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 r temporary pits, closed-loop sytems, and below-grade

Form C-144

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

4.

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

1220 St. Halles D1, Salka 1C, HH G1303
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
Operator: Burlington Resources Oil & Gas Company, LP OGRID#: 14538
Address: PO Box 4289, Farmington, NM 87499
Facility or well name: Allison Unit 5R
API Number: 30-045-28958 OCD Permit Number
U/L or Qtr/Qtr: B(NW/NE) Section: 16 Township: 32N Range: 7W County: San Juan
Center of Proposed Design: Latitude: 36.9873330°N Longitude: 107.568810°W NAD: 1927 X 1983
Surface Owner: Federal X State Private Tribal Trust or Indian Allotment
Permanent Emergency Cavitation P&A Lined Unlined Liner type Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams Welded Factory Other Volume: bbl Dimensions L x W x D
Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVD Other
Liner Seams Welded Factory Other
X Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume. 120 bbl Type of fluid. Produced Water OIL CONS. DIV. DIS
Tank Construction material: Metal
Secondary containment with leak detection X Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner Type: Thickness 45 mil HDPE PVC X Other LLDPE
5 Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

6 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				
X Alternate. Please specify 4' hogwire fence with a single strand of barbed wire on top.				
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				
9				
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 - 1WATERS 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	X No		
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	i		
- 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 X NA	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 Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes	XNo		
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. - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes	XNo		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological	Yes	XNo		
Society; Topographic map Within a 100-year floodplain - FEMA map	Yes	XNo		

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. X 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 NMAC					
X Siting 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 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					
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					
Oil Field Waste Stream Characterization Monitoring and Inspection Plan					
Erosion Control Plan					
Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC					
14					
Proposed Closure: 19 15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.					
Type Drilling Workover Emergency Cavitation P&A Permanent Pit X Below-grade Tank Closed-loop System Alternative					
Proposed Closure Method: X Waste Excavation and Removal					
Waste Removal (Closed-loop systems only)					
On-site Closure Method (only for temporary pits and closed-loop systems)					
In-place Burial On-site Trench					
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)					
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. 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					
X Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)					
X Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC					
X Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15.17.13 NMAC					
X Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17 13 NMAC					

