

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

HOBBS OCD
DEC 07 2011
RECEIVED

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

(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: ConocoPhillips Company OGRID #: 217817
Address: 3300 N "A" St, Bldg 6 Midland, TX 79705
Facility or well name: Ruby Federal #2
API Number: 30-025-40394 OCD Permit Number: PI-84064
U/L or Qtr/Qtr: O Section 17 Township 17S Range 32E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ 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: Controlled Recovery Disposal Facility Permit Number: R9166
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

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): Brian D Maiorino Title: Regulatory Specialist
Signature: [Signature] Date: 10/10/2011
e-mail address: brian.d.maiorino@conocophilips.com Telephone: (432)688-6913

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

OCD Representative Signature: _____ Approval Date: 01/09/12

Title: PETROLEUM ENGINEER OCD Permit Number: P1-04064

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: _____ 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 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): Brian D Maiorino Title: Regulatory Specialist

Signature: _____ Date: _____

e-mail address: brian.d.maiorino@conocophillips.com Telephone: (432)688-6913

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

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 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 haul-off bins or in frac tanks as needed. The intent is as follows:

- We propose to use the rigs'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 a fresh water pond.

The closed loop system components will be inspected daily by each tour and any needed repairs will be made immediately. Any leak in the system will be repaired immediately, and any spilled liquids and / or solids will be cleaned immediately, and the area where any such spill occurred will be remediated immediately.

- 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

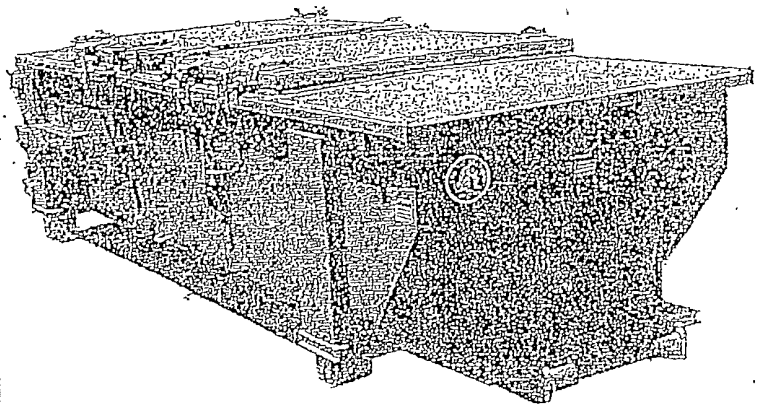
3. Mud will be transported by vacuum truck and disposed of at Controlled Recovery Inc at the facility described above
- 4 Fresh Water and Brine will be hauled off by vacuum truck and disposed of at an authorized salt water disposal well. We propose the following for disposal of fresh water and brine 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.

Luis Serrano Drilling Engineer
ConocoPhillips Company, 600 North Dairy Ashford, Room #2WL-13016, Houston, TX 77079-1175
Office: 832-486-2346

