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State of New Mexico

Energy Minerals and Natural Resources

Department

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

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APR 23 2013

Form C-144 CLEZ
Revised August 1, 2011

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

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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 NMOC 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: LINN Operating, Inc. OGRID #: 269324

Address: 600 Travis Street, Suite 5100 Houston, Texas 77002

Facility or well name: Humphrey Queen Unit #023

API Number: 30-025-22751 OCD Permit Number: 91-03644

U/L or Qtr/Qtr: O Section 03 Township 25S Range 37E County: Lea

Center of Proposed Design: Latitude 32.15211 Longitude -103.14822 NAD: ☐ 1927 ☐ 1983Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment☐ Closed-loop System: Subsection H of 19.15.17.11 NMACOperation: ☐ 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

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

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: _____

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: CRI (Control Recovery Inc.)

Disposal Facility Permit Number: NM01-004906

Disposal Facility Name: Gandy-Marley Disposal

Disposal Facility Permit Number: NM01-000319

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

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): Terry B. Callahan

Title: Regulatory Specialist III

Signature: 

Date: 8/30/2011

e-mail address: TCallahan@linnenergy.com

Telephone: 281-840-4272

HQU#23

7. OCD Approval. <input type="checkbox"/> Permit Application (including closure plan) <input checked="" type="checkbox"/> Closure Plan (only)	
OCD Representative Signature: <u>[Signature]</u>	Approval Date: <u>8-31-2011</u>
Title: <u>STAFF MGR</u>	OCD Permit Number: <u>PI-03644</u>

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.	
<input checked="" type="checkbox"/> Closure Completion Date: <u>5/2/2012</u>	

9. Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please identify 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: <u>Sundance</u>	Disposal Facility Permit Number: <u>NM 01-30003</u>
Disposal Facility: _____	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? <input type="checkbox"/> Yes (If yes, please demonstrate compliance to the items below) <input type="checkbox"/> No	
Required for impacted areas which will not be used for future service and operations: <input type="checkbox"/> Site Reclamation (Photo Documentation) <input type="checkbox"/> Soil Backfilling and Cover Installation <input type="checkbox"/> 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): <u>TERRY B. Callahan</u>	Title: <u>Reg Comp Specialist III</u>
Signature: <u>[Signature]</u>	Date: <u>4/22/2013</u>
e-mail address: <u>tcallahan@lanenergy.com</u>	Telephone: <u>281-840-4272</u>

MW/OCD 4-25-2013