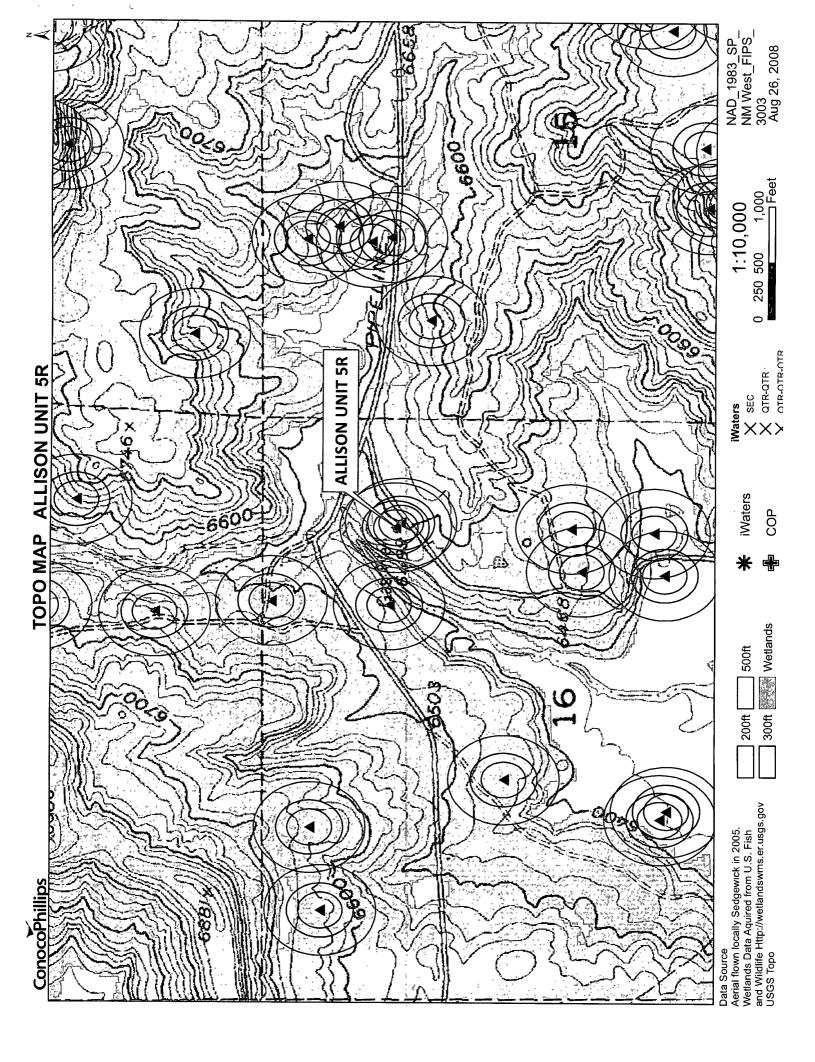
Waste Removal Closure For Closed-loop Systems That Utilize Abov Instructions: Please identify the facility or facilities for the disposal of l	e Ground Steel Tanks or Haul-off Bins Only: (19 15.17.13.D NMAC)	facilities		
are required.	, , , , , , , , , , , , , , , , , , ,			
Disposal Facility Name:	Disposal Facility Permit #:			
Disposal Facility Name:	Disposal Facility Permit #:			
Will any of the proposed closed-loop system operations and associ	iated activities occur on or in areas that will not be used for future so	service and operations?		
Required for impacted areas which will not be used for future service as Soil Backfill and Cover Design Specification - based upon Re-vegetation Plan - based upon the appropriate requirem Site Reclamation Plan - based upon the appropriate requirem	the appropriate requirements of Subsection H of 19.15.17.13 NMA ents of Subsection I of 19.15.17.13 NMAC	.c		
	e closure plan-Recommendations of acceptable source material are provided beli te district office or may be considered an exception which must be submitted to the			
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; U	SGS: Data obtained from nearby wells	□N/A		
Ground water is between 50 and 100 feet below the bottom of the	buried waste	☐Yes ☐No		
- NM Office of the State Engineer - 1WATERS database search; US	GGS; Data obtained from nearby wells	□ _{N/A} □		
Ground water is more than 100 feet below the bottom of the burne	ed waste	Yes No		
- NM Office of the State Engineer - iWATERS database search; US				
Within 300 feet of a continuously flowing watercourse, or 200 feet of a (measured from the ordinary high-water mark).	ny other significant watercourse or lakebed, sinkhole, or playa lake	Yes No		
- Topographic map; Visual inspection (certification) of the propose	d site			
Within 300 feet from a permanent residence, school, hospital, institution - Visual inspection (certification) of the proposed site; Aerial photo;		Yes No		
Within 500 horizontal feet of a private, domestic fresh water well or spr purposes, or within 1000 horizontal fee of any other fresh water well or - NM Office of the State Engineer - iWATERS database; Visual ins Within incorporated municipal boundaries or within a defined municipal pursuant to NMSA 1978, Section 3-27-3, as amended.	spring, in existence at the time of the initial application. pection (certification) of the proposed site	Yes No		
Written confirmation or verification from the municipality; Writte Within 500 feet of a wetland	n approval obtained from the municipality	Yes No		
- US Fish and Wildlife Wetland Identification map, Topographic m	ap; Visual inspection (certification) of the proposed site			
Within the area overlying a subsurface mine.	Mining and Museul Dissaira	Yes No		
 Written confirantion or verification or map from the NM EMNRI Within an unstable area Engineering measures incorporated into the design; NM Bureau o 	Č	Yes No		
Topographic map	Coology & Miletal Resources, 6565, 1111 Geological Society,			
Within a 100-year floodplain - FEMA map		Yes No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instru- by a check mark in the box, that the documents are attached.	ctions: Each of the following items must bee attached to the closu	ıre plan. Please indicate,		
Siting Criteria Compliance Demonstrations - based upon to	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 burnal 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				
Re-vegetation Plan - based upon the appropriate requirem Site Reclamation Plan - based upon the appropriate requirem				