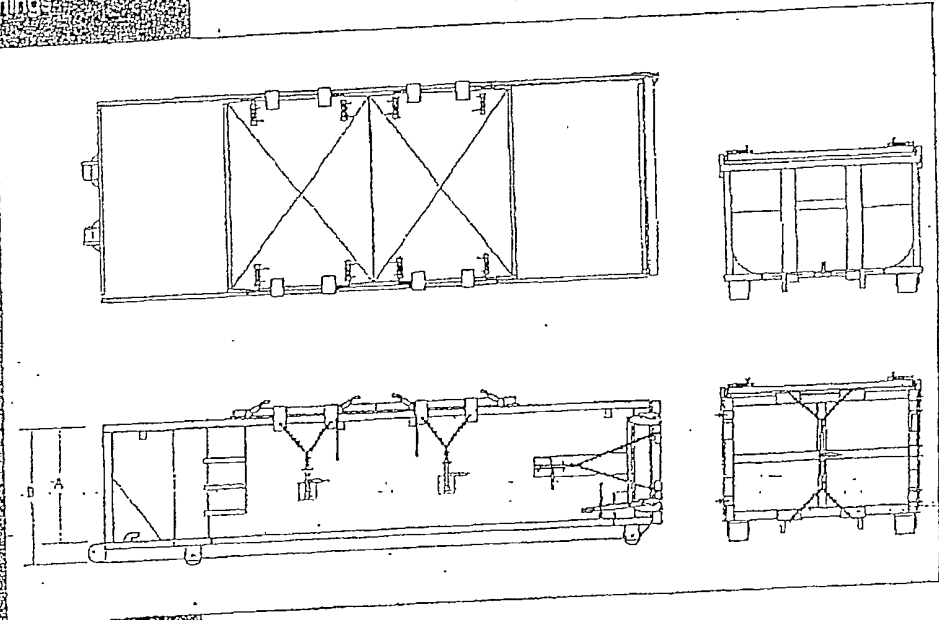
SPECIFICATIONS

Heavy Duty Split Metal Rolling Lid

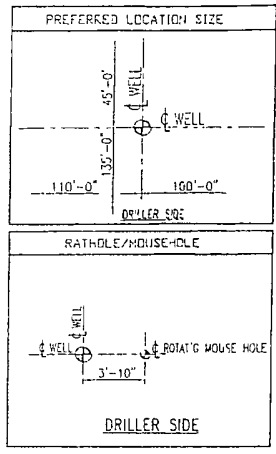
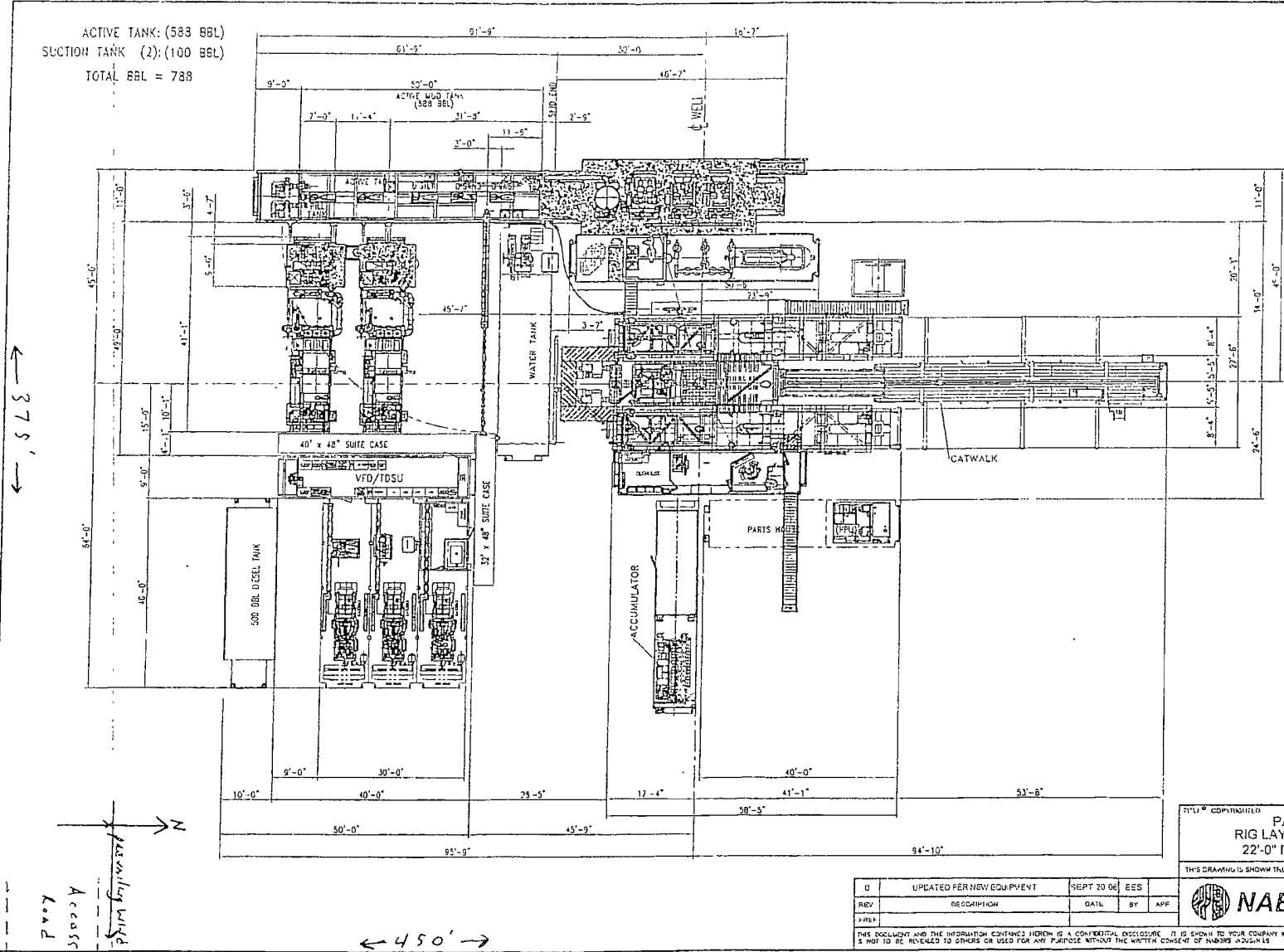
ROOF 3/16 PL one piece
CROSS MEMBER 3x4 channel 16 on center
WALLS 3/16 PL solid, welded with tubing for inside line hooks
DOOR 3/16 PL with tubing frame
FRONT 2x4 PL slat formed
PICKUP Standard cable with 2x6x1/2 wall, 3/8 steel at each cross member
WHEELS 10 DIA x 8 long with release fittings
DOOR LATCH 2 independent ratchal binders with chains, vertical second latch
GASKETS Extruded rubber seal with metal retainers
WELDS All welds continuous except sub-structure cross members
FINISH coated inside and out with direct to metal rust inhibiting acrylic enamel color coat
LOAD RESTRICTION Full capacity slat test
DIMENSIONS 22' V long (21'58" inside) see view (88" inside) see drawing for height
OPTIONS Steel oil blast and special paint
 Armroll, Hat and Ding pickup
ROOF 3/16 PL roof panels with tubing and channel support frame
