District I 1625 N French Dr., Hobbs, NM 88240

State of New Mexico **Energy Minerals and Natural Resources**

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade tanks, submit to the appropriate NMOCD District Office

Form C-144

1301 W Grand Ave, Artesia, NM 88210 District III 1000 Rio Brazos Rd, Aztec, NM 87410

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

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

District IV 1220 S St Francis Dr , Santa Fe, NM 87505

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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 |
| Please submit one | application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative re |

Instructions: I equest

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

| envuonment 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: Huerfano Unit 307 | |
| API Number: 30-045-34635 | OCD Permit Number: |
| U/L or Qtr/Qtr: K(NESW) Section: 35 Township: 26N | Range: 9W County: San Juan |
| Center of Proposed Design: Latitude: 36.442659' N | Longitude: 107.763116' W NAD: 1927 X 1983 |
| Surface Owner: X Federal State Private 7 | Fribal Trust or Indian Allotment |
| Pit: Subsection F or G of 19.15.17.11 NMAC Temporary Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type Thickness mil 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 notice of ir Drying Pad Above Ground Steel Tanks Haul-off Bins Lined Unlined Liner type: Thickness mil Liner Seams: Welded Factory Other | or Drilling (Applies to activities which require prior approval of a permit or itent) Other LLDPE HDPE PVD Other RECEIVED |
| | ner, 6-inch lift and automatic overflow shut-off Other |
| 5 Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to | o 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, insti | tution or chur | ch) |
| 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) | | |
| X 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 | | 1 |
| 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: | | |
| X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consi (Fencing/BGT Liner) | deration of ap | provai. |
| Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. | | |
| Exception(s) requests must be submitted to the Sainta Fe Environmental bureau office for Consideration of approval. | | |
| 10 | | |
| Siting Criteria (regarding permitting): 19.15.17.10 NMAC | ı | 1 |
| 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 | i | |
| appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for | i | |
| consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria | i | ĺ |
| does not apply to drying pads or above grade-tanks associated with a closed-loop system. | ı | |
| Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. | Yes | X No |
| - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | | _ |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa | Yes | XNo |
| lake (measured from the ordinary high-water mark). | | |
| - Topographic map; Visual inspection (certification) of the proposed site | | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial | Yes | XNo |
| application. | <u> </u> | _ |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks) | □NA | |
| - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | | ļ |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | Yes | No |
| (Applied to permanent pits) | XNA | |
| - 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 | Yes | X No |
| purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. | | |
| | | |
| - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site. | l | _ ' |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | Yes | X No |
| adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality; Written approval obtained from the municipality | | |
| Within 500 feet of a wetland. | ∏Yes | X No |
| - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | , □ . " | |
| Within the area overlying a subsurface mine. | Yes | XNo |
| - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division | | <u></u> |
| Within an unstable area. | Yes | X No |
| - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological | | _ |
| Society; Topographic map | | |
| Within a 100-year floodplain | Yes | X No |
| - FEMA map | l | 1 |

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 |
|--|
| 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 |
| 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 |
| 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 |
| 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 |
| Closure Frant - based upon the appropriate requirements of Subsection C of 19,15.17.3 (NVIAC and 19.13.17.13 (NVIAC |
| 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 (Below-Grade Tank) |
| 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 |

Form C-144 Oit Conservation Division Page 3 of 5

| West Personal Classes For Classification of the Article At a Company | IT I WAS A CONTRACT OF THE CON | |
|--|--|---------------------------|
| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee Instructions Please identify the facility or facilities for the disposal of liquids, drilling are required | <u>Planks or Haul-off Bins Only:</u> (19.15-17.13.D NMAC) fluids and drill cuttings. Use attachment if more than two fo | ucilities |
| Disposal Facility Name: | Disposal Facility Permit #- | |
| Disposal Facility Name | Disposal Facility Permit #: | |
| Will any of the proposed closed-loop system operations and associated activitie Yes (If yes, please provide the information No | • | |
| 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 upon the ap | etion I of 19.15.17.13 NMAC | 2 |
| 17 | | |
| 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 - Fertain siting criteria may require administrative approval from the appropriate district office of consideration of approval. Justifications and/or demonstrations of equivalency are required. | Recommendations of acceptable source material are provided belo 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. - NM Office of the State Engineer - iWATERS database search, USGS Data obta | uned from nearby wells | Yes 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 obtain | | ∐Yes ∐No ∏N/A |
| 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 obtain | ned from nearby wells | □ N/A |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signific (measured from the ordinary high-water mark). | cant watercourse or lakebed, sinkhole, or playa lake | Yes No |
| - Topographic map; Visual inspection (certification) of the proposed site | | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in a - Visual inspection (certification) of the proposed site; Aerial photo; satellite image | •• | Yes No |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less that purposes, or within 1000 horizontal fee of any other fresh water well or spring, in exist - NM Office of the State Engineer - iWATERS database; Visual inspection (certific Within incorporated municipal boundaries or within a defined municipal fresh water w pursuant to NMSA 1978, Section 3-27-3, as amended. | ence at the time of the initial application. cation) of the proposed site | ☐Yes ☐No |
| - Written confirmation or verification from the municipality, Written approval obta Within 500 feet of a wetland | ained from the municipality | □Yes □No |
| - US Fish and Wildlife Wetland Identification map, Topographic map; Visual insp | ection (certification) of the proposed site | |
| Within the area overlying a subsurface mine. - Written confirantion or verification or map from the NM EMNRD-Mining and Machine area. | Mineral Division | YesNo |
| Within an unstable area Engineering measures incorporated into the design; NM Bureau of Geology & M | nneral Resources; USGS, NM Geological Society; | Yes No |
| Topographic map Within a 100-year floodplain FEMA map | | Yes No |
| On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached. | of the following items must bee attached to the closur | re plan. Please indicate, |
| Siting Criteria Compliance Demonstrations - based upon the appropriate | e requirements of 19.15.17.10 NMAC | |
| Proof of Surface Owner Notice - based upon the appropriate requiremen | - | |
| Construction/Design Plan of Burial Trench (if applicable) based upon the | ne appropriate requirements of 19.15.17.11 NMAC | |
| Construction/Design Plan of Temporary Pit (for in place burial of a dryi | ng pad) - based upon the appropriate requirements of 1 | 9 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 | e requirements of Subsection F of 19.15.17.13 NMAC | |
| Waste Material Sampling Plan - based upon the appropriate requiremen | | |
| ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids a ☐ Soil Cover Design - based upon the appropriate requirements of Subsec | - | nnot be achieved) |
| Re-vegetation Plan - based upon the appropriate requirements of Subsection | | |
| Ste Reclamation Plan - based upon the appropriate requirements of Sub | | |