Form C-144 Oil Conservation Division Page 4 of 5

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) Ethel Tally Title Staff Regulatory Technician	
Signature Phyl Jally Date. 10-13-08	
e-mail address: Ethel. Tally @ Conoco Phillips.com Telephone: 505-599-4027	
C-mail address	
20	
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature: 10-19-09	
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	ĺ
report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed	
Closure Completion Date:	
Crosure Completion Date:	
Cleave Method	
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	Ė
п аптетен пош арргочец рын, ресаке ехрын	
Cleaves Percent Percenting Wests Percent Cleaves For Clear tean Systems That Utiling Above Crown Steel Tonks on Hout off Pins Only	
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 complitane to the items below) No	
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 (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 the closure complies with all applicable closure requirements and conditions specified in the approved closure plan	nat
Name (Print): Title.	
Signature: Date:	
e-mail address: Telenhone	

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 32N Range: 07W Sections: 8,9,10,15,16,17,20,21,22
NAD27 X: Y: Zone: Search Radius:
County: Basin: Number: Suffix:
Owner Name: (First) (Last) ONon-Domestic ODomestic OAll
POD / Surface Data Report Avg Depth to Water Report Water Column Report
Clear Form iWATERS Menu Help
WATER COLUMN REPORT 10/13/2008
(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) POD Number Tws Rng Sec q q Zone X Y Well Water Column
No Pocords found try again

