

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: Lynx Petroleum Consultants, Inc. OGRID #: 13645
Address: P.O. Box 1708 Hobbs, NM 88241
Facility or well name: Eddy 'BD' State No. 3
API Number: 30-015-38144 OCD Permit Number: 210954
U/L or Qtr/Qtr G Section 32 Township 20S Range 30E County: Eddy
Center of Proposed Design: Latitude 32°31'53.94"N Longitude 103°59'31.83"W 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

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NOV 23 2010

NMOCD ARTESIA

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 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: Controlled Recovery, Inc. Disposal Facility Permit Number: R9166
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) ☒ 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): Larry R. Scott Title: President
Signature: Larry R. Scott Date: 11-22-2010
e-mail address: lynxpet@leaco.net Telephone: 575-392-6950

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

OCD Representative Signature: ADade Approval Date: 11/24/2010

Title: Dist R Supervisor OCD Permit Number: 210954

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

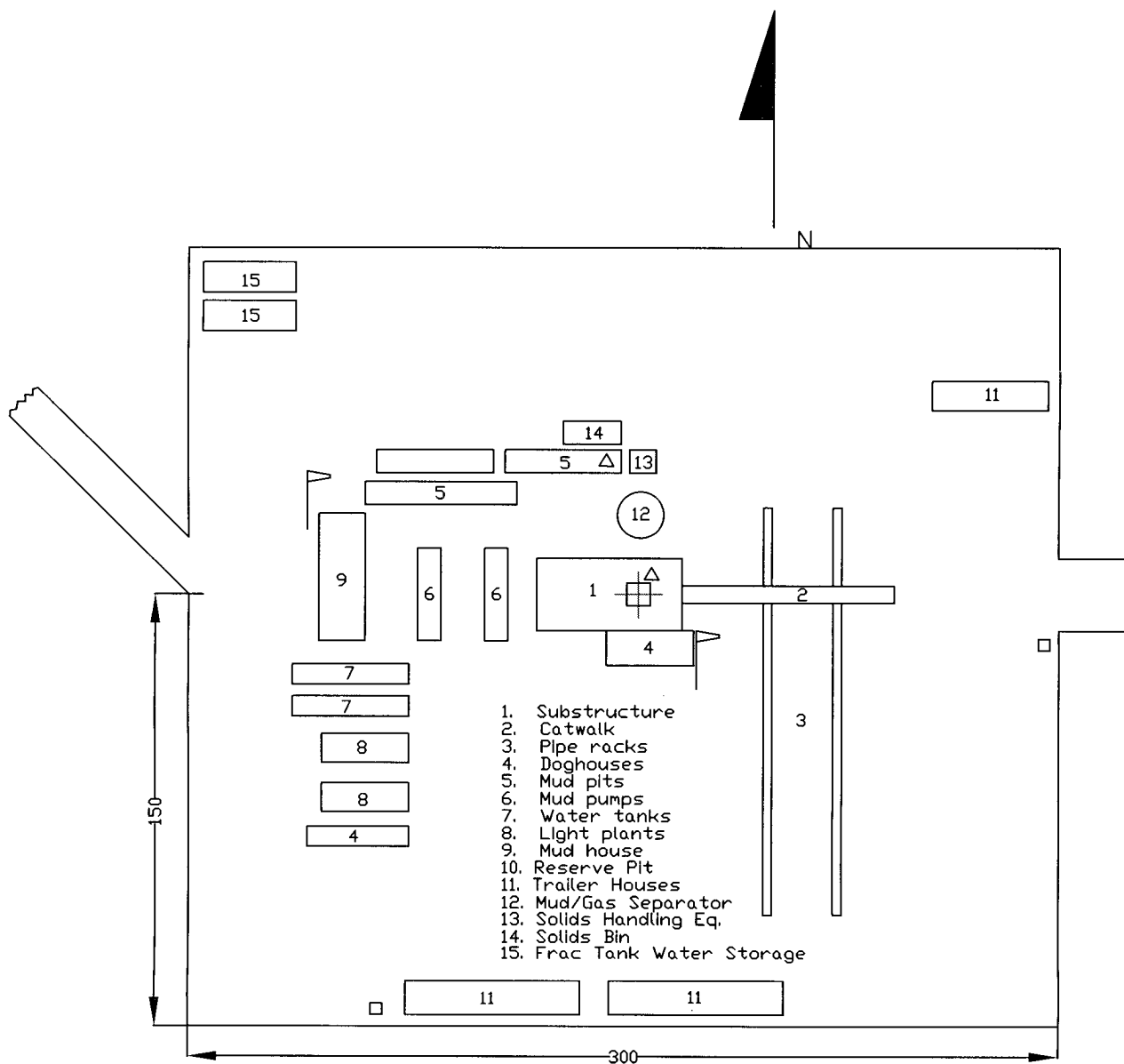
10. **Operator Closure Certification:**

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: _____



1. Substructure
2. Catwalk
3. Pipe racks
4. Doghouses
5. Mud pits
6. Mud pumps
7. Water tanks
8. Light plants
9. Mud house
10. Reserve Pit
11. Trailer Houses
12. Mud/Gas Separator
13. Solids Handling Eq.
14. Solids Bin
15. Frac Tank Water Storage

△ H2S Monitor w/Alarm

□ Safe Briefing Area

Wind Sock

Scale: None

Eddy 'BD' State No. 3

Loc: 1980'FNL & 1980'FEL

Date: 11/14/10

Rig Layout

Sec.32,T-20S,R-30E

Eddy County, NM

McVay Drilling Co.

Rig # 4 – Pit System

Suction Pit

Total Volume = 453 BBLS

6.9' (H)

Pit # 4 150 BBLS 21.8 bbl./ ft 1.8 bbl./ in	Pit # 5 151 BBLS 21.9 bbl./ ft 1.83 bbl./ in	Pit # 6 150 BBLS 21.8 bbl./ ft 1.8 bbl./ in
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46' (L)

Shale Pit

Total Volume = 442 BBLS

8' (W)

Pit # 3 146.6 BBLS 21.2 bbl./ ft 1.8 bbl./ in	Pit # 2 147.6 BBLS 21.4 bbl./ ft 1.8 bbl./ in	Pit # 1 147 BBLS 21.4 bbl./ ft 1.8 bbl./ in
