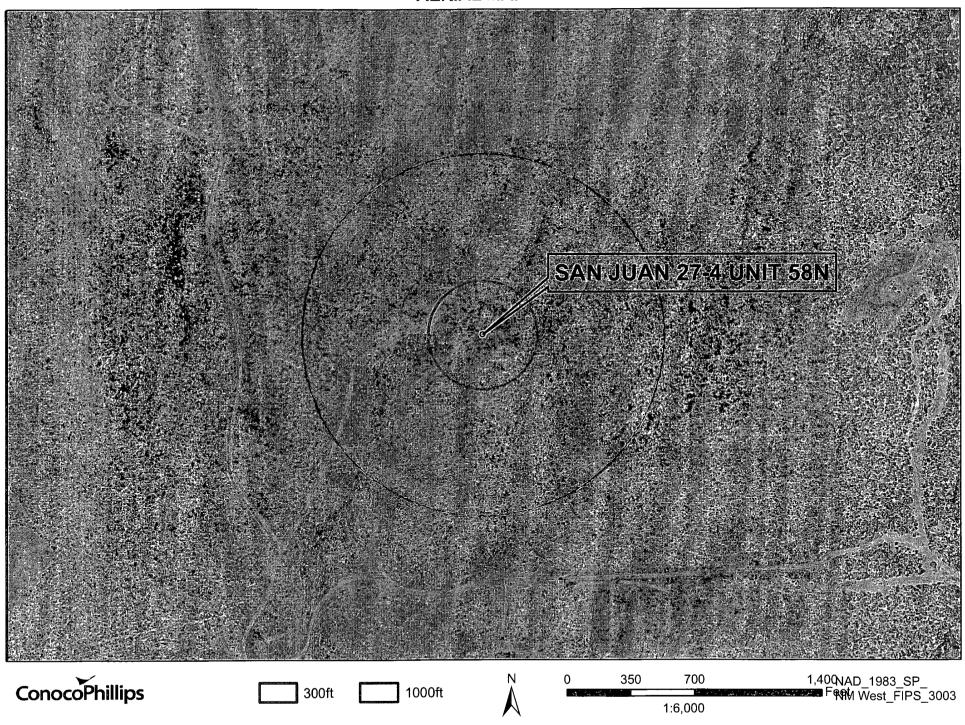
WATER COLUMN REPORT 07/02/2008

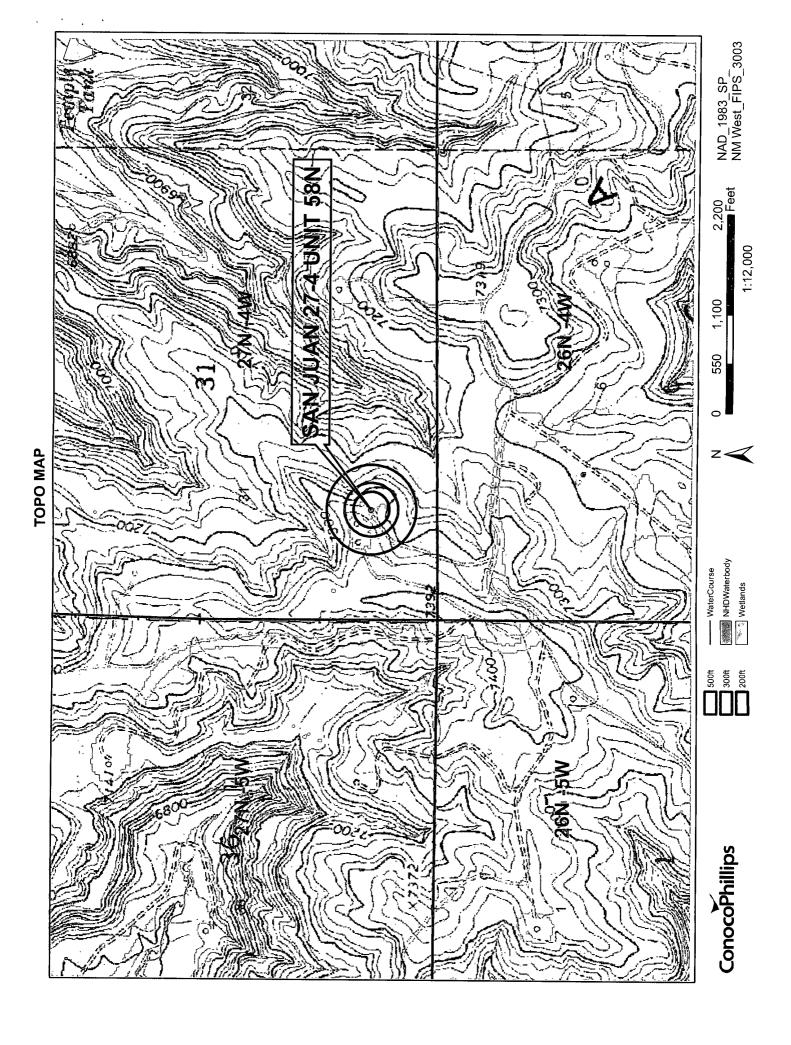
(quarters are 1=NW 2=NE 3=SW 4=SE)

