#### District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

## 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. Francis Dr., Sama Fe, NM 87303				
Pit, Closed-Loop System, Below-Grade Tank, or				
Proposed Alternative Method Permit or Closure Plan Application				
Type of action: Type of action				
Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method				
Modification to an existing permit				
Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method				
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request				
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.				
1 Operator: ConocoPhillips Company OGRID#: 217817				
Address: PO Box 4289, Farmington, NM 87499				
Facility or well name: PRICE 5				
API Number: 30-045-30252 OCD Permit Number:				
U/L or Qtr/Qtr: P(SE/SE) Section: 12 Township: 28N Range: 8W County: San Juan				
Center of Proposed Design: Latitude: <u>36'40'14.303</u> °N Longitude: <u>107'37'32.088</u> °W NAD: X 1927 1983				
Surface Owner: X Federal State Private Tribal Trust or Indian Allotment				
Permanent Emergency Cavitation P&A  Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other  String-Reinforced  Liner Seams: Welded Factory Other Volume: bbl Dimensions L x W x D				
X Closed-loop System: Subsection H of 19.15.17.11 NMAC  Type of Operation: P&A Drilling a new well X Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)  Drying Pad X Above Ground Steel Tanks Haul-off Bins Other  Lined Unlined Liner type: Thickness mil LLDPE HDPE PVD Other  Liner Seams: Welded Factory Other				
Below-grade tank:   Subsection   of 19.15.17.11 NMAC				
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, inst	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						
7						
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)						
Screen Netting Other						
Monthly inspections (If netting or screening is not physically feasible)						
0						
8 Signs: Subsection C of 19.15.17.11 NMAC						
12" X 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers						
X Signed in compliance with 19.15.3.103 NMAC						
9						
Administrative Approvals and Exceptions:						
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.						
Please check a box if one or more of the following is requested, if not leave blank:						
Administrative approval(s): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for cons	ideration of ar	proval.				
(Fencing/BGT Liner)	•					
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.						
10						
Siting Criteria (regarding permitting): 19.15.17.10 NMAC						
Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable						
source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the						
appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau Office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria						
does not apply to drying pads or above grade-tanks associated with a closed-loop system.						
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.	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	Yes	□No				
(measured from the ordinary high-water mark).						
- Topographic map; Visual inspection (certification) of the proposed site						
Within 200 feet from a normanent residence school beguited institution on shough in spictures at the time of inti-1						
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.	Yes	No				
(Applied to permanent pits)						
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	LJ''' <b>'</b>					
	l г.,					
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				
purposes, or within 1000 northonial teet of any other riesh water well of spring, in existence at the func of initial apprication.						
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site.						
	<b>—</b>	I				
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 obtained from the municipality						
Within 500 feet of a wetland.	∏Yes	□ <sub>Nlo</sub>				
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Lies	∐No				
Within the area overlying a subsurface mine.	□ v <sub>aa</sub>	□ <sub>N′-</sub>				
- Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division	∐Yes	∐No				
·	□v					
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological</li> </ul>	Yes	∐No				
Society; Topographic map						
Within a 100-year floodplain	Пу	,				
- FEMA man	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				
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				
Siting criterial compliance behavioral distributions of 19.15.17.10 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 (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				
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 XP&A Permanent Pit Below-grade Tank X Closed-loop System				
Alternative   Proposed Closure Method:				
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				

16 Waste Removal Closure For Closed-loop Systems That Utilize Above Ground St				
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling facilities are required.	ng fluids and drill cuttings. Use attachment if more than two	0		
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 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 operations:  Soil Backfill and Cover Design Specification - 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				
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. 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 Burean office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.				
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	btained from nearby wells	∐N/A		
Ground water is between 50 and 100 feet below the bottom of the buried was	ste	Yes No		
- NM Office of the State Engineer - iWATERS database search; USGS; Data ob	stained 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	ntained from nearby wells	N/A		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signif (measured from the ordinary high-water mark).	ficant watercourse or lakebed, sinkhole, or playa lake	Ycs No		
- Topographic map; Visual inspection (certification) of the proposed site				
Within 300 feet from a permanent residence, school, hospital, institution, or church in  - 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 than 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 v pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approval ob	•	Yes No		
Within 500 feet of a wetland		Yes No		
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual ins	spection (certification) of the proposed site			
Within the area overlying a subsurface mine.  - Written confirantion or verification or map from the NM EMNRD-Mining and	Mineral Division	Yes No		
Within an unstable area.	Miletal Division	Yes No		
<ul> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; N Topographic map</li> </ul>	Mineral Resources; USGS; NM Geological Society;			
Within a 100-year floodplain FEMA map		☐Yes ☐No		
18		- 17-7-		
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 appropriate requirements of 19.15.17.10 NMAC				
Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC				
Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC				
Construction/Design Plan of Temporary Pit (for in place 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 Subsc				
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

19				
Operator Application Certification:				
I hereby certify that the information submitted with this application is true, accurate and co	omplete to the best of my knowledge and belief.			
Name (Print): CRYSTAL TAFOYA T	itle: STAFF REGULATORY TECHNICIAN			
Signature:D	ate: 2/7/2011			
e-mail address: crystal.tafoya@conocophillips.com Tel	ephone: (505) 326-9837			
20 OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)				
OCD Representative Signature:	Approval Date: 2/15/11			
Title:Office	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:	rnative Closure Method Waste Removal (Closed-loop systems only)			
23				
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Uniteractions: Please identify the facility or facilities for where the liquids, drilling fluids were utilized.				
	risposal Facility Permit Number:			
-	risposal Facility Permit Number:			
Were the closed-loop system operations and associated activities performed on or in ar				
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	·			
Rc-vegetation Application Rates and Seeding Technique				
Site Reclamation (Photo Documentation)				
On-site Closure Location: Latitude: Lon	gitude:NAD			
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:			
e-mail address:	elephone:			

# ConocoPhillips Company Closed-loop Plans

### Closed-loop Design Plan

COPC'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**

COPC'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.