District 1

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico Energy Minerals and Natural Resources

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

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 Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

1220 S. St. Hallels Dr., Salita Fe, 1414 67303	The state of the s
Pit, Close	ed-Loop System, Below-Grade Tank, or
Proposed Alter Type of action: X Permit of	native Method Permit or Closure Plan Application
Type of action: X Permit of	f a pit, closed-loop system, below-grade tank, or proposed alternative method
	of a pit, closed-loop system, below-grade tank, or proposed alternative method
Modifica	ation to an existing permit
—	plan only submitted for an existing permitted or non-permitted pit, closed-loop system,
•	rage tank, or proposed alternative method
	orm C-144) per individual pit, closed-loop system, below-grade tank or alternative request
	not relieve the operator of liability should operations result in pollution of surface water, ground water or the f its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
1	
Operator: Burlington Resources Oil & Gas Com	
Address: PO Box 4289, Farmington, NM 8749	
Facility or well name: CANYON LARGO UNIT	
API Number: 30-039-20978	OCD Permit Number:
	Township: 24N Range: 7W County: Rio Arriba
· '	6.33928 °N Longitude: 107.53006 °W NAD: X 1927 1983
Surface Owner: X Federal State	Private Tribal Trust or Indian Allotment
Lined Unlined Liner type: Th	P&A nickness mil LLDPE HDPE PVC Other Other Volume: bbl Dimensions L x W x D
3 X Closed-loop System: Subsection H of 19.15. Type of Operation: X P&A Drilling a new	
Drying Pad X Above Ground Steel Tanks	Haul-off Bins Other
Lined Unlined Liner type: Thi	icknessmilLLDPEHDPEPVDOther
Liner Seams: Welded Factory Oth	
4	NMAC STREET RECEIVED
Below-grade tank: Subsection I of 19.15.17.11	NMAC of fluid: RECEIVEL RECEIVEL NOTE
Volume: bbl Type of	Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
Tank Construction material:	Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Sidewalls only Other LEGE 67821
Secondary containment with leak detection	Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
	sidewalls only Other
Liner Type: Thicknessmil	HDPE PVC Other
5 Alternative Method:	
Submittal of an exception request is required. Exception	ons 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)				
8				
Signs: Subsection C of 19.15.17.11 NMAC 12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers				
X Signed in compliance with 19.15.3.103 NMAC				
9				
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.				
Please check a box if one or more of the following is requested, if not leave blank:				
Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for 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		ļ		
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.	Yes	□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 lake (measured from the ordinary high-water mark).	Yes	□No		
- 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 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.	Yes	No		
(Applied to permanent pits)	NA			
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image Within 500 having all feet of a printed demostic freely water well or carring that less than five households we feet demostic or steel watering	Пусс	Пла		
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.	Yes	□No		
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site Within the area overlying a subsurface mine.	□v _{aa}	Пма		
- 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	Yes	No		
Society; Topographic map		_		
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		
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		
Treviously Approved Operating and Mannehance Plan Att		
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 (1) 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		
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 X P&A Permanent Pit Below-grade Tank X 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 19.15.17.13 NMAC		
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC		
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)		
Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC		
Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC		
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC		

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16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground St	and Tanks or Haud off Rins Only (19 15 17 13 D NMAC)			
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling				
facilities are required.	Discoul Provides Described NIM OF COLD (NIM OF CO.	uon.		
Disposal Facility Name: Envirotech / JFJ Landfarm % IEI	Disposal Facility Permit #: NM-01-0011 / NM-01-00	108		
Disposal Facility Name: Basin Disposal Facility Will any of the proposed closed-loop system operations and associated activity	Disposal Facility Permit #: NM-01-005	service and		
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be 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 operation. Soil Backfill and Cover Design Specification - based upon the appropriate to the service and operation.		.C		
Re-vegetation Plan - based upon the appropriate requirements of Subs	•			
Site Reclamation Plan - based upon the appropraite requirements of Si	ubsection G of 19.15.17.13 NMAC			
17				
Siting Criteria (Regarding on-site closure methods only: 19.15.17.10 NM/				
Instructions: Each siting criteria requires a demonstration of compliance in the closure pla certain siting criteria may require administrative approval from the appropriate district off				
office for consideration of approval. Justifications and/or demonstrations of equivalency a				
Ground water is less than 50 feet below the bottom of the buried waste.		Yes No		
- NM Office of the State Engineer - iWATERS database search; USGS: Data of	otained from nearby wells	□ N/Λ		
Ground water is between 50 and 100 feet below the bottom of the buried was	te	Yes No		
- NM Office of the State Engineer - iWATERS database search; USGS; Data ob	tained 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 ob	tained from nearby wells	∏ _{N/A}		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signif	icant watercourse or lakebod, sinkhole, or playa lake	☐ ☐Yes ☐No		
(measured from the ordinary high-water mark).	national of tancount, summore, or purply tanco			
- Topographic map; Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in	• •	Yes No		
- Visual inspection (certification) of the proposed site; Aerial photo; satellite image	ge	□Yes □No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less t	han five households use for domestic or stock watering			
purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existence at the time of the initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site				
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 ob	tained from the municipality			
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map; Topographic map; Visual ins	spection (certification) of the proposed site	∐Yes ∐No		
Within the area overlying a subsurface mine.		∏Yes ∏No		
- Written confirantion or verification or map from the NM EMNRD-Mining and	Mineral Division			
Within an unstable area.		Yes No		
 Engineering measures incorporated into the design; NM Bureau of Geology & N Topographic map 	Mineral Resources; USGS; NM Geological Society;			
Within a 100-year floodplain FEMA map		Yes No		
18				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must bee attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.				
Siting Criteria Compliance Demonstrations - based upon the appropri	ate requirements of 19.15.17.10 NMAC			
Proof of Surface Owner Notice - based upon the appropriate requirem	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 di	rying pad) - based upon the appropriate requirements of	19.15.17.11 NMAC		
Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC				
Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC				
Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC				
Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)				
)	Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC			
Site Reclamation Plan - based upon the appropriate requirements of Substitution Plan - based upon the appropriate requirements of S				

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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: STAFF REGULATORY TECHNICIAN				
Signature:Date:Date:Date:Date:				
e-mail address: crystal.tafoya@conocophillips.com Telephone: (505) 326-9837				
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)				
OCD Representative Signature:Approval Date:Approval Date:				
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 <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> 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				
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				
Sit one closure Escation. Latitude				
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): Title:				
Signature: Date:				
c-mail address:Telephone:				

Burlington Resources Oil & Gas Company, LP Closed-loop Plans

Closed-loop Design Plan

BR's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system
- 2. It will be signed in compliance with 19.15.3.103 NMAC
- 3. A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

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

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) on a periodic basis to prevent over topping.
- 2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-0011) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit # NM-01-005) or JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.