| | (quarter | s are | ∍ biq | gge | est | to: | smallest | :) | | Depth | Depth | Wat∈ |
|------------|----------|-------|-------|-----|-----|----------|----------|----|---|-------|-------|-------|
| POD Number | Tws | Rng | Sec | q | đ | q | Zone | X | Y | Well | Water | Colum |
| SJ 00048 | 27N | 04W | 01 | | | | | | | 143 | | |
| SJ 01049 | 27N | 04W | 18 | 4 | 2 | 2 | | | | 15 | | |
| SJ 01205 | 27N | 04W | 34 | 4 | 4 | 4 | | | | 3054 | 750 | 23(|

Record Count: 3

AERIAL MAP





FEMA Map - 100 year floodplain

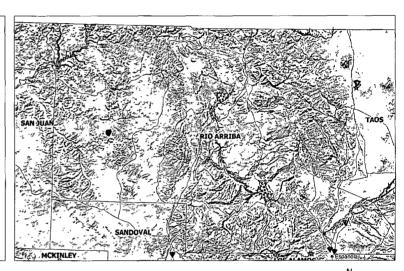
The FEMA Map for the San Juan 27-4 Unit 58N is unavailable due to its location being in the forest. FEMA does not provide floodplain information for Forest Service land. This well is not located near a wash or watercourse and is not in 100 year floodplain as visible on the topographic map.

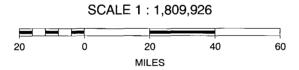
Siting Criteria Compliance Demonstrations

The San Juan 27-4 Unit 58N is not located in an unstable area. The location is not over a mine and is not on the side of a hill. The location of the excavated pit material will not be located within 300' of any continuously flowing watercourse or 200' from any other watercourse.

San Juan 27-4 Unit 58N Mines, Mills and Quarries Web Map

| Mines, Mill | s & Quarries Commodity Groups | | | | | |
|-------------|----------------------------------|--|--|--|--|--|
| Δ | Aggregate & Stone Mines | | | | | |
| • | Coal Mines | | | | | |
| * | Industrial Minerals Mines | | | | | |
| • | Industrial Minerals Mills | | | | | |
| Ø | Metal Mines and Mill Concentrate | | | | | |
| | Potash Mines & Refineries | | | | | |
| 2 | Smelters & Refinery Ops. | | | | | |
| * | Uranium Mines | | | | | |
| • | Uranium Mills | | | | | |
| | | | | | | |







Hydrogeological report for San Juan 27-4 Unit #58N

Regional Geological context:

The San Jose Formation of Eocene age occurs in New Mexico and Colorado, and its outcrop forms the land surface over much of the eastern half of the central basin. It overlies the Nacimiento Formation in the area generally south of the Colorado-New Mexico State line and overlies the Animas Formation in the area generally north of the State line.

The San Jose Formation was deposited in various fluvial-type environments. In general, the unit consists of an interbedded sequence of sandstone, siltstone, and variegated shale. Thickness of the San Jose Formation generally increases from west to east (200 feet in the west and south to almost 2,700 feet in the center of the structural basin). Ground water is associated with alluvial and fluvial sandstone aquifers. Thus, the occurrence of ground water is mainly controlled by the distribution of sandstone in the formation. The distribution of such sandstone is the result of original depositional extent plus any post-depositional modifications, namely erosion and structural deformation.

Hydraulic Properties:

Transmissivity data for San Jose Formation are minimal. Values of 40 and 120 feet squared per day were determined from two aquifer tests (Stone et al, 1983, table 5). The reported or measured discharge from 46 water wells completed in San Jose Formation ranges from 0.15 to 61 gallons per minute and the median is 5 gallons per minute. Most of the wells provide water for livestock and domestic use.

