District 1 ... MAR 0.7 2013 Energy Minerals and Natural Resources District II Department

State of New Mexico

Revised August 1, 2011

Form C-144 CLEZ

811 S. First St., Artesia, NM District III District III 1000 Rio Brazos Road, Aztec, MMADCD ARTESIA

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

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

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 X 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 hauf-off bins and propose to implement waste removal for closure, please submit a Form C-144.

COG OPERATING, LLC OGRID#: 229137
Address: 600 W. ILLINOIS AVE., 7, MIDLAND, TEXAS 79701 Facility or well name: PAN AM STATE #002 API Number: 30-015-20811 OCD Permit Number: 213805 U/L or Qtr/Qtr I Section 28 Township 17S Range 28E County: Center of Proposed Design: Latitude Longitude NAD: 1927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment 2. X Closed-loop System: Subsection H of 19.15.17.11 NMAC
Facility or well name: PAN AM STATE #002 API Number: 30-015-20811 OCD Permit Number: 2 3805 U/L or Qtr/Qtr I Section 28 Township 17S Range 28E County: Center of Proposed Design: Latitude Longitude NAD: 1927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment 2. X Closed-loop System: Subsection H of 19.15.17.11 NMAC
API Number: 30-015-20811 OCD Permit Number: 213805 U/L or Qtr/Qtr _ I Section _ 2.8
U/L or Qtr/Qtr I Section 2.8 Township 1.7.5 Range 2.8.E County: Center of Proposed Design: Latitude Longitude NAD: 1927 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment 2. X Closed-loop System: Subsection H of 19.15.17.11 NMAC
Surface Owner: Federal State Private Tribal Trust or Indian Allotment 2. Closed-loop System: Subsection H of 19.15.17.11 NMAC
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Closed-loop System: Subsection H of 19.15.17.11 NMAC
Above Ground Steel Tanks or Haul-off Bins
3. Silver Subsection Configuration Configur
Signs: Subsection C of 19.15.17.11 NMAC
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers JAN 2 2 2013
A Signed in compliance with 19.15.16.8 NMAC
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. [X] 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:
s. <u>Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> (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. GANDY MARLEY NM 01-0019
Disposal Facility Name: R360 Disposal Facility Permit Number: NM 01-0006
Disposal Facility Name: SUNDANCE Disposal Facility Permit Number: NM 01-0003
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) X 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
6.
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.
DAVID A EVIER ACENT
Name (Frint).
Signature:
e-mail address: deyler@milagro-res.com Telephone: 432.687.3033

OCD Approval: Permit Application (including clos	ure plan (Oppo)
OCD Representative Signature:	Approval Date: 1/23/2013
Title: DIST E Supervisor	OCD Permit Number: 213805
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. [X] Closure Completion Date: 03/04/13	
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized GANDY MARLEY NM 01-0019	
n 2 (A	}
Disposal Facility Name: R 3 6 0	Disposal Facility Permit Number: NM 01-0006
Disposal Facility Name: SUNDANCE	Disposal Facility Permit Number: NM 01-0003
Were the closed-loop system operations and associated as Yes (If yes, please demonstrate compliance to the	ctivities performed on or in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for fit Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Tech	
10. 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): DAVID A. EYLER	Title: AGENT
Signature:	Date: 03/04/13
e-mail address: deyler@milagro-res	s.com Telephone: 432.687.3033