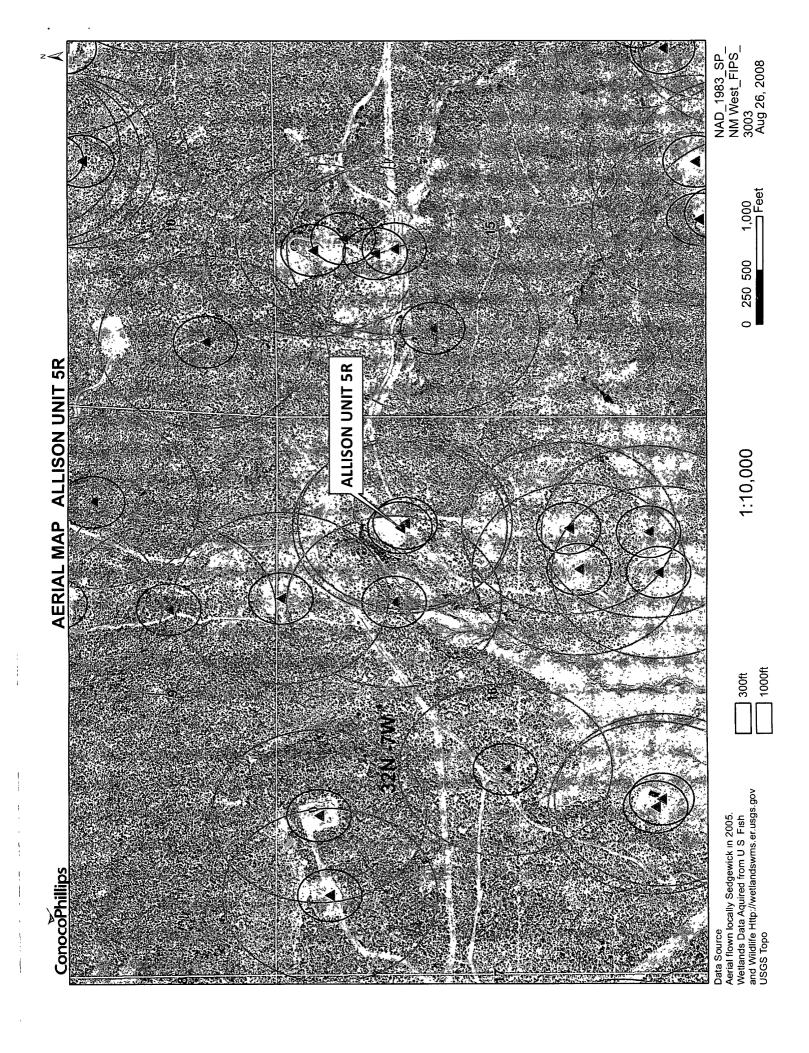


DATA SHEET FOR DEEP GROUND BED CATHODIC. PROTECTION WELLS NORTHWESTERN NEW MEXICO

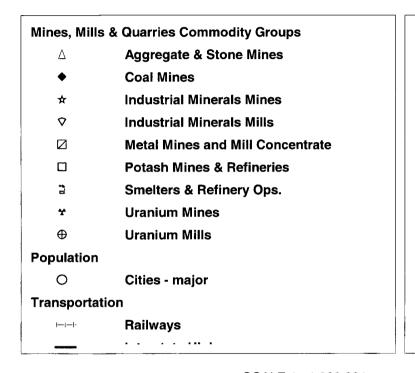
Operator Meridian Oil INC. Location: Unit B Sec	. 16 Twp32 Rng 07
Name of Well/Wells.or Pipeline Serviced	
Allison #5R	
Elevation 65/0 Completion Date 12/17/93 Total Depth 405 1	and Type 5
Casing Strings, Sizes, Types & Depths 12/16 Set 99 of 8	PVC CASING.
NO WATER GAS, Or Boulders Were ENCOUNTERED	During CASING.
If Casing Strings are cemented, show amounts & types used	<u>Cemented</u>
INITH 25 SACKS.	
If Cement or Bentonite Plugs have been placed, show dept	hs & amounts used
None	
Depths & thickness of water zones with description of wa	ter: Fresh, Clear,
Salty, Sulphur, Etc. HIT Fresh WATER AT 125.	AWATER
SAMPLE WAS TAKEN.	
Depths gas encountered: None	
Ground bed depth with type *& amount of coke breeze used:	405 DEPTH.
Used 54 SACKS OF ASbury 218R, AND 27 SACKS OF A	oresco (5400#)
Depths anodes placed: 385,370,355,346,327,300,285,275,256,230,215,	
Depths vent pipes placed: Surface TO 405.	
-	iecenven
Remarks:	IAN 1 1 1996 U
	UU GOM DUM.
	DIML 3

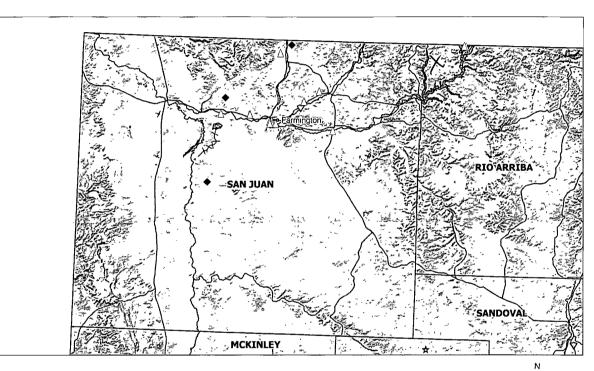
If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & Well Bore Schematics should be submitted when available. Unplugged abandoned wells are to be included.

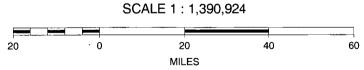
Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee. If Federal or Indian, add Lease Number.



