#### District I

1625 N French Dr., Hobbs, NM 88240

### District II

1301 W Grand Ave, Artesia, NM 88210

District III

## State of New Mexico Energy Minerals and Natural Resources

Department Oil Conservation Division 1220 South St. Francis Dr. Form C-144 July 21, 2008

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

District IV  1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NM 8	3/505		and exceptions submit to the Santa Fe and office and provide a copy to the District Office.
497 Pit, C	Closed-Loop System, Laternative Method Pe			olication
Clo Mo Clo	st does not relieve the operator of liabili	tm, below-grade tand t n existing permitte ernative method al pit, closed-loop ty should operations resu	nk, or proposed a d or non-permitte  system, below-gi ult in pollution of surfa	ed pit, closed-loop system,  rade tank or alternative request use water, ground water or the
1 Operator: ConocoPhillips Company			OGRID#: <u>2178</u>	317
Address: PO Box 4289, Farmington, NM	87499		<del></del>	
Facility or well name: SAN JUAN 32-8 UN	IT 264			<u> </u>
API Number: 30-045-30	985 0	CD Permit Number:		
Center of Proposed Design: Latitude:		Range: 81 Longitude: al Trust or Indian	107.685385	San Juan           °W NAD: ☐ 1927 X 1983
Temporary Drilling Workover  Permanent Emergency Cavitation  Lined Unlined Liner type  String-Reinforced  Liner Seams Welded Factory	Thickness mil	LLDPE H	DPE PVC	Other x W x D
Type of Operation P&A X Drilling	notice of inten	t)	ctivities which requ	ure prior approval of a permit or
X       Drying Pad       X       Above Ground Steel         X       Lined       Unlined       Liner type         Liner Seams       X       Welded       X       Factory	Fanks Haul-off Bins Thickness 20 mil Other	Other  X LLDPE HI	DPE PVD	Other
Tank Construction material:  Secondary containment with leak detection	Type of fluid  Visible sidewalls, liner, isible sidewalls only		atic overflow shut-	OFFI OFFI CONS. DIV. DIST. 3
Submittal of an exception request is required Ex	sceptions must be submitted to the	e Santa Fe Environme	ental Bureau office	

Fencing: Subsection D of 19 15 17 11 NMAC (Applies to permanent pit, temporary pits, and below-grade tanks)  Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)  Four foot height, four strands of barbed wire evenly spaced between one and four feet  Alternate Please specify			
Netting: Subsection E of 19 15.17 11 NMAC (Applies to permanent pits and permanent open top tanks)  Screen Netting Other  Monthly inspections (If netting or screening is not physically feasible)			
Signs: Subsection C of 19.15 17 11 NMAC  12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  X Signed in compliance with 19.15 3.103 NMAC			
Administrative Approvals and Exceptions:  Justifications and/or demonstrations of equivalency are required Please refer to 19 15 17 NMAC for guidance  Please check a box if one or more of the following is requested, if not leave blank:  Administrative approval(s). Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consideration of approval  (Fencing/BGT Liner)  Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval			
Siting Criteria (regarding permitting): 19.15.17.10 NMAC  Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above grade-tanks associated with a closed-loop system.			
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.  - NM Office of the State Engineer - 1WATERS database search; USGS; Data obtained from nearby wells	Yes	□No	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	Yes	∏No	
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes	No	
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	□NA		
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applied to permanent pits)	☐Yes ☐NA	No	
<ul> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> <li>Within 500 horizonal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.</li> </ul>	Yes	No	
- NM Office of the State Engineer - 1WATERS 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		No	
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes	No	
Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	Yes	No	
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map		No	
Within a 100-year floodplain - FEMA map		No	

Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC				
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  [ Hydrogoologic Penert (Paloty grade Topks)   based upon the requirements of Paragraph (A) of Subsection B of 19 15 17 9 NMAC				
Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15 17.9 NMAC				
Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15 17.10 NMAC				
Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC				
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC				
Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of				
19.15.17.9 NMAC and 19.15.17.13 NMAC				
Previously Approved Design (attach copy of design)  API or Permit				
12				
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.				
Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9				
Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC				
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				
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				
Oıl 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 Classics 10.15.17.10.NMAG				
Proposed Closure: 19 15 17 13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.				
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank X Closed-loop System				
Alternative				
Proposed Closure Method Waste Excavation and Removal				
X Waste Removal (Closed-loop systems only)				
On-site Closure Method (only for temporary pits and closed-loop systems)				
☐ In-place Burial ☐ On-site Trench ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)				
Waste Excavation and Removal Closure Plan Checklist: (19 15 17 13 NMAC) Instructions: Each of the following items must be attached to the closure plan.				
Please indicate, by a check mark in the box, that the documents are attached.				
Protocols and Procedures - based upon the appropriate requirements of 19.15 17.13 NMAC				
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC				
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)  Seil Real-fill and Cauca Design Specifications about the appropriate requirements of Subsection H of 19.15.17.13 NMAC				
Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC				
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15.17.13 NMAC				
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC				

