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

| <u>110pc</u> | sed Thermative Method Territ of Closure Trail Application |
|--|--|
| Type of action: | 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 |
| | X 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 ap | plication (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request |
| | this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the ve 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: Crandell Com | 501S |
| API Number: 30- | 045-34509 OCD Permit Number. |
| U/L or Qtr/Qtr: H(SENE) Section | |
| Center of Proposed Design: Latitude: | 36.85760' N Longitude: 108.06156' W NAD: 1927 X 1983 |
| Surface Owner: Federal | State X Private Tribal Trust or Indian Allotment |
| X Lined Unlined Lin X String-Reinforced | vitation P&A er type Thickness 20 mil X LLDPE HDPE PVC Other tory Other Volume: 4400 bbl Dimensions L 65' x W 45' x D 10' |
| Zinor Sound A Worked A Tue | Totalic. 4700 co. 2 months 2 63 A 11 42 A 2 |
| Closed-loop System: Subsection Type of Operation P&A | on H of 19.15.17 11 NMAC Drilling a new well |
| Lined Unlined Liner | ctory Other |
| Below-grade tank: Subsection 1 of Volume bb | \mathrew{\text{\tin}\text{\tin}\exitt{\text{\tin}\exitt{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tetx{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tin}\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\tin}\tint{\text{\text{\text{\text{\text{\text{\text{\tin}}\tint{\text{\text{\text{\text{\text{\text{\text{\text{\text{\ti}\tilit{\text{\texi}}\tinttit{\text{\texi}\til\tittt{\text{\ti}\tint{\tiin}\tiint |
| Tank Construction material Secondary containment with leak dete | ection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off |
| Visible sidewalls and liner | Visible sidewalls only Other |
| Liner Type. Thickness | mil HDPE PVC Other |

Alternative Method:

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, install. Four foot height, four strands of barbed wire evenly spaced between one and four feet X Alternate. Please specify 4' hogwire fence with a single strand of barbed wire on top. | intion or churc | ch) |
|---|-----------------|--------|
| 7 | | |
| 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) | | |
| 8 | | |
| 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 cons | ideration of ap | proval |
| Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. | | |
| 10 | | |
| 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 | XNo |
| 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 | XNo |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | Yes | XNo |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks) | □NA | |
| - 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. (Applied to permanent pits) | Yes XNA | ∐No |
| - 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. | Yes | XNo |
| - 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 | Yes | XNo |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | Yes | XNo |
| Within the area overlying a subsurface mine. | Yes | XNo |
| - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division Within an unstable area. | Yes | XNo |
| - 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 | X 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 |
| Trydrogeologic Neport (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 X Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 |
| In Tryatogeologic Bata (Temporary and Energency Fits) of observations of Temporary and Energency Fits) of the Energency Fits of the Energy Fi |
| 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 or Permit |
| 12 |
| Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15 17 9 NMAC Instructions. Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 |
| Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC |
| 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 |
| 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 X Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System |
| Alternative |
| Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) |
| X On-site Closure Method (only for temporary pits and closed-loop systems) |
| X In-place Burial On-site Trench |
| Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration) |
| |
| Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. |
| Please indicate, by a check mark in the box, that the documents are attached. |
| Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC |
| Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC |
| Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) |
| Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15 17.13 NMAC |
| Re-vegetation Plan - based upon the appropriate requirements of Subsection 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 3 of 5