| 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) Crystal Tafoya Title: Regulatory Technician |
| Signature Date Date |
| e-mail address: <u>crystal fafoya@conocophill@s.cg/n</u> Telephone: 505-326-9837 |
| |
| 20 OCD A const. M. Pomit And lighting decreased by |
| OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) |
| OCD Representative Signature: |
| |
| Title: FUN: ro/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: |
| 22 |
| 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. |
| I unitately normal approved plant, 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 |
| 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:NAD19271983 |
| |
| 25 |
| Operator Closure Certification: |
| Thereby 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. |
| 1 Nameture |
| Signature. Date. |

New Mexico Office of the State Engineer **POD Reports and Downloads**

| Township: 26N Range: 09W Sections: |
|--|
| NAD27 X: Y: Zone: Search Radius: |
| County: Basin: Number: Suffix: |
| Owner Name: (First) (Last) C Non-Domestic C Domestic C All |
| POD // Surface Data Report Avg Depth to Water Report Water Column Report |
| ©lear Form |
| |

WATER COLUMN REPORT 08/20/2008

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

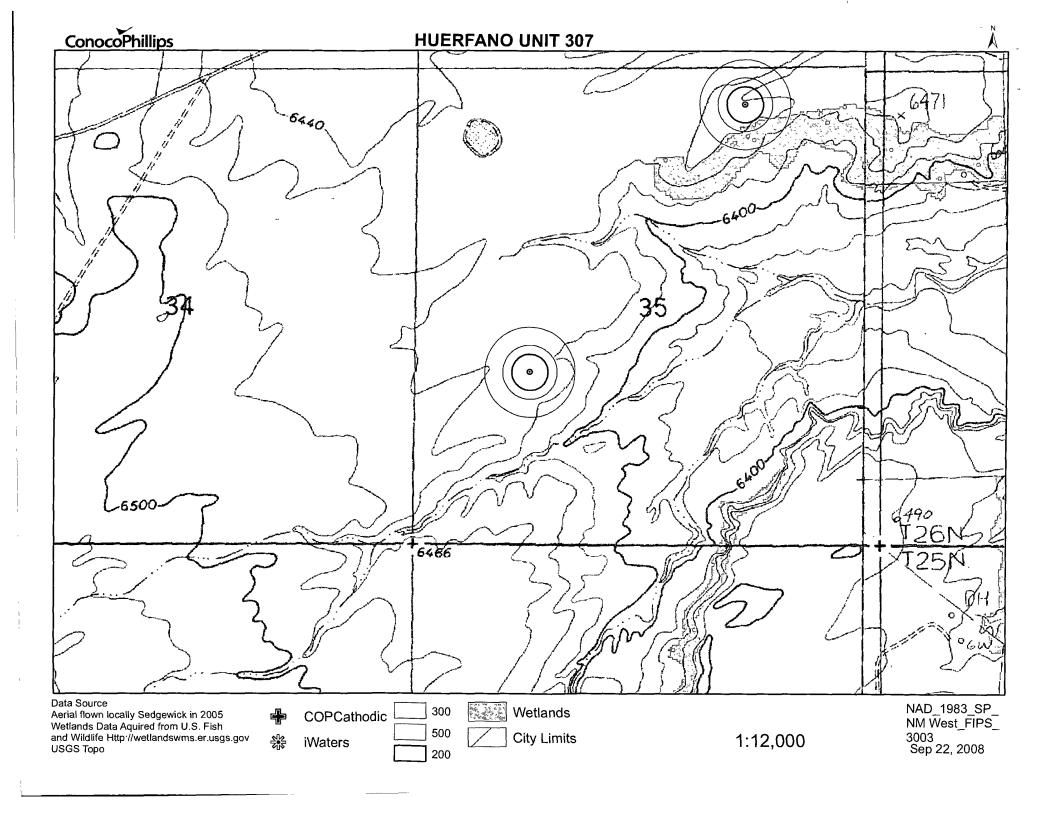
| | (quarter | s are | bi: | gge | st | to | smallest) | | | Depth | Depth | Water (i | in |
|---------------|----------|-------|-----|-----|----|----|-----------|---|---|-------|-------|----------|----|
| POD Number | Tws | Rng | Sec | q | đ | đ | Zone | x | Y | Well | Water | Column | |
| SJ 02961 | 26N | 09W | 01 | 2 | 2 | 3 | | | | 1500 | | | |
| SJ 02962 | 26N | 09W | 01 | 3 | 2 | 3 | | | | 1500 | | | |
| SJ 01756 | 26N | 09W | 11 | 2 | 2 | 3 | | | | 75 | 40 | 35 | |
| SJ 03811 POD1 | 26N | 09W | 12 | 3 | 3 | 3 | | | | 348 | 175 | 173 | |
| SJ 00412 | 26N | 09W | 16 | 4 | 2 | | | | | 202 | 65 | 137 | |
| SJ 00214 | 26N | 09W | 26 | 2 | 4 | 2 | | | | 946 | 230 | 716 | |
| SJ 00064 | 26N | 09W | 26 | 4 | 2 | 1 | | | | 490 | 215 | 275 | |
| SJ 00063 | 26N | 09W | 26 | 4 | 2 | 3 | | | | 479 | 234 | 245 | |

