District [

1625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Ave., Artesia, NM 88210

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.

July 21, 2008 For temporary pits, closed-loop sytems, and below-grade

Form C-144

tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Santa Fe, NM 87505 Environmental Bureau office and provide a copy to the appropriate NMOCD District Office. Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application Type of action: X Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method 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. Operator: ConocoPhillips Company OGRID#: 217817

Addicss. FO Dox 4205, Parinington, NW 6/455
Facility or well name: PHILLIPS 2E
API Number: 3004524407 OCD Permit Number:
U/L or Qtr/Qtr: N Section: 22 Township: 28N Range: 11W County: San Juan
Center of Proposed Design: Latitude: 36.643489°N Longitude: -107.99355°W NAD: X 1927 1983
Surface Owner: X Federal State Private Tribal Trust or Indian Allotment
Plt: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover 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 Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVD Other Liner Seams: Welded Factory Other
Note 120 Metal Produced Water
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, in	stitution ar ch	urchj
Uour foot height, four strands of barbed wire evenly spaced between one and four feet		
X Alternate. Please specify 4' hog wire fencing topped with two strands barbed wire.		
7		
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)		
X Screen Netting Other		
Monthly inspections (If netting or screening is not physically feasible)		
8		<u></u>
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:		
X Administrative approvalts): Requests must be submitted to the appropriate division district of the Santa Fe Environmental Bureau office for con (Fencing/BGT Liner)	sideration of a	approval.
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	XNo
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	Ycs	XNo
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	Yes	XNo
(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)	XNA	
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	l	_
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	X 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	Yes	XNo
Written confirmation or verification from the municipality; Written approval obtained from the municipality Within 500 feet of a wetland.		I
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	Yes	XNo
Within the area overlying a subsurface mine.	Yes	XNo
Written confirmation or verification or map from the NM EMNRD - Mining and Mineral Division		_
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological	Yes	XNo
Society; Topographic map Within a 100-year Roodplain	П.,	(i).
- FEMA map	Yes Yes	X 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. X Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 X Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC X Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC X Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC X Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Or Permit
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Previously Approved Operating and Maintenance Plan API
B
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 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 P&A Permanent Pit X Below-grade Tank Closed-loop System Alternative Proposed Closure Method: X Waste Excavation and Removal (Below-Grade Tank) Waste Removal (Closed-loop systems only) On-site Closure Method (only for temporary pits and closed-loop systems) In-place Burial On-site Trench Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
15
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. X Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC X Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC X Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) X Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC X Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

£6		
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Thistractions: Please identify the facility or facilities for the disposal of liquids, drilling fleare required.		wilities
Disposal Facility Name:	Disposal Facility Permit #:	
Disposal Facility Name:		
Will any of the proposed closed-loop system operations and associated activities of Yes (If yes, please provide the information No	occur on or in areas that will not be used for future so	ervice and operations?
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specification - hased upon the appropriate Re-vegetation Plan - hased upon the appropriate requirements of Subsection Site Reclamation Plan - hased upon the appropriate requirements of Subsection	on Lof 19,15.17.13 NMAC	
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. Receivertain sating criteria may require administrative approval from the appropriate district office or a for consideration of approval. Instifications and/or demonstrations of equivalency are required.	may be considered an exception which must be submitted to the !	s, Requests regarding changes to Santa Fe Environmental Burcau office
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 obtains 	d from nearby wells	N/A
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 obtained	d 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 obtainer	d from nearby wells	□ N/A
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant (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 exis - Visual inspection (certification) of the proposed site; Aerial photo; satellite image	stence at the time of initial application.	Yes No
		Yes No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than f purposes, or within 1000 horizontal fee of any other fresh water well or spring, in existenc - NM Office of the State Engineer - iWATERS database; Visual inspection (certification)	æ at the time of the initial application.	
Within incorporated municipal boundaries or within a defined municipal fresh water well: pursuant to NMSA 1978, Section 3-27-3, as amended. Written confirmation or verification from the municipality; Written approval obtains		Yes No
Within 500 feet of a wetland		□Yes □No
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspecti	on (certification) of the proposed site	
Within the area overlying a subsurface mine,		Yes No
 Written confirantion or verification or map from the NM EMNRD-Mining and Mine Within an unstable area. 	ral Division	
Engineering measures incorporated into the design; NM Bureau of Geology & Miner Topographic map	al Resources; USGS; NM Geological Society;	YesNo
Within a 100-year floodplain. - FEMA map		Yes No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the by a check mark in the box, that the documents are attached.	the following items must bee attached to the closure	plan. Please indicate,
Siting Criteria Compliance Demonstrations - based upon the appropriate re-	quirements of 19.15.17.10 NMAC	
Proof of Surface Owner Notice - based upon the appropriate requirements of	of Subsection F of 19.15.17.13 NMAC	
Construction/Design Plan of Burial Trench (if applicable) based upon the a	ppropriate 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 19.1		
Confirmation Sampling Plan (if applicable) - based upon the appropriate rec		
Waste Material Sampling Plan - based upon the appropriate requirements of		
Disposal Facility Name and Permit Number (for liquids, drilling fluids and		ot be achieved)
Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection		
Site Reclamation Plan - based upon the appropriate requirements of Subsection		

