#### <u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy Minerals and Natural Resources Form C-144 July 21, 2008

District II

1301 W Grand Ave., Artesia, NM 88210

District III

1000 Rio Biazos Rd , Aztec, NM 87410

<u>District IV</u> 1220 S St Francis Di , Santa Fe, NM 87505 Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe. NM 87505

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

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

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# 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

1 Operator: ConocoPhillips Company	OGRID#: 217817 RCAD ANG 25 %
Address: PO Box 4289, Farmington, NM 87499	ON COMS ON
Facility or well name: San Juan 31-6 Unit 13H	Han. C
API Number: 30-039-29652 OCD Permit Num	nber·
U/L or Qtr/Qtr: M(SW/SW) Section: 4 Township: 30N Range:	6W County: Rio Arriba
Center of Proposed Design: Latitude: 36.836343 °N Longitude:	<b>107.474108</b> - °W NAD: X 1927 1983
Surface Owner: x Federal State Private Tribal Trust or Indi	ian Allotment
Temporary: Drilling Workover  Permanent Emergency Cavitation P&A  Lined Unlined Liner type Thickness mil LLDPE  String-Reinforced  Liner Seams Welded Factory Other Volume:	HDPE PVC Other  bbl Dimensions L x W x D
X Closed-loop System: Subsection H of 19.15.17.11 NMAC  Type of Operation: P&A Drilling a new well X Workover or Drilling (Applies notice of intent)  Drying Pad X Above Ground Steel Tanks Haul-off Bins Other  Lined Unlined Liner type. Thickness mil LLDPE  Liner Seams. Welded Factory Other	to activities which require prior approval of a permit or  HDPE PVD Other
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 sidewalls, liner, 6-inch lift and au  Visible sidewalls and liner Visible sidewalls only Other  Liner Type: Thickness mil HDPE PVC Other	utomatic overflow shut-off
5  Alternative Method:  Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environment of the Santa F	onmental Bureau office for consideration of approval

Encing: 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 wite 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  Signed in compliance with 19.15 3.103 NMAC					
Administrative Approvals and Exceptions:  Justifications and/or demonstrations of equivalency are required. Please refer to 19 15 17 NMAC for guidance.  Please check a box if one or more of the following is requested, if not leave blank:  Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consideration of approval.  (Fencing/BGT Liner)  Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.					
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.					
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.  - NM Office of the State Engineer - 1WATERS database search; USGS; Data obtained from nearby wells	Yes No				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	Yes No				
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes No				
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	□NA				
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 No				
<ul> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> <li>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.</li> </ul>	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	Yes No				
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes No				
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	Yes No				
Within a 100-year floodplain - FEMA map	Yes No				

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15.17 9 NMAC Instructions Each of the following items must be attached to the application Please indicate, by a check mark in the box, that the documents are attached Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC  Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17 9  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15.17.10 NMAC  Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17 12 NMAC  Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17 9 NMAC and 19 15.17.13 NMAC
Previously Approved Design (attach copy of design)  API or Permit
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  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
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 19.15.17.11 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
Proposed Closure: 19 15.17 13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.  Type: Drilling X Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank 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)
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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

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Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel					
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling flivare required			ılıtıes		
Disposal Facility Name: Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #.	NM-01-0011 / NM-01-001	0B		
Disposal Facility Name: Basin Disposal Facility	Disposal Facility Permit #:	NM-01-005			
Will any of the proposed closed-loop system operations and associated activities of Yes (If yes, please provide the information No	occur on or in areas that wi	ll not be used for future ser	vice and oper	ations?	
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-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection Plan - based upon the appropriate Plan - based upo	on Lof 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. Receptum siting criteria may require administrative approval from the appropriate district office or for consideration of approval Justifications and/or demonstrations of equivalency are required	may be considered an exception	which must be submitted to the Sc			
Ground water is less than 50 feet below the bottom of the buried waste.			Yes	No	
- NM Office of the State Engineer - IWATERS database search; USGS: Data obtain	ed from nearby wells		☐N/A		
Ground water is between 50 and 100 feet below the bottom of the buried waste			Yes	ΠNo	
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtaine	ed from nearby wells		∏ <sub>N/A</sub>		
Ground water is more than 100 feet below the bottom of the buried waste.	•		☐Yes	□No	
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtaine	d from nearby wells		□N/A		
- Not office of the State Engineer - TWATERS database seaten, 0505, Data obtaine	d from hearby wens				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant (measured from the ordinary high-water mark).	nt watercourse or lakebed, sin	khole, or playa lake	Yes	No	
- Topographic map; Visual inspection (certification) of the proposed site					
Within 300 feet from a permanent residence, school, hospital, institution, or church in exi- Visual inspection (certification) of the proposed site; Aerial photo, satellite image	istence at the time of initial ap	pplication.	∐Yes	]No	
Within 500 horizontal 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 fee of any other fresh water well or spring, in existence at the time of the initial application - NM Office of the State Engineer - iWATERS database, Visual inspection (certification) of the proposed site				No	
Within incorporated municipal boundaries or within a defined municipal fresh water well pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality, Written approval obtain		pal ordinance adopted	Yes	No	
Within 500 feet of a wetland	ed nom the municipality		∏Yes	$\square_{No}$	
- US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspec	tion (certification) of the prop	osed site	L	LJ."	
Within the area overlying a subsurface mine.  - Written confinantion or verification or map from the NM EMNRD-Mining and Min	neral Division		Yes	No	
Within an unstable area			Yes	ΠNo	
- Engineering measures incorporated into the design, NM Bureau of Geology & Mine Topographic map	eral Resources; USGS; NM G	eological Society;	L.J	Land To T	
Within a 100-year floodplain FEMA map			Yes	No	
On-Site Closure Plan Checklist: (19.15 17.13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached.	the following items must	bee attached to the closure	plan. Please	indicate,	
Siting Criteria Compliance Demonstrations - based upon the appropriate r	equirements of 19.15 17.10	) NMAC			
Proof of Surface Owner Notice - based upon the appropriate requirements	of Subsection F of 19.15.1	7 13 NMAC			
Construction/Design Plan of Burial Trench (if applicable) based upon the	appropriate requirements of	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					

19 Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief
Name (Print): Jamie Goodwin Title: Regulatory Technician
Signature: / Jamus GoodWin Date 8 21 09
e-mail address: Jamie L Goodwin@conocophillips.com Telephone: 505-326-9784
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature: 33/ Approval Date: 9/1/09
Title: /Enviro/spec OCD Permit Number:
21  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:
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Closure Method:
Waste Excavation and Removal On-site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)
lf different from approved plan, please explain.
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
24
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in
the box, that the documents are attached.
Proof of Closure Notice (surface owner and division)
Proof of Deed Notice (required for on-site closure)  Plot Plan (for on-site closures and temporary pits)
Confirmation Sampling Analytical Results (if applicable)
Waste Material Sampling Analytical Results (if applicable)  Disposal Facility Name and Permit Number
Soil Backfilling and Cover Installation
Re-vegetation Application Rates and Seeding Technique
Site Reclamation (Photo Documentation)
On-site Closure Location Latitude: Longitude: NAD 1927 1983
25
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 condutions specified in the approved closure plan.
Name (Print): Title:
Signature: Date
e-mail address:  Telephone:

## ConocoPhillips Company Closed-loop Plans

#### Closed-loop Design Plan

COPC'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**

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

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) on a periodic basis to prevent over topping.
- 2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately
- 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) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.