

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.

9696  
**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: XTO ENERGY, INC. OGRID #: 5380  
Address: 382 ROAD 3100, AZTEC, NM 87410  
Facility or well name: H B McGRADY A 4 H  
API Number: 30-045- 35218 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr P Section 14 Township 27 NORTH Range 12 WEST County: SAN JUAN  
Center of Proposed Design: Latitude 36.56959° N Longitude 108.07291° 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  
RCVD MAR 5 '12  
OIL CONS. DIV.  
DIST. 3

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: BASIN DISPOSAL Disposal Facility Permit Number: NM1-5-0 (cuttings & mud)  
Disposal Facility Name: BASIN DISPOSAL Disposal Facility Permit Number: NM1-5-0 (liquids)  
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): BRIAN WOOD Title: CONSULTANT  
Signature: Brian Wood Date: 11-23-10  
e-mail address: brian@permitswest.com Telephone: (505) 466-8120

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

OCD Representative Signature: Gerald D. Kelly Approval Date: 3/05/2012

Title: Compliance Officer OCD Permit Number: \_\_\_\_\_

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 identify 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

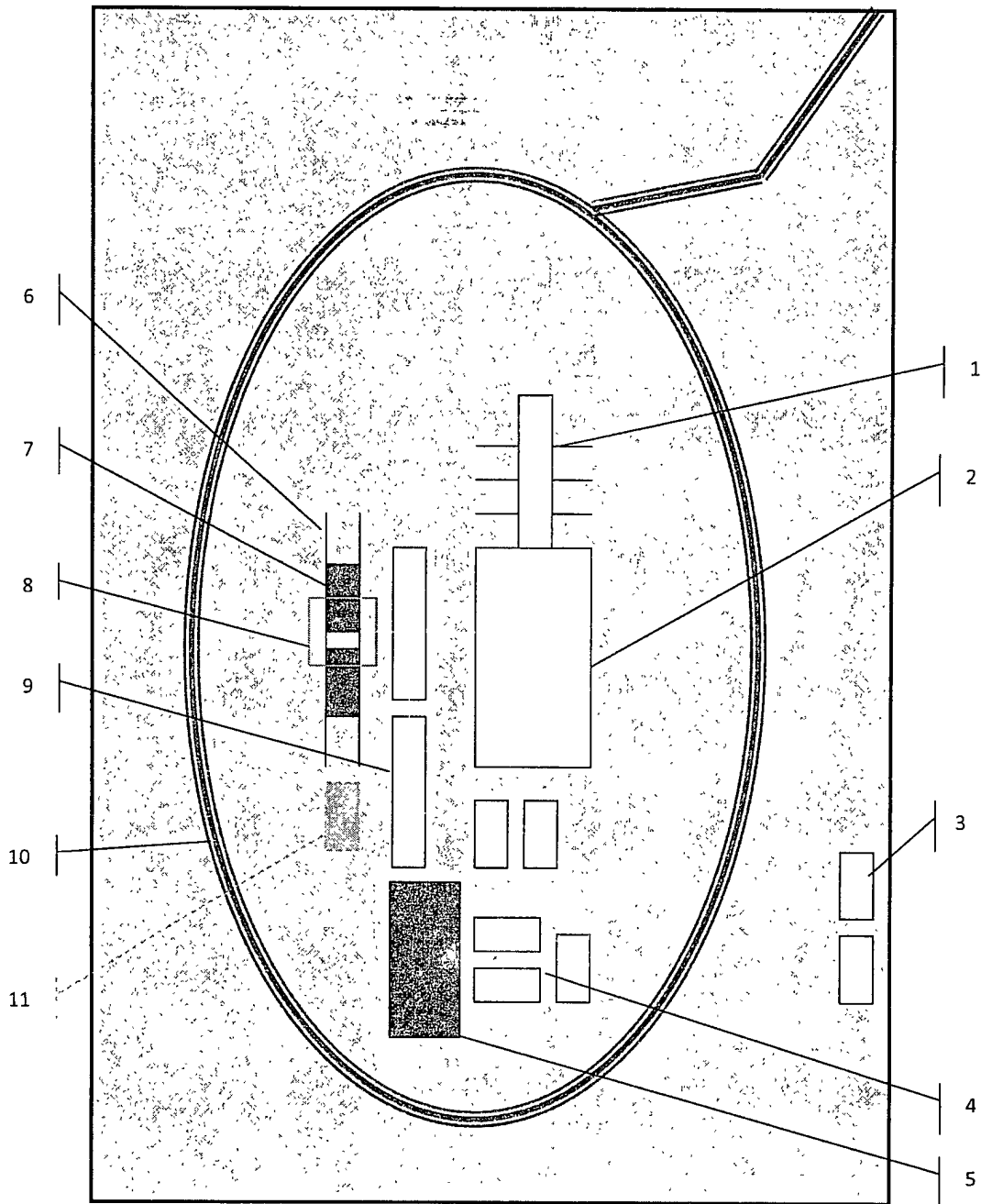
10. **Operator Closure Certification:**

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: \_\_\_\_\_

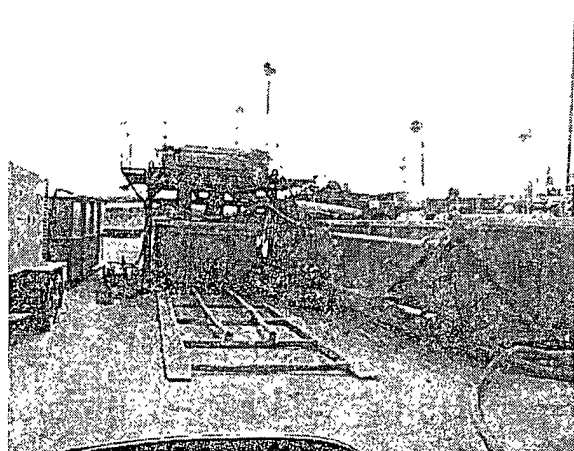
e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_



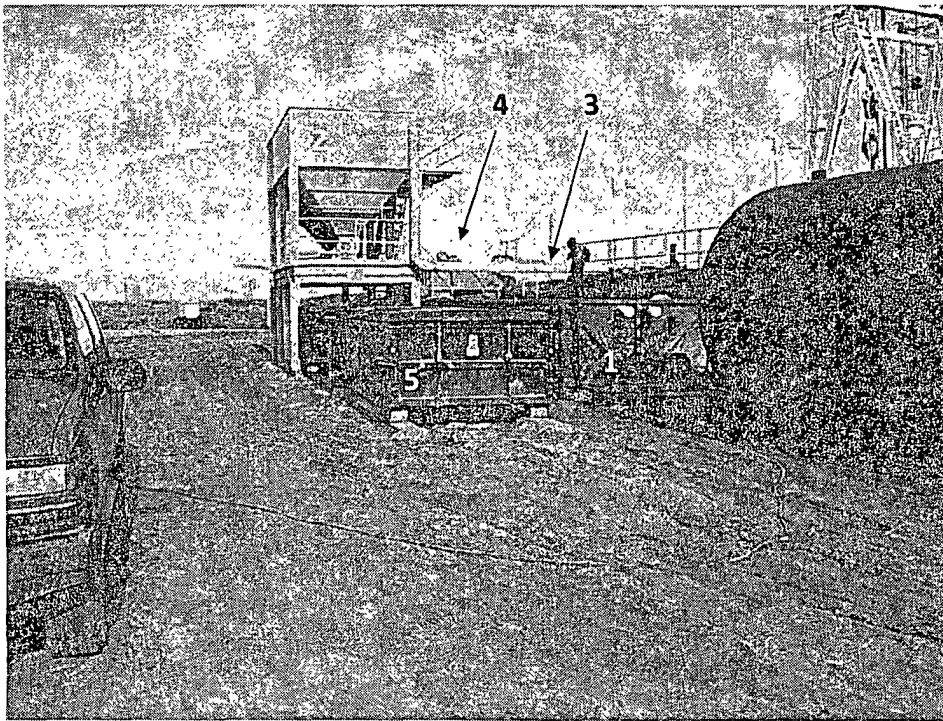
**Schematic Closed Loop Drilling Rig\***

