

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.

**Closed-Loop System Permit or Closure Plan Application**

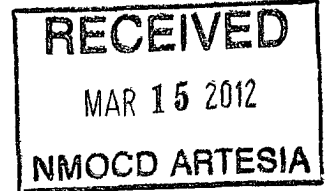
*(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

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: Murchison Oil & Gas, Inc. OGRID #: 15363  
Address: 1100 Mira Vista Boulevard, Plano, Texas 75093-4698  
Facility or well name: GRIZZLY BEAR #2H  
API Number: 30-015-40042 OCD Permit Number: 212656  
U/L or Qtr/Qtr I Section 1 Township 17S Range 28E County: Eddy  
Center of Proposed Design: Latitude 32.861989° Longitude 104.121801° 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: CRI Disposal Facility Permit Number: R1966/NM-01-0006  
Disposal Facility Name: GMI Disposal Facility Permit Number: 711-019-001/NM-01-0019  
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): Steve Morris Title: Senior Drilling Engineer – Murchison Oil & Gas, Inc.

Signature: [Signature] Date: 3/12/12

e-mail address: smorris@jdmii.com Telephone: (972) 931-0700

7.

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

OCD Representative Signature: [Signature] Approval Date: 03/15/2012

Title: District # Supervisor OCD Permit Number: 212656

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: \_\_\_\_\_



**MURCHISON OIL & GAS, INC.**

Certified Article Number

7196 9008 9040 0796 7284

SENDERS RECORD

VIA CERTIFIED MAIL

March 12, 2012

State of New Mexico  
Oil Conservation Division – District II  
811 S. First St.  
Artesia, NM 88210-2834

RECEIVED

MAR 15 2012

NMOCD ARTESIA

**RE: GRIZZLY BEAR #2H  
EDDY COUNTY, NM**

To Whom It May Concern:

Enclosed please find the following:

1. Form C-144 CLEZ – Closed Loop System Permit

If you have any questions or need additional information, please contact me at [ccottrell@jdmii.com](mailto:ccottrell@jdmii.com) or 972-931-0700 ext. 109.

Best Regards,

**MURCHISON OIL & GAS, INC.**

Cindy Cottrell  
Regulatory Coordinator

Enclosures

**Murchison Oil & Gas, Inc.**  
**Grizzly Bear #2H**  
1,550' FSL & 150' FEL  
Sec. 1, T17S, R28E  
Eddy County, NM

**CLOSED-LOOP OPERATING AND MAINTENANCE PLAN**

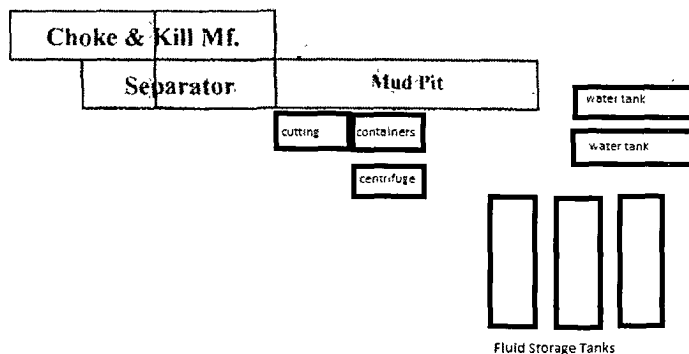
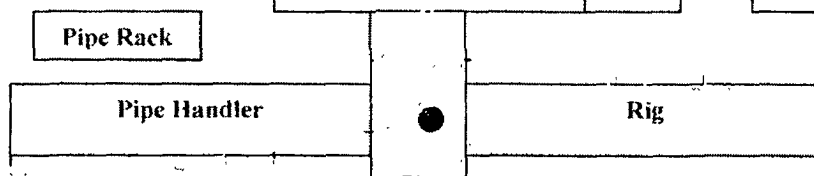
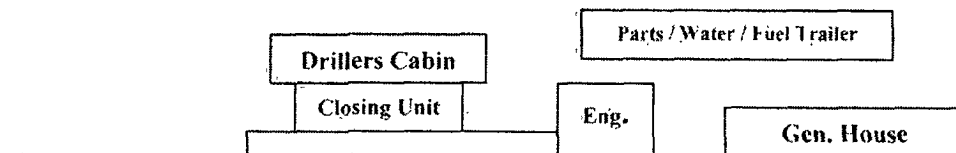
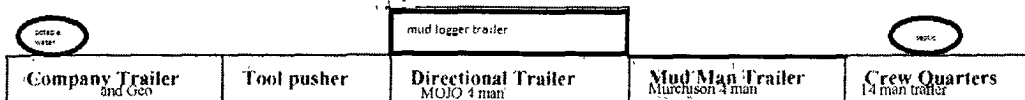
- All drilling fluid circulated over shaker(s) with cuttings discharged into roll-off container.
- Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll-off container.
- Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.
- Roll-off containers are lined and de-watered with fluids re-circulated into system.
- Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.
- This equipment will be maintained 24 hours/day by solids control personnel and/or rig crews that stay on location.
- Cuttings will be hauled to one of the following depending upon which rig is available to drill this well:
  - CRI Permit Number R9166 / NM-01-0006
  - GMI Permit Number 711-019-001 / NM-01-0019



Grizzly Bear 2H

Pad Lay Out

250'



250'

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Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**RECEIVED**  
Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate District Office  
**MOCD ARTESIA**

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>GRIZZLY BEAR</b>			<sup>6</sup> Well Number <b>2H</b>
<sup>7</sup> OGRID No. <b>15363</b>		<sup>8</sup> Operator Name <b>MURCHISON OIL &amp; GAS, INC.</b>			<sup>9</sup> Elevation <b>3716.3</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>1</b>	<b>17 S</b>	<b>28 E</b>		<b>1550</b>	<b>SOUTH</b>	<b>150</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>1</b>	<b>17 S</b>	<b>28 E</b>		<b>1650</b>	<b>SOUTH</b>	<b>330</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

