

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.

4808 **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: PNL Operating, LLC OGRID #: 265076
Address: P.O. Box 831 Casper, WY 82602
Facility or well name: Nebe No. 1
API Number: 3004535093 OCD Permit Number: _____
U/L or Qtr/Qtr F Section 23 Township 29N Range 13W County: San Juan
Center of Proposed Design: Latitude 36.71389° Longitude -108.17827° 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

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: Envirotech Disposal Facility Permit Number: NM-01-0011

Disposal Facility Name: Basin Disposal Facility Disposal Facility Permit Number: NM-01-005

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

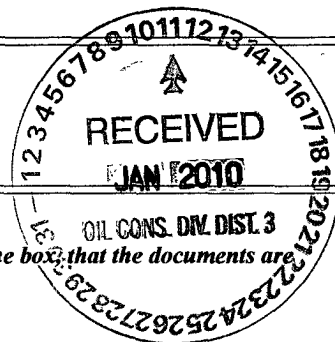
6. **Operator Application Certification:**

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): Paul C. Bertoglio Title: Managing Member

Signature: Paul C. Bertoglio Date: 1/7/10

e-mail address: paulb@tribcsp.com Telephone: (307) 577-1990



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

OCD Representative Signature: Bob P. [Signature] Approval Date: 3/15/00

Title: Enviro/spec 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: _____

**PNL OPERATING, LLC
NEBE NO.1
1965' FNL & 1885' FWL SECTION 23 T29N R13W
SAN JUAN COUNTY, NEW MEXICO**

CLOSED LOOP SYSTEM

Closed Loop Design:

The Nebe No.1 will utilize a closed loop system with above ground steel tanks for the capture and holding of all drilling fluids and cuttings. No temporary pits or below grade tanks will be employed. The volume of the tank(s) will be of sufficient volume to maintain an adequate free board for the periodic removal and disposal of the cuttings and drilling fluids. A frac tank will be set on location for the storage of fresh water.

Closed Loop Operations and Maintenance:

In order to prevent any contamination of ground water, the closed loop system will be operated and maintained with the goal of zero discharge of the drilling fluids and cuttings. To attain this goal, the following operations and maintenance will be used:

- A. Unless the drilling contractor has the ability to relocate and reuse the drilling fluids, all free liquids will be recovered and disposed of at the Basin Disposal Facility – Permit No. NM-01-005.
- B. All drilling solids will be recovered and removed from the location and hauled to Envirotech – Permit No. NM-01-0011. Hauling will occur as necessary to maintain a safe free board in the cutting's tank. No onsite burial of cuttings by any means will be done.
- C. All drilling materials or trash will be stored and properly disposed.
- D. Should the closed loop system be compromised, the NMOCD will be notified within 48 hours with repairs commenced immediately.

Closed Loop Closure Plan:

- A. As noted above, all fluids and solids will be removed and disposed of in approved facilities.
- B. The pad layout as illustrated on the PAD LAYOUT PLAN AND PROFILE which accompanied the C-102 shows the pad for this well encompasses an existing well pad. Accordingly, the location itself will require little if any grading. Lands surrounding this existing pad are used for agriculture/grazing by the land owner, Mr. Tom Bolack. Should any of these lands be disturbed, they will be reclaimed to the satisfaction of Mr. Bolack.
- C. Any revegetation will utilize a seed mixture and processes that are compatible with the ongoing agriculture/grazing operations.