Operator Application Certification:
Thereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief,
Name (Print): Crystal Tafoya Title: Regulatory Technician
Signature: Date: 12/22/2008
e-mail address: crystal tafoya@conocophillios.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: 08/19/15
Title: ENTRONMENTAL ENGINEER 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:
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 <u>Closure Report Attachment Checklist:</u> 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): Title:
Signature: Date:
e-mail address: Telephone:

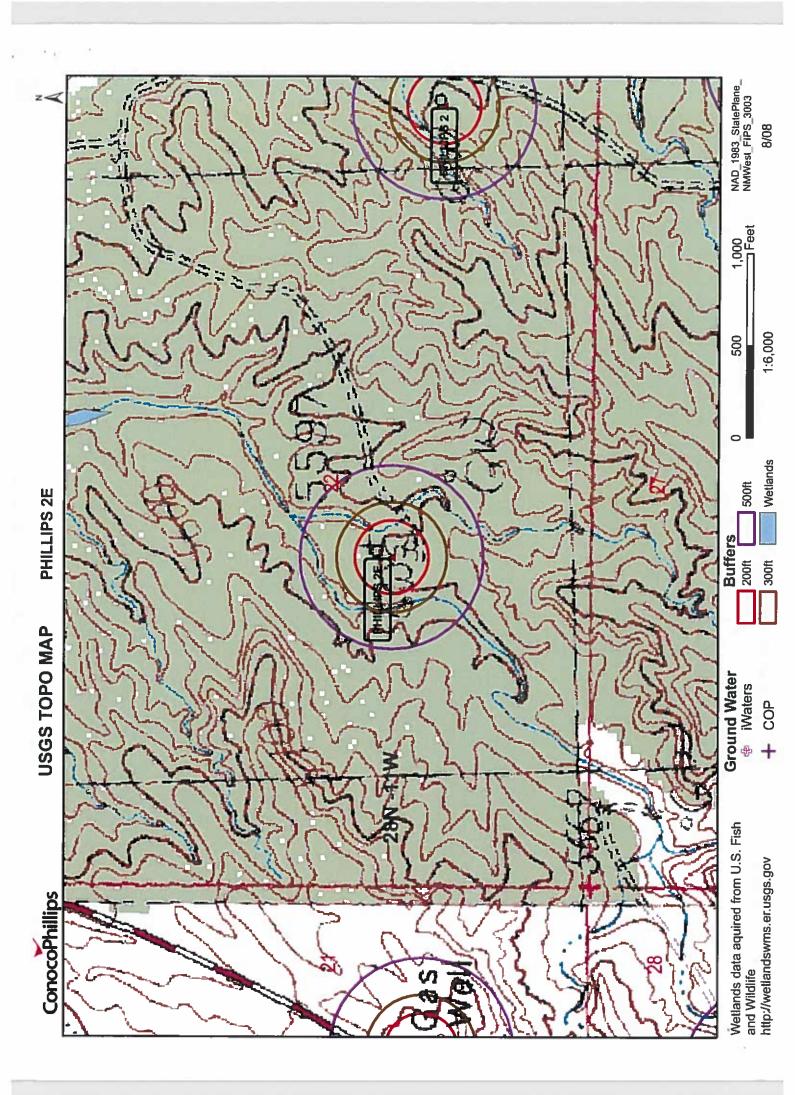
New Mexico Office of the State Engineer POD Reports and Downloads