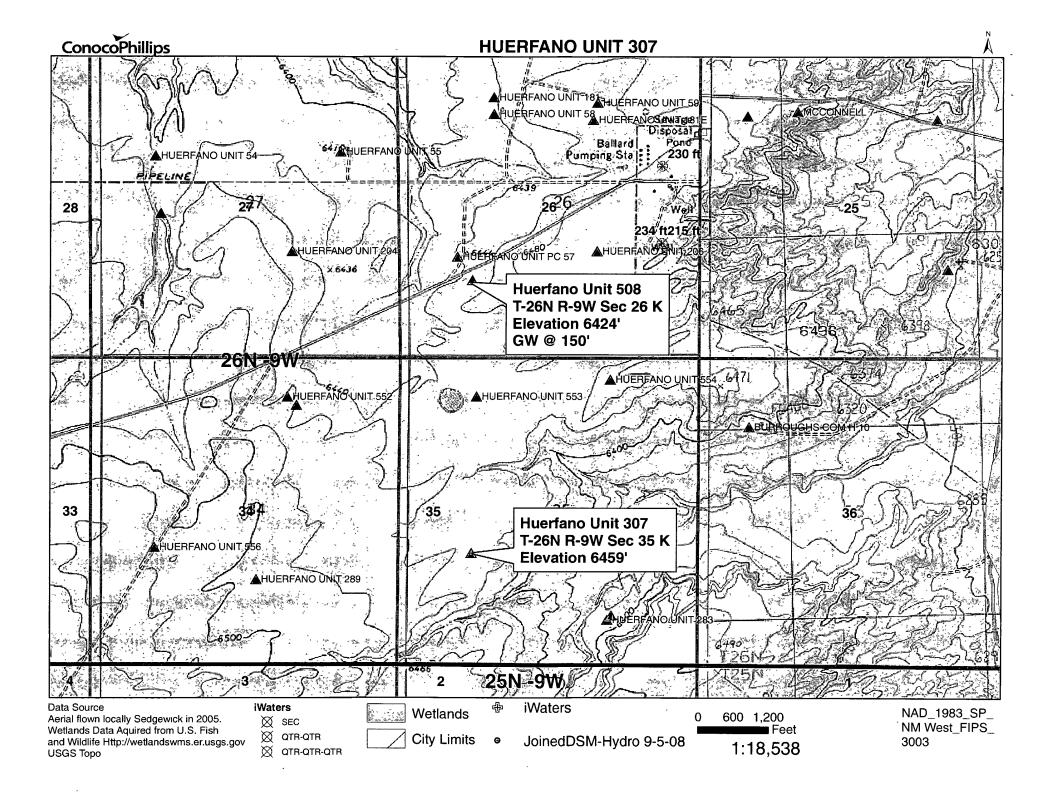
Record Count: 8

New Mexico Office of the State Engineer POD Reports and Downloads

| | | | 221044 | | | | | |
|-------------|---|--|-----------|--------|---------------|-------------------------|--|-----|
| T | ownship: 25N Range: 09W | Sections: | | | | | | |
| NAI | 027 X: Y: | Zone: | Y | Searc | h Radius | Windowsky and a section | The state of the s | |
| County: | Basin: | The same control of the second | , Num | ber: | | Suffix: | pro- materials de management e Xelendels | |
| Owner Name: | (First) (Last) | AND THE STATE OF THE STATE OF THE SAME AND | C | Non-E | omestic | C Dome | estic 6 | All |
| POD/S | urface Data Report Av | g Depth to Wate | er Report | | Wate | er Column | Report | |
| | Clear Form: | iWATERSN | lenu | Help | | | | |
| | | | | | ···· | | | |
| | WATER | COLUMN REP | ORT 08/ | /20/20 | 08 | | | |
| | (quarters are 1=NW 2=NE | | | | | | | |
| POD Number | (quarters are biggest to Tws Rng Sec q q q | | x | ¥ | Depth Well | Depth Water | Water Column | |
| ST 01979 | 25N 09W 32 2 3 | | A | • | 1180 | 628 | | |

Record Count: 1





30-045-29021

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

| perator Meridian Oil INC. Location: Unit5WSec. 26 Twp26 Rng 69 |
|--|
| ame of Well/Wells.or Pipeline Serviced |
| Huerfano #508 |
| Elevation Completion Date 4/8/94 Total Depth 406 Land Type F |
| Casing Strings, Sizes, Types & Depths 4/5/94 SeT 99 Of 8 PVc CASING |
| NO GAS WATER OF Boulders Were ENCOUNTERED DUTING CASING. |
| If Casing Strings are cemented, show amounts & types used <u>Cemented</u> WITH 22 SACKS. |
| If Cement or Bentonite Plugs have been placed, show depths & amounts used None |
| Depths & thickness of water zones with description of water: Fresh, Clear, |
| Salty, Sulphur, Etc. HIT A Fresh WATER Seep AT 150, AND A |
| MAJOR Fresh WATER Vein AT 305. A WATER SAMPLE WAS TAKEN. |
| Depths gas encountered: None |
| Ground bed depth with type & amount of coke breeze used: HOG DEPTH. |
| Used 53 SACKS of Loresco SW (5300") |
| Depths anodes placed: 360,350,340,330,282,274,266,258,250,242,234,226,218,196,41.88 |
| Depths vent pipes placed: Surface To 406 |
| Vent pipe perforations: <u>Bottom 290</u> . DECENVED |
| Remarks: |
| OIL CORE DIV |
| Digi. 3 |

If any or 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.