1. Pipe Rack
2. Drill Rig
3. House Trailers/ Offices
4. Generator/Fuel/Storage
5. Overflow-Frac Tank
6. Skids
7. Roll Offs
8. Hopper or Centrifuge
9. Mud Tanks
10. Loop Drive
11. Generator (only for use with centrifuge)

\*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available

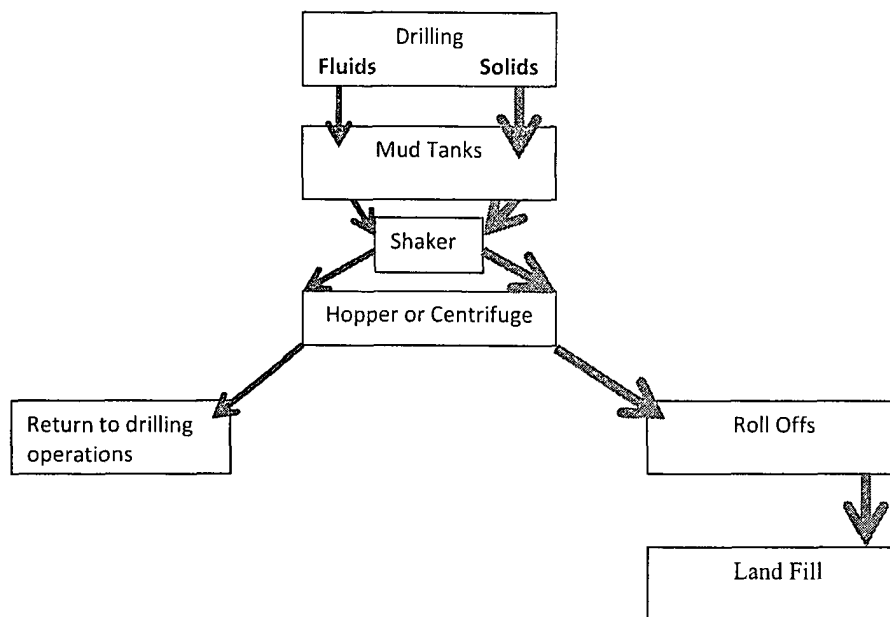


**Above: Centrifugal Closed Loop System**



**Closed Loop Drilling System:** Mud tanks to right (1)  
Hopper in air to settle out solids (2)  
Water return pipe (3)  
Shaker between hopper and mud tanks (4)  
Roll offs on skids (5)

### Flow Chart for Drilling Fluids and Solids



**XTO Energy, Inc.**  
**H McGrady A 4 H**  
**Closed Loop System Plan**  
**Design, Operation & Maintenance, and Closure Plan**

Design

The closed loop system plan (CLSP) uses above ground steel tanks, roll off bins, and overflow-frac tanks suitable for holding the cuttings and fluids from rig operations. These containers will be sufficient in volume to maintain a safe free board between disposal of liquids and solids. There will be no drying pad, temporary pit, below grade tank, or sump. (A document showing a schematic of a typical well pad and closed loop system (CLS) is attached.)

