

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

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
Revised August 1, 2011

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: 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: Logos Operating, LLC OGRID #: 289408
Address: 4001 North Butler, Building 7101 Farmington, NM 87401
Facility or well name: Rita Com #2
API Number: 30-039-22883 OCD Permit Number:
U/L or Qtr/Qtr O Section 5 Township 23N Range 6W County: Rio Arriba
Center of Proposed Design: Latitude 36.2489508 Longitude -107.4892514 NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

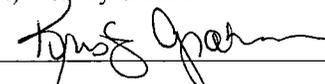
OIL CONS. DIV DIST. 3
FEB 18 2013

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 19.15.16.8 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: TNT Environmental Incorporated, INC Disposal Facility Permit Number: NM 001-0008
Disposal Facility Name: Agua Moss, LLC Disposal Facility Permit Number: 30-045-30922
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): Kristy Graham Title: Director of Administration and Engineering Support
Signature:  Date: 2/4/2013
e-mail address: kgraham@logosresourcesllc.com Telephone: 505-436-2627

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

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 2/21/2013

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: 12/17/2012

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: Agua Moss, LLC Disposal Facility Permit Number: 30-045-30922
Disposal Facility Name: TNT Environmental Incorporated, INC Disposal Facility Permit Number: NM 001-0008

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): Krjsty Graham Title: Director of Administration and Engineering Support

Signature: [Signature] Date: 2/4/2013

e-mail address: kgraham@logosresourcesllc.com Telephone: 505-436-2627

Closed Loop System Plan for Workover and P&A
In Accordance with Rule 19.15.17 NMAC

Closed Loop Design Plan:

The closed loop system for workover operations will consist of above-ground steel tanks that are suitable for containing workover fluids and solids. The tanks will be of sufficient volume to contain the fluids necessary to complete the workover operations and will be of sufficient volume to contain the solids recovered during the operations. The design also takes into consideration the following items:

1. The closed loop system will not use a drying pad, below-grade tank, sump, or temporary pit
2. The closed loop system will be located on a location with existing well and the location will contain a sign that includes information in compliance with 19.15.3.103 NMAC
3. The tanks will be placed inside the approved ROW
4. Fencing is not required for this closed loop system.

Closed-Loop Operating Plan:

The closed loop system will be operated and maintained to properly contain liquids and solids. The following items will be considered to ensure that closed loop system meets the regulatory expectations:

1. The liquids in the steel tanks will be cleaned out and disposed of at a permitted facility. The disposal location will depend on the area of operation, but will be one of the following facilities: Agua Moss (Permit 30-045-30922), Basin Disposal (Permit: NM-01-0005), or TNT Disposal (Permit NM 01-008).
2. Solids in the steel tank will be gathered and taken to a permitted solids disposal facility. The disposal location will depend on the area of operation, but will be one of the following facilities: Envirotech (Permit NM 01-0011), Industrial Ecosystems INC. (Permit NM1-10-B), or TNT Environmental (Permit NM 01-0008).
3. Only fluids/solids used for the workover operation or recovered from the wellbore during workover operations will be placed in the steel tank.
4. The Division District office will be notified within 48 hours if the steel tank integrity is compromised. The tank will immediately be repaired or replaced if the integrity is compromised in any way.

Closed-Loop Closure Plan:

The Closed-Loop system will be closed in accordance with 19.15.17.13 by completing the following items:

1. Transporting the solids and liquids from the steel tanks to an approved disposal facility based on the proximity to the workover operation site.
 - a. For liquids: Agua Moss (Permit 30-045-30922), Basin Disposal (Permit: NM-01-0005), or TNT Disposal (Permit NM 01-008).
 - b. For solids: Envirotech (Permit NM 01-0011), Industrial Ecosystems INC. (Permit NM1-10-B), or TNT Environmental (Permit NM 01-0008).
2. The steel tanks will be removed from location after the workover operations are completed and the tanks have been emptied.
3. If the well is abandoned, the site will be reclaimed to the standards required for the specific site based on the requirements of the APD or based on an agreement with the surface landowner set out in a surface use agreement.