#### RECEIVED

State of New Mexico

Form C-144 July 21, 2008

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240

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

1000 Rio Brazos Road, Aztec, NM 8741 HOBBSOCD

District III

1301 W. Grand Avenue, Artesia, NM 88210 JAN 0 8 2009

**Energy Minerals and Natural Resources** Department Oil Conservation Division

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

For temporary pits, closed-loop systems, 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.

# 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				
Address: 3300 N. "A" S				
Facility or well name: MCA Unit Well #478				
API Number: 30-025- 3935/ OCD Permit Number: 217817   P   - 00944				
U/L or Qtr/Qtr O Section 28 Township 17S Range 32E County: Lea				
Center of Proposed Design: Latitude Longitude NAD: 🖾 1927 🗌 1983				
Surface Owner: X Federal State Private Tribal Trust or Indian Allotment				
2.				
☐ Pit: Subsection F or G of 19.15.17.11 NMAC   Temporary: ☐ Drilling ☐ Workover   ☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A   ☐ Lined ☐ Unlined Liner type: Thickness				
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: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other				
Liner Seams:  Welded Factory Other				
4.				
Below-grade tank: Subsection I of 19.15.17.11 NMAC				
Volume:bbl Type of fluid:				
Tank Construction material:				
Secondary containment with leak detection  Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off				
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other				
Liner type: Thicknessmil				
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.

6.  Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, 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			
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)	· · · · · · · · · · · · · · · · · · ·		
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			
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 or the Santa Fe Environmental Bureau	office for		
consideration of approval.  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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appro			
office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry	pproval. ing pade or		
above-grade tanks associated with a closed-loop system.	ing paus or		
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.  NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa	Yes No		
lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site			
Within 300 feet from a permanent residence, school, hospital, institution, or church in 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		
(Applies to permanent pits)	□ NA		
<ul> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> <li>Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock</li> </ul>	Yes No		
watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.			
- 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 No		
- Written confirmation or verification from the municipality; Written approval obtained from the municipality			
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No		
Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No		
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No		
Within a 100-year floodplain FEMA map	☐ Yes ☐ No		

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC  Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC  Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC  Design Plan - based upon the appropriate requirements of 19.15.17.12 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 Number: or Permit Number:
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 Number:  Previously Approved Operating and Maintenance Plan API Number:  API Number:  (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
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 H <sub>2</sub> S, 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   P&A   Permanent Pit   Below-grade Tank   Closed-loop System   Alternative
Maste 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 II of 19.15.17.13 NMAC  □ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two			
facilities are required.  Disposal Facility Name: Controlled Recovery Inc.  Disposal Facility Permit Number: R-9166			
Disposal Facility Name: Disposal Facility Permit Number:			
Required for impacted areas which will not be used for future service and operations:  Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection II 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	C		
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 sout provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate dist considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justi demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	rict office or may be		
Ground water is less than 50 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Ground water is more than 100 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  - 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 feet of any other fresh water well or spring, in existence at the time of initial application.  - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	Yes No		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality: Written approval obtained from the municipality	Yes No		
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No		
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No		
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	Yes No		
Within a 100-year floodplain FEMA map	☐ Yes ☐ No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan 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 19.15.17.13 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 cann Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	.15.17.11 NMAC		

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.		
Signature: Date: 12/3	•		
e-mail address: celeste.g.dale@conocophillips.com  Telephone: _(4')	32)688-6884		
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)			
OCD Representative Signature:	Approval Date: <u>82/26/09</u>		
Title: Geologist OCD Permit Numb	Approval Date: <u>02/26/09</u> er: <u>P1-00944</u>		
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMA Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure report is required to be submitted to the division within 60 days of the completion of the consection of the form until an approved closure plan has been obtained and the closure activities have been consecuted in the consecution of the completion of the completion of the completion of the completion of the form until an approved closure plan has been obtained and the closure activities have been consecuted in the consecution of the completion.	osure activities and submitting the closure report. losure activities. Please do not complete this		
22.  Closure Method:  Waste Excavation and Removal On-Site Closure Method  If different from approved plan, please explain.	☐ Waste Removal (Closed-loop systems only)		
Disposal Facility Name: Disposal Facility Per Were the closed-loop system operations and associated activities performed on or in areas that will not be Yes (If yes, please demonstrate compliance to the items below) No  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	rmit Number:		
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached 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 (required for on-site closure)  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			
25. C	780000000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		
Operator Closure Certification:  I hereby certify that the information and attachments submitted with this closure report is true, 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): Celeste G. Dale Title: Regulator	ory Specialist		
Signature: Date:			
e-mail address: celeste.g.dale@conocophillips.com  Telephone: _(4)	32)688-6884		

### ConocoPhillips Company Closed Loop System Design, Operating and Maintenance, and Closure Plan

Well: MCA 478

Date: 31-Dec-2008

ConocoPhillips proposes the following plan for design, operating and maintenance, and closure of our proposed closed loop system for the above named well:

1. We propose to use a closed loop system with steel pits, haul-off bins, and frac tanks for containing all cuttings, solids, mud, water, brine, and liquids. We will not dig a pit, nor will we use a drying pad, nor will we build an earth pit above ground level, nor will we dispose of or bury any waste on location.

