

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.

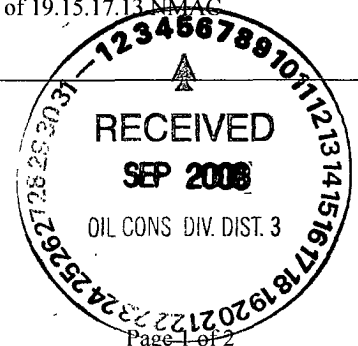
1.
Operator: **Merrion Oil & Gas Corporation** OGRID #: **14634**
Address: **610 Reilly Ave Farmington, NM 87401**
Facility or well name: **Westland Park #2**
API Number: **30-045-34750** OCD Permit Number: _____
U/L or Qtr/Qtr **C** Section **18** Township **29N** Range **13W** County: **San Juan**
Center of Proposed Design: Latitude **36 43' 24.9 N** Longitude **108 11' 54.5 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

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: **Pretty Lady 30 11 34 #1** Disposal Facility Permit Number: **SWD-1034**
Disposal Facility Name: **Envirotech** Disposal Facility Permit Number: **NM-01-001**
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): Philana Thompson

Title: Regulatory Compliance Specialist

Signature: _____

Date: _____

e-mail address: pthompson@merrion.bz

Telephone: 505-324-5336

7.

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

OCD Representative Signature: _____

Approval Date: 9-22-08Title: Enviro/Spec

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: _____

Closed-loop Plans

Closed-loop Design Plan

MOG's closed loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will include an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system***
- 2. It will be signed in compliance with 19.15.3.103 NMAC***
- 3. A frac tank will be on location to store fresh water***

Closed-loop Operating and Maintenance Plan

MOG's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained the following steps will be followed:

- 1. The liquids will be vacuumed out and disposed of at the Pretty Lady 30 11 34 #1 (Permit # SWD-1034). Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit # NM-01-0011) on a periodic basis to prevent over topping.***
- 2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.***
- 3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately***
- 4. All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.***

Closed-loop Closure

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit # NM-01-001 I) immediately following rig operations. All remaining liquids will be transported and disposed of in the Pretty Lady 30 11 34 #1 (Permit # SWD-1034). The tanks will be removed from the location as part of the rig move. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.

District I

1625 N French Dr, Hobbs, NM 88240
Phone (505) 393-6161 Fax (505) 393-0720

District II

1301 W Grand Ave, Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV

1220 S. St Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3470 Fax (505) 476-3462

State of New Mexico**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Form C-102
Permit 77283

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-34750	2 Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4 Property Code 37223	5 Property Name WESTLAND PARK	6. Well No. 002
7 OGRID No 14634	8 Operator Name MERRION OIL & GAS CORP	9. Elevation 5224

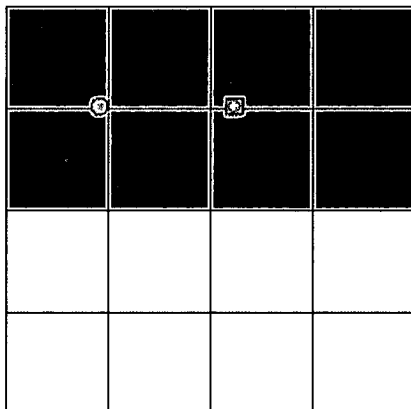
10. Surface Location

UL - Lot C	Section 18	Township 29N	Range 13W	Lot Ldn	Feet From 1269	N/S Line N	Feet From 1183	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 18	Township 29N	Range 13W	Lot Ldn B	Feet From 1269	N/S Line N	Feet From 2355	E/W Line E	County SAN JUAN
12. Dedicated Acres 250.15		13. Joint or Infill		14. Consolidation Code			15. Order No		

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

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Esther Greyeyes

Title Production Tech

Date: 6/19/2008

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Surveyed By: Gerald Huddleston

Date of Survey: 5/8/2008

Certificate Number: 6844



Merrion Oil & Gas Corporation
Location Layout
Westland Park #1 & #2
By: TSF Date: 21-AUG-2008

