District I       State of New Mexico       Form C-144         1625 N. French Dr., Hobbs, NM 8824       Form C-144       July 2         District II       Department       For closed-loop systems that only use about the provided of	1, 2008				
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 X 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.					
I.         Operator:         XTO Energy, Inc         OGRID #:005380					
Operator:					
Facility or well name:Arrowhead Grayburg Unit #226					
API Number:30-025-31674       OCD Permit Number:       PI - DD 259					
Ar I Number:             U/L or Qtr/QtrH       Section13       Township _T-22S       Range       Range       Lea					
Center of Proposed Design: Latitude Longitude Longitude NAD: [1927 ] 19					
Surface Owner: E Federal X State Private Tribal Trust or Indian Allotment	0.5				
<ul> <li>X <u>Closed-loop System</u>: Subsection H of 19.15.17.11 NMAC</li> <li>Operation: Drilling a new well X Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P</li> <li>X Above Ground Steel Tanks or Haul-off Bins</li> </ul>	&A				
Signs: Subsection C of 19 15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers					
X Signed in compliance with 19.15.3.103 NMAC					
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 ar attached.	'e				
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e-mail address:	sherry	pack@xtoenergy.com	
	Form C-144 CLEZ		

Oil Conservation Division

Telephone: <u>432-620-6709</u>

7. OCD Approval: Permit Application (including closure plan) Closure Pl				
OCD Representative Signature:	Approval Date: 8/1/08			
Title: Dust. Supervisor	OCD Permit Number: <u>PI-DD259</u>			
8. <u>Closure Report (required within 60 days of closure completion)</u> : 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.				
	X Closure Completion Date:7/15/2008			
9. Closure Report Regarding Waste Removal Closure For Closed-loop Systems Instructions: Please indentify the facility or facilities for where the liquids, dril two facilities were utilized.				
Disposal Facility Name: Sundance Services, Inc	Disposal Facility Permit Number:NM-01-0003			
Disposal Facility Name:	Disposal Facility Permit Number:			
Were the closed-loop system operations and associated activities performed on or Yes (If yes, please demonstrate compliance to the items below) X No	in areas that will not be used for future service and operations?			
Required for impacted areas which will not be used for future service and operation         Site Reclamation (Photo Documentation)         Soil Backfilling and Cover Installation         Re-vegetation Application Rates and Seeding Technique	ons:			
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):Sherry Pack	Title:Regulatory Analyst			
Signature:	Date:7/30/2008			
e-mail address:sherry_pack@xtoenergy.com	Telephone:432.620.6709			

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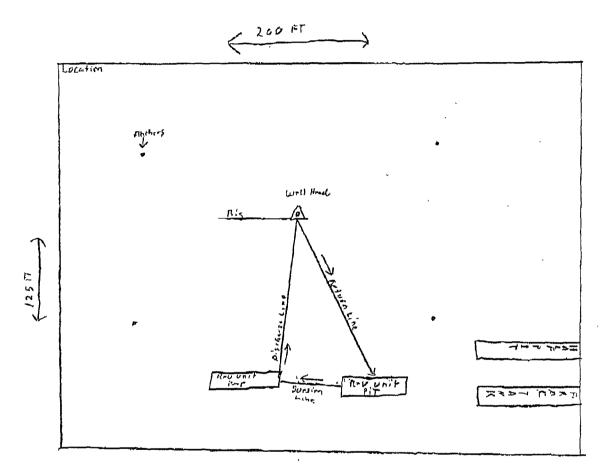
## **Operating and Maintenance Procedure:**

- Will submit C-144 (short form) to OCD to get permit to set steel tank at well location to be used to collect fluid during workover.
- When permit received from OCD, steel tank will be set at well location prior to work performed (without any type of liner).
- Operator will do daily visual tank inspection to locate any leak that might cause soil or ground water contamination.
- If leak is detected the OCD will be notified immediately.

## **Closure Plan** – based upon the appropriate requirements of Subsection C:

Solids and Fluids will be removed from steel tanks and hauled off by trucking companies. They will then be taken to the closest approved public disposal.

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