| 16 | | |
|--|---|-------------------------------------|
| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Ta Instructions: Please identify the facility or facilities for the disposal of liquidy, drilling fluid | | culities |
| are required. | | |
| Disposal Facility Name: Dis | posal Facility Permit #: | 1 |
| Disposal Facility Name Dis | posal Facility Permit #: | |
| Will any of the proposed closed-loop system operations and associated activities occur. Yes (If yes, please provide the information No | cur on or in areas that will not be used for future ser | rvice and operations? |
| Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specification - based upon the appropriate re Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection | I of 19 15 17 13 NMAC | |
| | | |
| Siting Criteria (Regarding on-site closure methods only: 19 15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan Reconcertain siting criteria may require administrative approval from the appropriate district office or may for consideration of approval. Justifications and/or demonstrations of equivalency are required. Plantage of the consideration of approval. | ly be considered an exception which must be submitted to the S | anta Fe Environmental Bureau office |
| 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 X No |
| Company of the house of the hou | | Yes X No |
| Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS; Data obtained | from nearby wells | □ N/A |
| , and the second | | |
| Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained | from nearby wells | X Yes No |
| - | | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant (measured from the ordinary high-water mark). | watercourse or lakebed, sinkhole, or playa lake | Yes X No |
| - 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 exist - Visual inspection (certification) of the proposed site; Aerial photo, satellite image | ence at the time of initial application | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existence - NM Office of the State Engineer - iWATERS database, Visual inspection (certification) | at the time of the initial application n) of the proposed site | Yes X No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well fi pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained | | Yes XNo |
| Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection | | Yes XNo |
| Within the area overlying a subsurface mine. | in (certification) of the proposed site | Yes X No |
| - Written confiramtion or verification or map from the NM EMNRD-Mining and Mine | ral Division | |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Minera | il Resources; USGS; NM Geological Society; | Yes X No |
| Topographic map | | |
| Within a 100-year floodplain FEMA map | | Yes X No |
| On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the | he following items must bee 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 rec | unirements of 19.15.17.10 NM AC | |
| X Siting Criteria Compliance Demonstrations - based upon the appropriate red X Proof of Surface Owner Notice - based upon the appropriate requirements of | | |
| Construction/Design Plan of Burial Trench (if applicable) based upon the a | | |
| Construction/Design Plan of Temporary Pit (for in place burial of a drying p | | 0.15.17.11 NMAC |
| X Protocols and Procedures - based upon the appropriate requirements of 19.1 | | |
| Confirmation Sampling Plan (if applicable) - based upon the appropriate rec | | |
| X Waste Material Sampling Plan - based upon the appropriate requirements o | f Subsection F of 19 15 17 13 NMAC | • |
| X Disposal Facility Name and Permit Number (for liquids, drilling fluids and | drill cuttings or in case on-site closure standards can | not be achieved) |
| X Soil Cover Design - based upon the appropriate requirements of Subsection | | |
| X Re-vegetation Plan - based upon the appropriate requirements of Subsection | | |
| X Site Reclamation Plan - based upon the appropriate requirements of Subsec | tion G of 19.15.17.13 NMAC | |

| 19 Occupation Application Contifications |
|--|
| Operator Application Certification: Thereby 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 |
| // 10 - 1 |
| |
| e-mail address: crystal.tafoya@conocophillips.com Telephone: 505-326-9837 |
| 20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) |
| OCD Representative Signature: Approval Date: /0-21-08 |
| Title: En vino/spec OCD Permit Number: |
| Title: En Jin Spec OCD Permit 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: |
| |
| Closure Method: Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain. |
| 23 |
| Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: |
| Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized. |
| Disposal Facility Name Disposal Facility Permit Number |
| Disposal Facility Name: Disposal Facility Permit Number: |
| Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? |
| Yes (If yes, please demonstrate compliane to the items below) |
| Required for impacted areas which will not be used for future service and operations: |
| Site Reclamation (Photo Documentation) |
| Soil Backfilling and Cover Installation |
| Re-vegetation Application Rates and Seeding Technique |
| Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. |
| Proof of Closure Notice (surface owner and division) |
| Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) |
| Confirmation Sampling Analytical Results (if applicable) |
| Waste Material Sampling Analytical Results (if applicable) |
| Disposal Facility Name and Permit Number |
| Soil Backfilling and Cover Installation |
| Re-vegetation Application Rates and Seeding Technique |
| Site Reclamation (Photo Documentation) |
| On-site Closure Location: Latitude: Longitude: NAD 1927 1983 |
| |
| Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan. |
| Name (Print): Title: |
| Signature: Date: |
| e-mail address: Telephone. |

New Mexico Office of the State Engineer POD Reports and Downloads

| Township: 31N | Range: 12W Sections | 25,26,27,34,35,36 | |
|---------------------|--------------------------------|---------------------------|------------|
| NAD27 X: | Y: Zone: | Search Radius: | - |
| County: | Basin: | Number: | Suffix: |
| Owner Name: (First) | (Last) All | O Non-Domestic | O Domestic |
| POD / Sur | face Data Report Water Column | Avg Depth to Water Report |) |
| | Clear Form iWATER | RS Menu Help | |

