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.

7095

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 322

API Number: 30-045-24626 OCD Permit Number:

U/L or Qtr/Qtr H Section 31 Township 29N Range 12W County: San Juan

Center of Proposed Design: Latitude 36.6853268 Longitude 108.1351886 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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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: 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: 10/28/2010

e-mail address: cherryhlava@bp.com Telephone: (281) 366-4081

2

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

OCD Representative Signature: _____ **Approval Date:** 12/6/10

Title: Compliance Officer **OCD Permit Number:** 7095

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: _____

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

BP AMERICA PRODUCTION COMPANY

San Juan Basin in Northwest New Mexico
Closed Loop System for Well Workovers/PxA Operations
General Design and Construction Plan

Pursuant to Rule 19.15.17.11 NMAC, BP America Production (BP) will design 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 system will be constructed to contain liquids and prevent contamination of fresh water and protect public health and the environment. It will be comprised of steel tanks and/or rolloff bins to contain well returns, cuttings, spent cement or other materials that may come from the well. No fencing is required for a closed loop system.

B) An upright sign, not less than 12" x 24" with lettering not less than 2" height will be placed near the system. Alternatively, a well sign in compliance with 19.15.3.103 NMAC will be posted at the well site. The sign will give BP's name, location by quarter-quarter or unit letter, section, township and range, and emergency phone numbers.

C) The closed loop will be designed to ensure the confinement of oil, gas and water and other well returns and to prevent unauthorized releases. All tanks and bins will be of welded seam design with connecting piping installed and fitted to maintain system integrity. Drain valves will have blank plugs in place when fluid is in a tank or bin to prevent a fluid release to the ground surface in the event of an accidental valve opening.

D) One or more frac tanks will be used on site to store water that has been transported to the location for the workover or PxA operations.