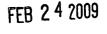
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-144 CLEZ

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

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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 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: X 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.

rease de advised that approval of this request does not refleve the operator of hability significant. Nor does approval relieve the operator of its responsibility to comply with	h any other applicable governmental authority's rules, regulations or ordinances.	
Operator: Chesapeake Operating, Inc.	OGRID #: 147179	
Address: P.O. Box 18496 Oklahoma City, OK 73154-0496		
	Permit Number:	
U/L or Qtr/Qtr G Section 26 Township 23 South		
Center of Proposed Design: Latitude 32.278230 Longi		
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		
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		
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions: Please indentify the facility or facilities for the disposal of liquids, facilities are required.	, drilling fluids and drill cuttings. Use attachment if more than two	
Disposal Facility Name: Controlled Recovery, Inc.		
Disposal Facility Name: Sundance Disposal * 1 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) 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		
6.	AND COLUMN THE PROPERTY OF THE	
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): Linda Good	Title: Sr. Regulatory Compl. Spec.	
Signature: Date: 02/23/2009		
e-mail address: linda.good@chk.com	Telephone: _(405)935-4275	

Oil Conservation Division

7. OCD Approval: Permit Application (including closure plan) Closure Pl	an (only)	
OCD Representative Signature: Acqui Const	Approval Date: <u>02-25-09</u>	
Title: District 11 Goologist	OCD Permit Number: 0209/34	
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: 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 \square Yes (If yes, please demonstrate compliance to the items below) \square No		
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ons.	
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:	Date:	
a mail addragg	Talanhana	

Chesapeake Operating, Inc.'s Closed Loop System Pardue Farms Gas Com. # 1 Unit G, Sec. 26,T-23-S R-28-E Eddy Co., NM API #: 30-015-22452

Equipment & Design:

Chesapeake Operating, Inc. is to use a closed loop system in the re-completion of this well.

(1) 250 bbl frac tank

Operations & Maintenance:

During each and every tour, the rig's drilling crew will inspect and monitor closely the drilling fluids contained within the steel tank and visually monitor any spill which may occur.

Within 48 hours should a spill, release or leak occur, the NMOCD District II office in Artesia (575-748-1283) will be notified. Please note that notifications may be made earlier to the district office should a greater release occur.

This is in keeping with the reporting requirements of NMOCD's rule 116.

Closure:

After re-completion operations, fluids will be hauled and disposed to the Controlled Recovery, Inc.'s (CRI) location.

The disposal permit number for CRI is: NM-01-0006

Should this facility not be available, Sundance Disposal is the alternative site.

The permit # for this facility is: NM-01-0003.