WATER COLUMN REPORT 10/06/2008

| | (quarter: | s are 1 | =NW 2 | =NE | 3=SW 4=SE) | | | | |
|------------|-----------|---------|-------|------|--------------------|-------|-------|----------|--------|
| | (quarter: | s are b | igges | t to | smallest) | | Der | th Deptl | h Wat∈ |
| POD Number | Tws | Rng Se | c q q | Q q | Zone | x | Y Wel | .1 Water | Colum |
| SJ 01477 | 31N | 12W 25 | 2 | | | | 56 | 55 505 | € |
| SJ 01163 | 31N | 12W 25 | 2 1 | 3 | | | 20 | 00 90 | 11 |
| SJ 01108 | 31N | 12W 25 | 2 1 | 4 | | | 24 | 15 90 | 15 |
| SJ 01303 | 31N | 12W 25 | 2 2 | 3 | | | 21 | .0 | |
| SJ 01180 | 31N | 12W 25 | 2 2 | 4 | | | 20 | 00 120 | 8 |
| SJ_00968 | 31N | 12W 25 | 2 4 | | | | 17 | 70 100 | 7 |
| SJ_02021 X | 31N | 12W 35 | 4 2 | انمت | المرامد المستخدمات | i ina | 20 | 250- | 1 |
| SJ 02021 | 31N | 12W 35 | 4 2 | | | | 11 | _5 | |
| SJ 03309 | 31N | 12W 35 | 4 4 | 4 | | | 24 | 10 210 | 3 |