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground		
Instructions Please identify the facility or facilities for the disposal of liquids, dril facilities are required.	lling fluids and arill cultings. Use allachment if more than two	9
Disposal Facility Name Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #: NM-01-0011 / NM-01-0	0010B
Disposal Facility Name Basin Disposal Facility	Disposal Facility Permit # NM-01-005	
Will any of the proposed closed-loop system operations and associated activities Yes (If yes, please provide the information No	vities occur on or in areas that will not be used for future	service and
Required for impacted areas which will not be used for future service and operation		40
Soil Backfill and Cover Design Specification - based upon the appro Re-vegetation Plan - based upon the appropriate requirements of Sul		AC
Site Reclamation Plan - based upon the appropriate requirements of		
17 Siting Criteria (Regarding on-site closure methods only: 19 15 17 10 NN	MAC	
Instructions Each siting criteria requires a demonstration of compliance in the closure p certain siting criteria may require administrative approval from the appropriate district o		
office for consideration of approval. Justifications and/or demonstrations of equivalency		
Ground water is less than 50 feet below the bottom of the buried waste		Yes No
- NM Office of the State Engineer - 1WATERS database search, USGS. Data	obtained from nearby wells	N/A ∣
Ground water is between 50 and 100 feet below the bottom of the buried w	vaste	Yes No
- NM Office of the State Engineer - 1WATERS database search, USGS, Data of	obtained from nearby wells	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 of	obtained from nearby wells	N/A □
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sign	nuficant watercourse or lakehed, sinkhole, or playa lake	☐Yes ☐No
(measured from the ordinary high-water mark)	,	1 105
- Topographic map; Visual inspection (certification) of the proposed site		
Within 300 feet from a permanent residence, school, hospital, institution, or church		Yes No
Visual inspection (certification) of the proposed site; Aerial photo, satellite im	nage	
Within 500 horizontal feet of a private, domestic fresh water well or spring that less	s than five households use for domestic or stock watering	Yes No
purposes, or within 1000 horizontal fee of any other fresh water well or spring, in e  - NM Office of the State Engineer - iWATERS database; Visual inspection (ce:	existence at the time of the initial application	
Within incorporated municipal boundaries or within a defined municipal fresh water		Yes No
pursuant to NMSA 1978, Section 3-27-3, as amended	obtained from the municipality	
Written confirmation or verification from the municipality; Written approval Within 500 feet of a wetland	ootanica from the maneipanty	Yes No
- US Fish and Wildlife Wetland Identification map; Topographic map, Visual i	inspection (certification) of the proposed site	
Within the area overlying a subsurface mine		Yes No
- Written confiramtion or verification or map from the NM EMNRD-Mining an	nd Mineral Division	
Within an unstable area.  - Engineering measures incorporated into the design, NM Bureau of Geology &	& Mineral Resources TISGS NM Geological Society	Yes No
Topographic map	t Mineral Resources, es es, two esconges as secret,	
Within a 100-year floodplain FEMA map		Yes No
On-Site Closure Plan Checklist: (19.15.17 13 NMAC) Instructions: Edby a check mark in the box, that the documents are attached.	ach of the following items must bee attached to the clos	sure plan. Please indicate,
Siting Criteria Compliance Demonstrations - based upon the approp	oriate requirements of 19.15.17 10 NMAC	,
Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC		
Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19 15 17.11 NMAC		
Construction/Design Plan of Temporary Pit (for in place burial of a drying pad) - based upon the appropriate requirements of 19 15 17.11 NMAC		
Protocols and Procedures - based upon the appropriate requirements of 19 15.17 13 NMAC		
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15.17 13 NMAC		
Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15 17.13 NMAC		
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)		
Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC  Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC		
Re-vegetation Plan - based upon the appropriate requirements of Su  Site Reclamation Plan - based upon the appropriate requirements of		