FOR APPROVED OMB NO. 1004-0137 (October 1990) SUBMIT IN DUPLICATE. UNITED STATES (Sec other in-Expires: December 31, 1991 DEPARTMENT OF THE INTERIOR structions on reverse side) 5 LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT SF-078103 6. IF INDIAN ALLOTTEE OR TRIBE NAME WELL COMPLETION OR RECOMPLETION REPORT AND LOG* OII. WELL WELL T 7. UNIT AGREEMENT NAME DRY Other L TYPE OF COMPLETION: <u>Huerfano Unit</u> WENT. LZ DKFL 8. FARM OR LEASE NAME, WELL NO. Öther 2. MAME OF OPERATOR Huerfano Unit 508 9. API WELL NO. Meridian Oil Inc. 3. ADDRESS AND TELEPHONE NO. 30-045-29021 10. FIELD AND POOL OF WILDCAT PO Box 4289, Farmington, NM 87499 4. LOCATION OF WELL (Report location clearly and in accordance with any ign زرركا MAY 1 9 1994 Basin Fruitland Coal BEC. T., R., M., OR BLOCK AND SURVEY OR AREA At surface 1330'FSL, 1330'FWL At top prod. Interval reported below Sec 26,T-26-N,R-9-W OUT GOIN DUM NMPM. At total depth DIGT 3 12. COUNTY OF PARISH 14. PERMIT NO. 13 STATE 15 DATE SPEEDER 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GE, ETC.) 11-30-93 12-03-93 12-22-93 6424 GL 23. INTERVALS DRILLED BY 29. TOTAL DEPTH, MD A TVD 21. PLUG. BACK T.D., MD & TVD 22 IF MI'I.TIPI.E COMPL., ROTARY TOOLS CABLE TOOLS 2324 WAS DIRECTIONAL SURVEY MADS 24. PRODUCING INTERVAL(8). OF THIS COMPLETION-TOP, SOTTOM, NAME (MD AND TVD) Fruitland Coal (1911-2032') 26. TYPE ELECTRIC AND OTHER LOGS BUN 27. WAS WELL CORED IEL, CDL/CNL/ML CASING RECORD (Report all strings set in well) CASING SIZE/GRADE WEIGHT, LR./PT DEPTH BET (MD) HOLE SIZE FOP OF CEMENT, CEMENTING RECORD AMOUNT PULLED 12 1/4" 8 5/8" 24.0# 185 184 cu.ft. 2324 4 1/2 IU.5# 7/8' 616 cu.ft. LINER RECORD 30. TUBING RECORD 8122 TOP (MD) BOTTOM (MD) SACKS CEMENT SCREEN (MD) 8122 DEPTH SET (MD) PACKER SET (MD) 3/8" 19551 31. PREPORATION RECORD (Interval, size and number) ACID. SHOT. FRACTURE. CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED 1911-2032' w/2 spf (0.40" holes) 74 holes 1911-2032' 113.940# sand: 18.294 gal.fluid 22 . PRODUCTION DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping-eize and type of pump) WELL STATUS (Producing or shut-in) flowing capable of commercial hydrocarbon production TEST PERIOD | GAR-NCF WATERshut in DATE OF TRUT GAS-OIL BATIO TESTED mcf-bitot gge FLOW, TURING S CASING PRESSURE CALCULATED GAR-MCT. OIL GRAVITY-API (CORE.)

35. LIST OF ATTACHMENTS that the foregoing and attached information is complete and correct as determined from all available records HitCuri.

