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

1220 S. St. Francis Dr., Santa Fe, NM 87505

District IV

State of New Mexico Energy Minerals and Natural Resources

Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose

Form C-144 CLEZ

July 21, 2008

to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

8310 (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 Operator: XIO ENERGY INC. ____ OGRID #: __**5380** Address: 382 CR 3100 AZTEC, NM 87410 (RC CH) Facility or well name: BOLACK C LS #16A API Number: 30-045-26662 OCD Permit Number: U/L or Qtr/Qtr_____I Section 33 Township 27-N Range 8-W County: SAN JUAN Surface Owner: X Federal State Private Tribal Trust or Indian Allotment 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 principle of intent) P&A

| X| Above Ground Steel Tanks or Haul-off Bins 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 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 marking the box, that the documents are 33t28 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: .

Will any of the proposed closed-loop system operations and associal Yes (If yes, please provide the information below)	ted activities occur on or in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service. Soil Backfill and Cover Design Specifications based upon the appropriate requirement. Site Reclamation Plan - based upon the appropriate requirement.	n the appropriate requirements of Subsection H of 19.15.17.13 NMAC ts of Subsection I of 19.15.17.13 NMAC
6 Operator Application Certification:	
	is true, accurate and complete to the best of my knowledge and belief.
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

___ Disposal Facility Permit Number: ___

_____ Disposal Facility Permit Number: _____

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 reauired

Disposal Facility Name: _

Disposal Facility Name: ___

OCD Approval: Permit Application (including closure plan) Close OCD Representative Signature: OCI	Approval Date: 6/03/00V	
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: 05/06/2011		
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:		
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		
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): BARBARA A. NICOL Signature: DAWAW A. MADL	Title: REGULATORY COMPLIANCE TECHNICIAN Date: 05/11/2011	
e-mail address: Barbara Nicol@xtoenergy.com	Telephone:505-333-3642	