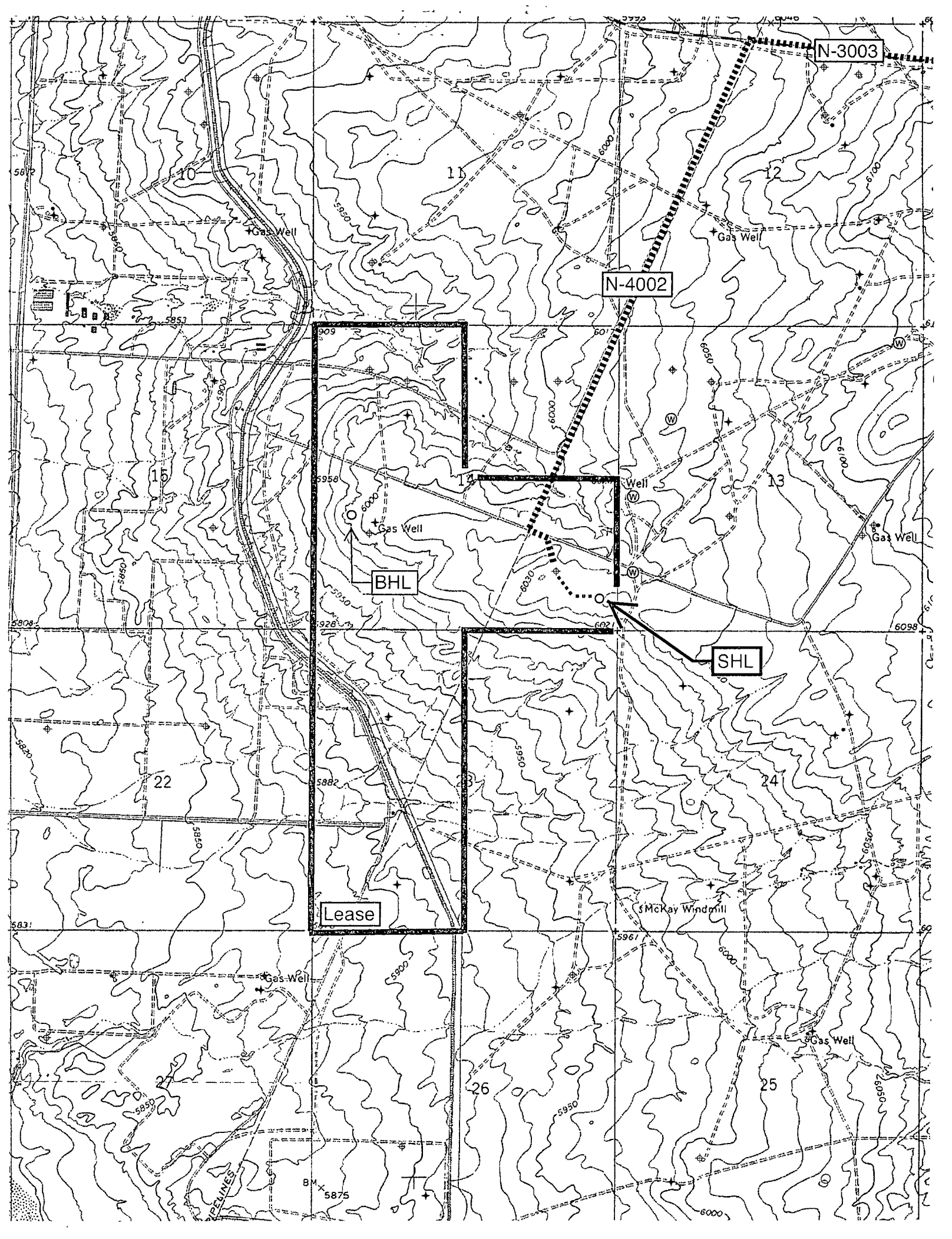
- Signage will comply with 19. 15. 3. 103. NMAC
- Frac tanks to store fresh water will be on location
- No fence is required for this above ground CLSP