Depresentative 1 LLD FUR HITCURI. none 36. I hereby certify STONED A DATE

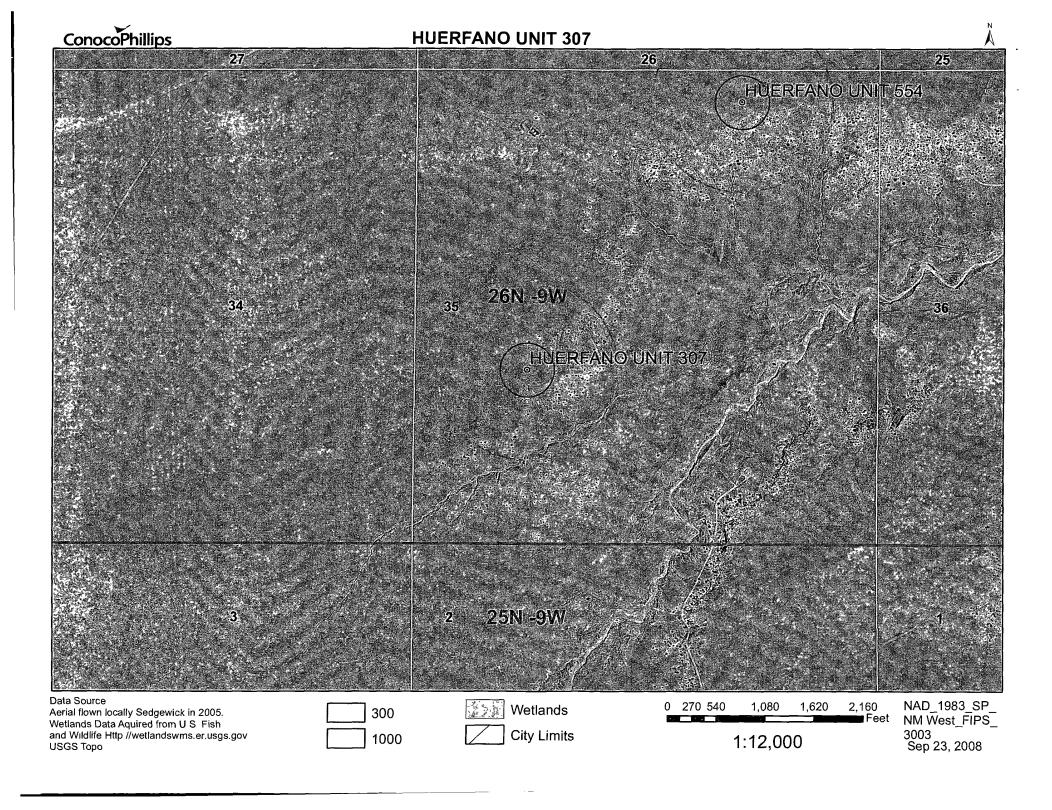
TEST WITHBESED BY

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

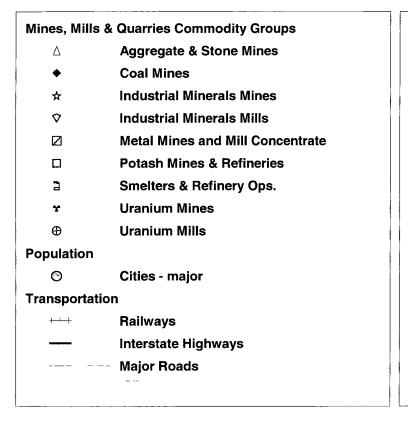
to be sold

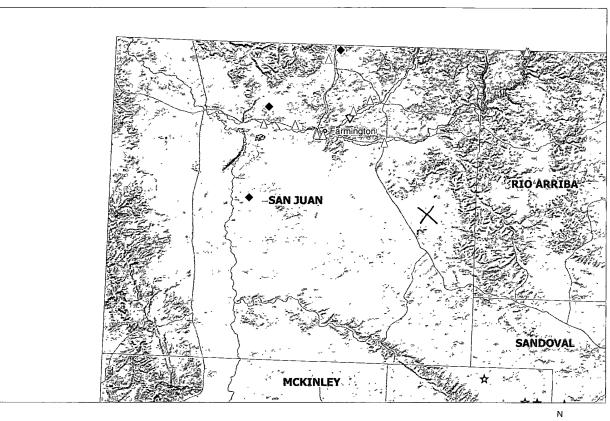
*(See Instructions and Spaces for Additional Data on Reverse Side)

Fitle 18 U.S.C. Section 1901, makes it a crime for any person knowingly and willfully to make to any department or section 1901, makes it a crime for any person knowingly and willfully to make to any department or section. United States any false, fictitious or fraudulent statements or representations as to any matter within the minimum of the section.

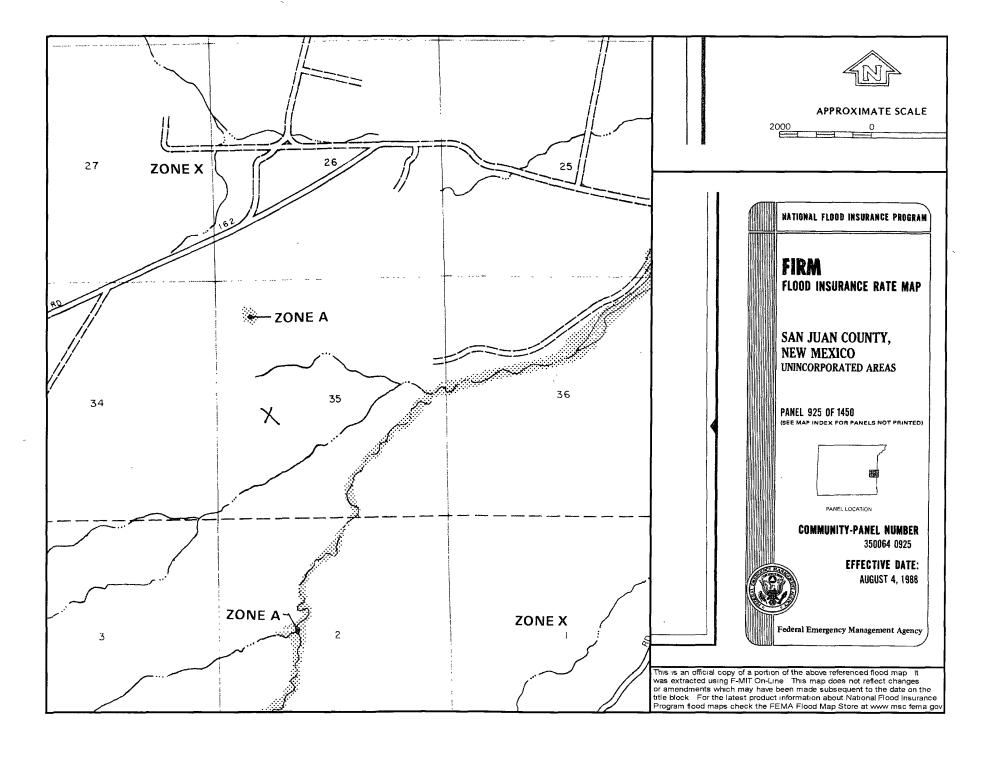


Huerfano Unit 307 Mines, Mills and Quarries Web Map









Hydrogeological Report for Huerfano Unit 307

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 Huerfano Unit 307 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 Cathodic well data from the Huerfano Unit 508 has an elevation of 6424' and groundwater depth of 150'. The subject well has an elevation of 6459' which is 35' greater than the Huerfano Unit 508, therefore the groundwater depth is greater than 185'. There are no iWATERS data points located in the area as indicated on the TOPO Map. The hydro geologic analysis indicates the groundwater depth and the Nacimiento formation will create a stable area for this new location.

