District I'

1625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy Minerals and Natural Resources

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

Form C-144 July 21, 2008

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

For permanent pits and exceptions submit to the Santa Fe

| <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 8 | 7505 | | ental Bureau office and provi e NMOCD District Office. | de a copy to the |
|--|--|---|---|----------------------|
| | Pit, Closed-Loop Systeroposed Alternative Method | em, Below-Grade Tank, d Permit or Closure Plan | | |
| Type of action | X Closure of a pit, closed-loop Modification to an existing Closure plan only submitted | for an existing permitted or non | roposed alternative met | hod |
| Please be advised that app | below-grade tank, or propose one application (Form C-144) per independent of this request does not relieve the operator of val relieve the operator of its responsibility to comp | ividual pit, closed-loop system, t | on of surface water, ground wat | ter or the |
| Operator: Burlington Resource Address: PO Box 4289, Farm | · | OGRID# | : 14538 | |
| Facility or well name: SAN JU | JAN 27-4 UNIT 154M | | | |
| API Number: | 30-039-30486 | OCD Permit Number: | | |
| U/L or Qtr/Qtr: F(SE/NW) Center of Proposed Design: La Surface Owner: X Feder | | N Range: 4W C Longitude: 107.2219 Tribal Trust or Indian Allotmer | | 1927 X 1983 |
| X Pit: Subsection F or G of 19 Temporary: Drilling Permanent Emergency Lined Unlined String-Reinforced Liner Seams: Welded | Workover X Cavitation P&A (Pre-set) | nil LLDPE HDPE Di | PVC Other mensions L x W | x D |
| Closed-loop System: S Type of Operation: P&A | ubsection H of 19.15.17.11 NMAC Drilling a new well Workov notice of | er or Drilling (Applies to activities w f intent) | | |
| Drying Pad Above Lined Unlined Liner Seams: Welded | Ground Steel Tanks Haul-off Bins Liner type: Thickness m Factory Other | | 1,00 | RECEIVEL |
| 4 Below-grade tank: Subset Volume: Tank Construction material: | ction I of 19.15.17.11 NMAC bbl Type of fluid: | | 2/1/2/3/4 | DEP 2010 OIL CONS |
| Secondary containment with I Visible sidewalls and liner Liner Type: Thickness | Visible sidewalls only | liner, 6-inch lift and automatic overl Other Other | flow shut-off | - |
| 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.



| 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: X Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for consideration of approval. (Cavitation pit for Pre-set) 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 - iWATERS 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) | □NA | | | | |
| - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | | | | | |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applied to permanent pits) | Yes 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 | No | | | |
| - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site. | ! | | | | |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality; Written approval obtained from the municipality | Yes | No | | | |
| Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | Yes | No | | | |
| Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division | Yes | No | | | |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | Yes | No | | | |
| Within a 100-year floodplain - FEMA map | Yes | No | | | |

| Temporary Pits, Emergency Pits and Below-grade Tanks Permit Application Attachment Checklist Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. | | | | |
|---|--|--|--|--|
| Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC | | | | |
| Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 | | | | |
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC | | | | |
| Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC | | | | |
| Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC | | | | |
| Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of | | | | |
| 19.15.17.9 NMAC and 19.15.17.13 NMAC | | | | |
| Previously Approved Design (attach copy of design) API or Permit | | | | |
| Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC | | | | |
| Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC | | | | |
| 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 | | | | |
| 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 19.15.17.11 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 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 | | | | |
| 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 X Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) 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. Protocols and Procedures - based upon the appropriate requirements of 10.15.17.13.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 | | | | |
| 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) | | | | |
| Disposal Facility Name and Permit Number (for Inquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC | | | | |
| Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC | | | | |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | | |

| 16 | | | | | | |
|---|--|-------------------------------|--|--|--|--|
| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Instructions: Please identify the facility or facilities for the disposal of liquids, drilling f | | | | | | |
| facilities are required. | | | | | | |
| Disposal Facility Name: Envirotech / JFJ Landfarm % IEI Disposal Facility Permit #: NM-01-0011 / NM-01- | | 010B | | | | |
| Disposal Facility Name: Basin Disposal Facility | Disposal Facility Permit #: NM-01-005 | | | | | |
| Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will nbe used for future service and 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 Subsect | | MAC | | | | |
| Site Reclamation Plan - based upon the appropriate requirements of Subs | | | | | | |
| | | | | | | |
| 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. Reco | ommendations of acceptable source material are provided below. | Requests regarding changes to | | | | |
| certain siting criteria may require administrative approval from the appropriate district office or n office for consideration of approval. Justifications and/or demonstrations of equivalency are requi | | nta Fe Environmental Bureau | | | | |
| | | Dvan Dva | | | | |
| 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. | ined from nearby wells | Yes No | | | | |
| The office of the same Engineer Translate dumbing established some | med from feding wells | | | | | |
| Ground water is between 50 and 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 | | | | |
| 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 | ant watercourse or lakebed, sinkhole, or playa lake | ☐Yes ☐No | | | | |
| (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 e | xistence at the time of initial application. | ∐Yes ∐No | | | | |
| - Visual inspection (certification) of the proposed site; Aerial photo; satellite image | | | | | | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than | five households use for domestic or stock watering | YesNo | | | | |
| purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existe | | | | | | |
| - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | | <u></u> | | | | |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. | | ∐Yes ∐No | | | | |
| - Written confirmation or verification from the municipality; Written approval obta | ined from the municipality | | | | | |
| Within 500 feet of a wetland | | Yes No | | | | |
| - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspe | ection (certification) of the proposed site | | | | | |
| Within the area overlying a subsurface mine. | in and Divinian | YesNo | | | | |
| Written confirantion or verification or map from the NM EMNRD-Mining and M Within an unstable area. | metal Division | ∏Yes ∏No | | | | |
| - Engineering measures incorporated into the design; NM Bureau of Geology & Mi | neral Resources; USGS; NM Geological Society; | | | | | |
| Topographic map | , | | | | | |
| Within a 100-year floodplain. | | Yes No | | | | |
| - FEMA map | | | | | | |
| On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each | of the full animality manner than attached to the also | uun minu. Dinnan in dinnan | | | | |
| by a check mark in the box, that the documents are attached. | oj ine jouowing uems musi vee auacnea io ine cios | ure pium. Fieuse inuicuie, | | | | |
| Siting Criteria Compliance Demonstrations - based upon the appropriat | te requirements of 19.15.17.10 NMAC | | | | | |
| Proof of Surface Owner Notice - based upon the appropriate requireme | ents 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 dry | ring pad) - based upon the appropriate requirements | of 19.15.17.11 NMAC | | | | |
| X 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 | | | | | | |
| X Waste Material Sampling Plan - based upon the appropriate requirement | nts of Subsection F of 19.15.17.13 NMAC | | | | | |
| Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) | | | | | | |
| Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC | | | | | | |
| Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC | | | | | | |
| Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | | | | |

Form C-144 Oil Conservation Division Page 4 of 5

| 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): Title: Signature: Date: | | | | |
| Signature: Date: e-mail address: Telephone: | | | | |
| | | | | |
| 20 OCD Approval: Permit Application (ineluding closure plan) Closure Plan (ealy) OCD Conditions (see attachment) | | | | |
| OCD Representative Signature: Approval Date: 1/30/11 | | | | |
| 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: N/A | | | | |
| 22 Closure Method: Waste Excavation and Removal On-site Closure Method X Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain. | | | | |
| Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized. Disposal Facility Name: Disposal Facility Permit Number: Disposal Facility Name: Disposal Facility Permit Number: Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? | | | | |
| Yes (If yes, please demonstrate 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 | | | | |
| 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): Amarje E. Jaramillo Title: Staff Regulatory Technician | | | | |
| Signature: Date: O | | | | |
| e-mail address: Telephone: 505-326-9865 | | | | |

Burlington Resources Oil Gas Company, LP San Juan Basin Closure

Modification Pre-set Pit Permit

The San Juan 27-4 Unit 154M has an approved C-144 Pre-set pit permit dated 08/11/09. Due to change in plans, Bulington Resources mud drilled and never utilized C144 Pre-set pit permit.