

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.

8507

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: BP AMERICA PRODUCTION COMPANY OGRID #: 778
Address: 501 Westlake Park Blvd Houston, Tx 77079
Facility or well name: Gallegos Canyon Unit 265
API Number: 30-045-20655 OCD Permit Number: _____
U/L or Qtr/Qtr P Section 25 Township 28N Range 12W County: San Juan
Center of Proposed Design: Latitude 36.628091 Longitude 108.056764 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: See Attached Operations & Maintenance Plan Disposal Facility Permit Number: _____
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): Cherry Hlava Title: Regulatory Analyst
Signature: Cherry Hlava Date: 05/24/2011
e-mail address: cherryhlava@bp.com Telephone: (281) 366-4081

BP AMERICA PRODUCTION COMPANY
San Juan Basin in Northwest New Mexico
Closed Loop System
General Operating, Maintenance and Closure Plan

Pursuant to Rule 19.15.17.12 NMAC, BP America Production shall maintain and operate a closed loop system with the following guidelines. Any deviations from this plan will be addressed with the submittal of Form C-144 at the time of the permit application.

- A) The closed loop system will be operated and maintained to contain liquids and prevent contamination of fresh water, protect public health and the environment.
- B) Well workover fluids will be re-used, recycled or disposed in a manner to protect fresh water, public health and the environment. Fluids and other wastes will be disposed at various NMOCD permitted sites, as listed at the end of this document. The listed disposal site permits allow acceptance of the specific exempt wastes generated (liquid or solids) during the proposed well work.
- C) No hazardous waste will be discharged or stored in the closed loop system, tanks or bins. Only solids and fluids generated during the well work process will be placed in storage containers.
- D) If the system develops a leak or is otherwise penetrated, including any freeboard portions, all liquids above the failure will be removed within 48 hours. The NMOCD Aztec District office will be notified within 48 hours and the failure will be either repaired or the container will be replaced. If a tank or bin develops a leak or is penetrated anywhere above the freeboard portion of the pit, the NMOCD Aztec District office will be notified within 48 hours and it will be repaired.
- I) The system will be inspected at least daily for integrity while the rig is on site.
- J) All free liquids will be removed from the system following well work and transported to an appropriate waste disposal facility, as listed below. Solids will be transported in transport bins to an appropriate waste disposal facility, as listed below.
- K) Tanks, bins and other apparatus of the closed loop system will be removed from the site as part of the rig move operation.

Proposed waste disposal sites:

BP Crouch Mesa Landfarm, Permit NM-02-003
 JFJ Landfarm, Permit NM-01-010(B)
 Basin Disposal, Permit NM-01-0005
 BP Operated E.E. Elliott SWD #1, API 30-045-27799
 BP Operated 13 GCU SWD #1, API 30-045-28601
 BP Operated GCU 259 SWD, API 30-045-20006
 BP Operated GCU 306 SWD, API 30-045-24286
 BP Operated GCU 307 SWD, API 30-045-24248
 BP Operated GCU 328 SWD, API 30-045-24735
 BP Operated Pritchard SWD #1, API 30-045-28351