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45' (L)

6' (H)

107 BBLS 17.9 bbl./ ft 1.5 bbl./ in	107 BBLS 17.9 bbl./ ft 1.5 bbl./ in
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8' (w)

Pre Mix Pit

Total Volume = 216 BBLS

Trip Tank

Total Volume = 140 BBLS

140 BBLS 31.3 bbl./ft 2.6 bbl./ in
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7.8' (W)

4.5' (H)

22.5' (L)

Total Active System Volume = 895 BBLS

Pre-Mix Pit = 216 BBLS

Trip Tank = 140 BBLS

2 Triplex PZ-9 Pumps

EDDY 'BD' STATE NO. 3

SUPPLEMENT TO FORM C-144 EZ

Unit G-Section 32, T-20S, R-30E

Eddy County, New Mexico

19.15.17.11 DESIGN PLAN

- A. General Specification. Solids removal equipment including a shale shaker and centrifuge will be located in the mud return line downstream of a mud-gas separator to de-water solids into a haul off disposal bin. After solids removal the cleaned mud will be circulated back through steel pits per the attached rig layout diagram.
- B. No earthen pits will be constructed requiring to stockpiling of topsoil.
- C. The drilling location will be signed in compliance with State regulations.
- D. No fencing will be necessary.
- E. No netting will be necessary.
- F. No temporary pit will be constructed.
- G. No permanent pits will be constructed.
- H. Please see A. above
- I. No below grade tanks will be installed.
- J. No on-site trenches will be constructed.

19.15.17.12 OPERATIONS PLAN

- A. General Specifications:
 - (1) Please see A. above
 - (2) All drilling fluids will be hauled to an approved disposal facility at the conclusion of the drilling operations
 - (3) No hazardous waste will be stored on-site.
 - (4) No pits or liners will be constructed.
 - (5) No pits or liners will be constructed.
 - (6) This section does not apply.
 - (7) This section does not apply.
 - (8) This section does not apply.
- B. No temporary pits will be constructed.
- C. No permanent pits will be constructed.
- D. No below grade tanks will be constructed.
- E. No sumps will be constructed.

19.15.17.13 CLOSURE

All solids and fluids will be hauled to the disposal facility listed in Box 5 at the conclusion of the drilling operations and prior to the rig being removed from location.