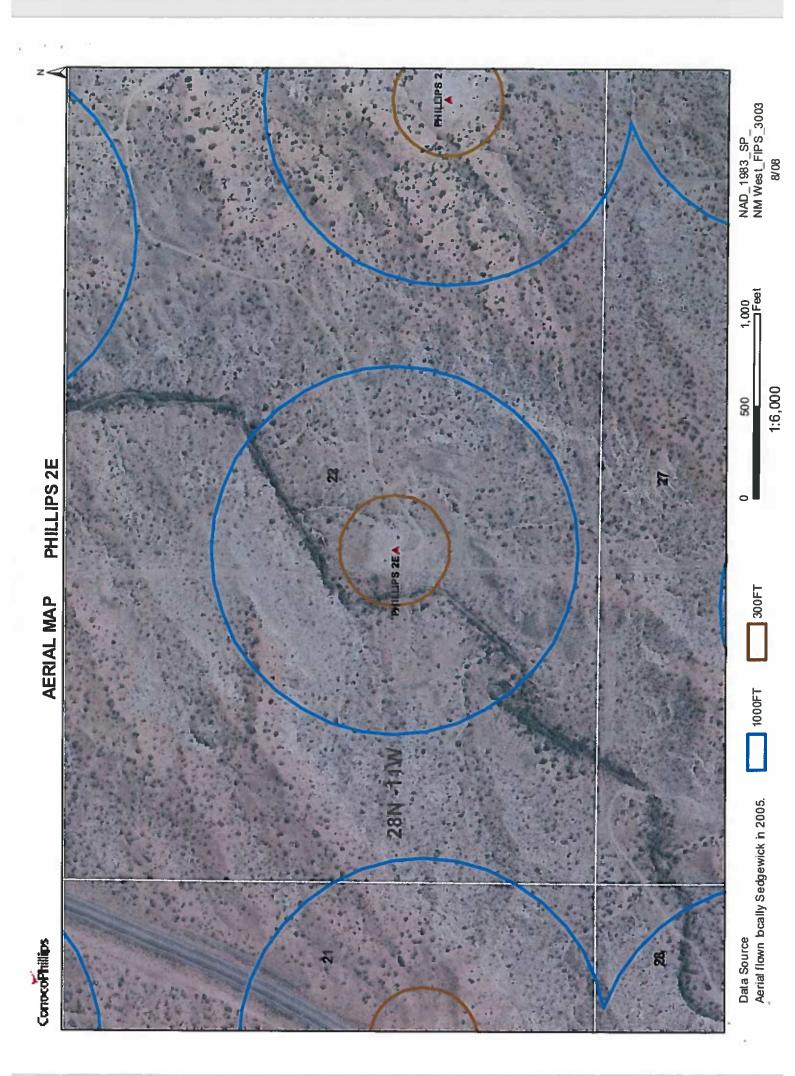
WATER COLUMN REPORT 08/21/2008

(quarters	are	1=NW	2=NE	3=SW	4=SE)
1		23		7	2

	(quarter	s are	e biç	gge	est	: to	smallest)			Depth	Depth	Water	(in
POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Well	Water	Column	
SJ_03193	28N	11W	07	3	4	3				80	35	45	
SJ 02916	28N	11W	07	3	4	4				98	70	28	

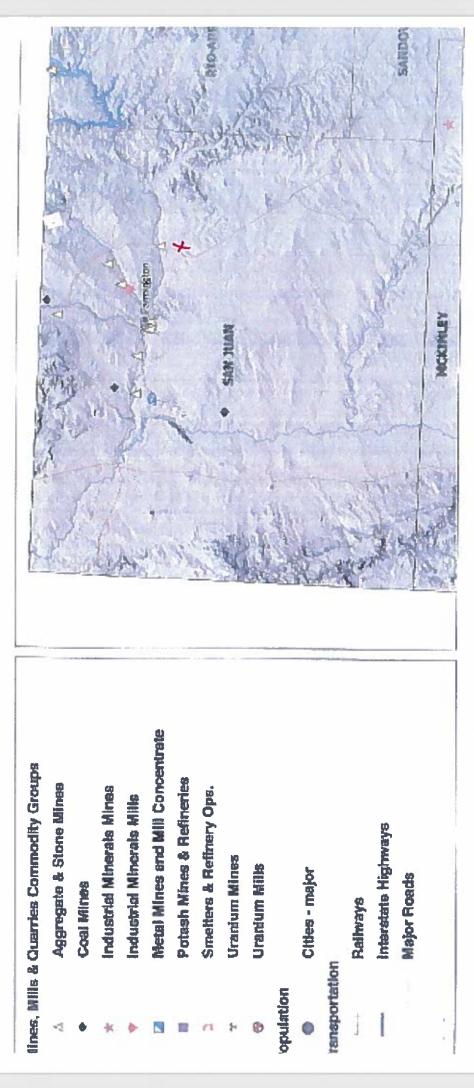
Record Count: 2





Mines, Mills and Quarries Web Map

Unit Letter: N, Section: 22, Town: 028N, Range: 011W



SCALE 1:1,180,383



APPROXIMATE SCALE MATIGUAL FLOOD INSURANCE PROGRAM **FIRM** Flood insurance rate map PAREL 550 OF 1450 ORE MAY INDEX FOR FAMPLE NOT PRINTED! ANUMITY-PAMEL NUMBER 350054 0530 B EFFECTIVE DATE: SAN JUAN COUNTY, NEW MEXICO. UNINCORPORATED AREAS WARE LOCATION #68 #01# JRANCE ZONE INFORMATION **ZONE A**