Record Count: 9

New Mexico Office of the State Engineer POD Reports and Downloads

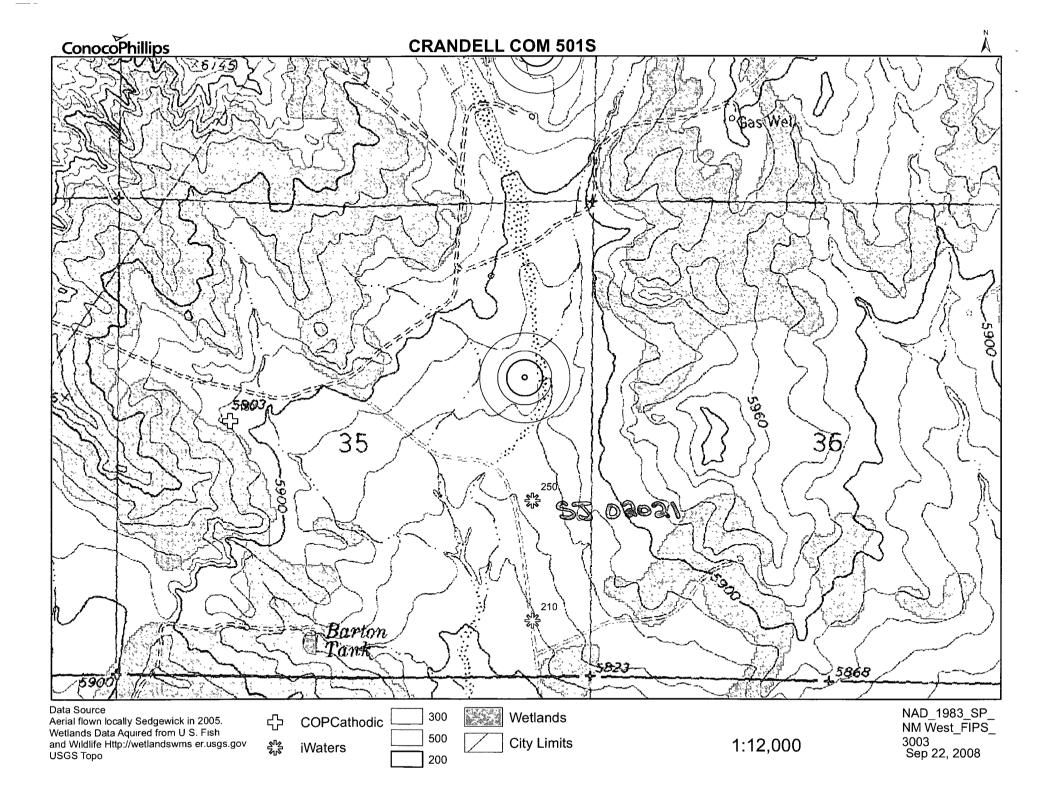
| Township: 30N | Range: 12W | Sections: 1,2,3 | 3 | | | | | | | | |
|-----------------------------|---|-----------------|---|----------------|--|--|--|--|--|--|--|
| NAD27 X: | Y: | Zone: | | Search Radius: | | | | | | | |
| County: | Basin: | | | Number: | Suffix: | | | | | | |
| Owner Name: (First) POD/Su | (Lastrace Data Report | | | ○ Non-Domestic | ○ Domestic | | | | | | |
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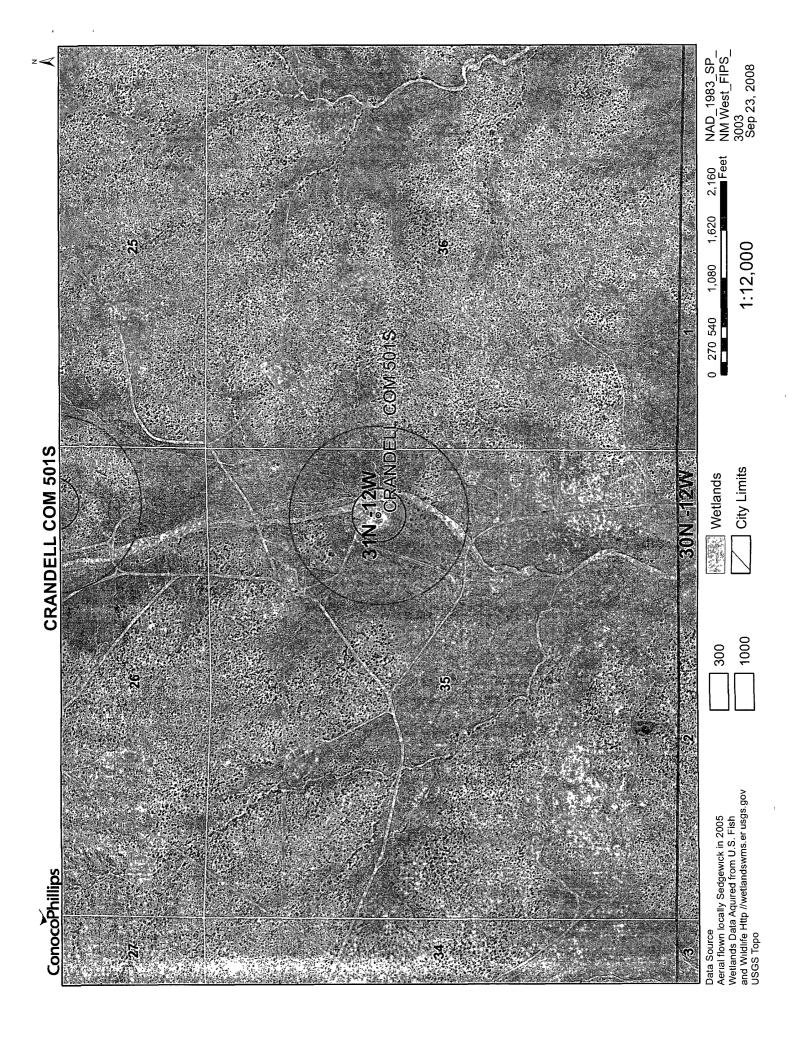
WATER COLUMN REPORT 10/06/2008

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

| | (quarter | s are | e bi | gge | est | t to | smallest | :) | | Depth | Depth | Wat∈ |
|------------|----------|-------|------|-----|-----|------|----------|----|---|-------|-------|----------|
| POD Number | Tws | Rng | Sec | q | q | Q. | Zone | X | Y | Well | Water | Colum |
| SJ 02643 | 30N | 12W | 02 | 3 | 3 | 2 | | | | 195 | 140 | <u> </u> |
| SJ 02707 | 30N | 12W | 02 | 3 | 4 | 3 | | | | 235 | 135 | 1(|

