District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W Grand Ave, Artesia, NM 88210

District III

1000 Rio Brazos Rd, Aztec, NM 87410

District IV

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

State of New Mexico Energy Minerals and Natural Resources

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

July 21, 2008

For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

Form C-144

For permanent pits and exceptions submit to the Santa Fe 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

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 liability 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

environment. Nor does approval relieve the operator of its responsibility to o	comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: Burlington Resources Oil & Gas Company, LP	OGRID#: <u>14538</u>
Address: PO Box 4289, Farmington, NM 87499	
Facility or well name: Cornell 4R	
API Number: 30-045-30844	OCD Permit Number:
U/L or Qtr/Qtr: F (SENW) Section: 14 Township:	29N Range: 12W County: San Juan
Center of Proposed Design: Latitude: 36.728620' N	Longitude: 108.070730' W NAD: X 1927 1983
Surface Owner: X Federal State Private	Tribal Trust or Indian Allotment
Pit: Subsection F or G of 19.15.17.11 NMAC Temporary. Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness String-Reinforced Liner Seams. Welded Factory Other	mil LLDPE HDPE PVC Other Volume: bbl Dimensions L x W x D
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material: Secondary containment with leak detection Visible sidewal Visible sidewalls and liner Visible sidewalls only Liner Type: Thickness mil HDPE Alternative Method;	Ils, liner, 6-inch lift and automatic overflow shut-off Other PVC Other
	nutted to the Santa Ee Environmental Rureau office for consideration of approval
Submittal of an exception request is required. Exceptions must be subm	utted 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 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. 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	Yes No			
 (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. 	Yes No			
 (Applies to temporary, emergency, or cavitation pits and below-grade tanks) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. 	NA Yes No			
 (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 purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. 	∐NA ☐Yes ☐No			
 NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site. Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended Written confirmation or verification from the municipality; Written approval obtained from the municipality 	Yes No			
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 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 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			

Form C-144 Oil Conservation Division Page 2 of 5

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist Subsection B of 19.15.17.9 NMAC Instructions Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.			
Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC			
Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9			
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC			
Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC			
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC			
Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of			
19.15.17.9 NMAC and 19.15.17.13 NMAC			
Previously Approved Design (attach copy of design) API or Permit			
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.			
Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9			
Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC			
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			
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 Clarence 10 15 17 12 NMAC			
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.			
Type: Drilling Workover Emergency Cavitation 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 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			

Form C-144 Oil Conservation Division Page 3 of 5

16						
Waste Removal Closure For Closed-loop Systems That Utilize Above Groun Instructions Please identify the facility or facilities for the disposal of liquids, d	ad Steel Tanks or Haul-off Bins Only: (19 15 17 13 D NMAC) brilling fluids and drill cuttings. Use attachment if more than two)				
facilities are required	D. 15 W. D. 10 J. 200					
Disposal Facility Name: Envirotech	Disposal Facility Permit #: NM-01-0011					
Disposal Facility Name: Basin Disposal Facility	Disposal Facility Permit #: NM-01-005	 ,				
Yes (If yes, please provide the information No	Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will nbe used for future service and Yes (If yes, please provide the information No					
Required for impacted areas which will not be used for future service and opera Soil Backfill and Cover Design Specification - based upon the a		IMAC.				
Re-vegetation Plan - based upon the appropriate requirements of S						
Site Reclamation Plan - based upon the appropriate requirements of	of Subsection G of 19 15 17 13 NMAC					
17 Siting Criteria (Regarding on-site closure methods only: 19.15.17.10 Instructions Each stung criteria requires a demonstration of compliance in the closure placetian siting criteria may require administrative approval from the appropriate district of office for consideration of approval Justifications and/or demonstrations of equivalency of the consideration of approval structures.	ian Recommendations of acceptable source material are provided below ffice or may be considered an exception which must be submitted to the S are required Please refer to 1915 1710 NMAC for guidance	Santa Fe Environmental Bureau				
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - 1WATERS database search, USGS: Do		Yes No				
- NW Office of the State Engineer - TWATERS database search, USGS Da	na obtained from hearby wens	N/A □				
Ground water is between 50 and 100 feet below the bottom of the burie		Yes No				
- NM Office of the State Engineer - iWATERS database search, USGS, Da	ta obtained from nearby wells	∐N/A				
Ground water is more than 100 feet below the bottom of the buried was		Yes No				
- NM Office of the State Engineer - iWATERS database search; USGS, Da	ta obtained from nearby wells	N/A				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other (measured from the ordinary high-water mark).	significant watercourse or lakebed, sinkhole, 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 chu - Visual inspection (certification) of the proposed site; Aerial photo; satellite		Yes No				
Within 500 horizontal feet of a private, domestic fresh water well or spring that I purposes, or within 1000 horizontal fee of any other fresh water well or spring. - NM Office of the State Engineer - iWATERS database; Visual inspection Within incorporated municipal boundaries or within a defined municipal fresh was	Yes No					
pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written appro						
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map; Topographic map; Visu	ual inspection (certification) of the proposed site	Yes No				
Within the area overlying a subsurface mine.		Yes No				
- Written confirantion or verification or map from the NM EMNRD-Mining	g and Mineral Division					
Within an unstable area Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society;		Yes No				
Topographic map Within a 100-year floodplain. - FEMA map		Yes No				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: by a check mark in the box, that the documents are attached.	Each of the following items must bee attached to the clo	osure plan. Please indicate,				
Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC						
Proof of Surface Owner Notice - based upon the appropriate 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 ☐ 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						

Form C-144 Oil Conservation Division Page 4 of 5

19 Operator Application Certification:						
I hereby certify that the information submitted with this application is true, accurate	rate and complete to the be	st of my knowledge and belief				
Name (Print) Rhonda Rogers	Title:	Regulatory Technician				
Signature Skonke Socies	Date:	9/9/2008				
e-mail address: rogerrs@conocophilligs.com	Telephone:	505-599-4018				
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) OCD Representative Signature: Approval Date: 10-2-08						
Title: Enviro/spec	OCD Perm	it 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 If different from approved plan, please explain.	Alternative Closure	Method Waste Removal (Closed-loop systems only)				
23 Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please identify the facility or facilities for where the liquids, dril were utilized.						
Disposal Facility Name.	Disposal Facility	Permit Number:				
Disposal Facility Name.	_ Disposal Facility					
Were the closed-loop system operations and associated activities performed Yes (If yes, please demonstrate compliane to the items below)	on or in areas that will not	be used for future service and opeartions?				
Required for impacted areas which will not be used for future service and of Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique						
Closure Report Attachment Checklist: Instructions: Each of the for 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	llowing items must be attac	hed to the closure report. Please indicate, by a check mark in				
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 closur the closure complies with all applicable closure requirements and conditions sp. Name (Print): Signature:	•					
e-mail address:	Telephone:					

Form C-144 Oil Conservation Division Page 5 of 5

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). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) 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
- 4. All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.

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) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005). 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.