PHILLIP S 2E

Site Specific Hydrogeology

A visual site inspection confirming the information contained herein was performed on the well 'PHILLIPS 2E', which is located at 36.643489 degree, North latitude and 107.99355 degree, West longitude. This location is located on the Bloomfield 7.5' USGS topographic quadrangle. This location is in section 22 of Township 28 North Range 11 West of the Public Land Survey System (New Mexico Principal Meridian). This location is located in San Juan County, New Mexico. The nearest town is Bloomfield, located 4.6 miles to the north. The nearest large town (population greater than 10,000) is Farmington, located 13.3 miles to the northwest (National Atlas). The nearest highway is US Highway 550, located 0.5 miles to the northwest. The location is on BLM land and is 9,164 feet from the edge of the parcel as notated in the BLM land status layer updated January 2008. This location is in the Upper San Juan. Colorado. New Mexico, Sub-basin. This location is located 1715 meters or 5625 feet above sea level and receives 10 inches of rain each year. The vegetation at this location is classified as Inter-Mountain Basins Mixed Salt Desert Scrub as per the Southwest Regional Gap Analysis Program.

The estimated depth to ground water at this point is 6 feet. This estimation is based on the data published on the New Mexico Engineer's iWaters Database website and water depth data from ConocoPhillips' Cathodic wells. Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. The nearest stream is 22 feet to the southwest and is classified by the USGS as an intermittent stream. The nearest perennial stream is 9,631 feet to the southwest. The nearest water body is 11,439 feet to the northeast. It is classified by the USGS as an perennial lake and is 3.0 acres in size. The nearest spring is 4,907 feet to the northeast. All stream, river, water body and spring information was determined as per the USGS Hydrographic Dataset (High Resolution), downloaded 3/2008. The nearest water well is 9,633 feet to the southwest. The nearest wetland is a 1.9 acre Freshwater Forested/Shrub Wetland located 1,639 feet to the northeast. The slope at this location is 2 degree, to the northwest as calculated from USGS 30M National Elevation Dataset. This information is also discerned from the aerial and topographic map included. The surface geology at this location is NACIMIENTO FORMATION—Shale and sandstone with a Shale dominated formations of all ages substrate. The soil at this location is 'Fruitland-Persayo-Sheppard complex, hilly' and is well drained and not hydric with severe erosion potential as taken from the NRCS SSURGO map unit, downloaded January 2008. The nearest underground mine is 14.4 miles to the west as indicated on the Mines, Mills and Quarries Map of New Mexico provided.

Regional Geological context:

The Nacimiento Formation is of Paleocene age (Baltz, 1967, p. 35). It crops out in a broad band inside the southern and western margins of the central basin and in a narrow band along the west face of the Nacimiento Uplift. The Nacimiento is a nonresistant unit and typically erodes to low, rounded hills or forms badland topography.

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and they blexico. Sub-basin.

The Nacimiento Formation occurs in approximately only the southern two-thirds of the San Juan Basin where it conformably overlies and intertongues with the Ojo Alamo Sandstone (Fassett, 1974, p. 229). The Nacimiento Formation grades laterally into the main part of the Animas Formation (Fassett and Hinds, 1971, p. 34); thus, in this area, the two formations occupy the same stratigraphic interval. Strata of the Nacimiento Formation were deposited in lakebeds in the central basin area with lesser deposition in stream channels (Brimhall, 1973, p. 201). In general, the Nacimiento consists of drab, interbedded black and gray shale with discontinuous, white, medium- to very coarse grained arkosic sandstone (Stone e al., 1983, p.30). Stone et al. indicated that the formation may contain more sandstone than commonly reported because some investigators assume the slope-forming strata in the unit area shales, whereas in many places the strata actually are poorly consolidated sandstones.

Total thickness of the Nacimiento Formation ranges from about 500 to 1,300 feet. The unit generally thickens from the basin margins toward the basin center (Steven et al., 1974). The sandstone deposits within the Nacimiento Formation are much thinner than the total thickness of the formation because their environment of deposition was localized stream channels (Brimhall, 1973, p. 201). The thickness of the combined San Jose, Animas, and Nacimiento Formations ranges from 500 to more than 3.500 feet.