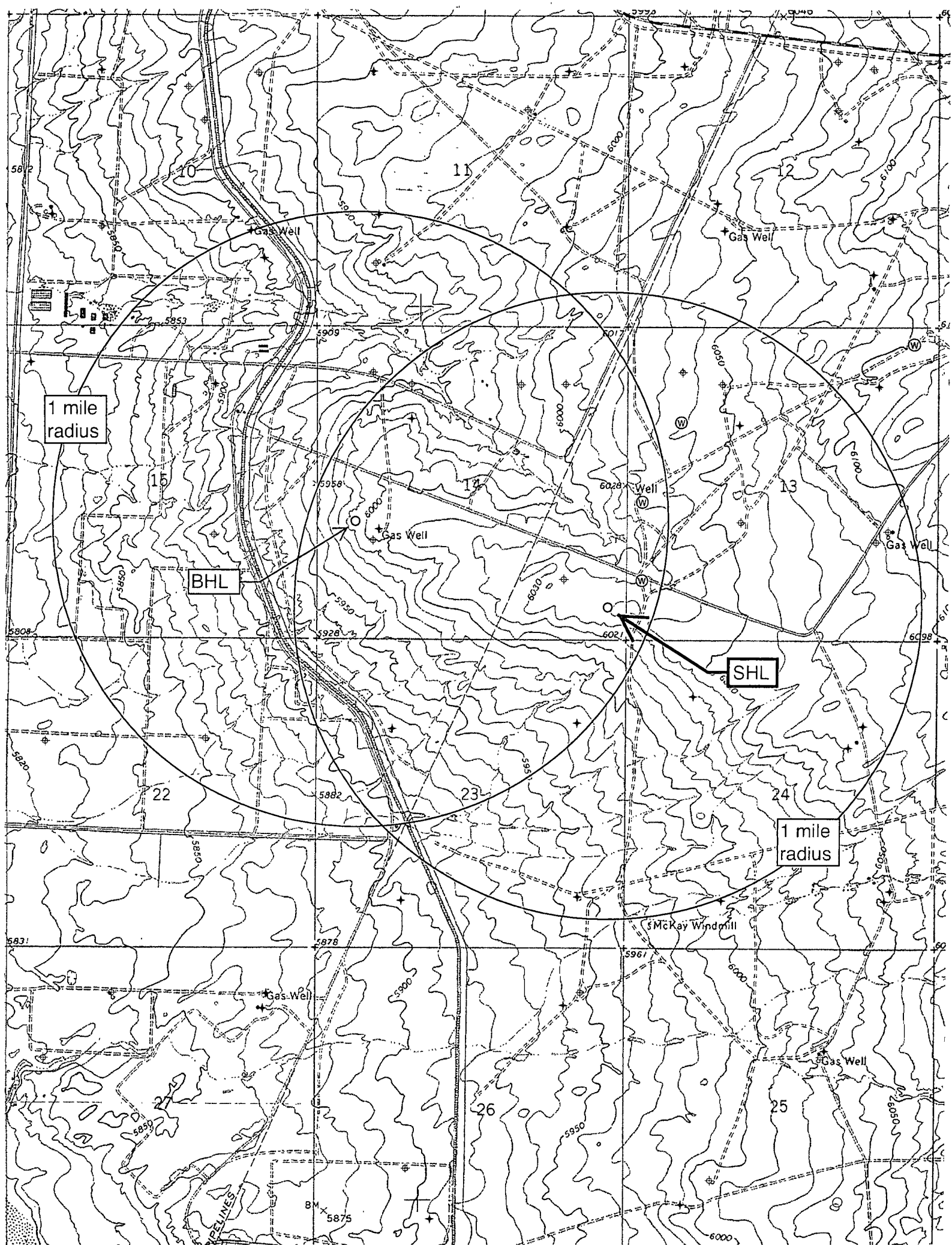
Operation & Maintenance

- 1) The steel above ground tanks will contain liquids and solids to prevent the contamination of fresh water sources.
- 2) Liquids & solids will either be vacuumed out separately or hauled off in roll off bins. Disposal will occur at appropriate OCD licensed facilities on a periodic basis to prevent over topping. Solids and liquids will be trucked to Basin Disposal's facility (NM1-5-0) in 3-29n-11w.
- 3) No hazardous waste, miscellaneous solid waste or debris will be discharged into or placed in the tanks. Only fluids or cuttings used or generated by rig operations will be placed or stored in the tanks.
- 4) No waste will be disposed of or buried on location.
- 5) All of the operations will be inspected and a log will be signed daily during rig operations.
- 6) Upon discovery of a compromised closed loop tank, repairs will begin immediately. The OCD district office will be notified within 48 hours of discovery of any compromise.