All drilling waste and all drilling fluids (fresh water, brine, mud, cuttings, drill solids, cement returns, and any other liquid or solid that may be involved) will be contained on location in the rig's steel pits or in hauloff bins or in frac tanks as needed. The intent is as follows:

- We propose to use the rig's steel pits for containing and maintaining the drilling fluids.
- We propose to remove cuttings and drilled solids from the mud by using solids control equipment and to contain such cuttings and drilled solids on location in haul-off bins.
- We propose that any excess water that may need to be stored on location will be stored in frac tanks.
- 2. Cuttings and solids will be removed from location in haul-off bins by an authorized contractor and disposed of at an authorized facility. For this well, we propose the following disposal facility:

Controlled Recovery Inc, 4507 West Carlsbad Hwy, Hobbs, NM 88240, P.O. Box 388 Hobbs, New Mexico 88241 Toll Free Phone: 877.505.4274, Local Phone Number: 432-638-4076

The physical address for the plant where the disposal facility is located is Highway 62/180 at mile marker 66 (33 miles East of Hobbs, NM and 32 miles West of Carlsbad, NM).

The Permit Number for CRI is R9166

A photograph showing the type of haul-off bins that will be used is attached.

- Mud will be transported by vacuum truck and disposed of at Controlled Recovery Inc at the facility described above.
- 4. Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine as needed:
  - Nabors Well Services Company, 3221 NW County Rd, Hobbs, NM 88240, PO 5208 Hobbs, NM, 88241, Permit SWD 092. (Well Location: Section 3, T19S R37E)
  - Basic Energy Services, PO Box 1869 Eunice, NM 88231 Phone Number 575 394 2545, Facility located at Hwy 18, Mile Marker 19, Eunice, NM.

Jason D. Tilley
Sr. Drilling Engineer
ConocoPhillips Company
600 North Dairy Ashford, Room # 3WL-13016
Houston, TX 77079-1175
Office Phone 832 486 2919
Cell Phone 281 684 4720

## **SPECIFICATIONS**

FLOOR: 3/16" PL one piece

CROSS MEMBER: 3 x 4.1 channel 16" on

center

WALLS: 3/16" PL solid welded with tubing

top, inside liner hooks

DOOR: 3/16" PL with tubing frame FRONT: 3/16" PL slant formed

PICK UP: Standard cable with 2" x 6" x 1/4"

rails, guisset at each crossmember

WHEELS: 10 DIA x 9 long with rease fittings
DOOR LATCH: 3 Independent ratchet

binders with chains, vertical second latch GASKETS: Extruded rubber seal with metal retainers

WELDS: All welds continuous except substructure crossmembers

FINISH: Coated inside and out with direct to metal, rust inhibiting acrylic enamel color coat HYDROTESTING: Full capacity static test DIMEN SIONS: 22'-11" long (21'-8" inside), 99" wide (88" inside), see drawing for height OPTIONS: Steel grit blast and special paint, Ampliroll, Heil and Dino pickup

ROOF: 3/16" PL roof panels with tubing and channel support frame

LIDS: (2) 68" x 90" metal rolling lids spring

loaded, self raising

ROLLERS: 4" V-groove rollers with delrin

bearings and grease fittings

OPENING: (2) 60" x 82" openings

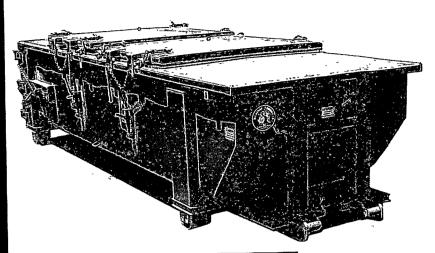
with 8" divider centered on

container

LATCH:(2) independent ratchet binders with chains per lid

GASKETS: Extruded rubber seal with metal retainers

## **Heavy Duty Split Metal Rolling Lid**



CONT.	Α	В
20 YD	41	53
20 YD 25 YD	53	65
30 YD	65	77

