State of New Mexico

District I 1625 N. French Dr., Hobbs, NM 88240

HOBBS Officergy Minerals and Natural Resources

Form C-144 CLEZ July 21, 2008

District III

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Department Oil Conservation Division

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.

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

1000 Rio Brazos Road, Aztec, NM 87410 MAY 2 2 2013

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

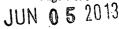
Closed-Loop System Permit or Closure Plan Application (that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

> □ Permit □ Closure Type of action:

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 he 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: COG Operating LLC OGRID #: 229137		
Address: 2208 West Main Street , Artesia, NM 88211-0227		
Facility or well name: Boone 16 State #1H API Number: 30 025-41200 OCD Permit Number: P106259		
U/L or Qtr/Qtr Unit Letter P, SESE Section 16 Township 21S Range 33E 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		
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:		
S. 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 indentify 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, Inc. Disposal Facility Permit Number: R-9166		
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 G 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): Mayte Reyes Title: Regulatory Analyst		
Signature: Date: 5/21/13		
e-mail address: mreyes1@concho.com Telephone: 575-748-6945		



OCD Approval: Permit Application (including closure plan) Closure Plan (only)		
OCD Representative Signature: Approval Date 9-4-2013		
Title: Dist. MCH ()	Approval Date 6 - 4 - 2013 OCD Permit Number: 91-06259	
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		
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):	Title:	
Signature:		
e-mail address:	Telephone:	

Design Plan Operating and Maintenance Plan Closure Plan

Boone 16 State #1H SHL: 190' FSL & 330' FEL BHL: 330' FNL & 380' FEL Section 16 T21S R33E Lea County, New Mexico

COG Operating LLC will be using all above ground steel pits for fluid and cuttings while drilling. If any tank develops a leak we will have immediate visual discovery, we would then transfer the fluid to another tank then remove any contaminated soil and dispose of it in the cuttings bins for transportation. All leaks should be kept to less than 5 barrels. Rig crews will monitor the tanks at all times.

Equipment List:

- 2- Mongoose Shale Shakers
- 1-414 Centrifuge
- 1-518 Centrifuge
- 2- Roll Off Bins w/ Tracks
- 2- 500 BBL Frac Tanks

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI (Controlled Recovery Inc.) Permit R-9166 or any other approved facility.