

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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  
July 21, 2008

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**

8150

(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.

1. Operator: Benson-Montin-Greer Drilling Corporation OGRID #: 002096  
Address: 4900 College Blvd. Farmington, NM 87402  
Facility or well name: Canada Ojitos Unit # 46 and Canada Ojitos Unit # 46  
API Number: 30-039-30981 + 30-039-31016 OCD Permit Number: N/A  
U/L or Qtr/Qtr P Section 27 Township 25N Range 1W County: Rio Arriba, NM  
Center of Proposed Design: Latitude 36 21 45.920 Longitude 106 55 18.927 NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  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

3. 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

4. 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: \_\_\_\_\_



5. 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: BMG Landfarm Disposal Facility Permit Number: NM-020004  
Disposal Facility Name: TNT Disposal Disposal Facility Permit Number: NM-0008-01  
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

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.  
Name (Print): Loren Diede Title: Drilling / Completions  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
e-mail address: ldiede@bmgdrilling.com Telephone: 505-324-5068

7. **OCD Approval:**  Permit Application (including closure plan)  ~~Closure Plan (only)~~

OCD Representative Signature: *Jonathan D. Kelly* Approval Date: 6/6/2011

Title: Compliance Officer OCD Permit Number: \_\_\_\_\_

8. **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: \_\_\_\_\_

9. **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.*

Disposal Facility Name: BMG Land Farm Disposal Facility Permit Number: NM 02-0004

Disposal Facility Name: TNT Environmental Disposal Facility Permit Number: NM 01-0008

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 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

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): Loren Diede Title: Drilling / Completions

Signature: *[Signature]* Date: 4-4-2011

e-mail address: ldiede@bmgdrilling.com Telephone: 505 325 8874

# BMG

BENSON-MONTIN-GREER DRILLING CORP

April 4, 2011

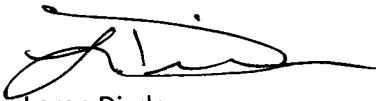
To: NMOCD  
From: Loren Diede  
RE: BMG Canada Ojitos # 46 and 46Y

BMG was permitted to drill the Canada Ojitos Unit (COU) # 46 (API # 30-039-30981) well in Unit P of Sec 27, T25N, R1W. The well was spud 12-28-2010, drilled to a depth of 510' on 1-10-2011.

Unstable conditions in the wellbore prevented the running and cementing of the 10 3/4" surface casing. Approvals were obtained to abandon the COU #46 well bore, skid 25 ft due north and drill a new wellbore.

The new wellbore was designated Canada Ojitos Unit # 46Y (API # 30-039-31016) as per NMOCD well naming conventions.

The closed loop system that was used on the COU # 46Y with D&J rig #1 was the same as planned for the COU # 46. The closed loop permit that was approved for the COU # 46 was used to drill the COU # 46Y.



Loren Diede

505-324-5068

-505 330-7652