Hydraulic Properties:

Reported well yields for 53 wells completed in either the Animas or Nacimiento Formations range from 2 to 90 gallons per minute and the median yield is 7.5 gallons per minute. The primary use of water from Nacimiento and Animas Formations is domestic and livestock supplies. There are no known aquifer tests for the Animas or Nacimiento Formations, but specific capacities reported for six wells range from 0.24 to 2.30 gallons per minute per foot of drawdown (Levings et al., 1990).

The Animas and Nacimiento Formations are in many ways hydrologically similar to the San Jose Formation because sands in both units produce approximately the same quantities of water. However, the greater percentage of fine materials in the Animas and Nacimiento Formations may restrict downward vertical leakage to the Ojo Alamo Sandstone or Kirtland Shale. The poorly cemented fine material is highly erodible, forms a badland terrain, and supports only spotty vegetation. These conditions are more conductive to runoff than retention of precipitation.

References:

Baltz, E.H., 1967, Stratigraphy and regional tectonic implications of part of Upper Cretaceous rocks, east-central San Juan Basin, New Mexico: USGS Professional Paper 552, 101 p.

Brimhall, R.M., 1973, Ground-water hydrology of Tertiary rocks of the San Juan Basin, New Mexico, in Fassett, J.E., ed., Cretaceous and Tertiary rocks of the Southern Colorado Plateau: Four Corners Geological Society Memoir, p. 197-207.

Fassett, J.E., 1974, Cretaceous and Tertiary rocks of the eastern San Juan Basin, New Mexico and Colorado, in Guidebook of Ghost Ranch, central-northern New Mexico: New Mexico Geological Society, 25th Field Conference, p. 225-230.

Fassett, J.E., and Hinds, J.S., 1971, Geology and fuel resources of the Fruitland Formation and Kirtland Shale of the San Juan Basin, New Mexico and Colorado: USGS Professional Paper 676, 76 p. Levings, G.W., Craigg, S.d., Dam, W.L., Kernodle, J.M., and Thorn, C.R., 1990, Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan structural basin, New Mexico, Colorado, Arizona, and Utah: USGS Hydrologic Investigations Atlas HA-720-A, 2 sheets.

Stone, W.J., Lyford, F.P., Frenzel, P.F., Mizell, N.H., and Padgett, E.T., 1983, Hydrogeology and water resources of San Juan Basin, New Mexico: New Mexico Bureau of Mines and Mineral Resources, Hydrologic Report 6.

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Taper 676; 76 p.

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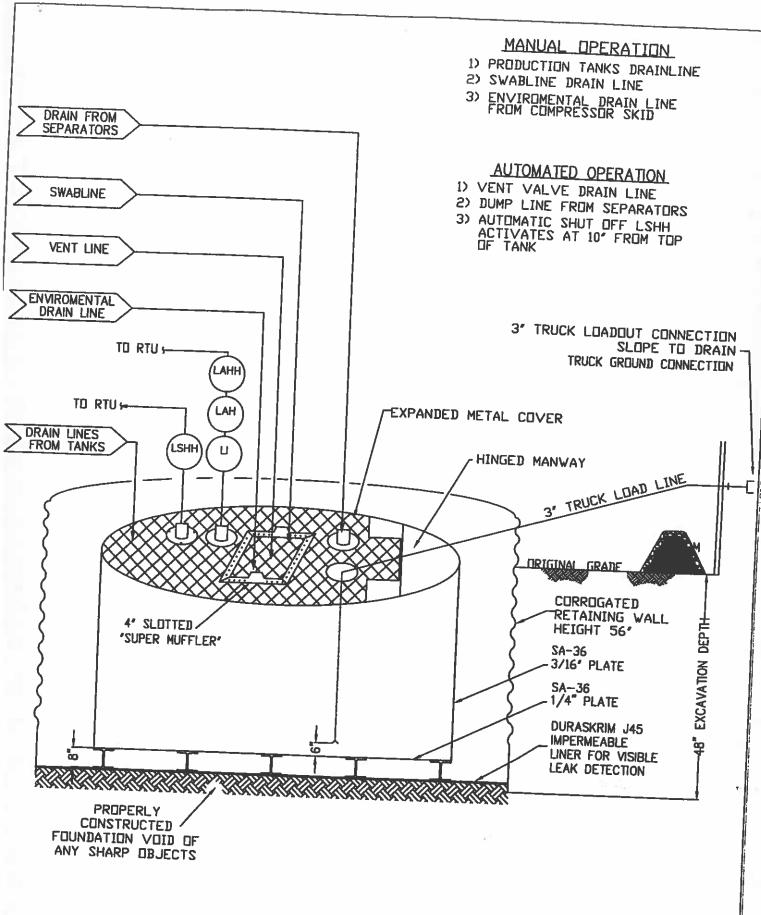
ConocoPhillips Company San Juan Basin Below Grade Tank Design and Construction