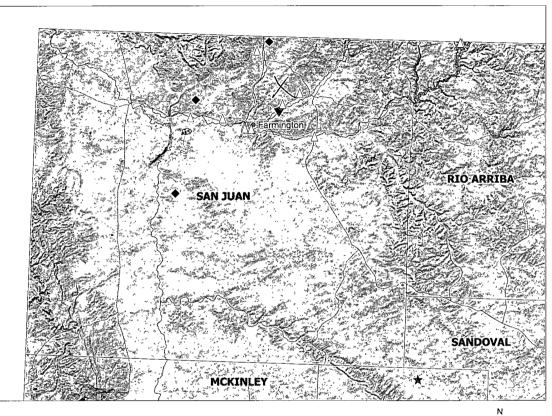
Record Count: 2





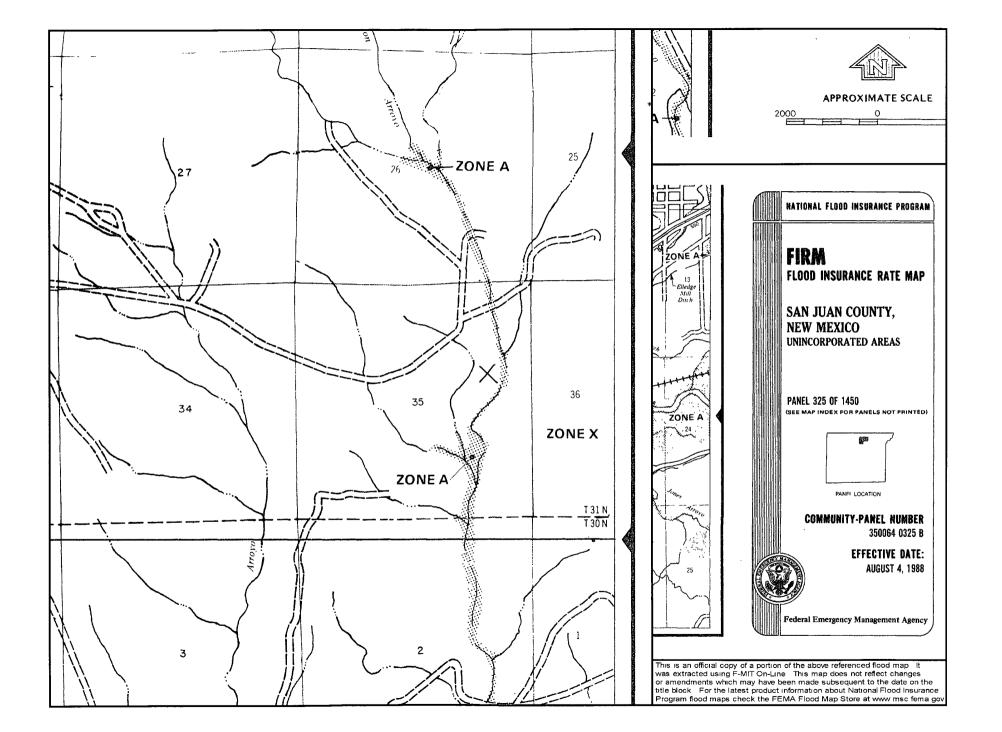
Crandell Com 501S Mines, Mills and Quarries Web Map

Mines, Mills & Quarries Commodity Groups **Aggregate & Stone Mines Coal Mines Industrial Minerals Mines** Industrial Minerals Mills **Metal Mines and Mill Concentrate Potash Mines & Refineries** Smelters & Refinery Ops. **Uranium Mines Uranium Mills Population** Cities - major **Transportation** Railways **Interstate Highways Major Roads**









Hydrogeological Report for Crandell Com 501S

Regional Geological context:

The Nacimiento Formation is of Paleocene age (Baltz, 1967, p. 35). It crops out in a broad band inside the southern and western margins of the central basin and in a narrow band along the west face of the Nacimiento Uplift. The Nacimiento is a nonresistant unit and typically erodes to low, rounded hills or forms badland topography.

The Nacimiento Formation occurs in approximately only the southern two-thirds of the San Juan Basin where it commformably overlies and intertongues with the Ojo Alamo Sandstone (Fassett, 1974, p. 229). The Nacimiento Formation grades laterally into the main part of the Animas Formation (Fassett and Hinds, 1971, p. 34); thus, in this area, the two formations occupy the same stratigraphic interval.

