

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

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

9654  
**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: XTO c/o BH Billiton San Juan Coal OGRID # 262908  
Address P O Box 561, Waterflow, NM 87421  
Facility or well name WF Federal 30-#3  
API Number 30-045-30727 OCD Permit Number. \_\_\_\_\_  
U/L or Qtr/Qtr 1752 FSL/1061 FWL Section 30 Township 30 Range 14 County San Juan  
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

RCVD FEB 23 '12  
OIL CONS. DIV.  
DIST. 3

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 San Juan Coal Mine Landfarm Disposal Facility Permit Number NM Mining & Minerals Division approved  
Disposal Facility Name San Juan Coal Mine Landfarm Disposal Facility Permit Number NM Mining & Minerals Division approved  
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) Derek Rawson Title Superintendent Business Analysis  
Signature [Signature] Date 1/21/2012  
e-mail address derek dj rawson@bhpbilliton cmo Telephone 505-598-2000

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

OCD Representative Signature: Jonathan D. Kelly Approval Date: 2/24/2012  
Title: Compliance Officer OCD Permit Number: \_\_\_\_\_

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 \_\_\_\_\_

## **XTO Energy, c/o BHP Billiton San Juan Coal**

### **Closed-loop Plans**

#### **Closed-looped Design Plan**

BHP Billiton San Juan Coal's closed-loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank(s) suitable for holding the cuttings and fluids for rig operations. The tank(s) will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

1. Fencing is not required for an above ground closed-loop system
2. It will be signed in compliance with 19.15.3.103 NMAC
3. A frac tank will be on location to store fresh water

#### **Closed-loop Operating and Maintenance Plan**

BHP Billiton San Juan Coal's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained, the following steps will be followed:

1. The liquids and solids will be vacuumed out and disposed of at BH Billiton San Juan Coal mine waste pit (MSHA approved) on a periodic basis to prevent over topping.
2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank(s). Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank.
3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately.
4. All of the above operations will be inspected and a log will be signed and dated. During rig operations, the inspection will be daily.

#### **Closed-loop Closure Plan**

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to BH Billiton San Juan Coal land farm (NM Mining & Minerals approved). The tank(s) will be removed from the location as part of the rig move. In agreement with XTO Energy, the operator of this well, the mine owner, San Juan Coal will reclaim the well site in compliance with the NM Mining & Materials approved Reclamation Plan (copy previously submitted under API #30-045-33326, Kelly FC #1 well, for your review).