In accordance with NMAC 19.15.17 the following information describes the design and construction of below grade tanks on ConocoPhillips Company (COPC) locations. This is COPC's standard procedure for all below grade tanks (BGT). A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- COPC will design and construct a properly sized and approved BGT which will
 contain liquids and should prevent contamination of fresh water to protect the
 public health and environment.
- COPC signage will comply with 19.15.3.103 NMAC when COPC is the operator. If COPC is not the operator it will comply with 19.15.17.11NMAC. COPC includes Emergency Contact information on all signage.
- 3. COPC has approval to use alternative fencing that provides better protection. COPC constructs fencing around the BGT using 4 foot hog wire fencing topped with two strands of barbed wire, or with a pipe top rail. A six foot chain link fence topped with three strands of barbed wire will be use if the well location is within 1000 feet of permanent residence, school, hospital, institution or church. COPC ensures that all gates associated with the fence are closed and locked when responsible personnel are not onsite.
- COPC will construct a screened, expanded metal covering, on the top of the BGT.
- COPC shall ensure that a below-grade tank is constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight as shown on design drawing and specification sheet.
- 6. The COPC below-grade tank system shall have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom as shown on design drawing.
- 7. COPC shall operate and install the below-grade tank to prevent the collection of surface water run-on. COPC has built in shut off devices that do not allow a below-grade tank to overflow. COPC constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the below grade tank as shown on the design plan.
- 8. COPC will construct and use a below-grade tank that does not have double walls. The below-grade tank's side walls will be open for visual inspection for leaks, the below-grade tank's bottom is elevated a minimum of six inches above the underlying ground surface and the below-grade tank is underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.

- 9. COPC has equipped the below-grade tanks with the ability to detect high level in the tank and provide alarm notification and shutdown process streams into the tank. Once high level is detected RTU logic closes the inlet separator sales valve and does not permit vent valve to open. This shutdown of the sales valve and gagging of the vent valves prevents any hydrocarbon process streams from entering the pit tank once a high level is detected. Furthermore, an electronic page is sent to the COPC MSO for that well site and to the designated contract "Water-Hauling" Company indicating a high level and that action must be taken to address this alarm. The environmental drain line from COPC's compressor skid under normal operating conditions is in the open position. The environmental drain line is in place to capture any collected rain water or spilled lubricants from our compressor skids. The swab drain line is a manually operated drain and by normal operating procedures is in the closed position. The tank drain line is also a manually operated drain and during normal operations it is in the closed position.
- 10. The geomembrane liner consists of a 45-mil flexible LLDPE material manufactured by Raven Industries as J45BB. This product is a four layer reinforced laminated containing no adhesives. The outer layers consist of a high strength polyethylene film manufactured using virgin grade resins and stabilizers for UV resistance in exposed applications. The J45BB is reinforced with 1300 denier (minimum) tri-directional scrim reinforcement. It exceeds ASTMD3083 standard by 10%. J45BB has a warranty for 20 years from Raven Industries and is attached. It is typically used in Brine Pond, Oilfield Pit liner and other industrial applications. The manufacture specific sheet is attached and the design attached displays the proper installation of the liner.
- The general specification for design and construction are attached in the COPC document.