The San Jose Formation is a very suitable unit for recharge from precipitation because soils that form on the unit are sandy and highly permeable and therefore readily adsorb precipitation. However, low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the San Jose Formation by the San Juan River and its tributaries all tend to reduce the effective recharge to the unit.

References:

Stone et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico: Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

Tafoya, Crystal

From:

Tafoya, Crystal

Sent:

Wednesday, July 02, 2008 12:42 PM

To:

'jreidinger@fs.fed.us'

Cc: Subject: 'brandon.powell@state.nm.us'
OCD Pit Closure Notification

The following wells will be closed on-site, San Juan 27-4 Unit 141B and San Juan 27-4 Unit 58N. The new OCD Pit Rule 17 requires that the surface owner be notified of the on-site closure of the temporary pit. Please feel free to contact me at any time if you have any questions.

Thank you,

Crystal L. Tafoya Regulatory Technician *ConocoPhillips Company* San Juan Business Unit Phone: (505) 326-9837

Email: Crystal.Tafoya@conocophillips.com

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD. Artesia. NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Munerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe. NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

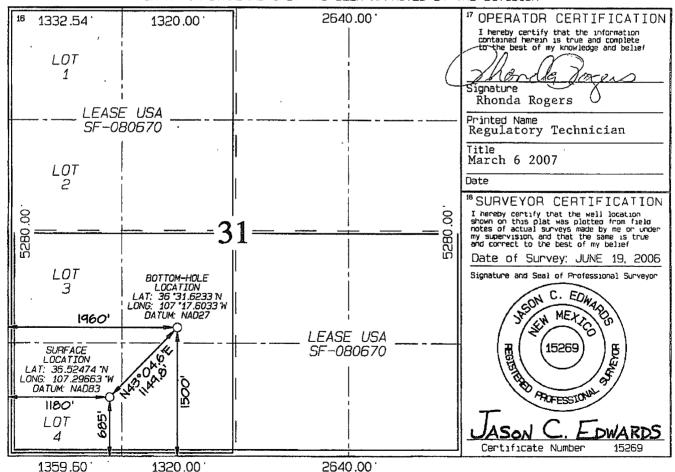
AMENDED REPORT

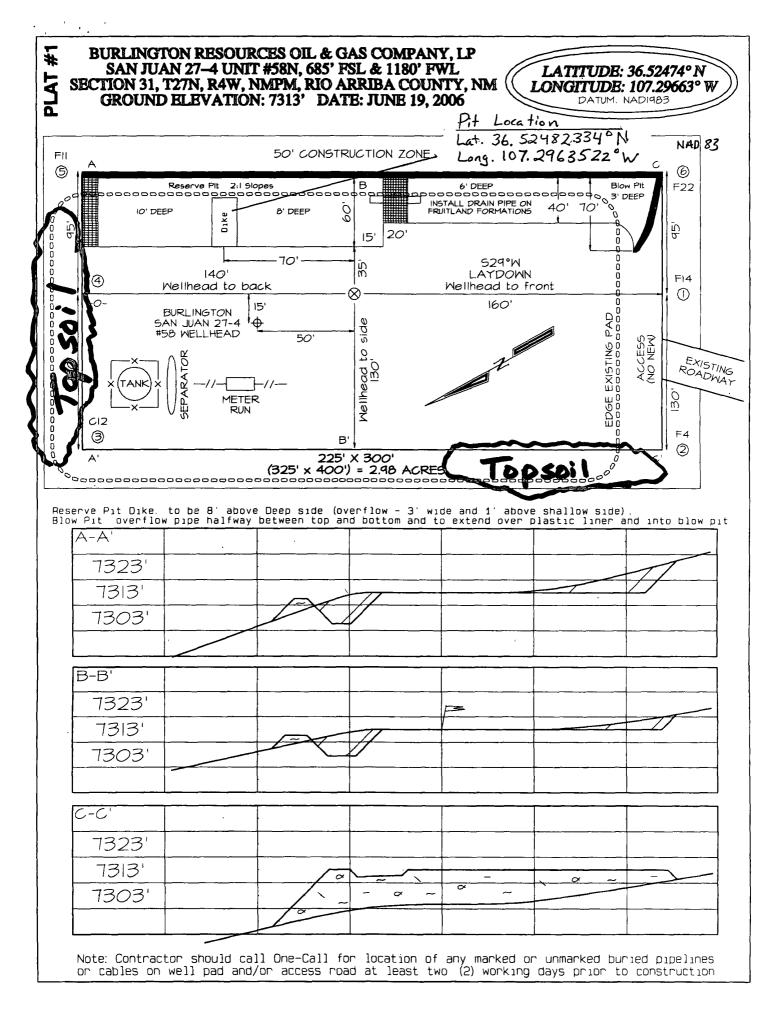
WELL LOCATION AND ACREAGE DEDICATION PLAT