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Azleo, NM 87410

Disoriet IV

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 7 Copies Fee Lease - 3 Copies

AMMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| I.A. | PI Number | ······································ | | | | | | | | |
|---|--|--|--|---------|--------------|------------------|-----------|--|--|--|
| Property Cod | o | | 6 Well Number 307 | | | | | | | |
| 7 OGRID No | 7 OGRID No. 8 Operator Name 9 Elevation BURLINGTON RESOURCES OIL AND GAS COMPANY LP 6459 | | | | | | | | | |
| | *************************************** | | ······································ | 4 | 10 SURFACE I | LOCATION | | | | |
| UL or lot na. K | Section 35 | Township 26-N | County SAN JUAN | | | | | | | |
| | | | 11 E | ottom H | ole Location | f Different From | n Surface | | | |
| UL or lot go. Section Township Range Lot Ido Feet from the North/South line Feet from the East/West line County | | | | | | | | | | |
| Dedicated Acres 320.00 | 13 Joint | or lafill to | Consolidation | Code | Order No. | | *** | | | |

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

| (* (* (* (* (* (* (* (* (* (* (* (* (* (| | OPERATOR CERTIFICATION I havely certify that the information contained herein is true and complete to the best of my knowledge and helief, and that this organization either owns a working interest or unlessed mineral interest in the lond including the propose obtome hole location or her a right to drift this well at this focusion purticular to a contract with an owner of such a wineral or working interest, or to a voluntary pooling agreement or a computery pooling order heretofore entered by the division. |
|---|----------------------------|---|
| WELL FLAG NAD 83 LAT: 36.442859° N LONG: 107.763116° W | | Signature Printed Name Title and E-mail Address Date 18 SURVEYOR CERTIFICATION |
| NAD 27 LAT:36°26.558987' N LONG: 107°45.750150' W | | I hereby certify that the well location shown on this plat was plotted from felld notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my helief. Date of Survey: 10/9/07 Signature and Seal of Professional Surveyor: |
| S 89.29; E S 88.29; E S 88.29; E | 5221.9° (R) 5222.7' (M) | Certificate Humber: HM 11393 |

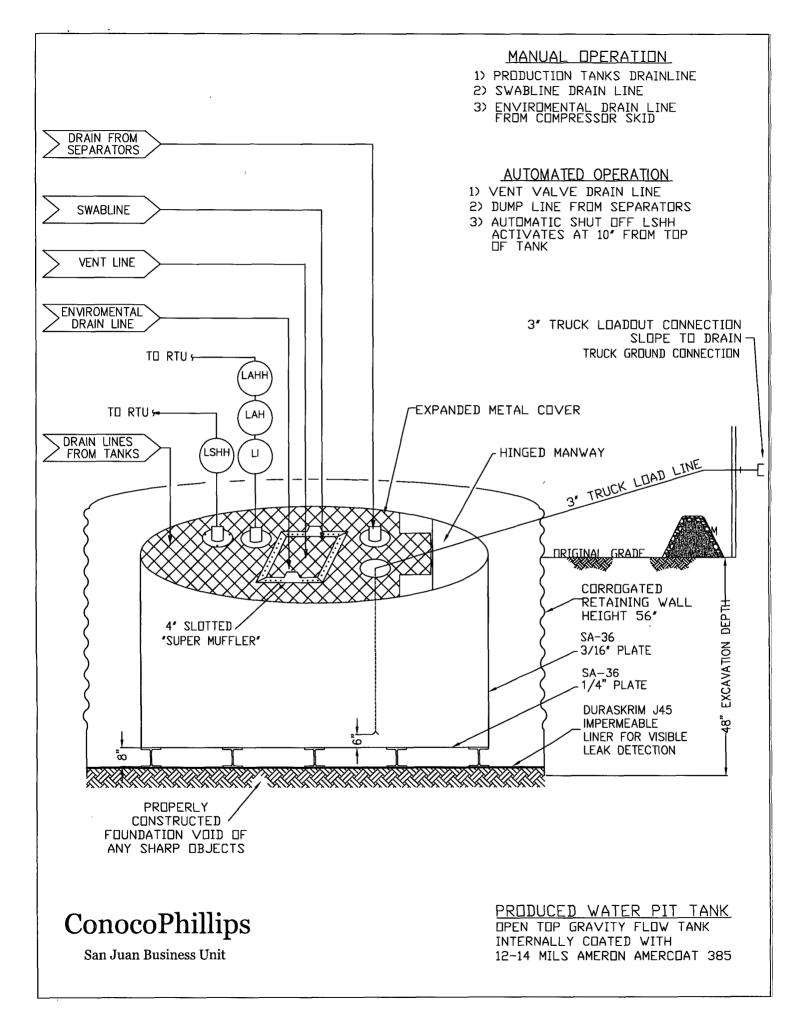
Burlington Resources Oil & Gas Company, LP San Juan Basin Below Grade Tank Design and Construction

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 signage will comply with 19.15.3.103 NMAC when BR is the operator. If BR is not the operator it will comply with 19.15.17.11NMAC. BR includes Emergency Contact information on all signage.
- 3. BR has approval to use alternative fencing that provides better protection. BR constructs 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. BR ensures that all gates associated with the fence are closed and locked when responsible personnel are not onsite.
- 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 as shown on design drawing and specification sheet.
- 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 as shown on design drawing.
- 7. BR shall operate and install the below-grade tank to prevent the collection of surface water run-on. BR has built in shut off devices that do not allow a below-grade tank to overflow. BR constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the below grade tank as shown on the design plan.
- 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 J45BB. This product is a four layer reinforced laminated containing no adhesives. The outer layers consist of a high strength polyethylene film manufactured using virgin grade resins and stabilizers for UV resistance in exposed applications. The J45BB is reinforced with 1300 denier (minimum) tri-directional scrim reinforcement. It exceeds ASTMD3083 standard by 10%. J45BB has a warranty for 20 years from Raven Industries and is attached. It is typically used in Brine Pond, Oilfield Pit liner and other industrial applications. The manufacture specific sheet is attached and the design attached displays the proper installation of the liner.
- 11. The general specification for design and construction are attached in the BR document.