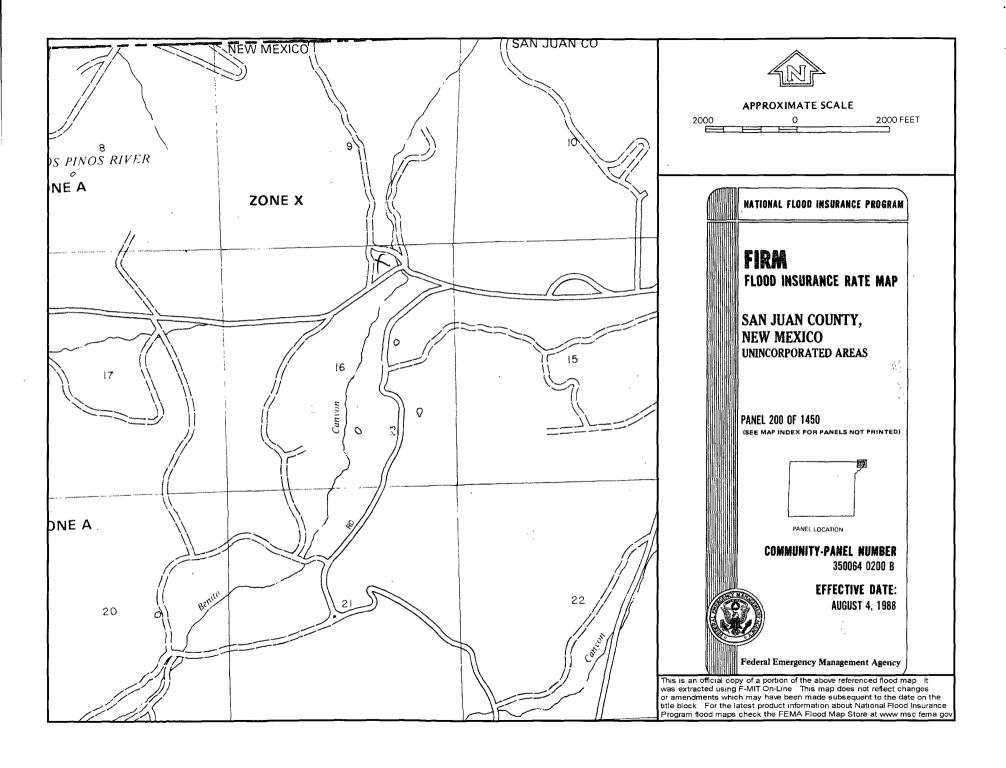
Allison Unit 5R / Mines, Mills and Quarries Map











Siting Criteria Compliance Demonstration & Hydro Geologic Analysis

The Allison Unit 5R 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 groundwater depth is considered to be greater than 125' as determined by the topographic map and the Cathodic well data with an elevation of 6510' and groundwater depth of 125'. Using this cathodic data point the indication of groundwater depth is greater than 125'. The hydro geologic analysis indicates the groundwater depth and the San Jose formation will create a stable area for this new location.

Hydrogeological report for Allison Unit 5R

Regional Hydrogeological 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. 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.

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.

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.

General Plan:

- 1. BR will design and construct a properly sized and approved BGT which will contain liquids and should prevent contamination of fresh water to protect the public health and environment.
- 2. BR will sign the well location in compliance with 19.15.3.103 NMAC.
- 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 screened, 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.
- 9. BR has equipped the below-grade tanks with the ability to detect high level in the tank and provide alarm notification and shutdown process streams into the tank. Once high level is detected RTU logic closes the inlet separator sales valve and does not permit vent valve to open. This shutdown of the sales valve and gagging of the vent valves prevents any hydrocarbon process streams from entering the pit tank once a high level is detected. Furthermore, an electronic page is sent to the BR MSO for that well site and to the designated contract "Water-Hauling" Company indicating a high level and that action must be taken to address this alarm. The environmental drain line from BR's compressor skid under normal operating conditions is in the open position. The environmental