| 'API Number | ²Pool Code | Pool Name | | | |
|------------------------|-------------|---|---------------------|--|--|
| 30-039- | 72319/71599 | Blanco Mesaverde/ Basin Dakot | 9. | | |
| 'Property Code 7452 | | *Property Name SAN JUAN 27-4 UNIT | | | |
| 'OGRID No. 14538 | | erator Name ES OIL & GAS COMPANY, LP | °Elevation 7313' | | |

¹⁰ Surface Location is or lot on Section Township Range Lot Ion Feet from the North/South line Feet from the East/West line RIO 27N 4W 685 М 31 SOUTH 1180 WEST ARRIBA ¹¹Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Feet from the North/South line Feet from the East/Nest line RIO 27N 1500 K 31 SOUTH 1960 WEST ARRIBA 12 Dedicated Acres Joint or Infill Consolidation Code ¹⁵ Order No. 320 acres MV E/2 320 acres DK S/2

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





Burlington Resources Oil & Gas Company, LP San Juan Basin Pit Design and Construction Plan

In accordance with Rule 19.15.17 the following information describes the design and construction of temporary pits on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

- 1. BR will design and construct a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. Prior to constructing the pit, topsoil will be stockpiled in the construction zone for later use in restoration.
- 3. BR will post a well sign, not less than 12" by 24", on the well site prior to construction of the temporary pit. The sign will list the operator on record as the operator; the location of the well site by unit letter, section, township range; and emergency telephone numbers.
- 4. BR shall construct all new fences utilizing 48" steel mesh field-fence (hogwire) on the bottom with a single strand of barbed wire on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Temporary pits will be fenced at all times excluding drilling or workover operations, when the front side of the fence will be temporarily removed for operational purposes.
- 5. BR shall construct the temporary pit so that the foundation and interior slopes are firm and free of rocks, debris, sharp edges or irregularities to prevent liner failure.
- 6. BR shall construct the pit so that the slopes are no steeper than two horizontal feet to 1 vertical foot.
- 7. Pit walls will be walked down by a crawler type tractor following construction
- 8. All temporary pits will be lined with a 20-mil, string reinforced, LLDPE liner, complying with EPA SW-846 method 9090A requirements.
- 9. Geotextile will be installed beneath the liner when rocks, debris, sharp edges or irregularities cannot be avoided.
- All liners will be anchored in the bottom of a compacted earth-filled trench at least 18 inches deep.
- 11. BR will minimize liner seams and orient them up and down, not across a slope. Factory seams will be used whenever possible. BR will ensure all field seams are welded by qualified personnel. Field seams will be overlapped four to six inches and will be oriented parallel to the line of maximum slope. BR will minimize the number of field seams in corners and irregularly shaped areas.
- 12. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.
- 13. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.
- 14. The volume of the pit shall not exceed 10 acre-feet, including freeboard.
- 15. Temporary blow pits will be constructed to allow gravity flow to discharge into lined drill pit.
- 16. The lower half of the blow pit (nearest lined pit) will be lined with the same 20 mil liner. The upper half of the blow pit will remain unlined as allowed in Rule 19.15.17.11 F.11.
- 17. BR will not allow freestanding liquids to remain on the unlined portion of a temporary blow pit.

Burlington Resources Oil & Gas Company, LP San Juan Basin Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of temporary pits on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