J80, J86 & J45

| PROPERTIES | TEST METHOD | 3Ļ | 0BB | J36 | BB | -045 | BB | |
|---|-------------|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
| | | Min. Roll Averages | Typical Roll Averages | Min. Roll Averages | Typical Roll Averages | Min. Roll Averages | Typical Roll Averages | |
| Appearance | | Black/Black | | Black/Black | | Black/Black | | |
| Thickness | ASTM D 5199 | . 27 mil | 30 mil | 32 mil | 36 mil | 40 mil | 45 mil | |
| Weight Lbs Per MSE (oz/yd²) | ASTM D 5261 | 126 lbs (18.14) | 140 lbs (20.16) | 151 lbs (21.74) | 168 lbs (24.19) | 189 lbs (27.21) | 210 lbs (30.24) | |
| Construction | | **Extrusion laminated with encapsulated tri-directional scrim reinforcement | | | | | | |
| .Ply Adhesion | ASTM D 413 | 16 lbs | 20 lbs | 19 lbs | 24 lbs | 25 lbs | 31 lbs | |
| 1" Tensile Strength: | ASTM D 7003 | 88 lbf MD 63 lbf DD | 110 lbf MD 79 lbf DD | 90 lbf MD 70 lbf DD | 113 lbf MD 87 lbf DD | 110 lbf MD 84 lbf DD | 138 lbf MD 105 lbf DD | |
| 1" Tensile Elongation @ Break % (Film Break) | ASTM D 7003 | 550 MD 550 DD | 750 MD 750 DD | 550 MD 550 DD | 750 MD 750 DD | 550 MD 550 DD | 750 MD 750 DD | |
| 1. Tensile Elongation @ Peak % (Scrim Break) | ASTM D 7003 | 20 MD 20 DD | 33 MD 33 DD | 20 MD 20 DD | 30 MD 31DD | 20 MD 20 DD | 36 MD 36 DD | |
| Tongue Tear Strength | ASTM D 5884 | 75 lbf MD 75 lbf DD | 97 lbf MD 90 lbf DD | 75 lbf MD 75 lbf DD | 104 lbf MD 92 lbf DD | 100 lbf MD 100 lbf DD | 117 lbf MD 118 lbf DD | |
| Grab Tensile | ASTM D 7004 | 180 lbf MD 180 lbf DD | 218 lbf MD 210 lbf DD | 180 lbf MD 180 lbf DD | 222 lbf MD 223 lbf DD | 220 lbf MD 220 lbf DD | 257 lbf MD 258 lbf DD | |
| Trapezoid:Tear | ASTM D 4533 | 120 lbf MD 120 lbf DD | 146 lbf MD 141 lbf DD | 130 lbf MD 130 lbf DD | 189 lbf MD 172 lbf DD | 160 lbf MD 160 lbf DD | 193 lbf MD 191 lbf DD | |
| * Dimensional Stability | ASTM D 1204 | <1 | <0.5 | <1 | <0.5 | <1 | <0.5 | |
| Runcture Resistance | ASTM D 4833 | 50 lbf | 64 lbf | 65 lbf | 83 lbf | 80 lbf | - 99 lbf | |
| Maximum Use Temperature | | 180° F | 180° F | 180° F | 180° F | 180° F | 180° F | |
| Minimum Use Temperature | | -70° F | -70° F | -70° F | -70° F | -70° F | -70° F | |

MD = Machine Direction DD = Diagonal Directions



Note: Minimum Roll Averages are set to take into account product variability in addition to testing variability between laboratories.

*Dimensional Stability Maximum Value

**DURA-SKRIM J30BB, J36BB & J45BB are a four layer reinforced laminate containing no adhesives. The outer layers consist of a high strength polyethylene film manufactured using virgin grade resins and stabilizers for UV resistance in exposed applications. DURA-SKRIM J30BB, J36BB & J45BB are reinforced with a 1300 denier (minimum) tri-directional scrim reinforcement.

Note: RAVEN INDUSTRIES MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANTABILITY OF PRODUCTS REFERRED TO, no guarantee of satisfactory results from reliance upon contained information or recommendations and disclaims all liability for resulting loss or damage.

PLANT LOCATION

SALES OFFICE

INDUSTRIES

Sioux Falls, South Dakota

P.O. Box 5107 Sioux Falls, SD 57117-5107 (605) 335-0174 (605) 331-0333 FAX

800-635-3456

08/06

RAVEN INDUSTRIES INC. EXPOSED GEOMEMBRANE LIMITED WARRANTY

Raven Industries Inc. warrants Dura-Skrim J30BB, J36BB, and J45BB to be free from manufacturing defects and to be able to withstand normal exposure to sunlight for a period of 20 years from the date of sale for normal use in approved applications in the U.S and Canada, excluding Hawaii. This warranty is effective for products sold and shipped from January 1, 2008 to December 31, 2008. These dates will be updated prior to December 31, 2008.

This Limited Warranty does not include damages or defects in the Raven geomembrane resulting from acts of God, casualty or catastrophe including but not limited to: earthquakes, floods, piercing hail, or tornadoes. The term "normal use" as used herein does not include, among other things improper handling during transportation, unloading, storage or installation, the exposure of Raven geomembranes to harmful chemicals, atypical atmospheric conditions, abuse of Raven geomembranes by machinery, equipment or people; improper site preparation or covering materials, excessive pressures or stresses from any source or improper application or installation. Raven geomembrane material warranty is intended for commercial use only and is not in effect for the consumer as defined in the Magnuson Moss Warranty or any similar federal, state, or local statues. The parties expressly agree that the sale hereunder is for commercial or industrial use only.

Should defects or premature loss of use within the scope of the above Limited Warranty occur, Raven Industries Inc. will, at its option, repair or replace the Raven geomembrane on a pro-rata basis at the then current price in such manner as to charge the Purchaser/User only for that portion of the warranted life which has elapsed since purchase of the material. Raven Industries Inc. will have the right to inspect and determine the cause of any alleged defect in the Raven geomembrane and to take appropriate steps to repair or replace the Raven geomembrane if a defect exists which is covered under this warranty. This Limited Warranty extends only to Raven's geomembrane, and does not extend to the installation service of third parties nor does it extend to materials furnished or installed by others in connection with the intended use of the Raven geomembranes.