Strata of the Nacimiento Formation were deposited in lakebeds in the central basin area with lesser deposition in stream channels (Brimhall, 1973, p. 201). In general, the Nacimiento consists of drab, interbedded black and gray shale with discontinuous, white, medium- to very coarse grained arkosic sandstone (Stone e al., 1983, p.30). Stone et al. indicated that the formation may contain more sandstone than commonly reported because some investigators assume the slope-forming strata in the unit area shales, whereas in many places the strata actually are poorly consolidated sandstones. Total thickness of the Nacimiento Formation ranges from about 500 to 1,300 feet. The unit generally thickens from the basin margins toward the basin center (Steven et al., 1974). The sandstone deposits within the Nacimiento Formation are much thinner than the total thickness of the formation because their environment of deposition was localized stream channels (Brimhall, 1973, p. 201). The thickness of the combined San Jose, Animas, and Nacimiento Formations ranges from 500 to more than 3.500 feet.

Hydraulic Properties:

Reported well yields for 53 wells completed in either the Animas or Nacimiento Formations range from 2 to 90 gallons per minute and the median yield is 7.5 gallons per minute. The primary use of water from Nacimiento and Animas Formations is domestic and livestock supplies. There are no known aquifer tests for the Animas or Nacimiento Formations, but specific capacities reported for six wells range from 0.24 to 2.30 gallons per minute per foot of drawdown (Levings et al., 1990).

The Animas and Nacimiento Formations are in many ways hydrologically similar to the San Jose Formation because sands in both units produce approximately the same quantities of water. However, the greater percentage of fine materials in the Animas and Nacimiento Formations may restrict downward vertical leakage to the Ojo Alamo Sandstone or Kirtland Shale. The poorly cemented fine material is highly erodible, forms a badland terrain, and supports only spotty vegetation. These conditions are more conductive to runoff than retention of precipitation.

References:

Baltz, E.H., 1967, Stratigraphy and regional tectonic implications of part of Upper Cretaceous rocks, east-central San Juan Basin, New Mexico: USGS Professional Paper

552, 101 p.

Brimhall, R.M., 1973, Ground-water hydrology of Tertiary rocks of the San Juan Basin, New Mexico, in Fassett, J.E., ed., Cretaceous and Tertiary rocks of the Southern Colorado Plateau: Four Corners Geological Society Memoir, p. 197-207.

Fassett, J.E., 1974, Cretaceous and Tertiary rocks of the eastern San Juan Basin, New Mexico and Colorado, in Guidebook of Ghost Ranch, central-northern New Mexico: New Mexico Geological Society, 25th Field Conference, p. 225-230.

Fassett, J.E., and Hinds, J.S., 1971, Geology and fuel resources of the Fruitland Formation and Kirtland Shale of the San Juan Basin, New Mexico and Colorado: USGS Professional Paper 676, 76 p.

Levings, G.W., Craigg, S.d., Dam, W.L., Kernodle, J.M., and Thorn, C.R., 1990, Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan structural basin, New Mexico, Colorado, Arizona, and Utah: USGS Hydrologic Investigations Atlas HA-720-A, 2 sheets.

Stone, W.J., Lyford, F.P., Frenzel, P.F., Mizell, N.H., and Padgett, E.T., 1983, Hydrogeology and water resources of San Juan Basin, New Mexico: New Mexico Bureau of Mines and Mineral Resources, Hydrologic Report 6.

Siting Criteria Compliance Demonstration & Hydro Geologic Analysis

The Crandell Com 501S is not located in an unstable area. The location is not over a mine and is not on the side of a hill as indicated on the Mines, Mills and Quarries Map and Topographic Map. The location of the excavated pit material will not be located within 300' of any continuously flowing watercourse or 200' from any other watercourse as indicated on the Topographic Map. The location is not within a 100-year floodplain area as indicated on the FEMA Map. The subject well has an elevation of 5864'. The iWATERS data point is located directly below the subject well and is SJ02021 with a depth to groundwater of 250' as indicated on the TOPO Map. The iWATERS data provides the indication that groundwater depth is greater than 100'. The hydro geologic analysis indicates the groundwater depth and the Nacimiento formation will create a stable area for this new location.



ConocoPhillips Company GRFS / PTRRC – San Juan Business Unit Juanita Farrell 3401 East 30th Street Farmington, NM 87402 Telephone: (505) 326-9597

Telephone: (505) 326-9597 Facsimile: (505) 324-6136

July 30, 2008

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

7110-6605-9590-0026-0371

Vernon H. Fairchild 618 West Cherry Flagstaff, AZ 86001-4432

Subject:

Crandell Com 501S

NE Section 35, T31N, R12W San Juan County, New Mexico

Dear Landowner:

Pursuant to Paragraph 1 (b) of Subsection F of 19.15.17.13 NMAC, an operator shall provide the surface owner of the operator's proposal to close a temporary pit on-site in compliance with the on-site closure methods specified in the same Subsection of the NMAC. In compliance of this requirement, please consider this notification of ConocoPhillips' intent to close the temporary pit on the above referenced location.