ConocoPhillips

San Juan Business Unit

PRODUCED WATER PIT TANK OPEN TOP GRAVITY FLOW TANK INTERNALLY COATED WITH 12-14 MILS AMERON AMERCOAT 385

DURA-SKRIM®

J30, J36 & J45

PROPERTIES	TEST METHOD	J	3088	j	36BB	J45BB		
		Min. Roll Averages	Typical Roll Averages	Min. Roil Averages	Typical Roll Averages	Min. Roll	Typical Rol	
Appearance		Bla	ck/Black		:k/Black	Averages	Averages	
Thickness	ASTM D 5199	27 mil	30 mil		T	Blac	:k/Black	
Weight Lbs Per MSE	ASTM D 5261	126 lbs	140 lbs	32 mil	36 mil	40 mil	45 mil	
(dz/yd²)	ASTWID 5261	(18.14)	(20.16)	151 lbs (21.74)	168 lbs (24.19)	189 lbs (27.21)	210 lbs	
Construction		**Ext	rusion laminate	d with encapsul	ated to discus-	(21.21)	(30.24)	
Ply Adhesion	ASTM D 413	16 lbs	20 lbs	19 lbs		nal scrim reinfo	rcement	
1" Tensila Stranotti	8.	20 U 444	100		24 lbs	25 lbs	31 lbs	
	ASTM D 7003	63 lbf MD 63 lbf DD	110 lbf MD 79 lbf DD	90 lbf MD 70 lbf DD	113 lbf MD 87 lbf DD	110 lbf MD 84 lbf DD	138 lbf MD 105 lbf DD	
1. Tensile Elongation (2): Break % (Film Break):	ASTM D 7003	550 MD 550 DD	750 MD 750 DD	550 MD 550 DD	750 MD	550 MD	750 MD	
1" Tensile Elongation @		20.145		350 00	750 DD	550 DD	750 DD	
Peak % (Scrim Break)	ASTM D 7003	20 MD 20 DD	33 MD 33 DD	20 MD 20 DD	30 MD 31DD	20 MD 20 DD	36 MD 36 DD	
Tongue Tear Strength	ASTM D 5884	75 lbf MD 75 lbf DD	97 lbf MD 90 lbf DD	75 lbf MD 75 lbf DD	104 lbf MD	100 lbf MD	117 lbf MD	
Cook Talentin		400.0		73 101 00	92 lbf DD	100 lbf DD	118 lbf DD	
Grab Tensile	ASTM D 7004	180 lbf MD 180 lbf DD	218 lbf MD 210 lbf DD	180 lbf MD 180 lbf DD	222 lbf MD 223 lbf DD	220 lbf MD 220 lbf DD	257 lbf MD 258 lbf DD	
rapazoid Tear	ASTM D 4533	120 lbf MD 120 lbf DD	146 lbf MD 141 lbf DD	130 lbf MD 130 lbf DD	189 lbf MD	160 lbf MD	193 lbf MD	
Dimensional Stability	ASTM D 1204	<1			172 lbf DD	160 lbf DD	191 lbf DD	
uncture Resistance	ASTM D 4833	50 lbf	<0.5	<1	<0.5	<1	<0.5	
laximum Use Température		180° F	64 lbf	65 lbf	83 lbf	80 lbf	99 lbf	
linimum Use Temperature			180° F					
= Machine Direction		-70° F						

DD = Diagonal Directions



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

*Dimensional Stability Maximum Value

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

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

PLANT LOCATION

Sioux Falls, South Dakota

SALES OFFICE

P.O. Box 5107 Sioux Falls, SD 57117-5107 (605) 335-0174 (605) 331-0333 FAX 800-635-3456

08/06

RAVEN NDUSTRIES

RAVEN INDUSTRIES INC. EXPOSED GEOMEMBRANE LIMITED WARRANTY

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

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

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

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

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

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

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

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

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

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

ConocoPhillips Company San Juan Basin Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17 the following information describes the operation and maintenance of Below Grade Tank (BGT) on ConocoPhillips Company (COPC) locations. This is COPC's standard procedure for all BGT. A separate plan will be submitted for any BGT which does not conform to this plan.

General Plan:

- COPC will operate and maintain a BGT to contain liquids and solids and maintain
 the integrity of the liner, liner system and secondary containment system to
 prevent contamination of fresh water and protect public health and environment.
 COPC will accomplish this by performing an inspection on a monthly basis,
 installing cathodic protection, and automatic overflow shutoff devices as seen on
 the design plan.
- 2. COPC will not discharge into or store any hazardous waste in the BGT.
- 3. COPC shall operate and install the below-grade tank to prevent the collection of surface water run-on. COPC has built in shut off devices that do not allow a below-grade tank to overflow. COPC constructs berms and corrugated retaining walls at least 6" above ground to keep from surface water run-on entering the below grade tank as shown on the design plan.
- 4. As per 19.17.15.12 Subsection D, Paragraph 3, COPC will inspect the below-grade tank at least monthly reviewing several items which include 1) containment berms adequate and no oil present, 2) tanks had no visible leaks or sign of corrosion, 3) tank valves, flanges, and hatches had no visible leaks and 4) no evidence of significant spillage of produced liquids. In addition, COPC's multiskilled operators (MSOs) are required to visit each well location once per week. If detected on either inspection, COPC shall remove any visible or measurable layer of oil from the fluid surface of a below-grade tank in an effort to prevent significant accumulation of oil overtime. The written record of the monthly inspections will include the items listed above and will be maintained for five years.
- 5. COPC shall require and maintain a 10" adequate freeboard to prevent overtopping of the below-grade tank.
- 6. If the below grade tank develops a leak, or if any penetration of the pit liner or below grade tank, occurs below the liquid's surface, then COPC shall remove all liquid above the damage or leak line within 48 hours. COPC shall notify the appropriate district office. COPC shall repair or replace the pit liner or below grade tank, within 48 hours of discovery. If the below grade tank or pit liner does not demonstrate integrity, COPC shall promptly remove and install a below grade tank or pit liner that complies with Subsection I of 19.15.17.11 NMAC. COPC shall notify the appropriate district office of a discovery of leaks less than 25 barrels as required pursuant to Subsection B of 19.15.3.116 NMAC shall be reported within twenty-four (24) hours of discovery of leaks greater than 25 barrels. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), and Subparagraph (d) of 19.15.3.116 NMAC shall be reported to the division's Environmental Bureau Chief.