- BR will operate and maintain a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. BR will conserve drilling fluids by transferring liquids to pits ahead of the rigs whenever possible. All other drilling fluids will be disposed at Basin Disposal Inc., permit # NM-01-005.
- 3. BR will not discharge or store any hazardous waste in any temporary pit.
- 4. If any pit liner's integrity is compromised, or if any penetration of the liner occurs above the liquid's surface, then BR shall notify the Aztec Division office by phone or email within 48 hours of the discovery and repair the damage or replace the liner.
- 5. If a leak develops below the liquid's level, BR shall remove all liquids above the damaged liner within 48 hours and repair the damage or replace the liner. BR shall notify the Aztec Division office by phone or email within 48 hours of the discovery for leaks less than 25 barrels BR shall notify the Aztec Division office as required pursuant to Subsection B of 19.15.3.116 NMAC shall be reported within twenty-four (24) hours of discovery of leaks greater than 25 barrels. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), and Subparagraph (d) of 19.15.3.116 NMAC shall be reported to the division's Environmental Bureau Chief.
- 6. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.
- 7. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.
- 8. BR shall immediately remove any visible layer of oil from the surface of the temporary pit after cessation of a drilling or workover operation. Oil absorbent booms will be utilized to contain and remove oil from the pit's surface. An oil absorbent boom will stored on-site until closure of pit.
- 9. Only fluids generated during the drilling or workover process may be discharged into a temporary pit.
- 10. BR will maintain the temporary pit free of miscellaneous solid waste or debris.
- 11. During drilling or workover operations, BR will inspect the temporary pit at least once daily to ensure compliance with this plan. Inspections will be logged in the IADC reports. BR will file this log with the Aztec Division office upon closure of the pit.
- 12. After drilling or workover operations, BR will inspect the temporary pit weekly so long as liquids remain in the temporary pit. A log of the inspections will be stored at BR's office electronically and will be filed with the Aztec Division office upon closure of the pit.
- 13. BR shall maintain at least two feet of freeboard for a temporary pit.
- 14. BR shall remove all free liquids from a temporary pit within 30 days from the date the operator releases the drilling rig.
- 15. BR shall remove all free liquids from a cavitation pit within 48 hours after completing cavitation. BR may request additional time to remove liquids from the Aztec Division office if it is not feasible to remove liquids within 48 hours.

Burlington Resources Oil & Gas Company, LP San Juan Basin Closure Plan

In accordance with Rule 19.15.17.12 NMAC the following information describes the closure requirements of temporary pits on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of pit closure. Closure report will be filed on C-144 and incorporate the following:

- Details on Capping and Covering, where applicable.
- Plot Plan (Pit Diagram)
- · Inspection Reports
- Sampling Results
- C-105
- · Copy of Deed Notice will be filed with County Clerk

- 1. All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division—approved facility or recycle, reuse or reclaim the liquids in a manner that the appropriate division district office approves.
- 2. The preferred method of closure for all temporary pits will be on-site burial, assuming that all the criteria listed in sub-section (B) of 19.15.17.13 are met.
- 3. The surface owner shall be notified of BR's closing of the temporary pit as per the approved closure plan using certified mail, return receipt requested.
- 4. Within 6 months of the Rig Off status occurring BR will ensure that temporary pits are closed, re-contoured, and reseeded.
- 5. Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
 - i. Operator's name
 - Location by Unit Letter, Section, Township, and Range. Well name and API number.
- 6. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "All" of the liner i.e., edges of liner entrenched or buried. All excessive liner will be disposed of at a licensed disposal facility.
- 7. Pit contents shall be mixed with non-waste containing, earthen material in order to achieve the solidification process. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed a safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents:
- 8. A five point composite sample will be taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e., Dig and haul.

| Components | Tests Method | Limit (mg/Kg) | | |
|------------|---------------------------|---------------|--|--|
| Benzene | EPA SW-846 8021B or 8260B | 0.2 | | |
| BTEX | EPA SW-846 8021B or 8260B | 50 | | |
| TPH | EPA SW-846 418.1 | 2500 | | |
| GRO/DRO | EPA SW-846 8015M | 5 00 | | |
| Chlorides | EPA 300.1 | 1000/590 | | |
| | | | | |

- 9. Upon completion of solidification and testing standards being passed, the pit area will be backfilled with compacted, non-waste containing, earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater. If standard testing fails BR will dig and haul all contents pursuant to 19.15.17.13.i.a. After doing such, confirmation sampling will be conducted to ensure a release has not occurred.
- 10. During the stabilization process if the liner is ripped by equipment the Aztec OCD office will be notified within 48 hours and the liner will be repaired if possible. If the liner can not be repaired then all contents will be excavated and removed.
- 11. Dig and Haul Material will be transported to the Envirotech Land Farm located 16 miles south of Bloomfield on Angel Peak Road, CR 7175. Permit # NM010011
- 12. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 13. Notification will be sent to OCD when the reclaimed area is seeded.
- 14. BR shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

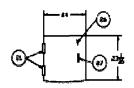
| Forest Service Seed Mix | Variety | Pounds/Acre |
|-------------------------|-----------------|-------------|
| Indian ricegrass | Paloma | 1.0 |
| Western wheatgrass | Arriba | 2.0 |
| Blue Gramma | Hacheta or Alma | 1.0 |
| Antelope Bitterbrush | Unknown | .10 |
| Four-wing saltbush | Unknown | .25 |
| Pubescent wheatgrass | Luna | 2.0 |
| Intermediate wheatgrass | Oahe | 2.0 |
| Small burnet | Delar | 1.0 |

15. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot tall riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time of all wells on the pad are abandoned. The operator's information will include the following: Operator Name, Lease Name, Well Name and number, Unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location.

