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.

7752

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.

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.

RECEIVED
APR 2010
OIL CONS. DIV. DIST. 3

1.
Operator: Benson-Montin-Greer Drilling Corp. OGRID #: 2096
Address: 4900 College Blvd., Farmington, NM 87402
Facility or well name: COU #22 (F-20)
API Number: 30-039-22781 OCD Permit Number:
U/L or Qtr/Qtr F Section 20 Township 26N Range 01W County: Rio Arriba, NM
Center of Proposed Design: Latitude N36.47313 Longitude W106.96793 NAD: [ ] 1927 [X] 1983
Surface Owner: [X] Federal [ ] State [ ] Private [ ] Tribal Trust or Indian Allotment

2.
[X] **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: [ ] Drilling a new well [X] Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) [ ] P&A
[ ] Above Ground Steel Tanks or [X] Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
[X] 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.
[X] Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
[X] Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
[X] 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 indentify 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 Disposal Disposal Facility Permit Number: NM-01-0008
Disposal Facility Name: Disposal Facility Permit Number:
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) [X] 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): Zach Stradling Title: Engineer
Signature: Date: 3/29/10
e-mail address: zstradling@bmgdrilling.com Telephone: (505) 325-8874

3

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

OCD Representative Signature: _____ Approval Date: 2/23/11

Title: Compliance Offic 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 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 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: _____

Closed-loop Design Plan:

Our closed loop system will not entail a drying pad, temporary pit, below grade tank, or sump. It will entail a haul-off bin suitable for holding cuttings and fluids for rig operations. The haul-off bin will be of 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 19.15.17.11 NMAC
3) (1) frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan:

The closed-loop system will be operated and maintained, to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. To attain this goal the following steps will be followed:

1) The liquids and will be vacuumed out and disposed of at TNT Disposal (Disposal Facility Permit Number NM-01-0008). Solids will be vacuumed out and disposed of at TNT Disposal (Disposal Facility Permit Number NM-01-0008).
2) No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the haul-off bin. Only fluids or cuttings used or generated by rig operations will be placed or stored in the haul-off bin.
3) The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop system. Upon the discovery of the compromised closed-loop system, 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 system will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to TNT Disposal (Disposal Facility Permit Number NM-01-0008) immediately following rig operations. All remaining liquids will be transported and disposed of at TNT Disposal (Disposal Facility Permit Number NM-01-0008). The frac tank and haul-off bin will be removed from the location as part of the rig move. No additional areas were impacted by the closed-loop system. At the time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.