ConocoPhillips Company San Juan Basin Below Grade Tank Closure Plan

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of Below Grade Tanks (BGTs) on ConocoPhillips Company locations hereinafter known as COPC locations. This is COPC's standard procedure for all BGTs. A separate plan will be submitted for any BGT which does not conform to this plan.

General Requirements:

- 1. COPC shall close a below-grade tank within the time periods provided in Subsection A of 19.15.17.13 NMAC. This will include a) below-grade tanks that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC; b) permitted below-grade tanks within 60 days of cessation of the below-grade tank's operation., or c) an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. For any closure, COPC will file the C144 Closure Report as required.
- 2. COPC shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility. The facilities to be used will be Basin Disposal (Permit #NM-01-005) and Envirotech Land Farm (Permit #NM-01-011). The liner after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.
- 3. COPC will receive prior approval to remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. Documentation of how the below-grade tank was disposed of or recycled will be provided in the closure report.
- If there is any on-site equipment associated with a below-grade tank, then COPC shall remove the equipment, unless the equipment is required for some other purpose.
- 5. COPC shall test the soils beneath the below-grade tank to determine whether a release has occurred. COPC shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyze for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100 mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. COPC shall notify the division of its results on form C-141.

- 6. If COPC or the division determines that a release has occurred, then COPC shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.
- 7. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then COPC shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.
- 8. Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
- The surface owner shall be notified of COPC's closing of the below-grade tank prior to closure as per the approved closure plan via certified mail, return receipt requested.
- 10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 11. COPC shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM stipulated seed mixes will used on federally jurisdicted lands and division-approved seed mixtures (administratively approved if required) will be utilized on all State or private lands. Vegetative cover will equal 70% of the native perennial vegetative cover (unimpacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. COPC will repeat seeding or planting will be continued until successful vegetative growth occurs.
- 12. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
- 13. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the belowgrade tank. Closure report will be filed on C-144 and incorporate the following:
 - Soil Backfilling and Cover Installation
 - Re-vegetation application rates and seeding techniques
 - Photo documentation of the site reclamation
 - Confirmation Sampling Results
 - Proof of closure notice

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD

Sent: Wednesday, August 19, 2015 11:02 AM

To: 'Clugston, Patricia L'
Cc: GRP:SJBU Regulatory

Subject: APPROVED Phillips #2E BGT C-144 Closure

Importance: High

Patricia Clugston,

OCD approves the BGT closure via C-144 for the following:

API # 30-045-24407

Phillips 2E

120 bbl BGT

Your approved C-144 is (are) located in the OCD imaging link below:

• Open link below:

http://ocdimage.emnrd.state.nm.us/imaging/default.aspx.

• Then select "WELL FILES"

Well Files

• Now enter your API Number.

Enter API Number:

30-0 - (example: 30-045-01234)

Search

• Once the API number is entered, the site will display all "thumbnails" associated to this particular well. The C-144 will appear as follows. Click on the thumbnail to review. You may download the thumbnail if you choose to.



(1220 kB - 6/10/2015)

Thank you and have a pleasant day!!

Leonard Lowe

Environmental Engineer
[Environmental Bureau]
Oil Conservation Division
Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/

From: Clugston, Patricia L [mailto:Patsy.L.Clugston@conocophillips.com]

Sent: Monday, August 17, 2015 12:54 PM

To: Lowe, Leonard, EMNRD **Cc:** GRP:SJBU Regulatory

Subject: Phillips #2E BGT approval

Hi Leonard,

ConocoPhillips Company requests to have the BGT approved for closure on the following well(s):

Phillips 2E / 30-045-24407 / Box 18

Thank you for your assistance.

Patsy Clugston
Staff Regulatory Technician
Patsy.L.Clugston@conocophillips.com
505-326-9581