

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

MAR 23 2009

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 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.

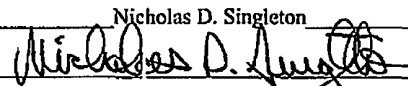
1. Operator: \_\_\_\_\_ OXY USA Inc. \_\_\_\_\_ OGRID #: \_\_\_\_\_ 16696  
Address: \_\_\_\_\_ P.O. Box 50250 Midland, TX 79710  
Facility or well name: \_\_\_\_\_ OXY Lakewood 29 State Com #1  
API Number: \_\_\_\_\_ 30-015- 37010 \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr \_\_\_\_\_ P \_\_\_\_\_ Section \_\_\_\_\_ 29 \_\_\_\_\_ Township \_\_\_\_\_ 19S \_\_\_\_\_ Range \_\_\_\_\_ 26E \_\_\_\_\_ County: \_\_\_\_\_ Eddy  
Center of Proposed Design: Latitude \_\_\_\_\_ 32.6259494 \_\_\_\_\_ Longitude \_\_\_\_\_ 104.3976637 \_\_\_\_\_ 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 9.15.3.103 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: \_\_\_\_\_ CRI \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_ NM-01-0006  
Disposal Facility Name: \_\_\_\_\_ Sundance Landfill \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_ NM-010003  
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): \_\_\_\_\_ Nicholas D. Singleton \_\_\_\_\_ Title: \_\_\_\_\_ Drilling Engineer \_\_\_\_\_  
Signature: \_\_\_\_\_  \_\_\_\_\_ Date: \_\_\_\_\_ 3/19/2009 \_\_\_\_\_  
e-mail address: \_\_\_\_\_ nick\_singleton@oxy.com \_\_\_\_\_ Telephone: \_\_\_\_\_ 713-215-7164 \_\_\_\_\_

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

OCD Representative Signature: Jaqui Drexler Approval Date: 03-26-09

Title: Geologist OCD Permit Number: 0209218

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 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: \_\_\_\_\_ 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): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_



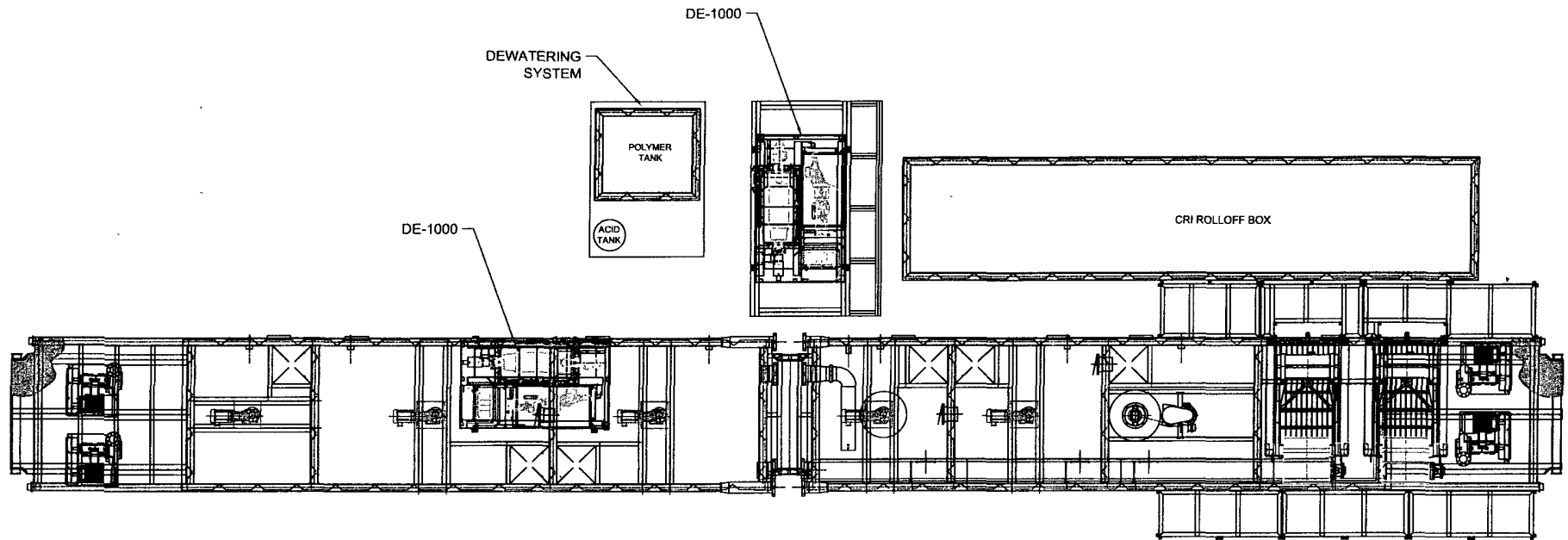
New Mexico Drilling Daily Circulating System Inspection  
For Closed Loop Systems

Wellname:		Permit #:		Rig Mobe Date:	
County:				Rig Demobe Date:	

Inspection Date	Time	By Whom	Any drips or leaks from steel tanks, lines or pumps not contained?* Explain.	Has any hazardous waste been disposed of in system?

All circulating systems to be inspected DAILY during drilling operations.  
\*Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.

BILL OF MATERIAL					
ITEM	QTY.	DESCRIPTION	LENGTH	WEIGHT	



						1. ALL STRUCTURAL MATERIAL SHALL BE ASTM - A36. 2. ALL PIPE SCH. 40 MATERIAL SA 106 Gr B 3. ALL FLANGES SHALL BE SCH. 150# & MATERIAL SA 105. 4. ALL FITTINGS SCH. 40 MATERIAL SHALL BE SA 234 Gr. WPB. 5. TANK FABRICATION SHALL BE IN ACCORDANCE WITH API-650.		TITLE <b>CLOSED LOOP SYSTEM BASIC LAYOUT AND TIE IN OXY</b>		<b>Scomi</b> 681 N. Rm Houston Parkway East, Suite 200, Houston, Texas 77068 PHONE: (281)-292-8016, FAX: (281)-292-8888		
						The design, information and disclosure on this drawing or copies are the exclusive confidential property of Scomi International Limited and are not to be reproduced or disclosed to others by any means, in any form, or transmitted, or translated into a machine language or used for manufacture or other purpose without the written permission of Scomi International Limited. In receipt of such permission, solely and directly for the purposes consented, this drawing and any copies shall be returned to Scomi International Limited upon request.		DESIGN BY PDL	DATE 8/4/08	CHECKED BY	DATE	
						APPROVED		SCALE NTS	ACAD DRG. D	JOB NO.	DRAWING NO. 521S-002	
NO.	REVISIONS	BY	CHK'D	APP'D	DATE							REV.