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Burlington Resources Oil & Gas Company, LP San Juan Basin Below Grade Tank Design and Construction

In accordance with NMAC 19.15.17 the following information describes the design and construction of below grade tanks on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all below grade tanks (BGT). A separate plan will be submitted for any BGT which does not conform to this plan.

- 1. BR will design and construct a BGT to contain liquids and to prevent contamination of fresh water and protect public health and environment.
- 2. BR will use the general location sign posted on location. If no general sign is posted a separate sign at the location of the BGT will be provided.
- 3. BR shall construct fencing around the BGT using 4 foot hog wire fencing topped with two strands of barbed wire, or with a pipe top rail. A six foot chain link fence topped with three strands of barbed wire will be use if the well location is within 1000 feet of permanent residence, school, hospital, institution or church.
- 4. BR will construct a expanded metal covering on the top of the BGT
- 5. BR shall ensure that a below-grade tank is constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight.
- 6. The BR below-grade tank system shall have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.
- 7. BR shall construct a below-grade tank to prevent overflow and the collection of surface water run-on.
- 8. BR will construct and use a below-grade tank that does not have double walls. The below-grade tank's side walls will be open for visual inspection for leaks, the below-grade tank's bottom is elevated a minimum of six inches above the underlying ground surface and the below-grade tank is underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
- BR shall equip below-grade tanks designed in this manner with a properly operating automatic high-level shut-off control device and manual controls to prevent overflows.
- 10. The geomembrane liner shall consist of 30-mil flexible PVC or 60-mil HDPE liner, or an equivalent liner material that the appropriate division district office approves. The geomembrane liner shall have a hydraulic conductivity no greater than 1 x 10-9 cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material shall be resistant to

ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A.

11. The general specification for design and construction are attached in the BR document.

Burlington Resources Oil & Gas Company, LP San Juan Basin Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of Below Grade Pit (BGT) on Burlington Resources Oil & Gas Company, LP (BR) locations. This is BR's standard procedure for all BGT. A separate plan will be submitted for any BGT which does not conform to this plan.

- 1. BR will operate and maintain a BGT to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. BR shall not allow a below-grade tank to overflow or allow surface water run-on to enter the below-grade tank.
- 3. BR shall continuously remove any visible or measurable layer of oil from the fluid surface of a below-grade tank in an effort to prevent significant accumulation of oil overtime.
- 4. BR shall inspect the below-grade tank at least monthly and maintain a written record of each inspection for five years.
- BR shall maintain adequate freeboard to prevent overtopping of the below-grade tank.

Burlington Resources Oil & Gas Company, LP San Juan Basin Below Grade Tank Closure Plan

In accordance with Rule 19.15.17.12 NMAC the following information describes the closure requirements of Below Grade Tanks (BGTs) on Burlington Resources Oil & Gas Company, LP locations hereinafter known as BR locations. This is BR's standard procedure for all BGTs. A separate plan will be submitted for any BGT which does not conform to this plan.

General Requirements:

- 1. BR shall close a below-grade tank within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- 2. BR shall close an existing below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- BR shall close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on C-144
- 4. BR shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility.
- 5. BR shall remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.
- If there is any on-site equipment associated with a below-grade tank, then BR shall remove the equipment, unless the equipment is required for some other purpose.
- -7.—BR-shall test the soils beneath the below-grade tank to determine whether a release has occurred. BR shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyze for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100

- mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. BR shall notify the division of its results on form C-141.
- 8. If BR or the division determines that a release has occurred, then BR shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.
- If contamination is confirmed by field sampling. BR will follow the Guidelines For Remediation Of Leaks, Spills, and Releases NMOCD August 1993 when remediating contaminants identified
- 10. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then BR shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.
- 11. Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
- 12. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on C-144 and incorporate the following:
 - Details on Capping and Covering, where applicable.
 - Inspection Reports
 - Sampling Results
- 13. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 14. BR shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

- 15. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
- 16. The surface owner shall be notified of BR's closing of the below-grade tank as per the approved closure plan using certified mail, return receipt requested.