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). Marie E Taram to Title Staff Regulatory Technician			
Signature. Date: 170 10			
e-mail address harie e.jaramillo@conocobhillips.com Telephone: 505-326-9865			
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)			
OCD Representative Signature: Smarl Fell Approval Date: 3/3/10			
Title: OCD Permit Number:			
Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC  Instructions Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed  Closure Completion Date:			
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			
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 complilane to the items below)			
Required for impacted areas which will not be used for future service and operations:			
, Site Reclamation (Photo Documentation)  Soil Backfilling and Cover Installation			
Re-vegetation Application Rates and Seeding Technique			
24			
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in			
the box, that the documents are attached.			
Proof of Closure Notice (surface owner and division)			
Proof of Deed Notice (required for on-site closure)			
Plot Plan (for on-site closures and temporary pits)			
Confirmation Sampling Analytical Results (if applicable)			
Waste Material Sampling Analytical Results (if applicable)			
Disposal Facility Name and Permit Number			
Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique			
Site Reclamation (Photo Documentation)			
On-site Closure Location Latitude Longitude NAD 1927 1983			
25			
Operator Closure Certification:			
I hereby certify that the information and attachments submitted with this closure report is ture, accurate and complete to the best of my knowledge and belief—I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan			
Name (Print): Tıtle:			
Signature Date:			
e-mail address Telephone			

# ConocoPhillips Company

### **Closed Loop Design:**

The closed loop design will not incorporate a temporary pit or below grade tank. The plan will utilize an above grade tank suitable for holding the cuttings and fluids generated during drilling operations. The volume of the tank shall be of a sufficient volume to maintain an adequate free board for periodic removal and disposal of cuttings and fluids.

ConocoPhillips Company may incorporate the use of a 20 mil, string reinforced, LLDPE liner with factory welded seams to line the drying pad in order to minimize the volume of fluids to be disposed of. The drying pad will be designed to prevent contamination of fresh water, protect public health and the environment, and have sumps to facilitate the collection of liquids derived from drilling cuttings, as specified per subsection H of 19.15.17.11. The cuttings pad will be constructed above grade and containment will be through the use of earthen berms of sufficient height to contain the cuttings and prevent run-off of surface water or fluids. The drying pad area will replace the area of the drill site previously designated for the reserve pit. It will be signed in compliance with 19.15.3.103.NMAC. Frac tanks will be utilized on site for fresh water storage.

### **Closed Loop Operations and Maintenance:**

The closed loop system will be operated and maintained for solids and liquid containment to prevent ground water contamination as follows:

- Any free liquids will be recovered and reused or disposed of at the Basin Disposal Facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Reuse may include the relocating of liquids to be used in other permitted drilling operations.
- 2. Drill solids will be recovered from location and hauled to Envirotech (Permit #NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) periodically as required to maintain a safe free board in the cuttings tank. No onsite trench burial of cuttings will occur.
- 3. In the event a drying pad is utilized, the cuttings will be picked up and transported to Basin Disposal Facility (Permit #NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). The liner will be disposed of at the San Juan County Landfill located on CR 3100. The drying pad will be closed within 6 months from the date that the drilling rig is released. Berms constructed from native materials will be bladed on site to the location's contour.
- 4. Any drilling materials or trash will be stored and disposed of appropriately.
- 5. The NMOCD will be notified within 48 hours of the discovery of compromised integrity of the closed loop containment. Any required repairs will commence immediately.

### **Closed Loop Closure Plan:**

1. Upon completion of the drilling operations, all solids and liquids will be removed and disposed of to Envirotech (Permit #NM-01-0011) and/or Basin Disposal Facility (Permit #NM-01-005) and/or JFJ Landfarm % Industrial Ecosystem Inc. (Permit #NM-01-0010B). Equipment shall also be removed from location. In the event a drying pad is utilized, the solids contained on the pad shall remain on site to allow sufficient drying and will then be transported to Envirotech (Permit #NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit #NM-01-0010B) within 6 months from the date that the drilling rig is released.

2. After the drying pad is removed the surface below will be visually inspected for any contamination. If contamination is discovered a five point composite sample will be taken of the drying pad area using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e., Dig and haul.

Components	Tests Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	500

- 3. 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.
- 4. Notification will be sent to OCD when the reclaimed area is seeded.
- 5. COP shall seed the disturbed areas the first growing season after the operator closes the drying pad. 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.

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

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

Source No. One (poor quality)

Purity

Source No. two (better quality)

Source No. two (better quality)

Purity

Source No. two (better quality)

Source No. two (better quality)

Purity

Source No. two (better quality)

Source No. two (better quality)

Purity

Source No. two (better quality)

Source No. two (better quality)

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

1 lb. PLS 1 lb. PLS