TIPS 12, 68, 90 metal rolling lids spring loaded, self raising
ROLLERS 1/2 V groove rollers with delrin bearings and grease fittings
OPENING 12x50x82 openings with 8" dividers centered on container
LATCH 2 independent ratchal binders with chains and cables
GASKETS Extruded rubber seal with metal retainers



CONT.	A	B
20 YD	41	53
25 YD	53	65
30 YD	65	77



ACTIVE TANK: (583 BBL)
 SUCTION TANK (2): (100 BBL)
 TOTAL BBL = 788



THIS DRAWING IS SHOWN TRUE SCALE ONLY WHEN PRINTED ON THIS SIZE PAPER

**PACE 750 M-SERIES RIGS
 RIG LAYOUT (SINGLE WELL DRILLING)
 22'-0" FLOOR / 17'-0" CLEAR HEIGHT**

DRW BY	ELS	SCALE	1/20" = 1' 0"
DATE	08/20/2025	APP	
DRWING		DWG	750-801

NABORS

REV	DESCRIPTION	DATE	BY	APP
0	UPDATED PER NEW EQUIPMENT	SEPT 20 06	ESS	

THIS DOCUMENT AND THE INFORMATION CONTAINED HEREIN IS A CONFIDENTIAL DISCLOSURE. IT IS GIVEN TO YOUR COMPANY WITH THE UNDERSTANDING IT IS NOT TO BE REVEALED TO OTHERS OR USED FOR ANY PURPOSE WITHOUT THE WRITTEN CONSENT OF NABORS INDUSTRIES.