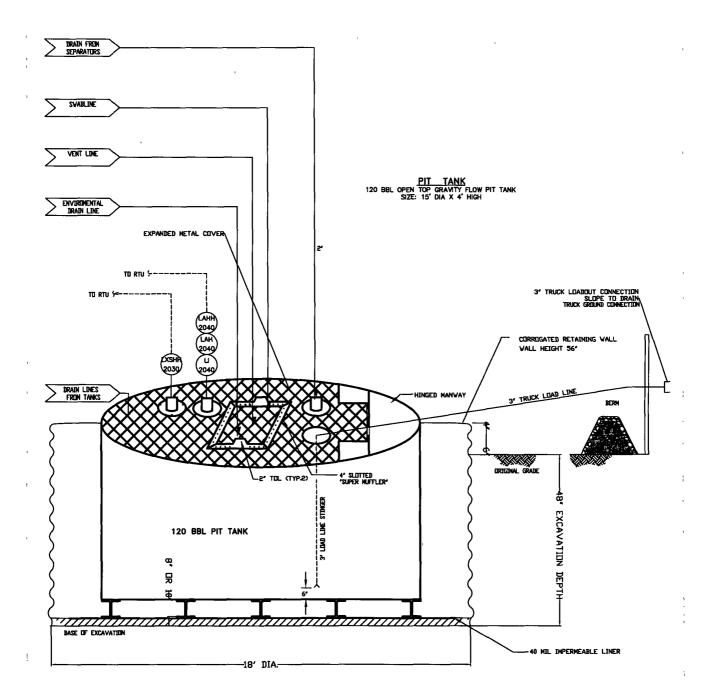
drain line is in place to capture any collected rain water or spilled lubricants from our compressor skids. The swab drain line is a manually operated drain and by normal operating procedures is in the closed position. The tank drain line is also a manually operated drain and during normal operations it is in the closed position.

- 10. The geomembrane liner consists of a 45-mil flexible LLDPE material manufactured by Raven Industries as RUFCO 4000B. This product provides a level of UV and harsh weather conditions protection. It is rated to a Low temperature impact failure of -94°F. It exceeds ASTMD3083 standard by 10%. It is typically used in Brine Pond, Oilfield Pit liner and other industrial applications. The manufacture specific sheet is attached.
- 11. The general specification for design and construction are attached in the BR document.

MANUAL OPERATIONS PRODUCTION TANKS DRAINLÍNE SWABLINE DRAIN LINE ENVIROMENTAL DRAIN LINE

FROM COMPRESSOR SKID

AUTOMATED OPERATION VENT VALVE DRAIN LINE DUMP LINE FROM SEPARATORS



ConocoPhillips San Juan Business Unit

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 Tank (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.

General Plan:

- 1. BR will operate and maintain a BGT to contain liquids and solids and maintain the integrity of the liner, liner system and secondary containment system to prevent contamination of fresh water and protect public health and environment.
- 2. BR will not discharge into or store any hazardous waste in the BGT.
- 3. BR shall operate and install the below-grade tank to prevent the collection of surface water run-on. BR shall not allow a below-grade tank to overflow or allow surface water run-on to enter the below-grade tank.
- 4. 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.
- 5. BR shall inspect the below-grade tank at least monthly and maintain a written record of each inspection for five years.
- 6. BR shall maintain adequate freeboard to prevent overtopping of the below-grade tank.
- 7. If a leak develops below the liquid's level, BR shall remove all liquids within 48 hours and repair the damage or replace the below-grade tank. 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.

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

In accordance with Rule 19.15.17.13 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 a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation. The closure report will be filed on C-144
- 3. 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. The facilities to be used will be Basin Disposal (Permit #NM-01-005) and Envirotech Land Farm (Permit #NM-01-011). The liner will be disposed of at the San Juan County Landfill located on CR 3100.
- 4. BR will receive prior approval to 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. Documentation of how the below-grade tank was disposed of or recycled will be provided in the closure report.
- 5. 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.
- 6. 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.
- 7. 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.

- 8. 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.
- 9. 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.
- The surface owner shall be notified of BR's closing of the below-grade tank prior to closure as per the approved closure plan via certified mail, return receipt requested.
- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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:
 - Soil Backfilling and Cover Installation
 - Re-vegetation application rates and seeding techniques
 - Photo documentation of the site reclamation
 - · Confirmation Sampling Results
 - Proof of closure notice