

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144 CLEZ  
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

*(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

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: Western Reserves Oil Co., Inc. OGRID #: 24987  
Address: P.O. Box 993, Midland, TX 79702  
Facility or well name: Lake McMillan "21" No. 1  
API Number: 30-015-35444 OCD Permit Number: 212007  
U/I or Qtr/Qtr: C Section 21 Township 19S Range 26E County: Eddy  
Center of Proposed Design: Latitude 32.651303 N Longitude 104.388380 W NAD: ☐ 1927 ☐ 1983  
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

1. ☐ Closed-loop System: Subsection H of 19.15.17.11 NMAC

Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A

☒ Above Ground Steel Tanks or ☐ Haul-off Bins

2. 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 19.15.16.8 NMAC

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SEP 27 2011

3. 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.

- ☐ 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 Box 5) - 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: \_\_\_\_\_

NMOCD ARTESIA

4. 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 identify 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: IBD (Transports to haul off water) Disposal Facility Permit Number: \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

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 operations?

☐ Yes (If yes, please provide the information below) ☒ No

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 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

5. Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Christopher P. Renaud

Title: Engineer

Signature: [Signature]

Date: 9-27-11

Email address: renoi1@aol.com

Telephone: 432-682-4782

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Form C-144  
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office.

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan" Yes No ☒ ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Western Reserves Oil Co., Inc. Telephone: 432 682/4782/6846381 e-mail address: ann.ritchie@wrcor.net  
Address: P.O. Box 993, Midland, TX 79702 30-05-35444  
Facility or well name: Lake McMillan "21" Well 1 API # pending U/I, or Qr/Qr C Sec 21 T 19S R 26E  
County: Eddy altitude: 32651303 Longitude: 104.388380 NAD: 1927 X 1983  
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

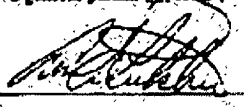
|                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                       |                                                                                                                                                                                                |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Pit</b><br>Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/><br>Workover <input type="checkbox"/> Emergency <input type="checkbox"/><br>Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/><br>Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: 20 mil Clay <input type="checkbox"/><br>Pit Volume: 3000 bbls |                                                       | <b>Below-grade tank</b><br>Volume: bbl Type of fluid: _____<br>Construction material: _____<br>Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____ |  |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)                                                                                                                                                                                                                                                                                                                     | Less than 50 feet                                     | (20 points)                                                                                                                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | 50 feet or more, but less than 100 feet               | (10 points)                                                                                                                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | 100 feet or more <input checked="" type="checkbox"/>  | (0 points)                                                                                                                                                                                     |  |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)                                                                                                                                                                                                                                                                                          | Yes                                                   | (20 points)                                                                                                                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | No <input checked="" type="checkbox"/>                | (0 points)                                                                                                                                                                                     |  |
| Distance to surface water: (Horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)                                                                                                                                                                                                                                                                                    | Less than 200 feet                                    | (20 points)                                                                                                                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | 200 feet or more, but less than 1000 feet             | (10 points)                                                                                                                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1000 feet or more <input checked="" type="checkbox"/> | (0 points)                                                                                                                                                                                     |  |
| Ranking Score (Total Points)                                                                                                                                                                                                                                                                                                                                                                                                       |                                                       | 0                                                                                                                                                                                              |  |

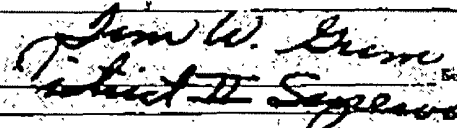
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility: \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface: \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Drilling water to be trucked from public water source

9/26/2011 - USED FRAC TANKS R/ Plugback into Morrow PM.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines. ☒ a general permit ☐ or as (attached) alternative OCD-approved plan ☐.

Date: 2-20-07  
Printed Name/Title: Ann K. Ritchie Signature:   
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved:   
Printed Name/Title: District II Supervisor Signature: \_\_\_\_\_ Date: 3/2/07