Closure

- 1) The closed loop tanks will be closed in accordance with 19. 15. 17. 13. NMAC.
- 2) Cuttings and all remaining sludge will be transported to an appropriate OCD licensed facility immediately following completion of rig operations.
- 3) All remaining liquids will be transported to an appropriate OCD licensed facility.
- 4) Tanks will be removed from the location as part of the rig move.
- 5) At time of well plugging & abandonment, the entire well site will be reclaimed and re-vegetated to preexisting conditions when possible.







DWG. NO. 0000785.0-058-01

LINE XTO ENERGY, INC. - HB McGRADY A NO. 4

WO NO.

RW NO. 0870260

FROM 0+00 = 7+65.09 ON XTO ENERGY, INC. - HB McGRADY A NO. 1E

DATE 8/25/08

(0000785.0-030-01, R/W NO. 8470696)(MC NO. 95226)


SCALE 1" = 1000'

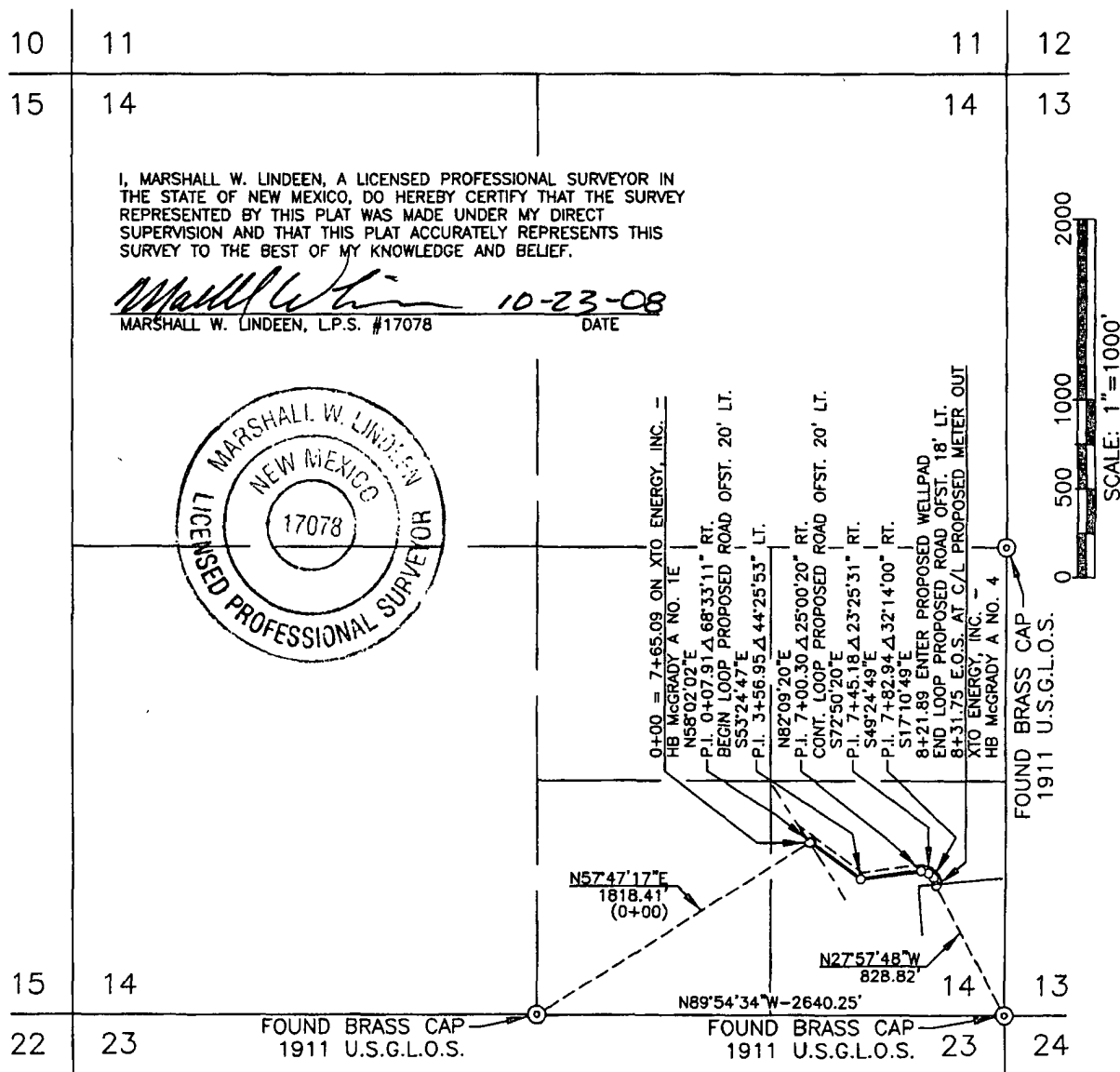
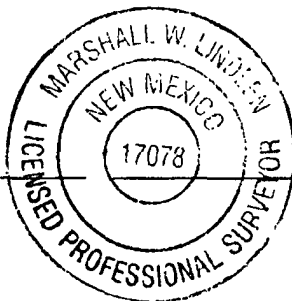
SURVEYED 8/08/08