Any claim for any alleged breach of this warranty must be made in writing, by certified mail, to the General Manager of Engineered Films Division of Raven Industries Inc. within ten (10) days of becoming aware of the alleged defect. Should the required notice not be given, the defect and all warranties are waived by the Purchaser, and Purchaser shall not have any rights under this warranty. Raven Industries Inc. shall not be obligated to perform repairs or replacements under this warranty unless and until the area to be repaired or replaced is clean, dry, and unencumbered. This includes, but is not limited to, the area made available for repair and/or replacement of Raven geomembrane to be free from all water, dirt, sludge, residuals and liquids of any kind. If after inspection it is determined that there is no claim under this Limited Warranty, Purchaser shall reimburse Raven Industries Inc. for its costs associated with the site inspection.

In the event the exclusive remedy provided herein fails in its essential purpose, and in that event only, the Purchaser shall be entitled to a return of the purchase price for so much of the material as Raven Industries Inc. determines to have violated the warranty provided herein. Raven Industries Inc. shall not be liable for direct, indirect, special, consequential or incidental damages resulting from a breach of this warranty including, but not limited to, damages for loss of production, lost profits, personal injury or property damage. Raven Industries Inc. shall not be obligated to reimburse Purchaser for any repairs, replacement, modifications or alterations made by Purchaser unless Raven Industries Inc. specifically authorized, in writing, said repairs, replacements, modifications or alteration in advance of them having been made. Raven Industry's liability under this warranty shall in no event exceed the replacement cost of the material sold to the Purchaser for the particular installation in which it failed.

Raven Industries Inc. neither assumes nor authorizes any person other than the undersigned of Raven Industries Inc. to assume for it any other or additional liability in connection with the Raven geomembrane made on the basis of the Limited Warranty. The Limited Warranty on the Raven geomembrane herein is given in lieu of all other possible material warranties, either expressed or implied, and by accepting delivery of the material; Purchaser waives all other possible warranties, except those specifically given. This Limited Warranty may only be modified by written document mutually executed by Owner and Raven Industries Inc.

Limited Warranty is extended to the purchaser/owner and is non-transferable and non-assignable; i.e., there are no third-party beneficiaries to this warranty.

Purchaser acknowledges by acceptance that the Limited Warranty given herein is accepted in preference to any and other possible materials warranties.

THIS LIMITED WARRANTY SHALL BE GOVERNED BY SOUTH DAKOTA LAW AND VENUE FOR ALL LEGAL PROCEEDINGS IN CONNECTION WITH THIS LIMITED WARRANTY SHALL BE IN MINNEHAHA COUNTY, SOUTH DAKOTA. RAVEN INDUSTRIES INC. MAKES NO WARRANTY OF ANY KIND OTHER THAN THAT GIVEN ABOVE AND HEREBY DISCLAIMS ALL WARRANTIES, BOTH EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS IS THE ONLY WARRANTY THAT APPLIES TO THE MATERIALS REFERRED TO HEREIN AND RAVEN INDUSTRIES INC DISCLAIMS ANY LIABILITY FOR ANY WARRANTIES GIVEN BY ANY OTHER PERSON OR ENTITY, EITHER WRITTEN OR ORAL.

RAVEN INDUSTRIES' WARRANTY BECOMES AN OBLIGATION OF RAVEN INDUSTRIES INC. TO PERFORM UNDER THE WARRANTY ONLY UPON RECEIPT OF FINAL PAYMENT AND EXECUTION BY A DULY AUTHORIZED OFFICER OF RAVEN INDUSTRIES INC.

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:

- 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. BR will accomplish this by performing an inspection on a monthly basis, installing cathodic protection, and automatic overflow shutoff devices as seen on the design plan.
- 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 has built in shut off devices that do not allow a belowgrade tank to overflow. BR constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the below grade tank as shown on the design plan.
- 4. As per 19.17.15.12 Subsection D, Paragraph 3, BR will inspect the below-grade tank at least monthly reviewing several items which include 1) containment berms adequate and no oil present, 2) tanks had no visible leaks or sign of corrosion, 3) tank valves, flanges, and hatches had no visible leaks and 4) no evidence of significant spillage of produced liquids. In addition, BR's multi-skilled operators (MSOs) are required to visit each well location once per week. If detected on either inspection, BR shall 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. The written record of the monthly inspections will include the items listed above and will be maintained for five years.
- 5. BR shall require and maintain a 10" adequate freeboard to prevent overtopping of the below-grade tank.
- 6. If the below grade tank develops a leak, or if any penetration of the pit liner or below grade tank, occurs below the liquid's surface, then BR shall remove all liquid above the damage or leak line within 48 hours. BR shall notify the appropriate district office. BR shall repair or replace the pit liner or below grade tank, within 48 hours of discovery. If the below grade tank or pit liner does not demonstrate integrity, BR shall promptly remove and install a below grade tank or pit liner that complies with Subsection I of 19.15.17.11 NMAC. BR shall notify the appropriate district office of a discovery of leaks less than 25 barrels 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 Subsection A of 19.15.17.13 NMAC. This will include a) below-grade tanks that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of fl9.15.17.11 NMAC within five years, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC; b) permitted below-grade tanks within 60 days of cessation of the below-grade tank's operation., or c) an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. For any closure, BR will file the C144 Closure Report as required.
- 2. 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 after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.
- 3. 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.
- 4. 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.
- 5. 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.
- 6. 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.

- 7. 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.
- 8. 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.
- 9. 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.
- 10. 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.
- 11. 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 federally jurisdicted lands and division-approved seed mixtures (administratively approved if required) will be utilized on all State or private 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. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. BR will repeat seeding or planting will be continued until successful vegetative growth occurs.
- 12. 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.
- 13. 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 belowgrade 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