If you have any questions, please contact Maxwell Blair @ (505)599-4021.

Sincerely,

Juanita Farrell

Juanita Farrell Staff Associate, PTRRC DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240 State of New Mexico Energy. Minerals & Natural Resources Department Form C-102 Revised October 12, 2005

DISTRICT II 1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.H. 87410 OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe. NM 87505 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | ² Pool Code | Spool Name |
|----------------|------------------------------|----------------------|
| 30- 045 | 71629 | BASIN FRUITLAND COAL |
| *Property Cade | ⁶ Property Name | • Well Number |
| 32856 | CRANDELL COM | 501S |
| OGRAD No. | Operator Name | * Elevation |
| 14538 | BURLINGTON RESOURCES OIL AND | GAS COMPANY LP 5864' |

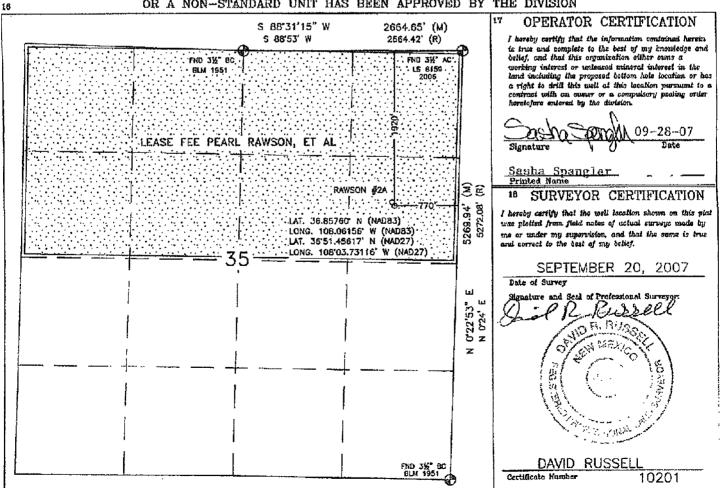
¹⁰ Surface Location

| UL or let no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | Bost/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| н | 35 | 31N | 12W | | 1920' | NORTH | 770' | EAST | SAN JUAN |
| | | | | | | | | | |

¹¹ Rottom Hole Location If Different From Surface

| | | | DOUG | SILL LIGIT | Document 1 | DEPLOY OND XX | MIL DULIGOO | | |
|----------------------|---------|------------------------|--------|--------------------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. H | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres | | ¹⁸ Joint or | infill | 14 Consolidation C | ode | "Crder No. | | - | |
| 320.00 Acres - (N/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 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

General Plan:

- 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. The facilities to be used will be Basin Disposal (Permit #NM-01-005) and Envirotech Land Farm (Permit #NM-01-011).
- 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 prior to closure as per the approved closure plan via 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 prior to closure to the Aztec Division office between 72 hours and one week 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.
- 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 the San Juan County Landfill located on CR 3100.
- 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 | 500 |
| Chlorides | EPA 300.1 | 1000/\$00 |
| | | |

- 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. Reshaping 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 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.

| Туре | Variety or Cultivator | PLS/A |
|--------------------------|--------------------------|-------|
| Western wheatgrass | Arriba | 3.0 |
| Indian ricegrass | Paloma or Rimrock | 3.0 |
| Slender wheatgrass | San Luis | 2.0 |
| Crested wheatgrass | Hy-crest | 3.0 |
| Bottlebrush Squirreltail | Unknown | 2.0 |
| Four-wing Saltbrush | Delar | .25 |

Species shall be planted in pounds of pure live seed per acre: Present Pure Live Seed (PLS) = Purity X Germination/100 Two lots of seed can be compared on the basis of PLS as follows:

Source No. One (poor quality)

Purity

50 percent

Germination

40 percent

Percent PLS

20 percent

Source No. two (better quality)

Purity

80 percent

Germination

63 percent

Percent PLS

50 percent

5 lb. bulk seed required to make 2 lb. bulk seed required to make

1 lb. PLS 1 lb. PLS

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.