COUNTY SAN JUAN STATE NEW MEXICO SECTION 14 TOWNSHIP 27-N RANGE 12-W, N.M.P.M.

T-27-N, R-12-W, N.M.P.M.  
BASIS OF BEARING: BETWEEN MONUMENTS FOUND AT THE SE CORNER  
AND THE SOUTH QUARTER CORNER OF SECTION 14  
LINE BEARS N89°54'34"W-2640.25' PER G.P.S.

I, MARSHALL W. LINDEEN, A LICENSED PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAT WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT ACCURATELY REPRESENTS THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.


 10-23-08  
 MARSHALL W. LINDEEN, L.P.S. #17078 DATE



DWN. BY MR CONSTR. COMMENCED \_\_\_\_\_ APPL. DWG. \_\_\_\_\_ SLACK CHAIN \_\_\_\_\_  
CKD. BY MD CONSTR. COMPLETED \_\_\_\_\_ DATE \_\_\_\_\_ PIPE SIZE 4.50" O.D.

PRINT RECORD			PIPE DATA	METER STA. NO.	FC	
1	PRELIM PROJ	08/29/08	NOTE: WELL FLAG SURVEY LOOPS PROPOSED ROAD LOCATION NOT BUILT			
3	CERT-ROW	10/03/08				
OWNERSHIP	SUBDIVISION	OWNER	LESSEE	METER(S)	RODS	ACRE(S)
	SE/4SE/4, SEC. 14	NAVAJO INDIAN IRRIGATION PROJECT			50.409	0.859
				FEET: 831.75	MILE: 0.158	
REV.						

00000785.0-058-01 FM24 (Rev. 1/99)



NAD 83  
LAT. = 36.56957° N  
LONG. = 108.07319° W

NAD 27  
LAT. = 36°34'10.4" N  
LONG. = 108°04'21.2" W




NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

ELEV. C-C'	C/L				
6050					
6040					
6030					
6020					

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REASON:	DATE:	REVISED BY:
YOUR CHANGE	7/15/70	S.V.
CORRECTED NAME	8/13/70	S.V.
ADDED C.O.P.	7/25/70	S.V.



**Daggett Enterprises, Inc.**  
 Surveying and Oil Field Services  
 P. O. Box 510    Farmington, NM 87499  
 Phone (505) 326-1772 • Fax (505) 325-6019

NEW MEXICO L.S. No. 8894

DRAWN BY: B.K.	COPY: CR1015, CFB
DATE: CR1015	DATE: 05/29/07

XTO Energy Inc.  
H B McGrady A 4 H  
SHL: 600' FSL & 340' FEL  
BHL: 1900' FSL & 700' FWL  
Sec. 14, T. 27 N., R. 12 W., San Juan County, NM

PAGE 16



NORTH

