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, 200

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: OXY USA Inc. OGRID #: 16696
Address: P.O. Box 50250 Midland, TX 79710
Facility or well name: Pokey BAK State #1
API Number: 30-015-32205 OCD Permit Number: 212513
U/L or Qtr/Qtr A Section 36 Township 19S Range 21E County: Eddy
Center of Proposed Design: Latitude 32.6222 Longitude 104.74065 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

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FEB 16 2012
NMOCD ARTESIA

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: Control Recovery Inc. Disposal Facility Permit Number: WM-01-0006
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): David Stewart Title: Regulatory Advisor
Signature: _____ Date: 2/15/12
e-mail address: david_stewart@oxy.com Telephone: 432-685-5717

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

OCD Representative Signature: HWade Approval Date: 02/17/2012

Title: Dist II Supervisor OCD Permit Number: 212513

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:

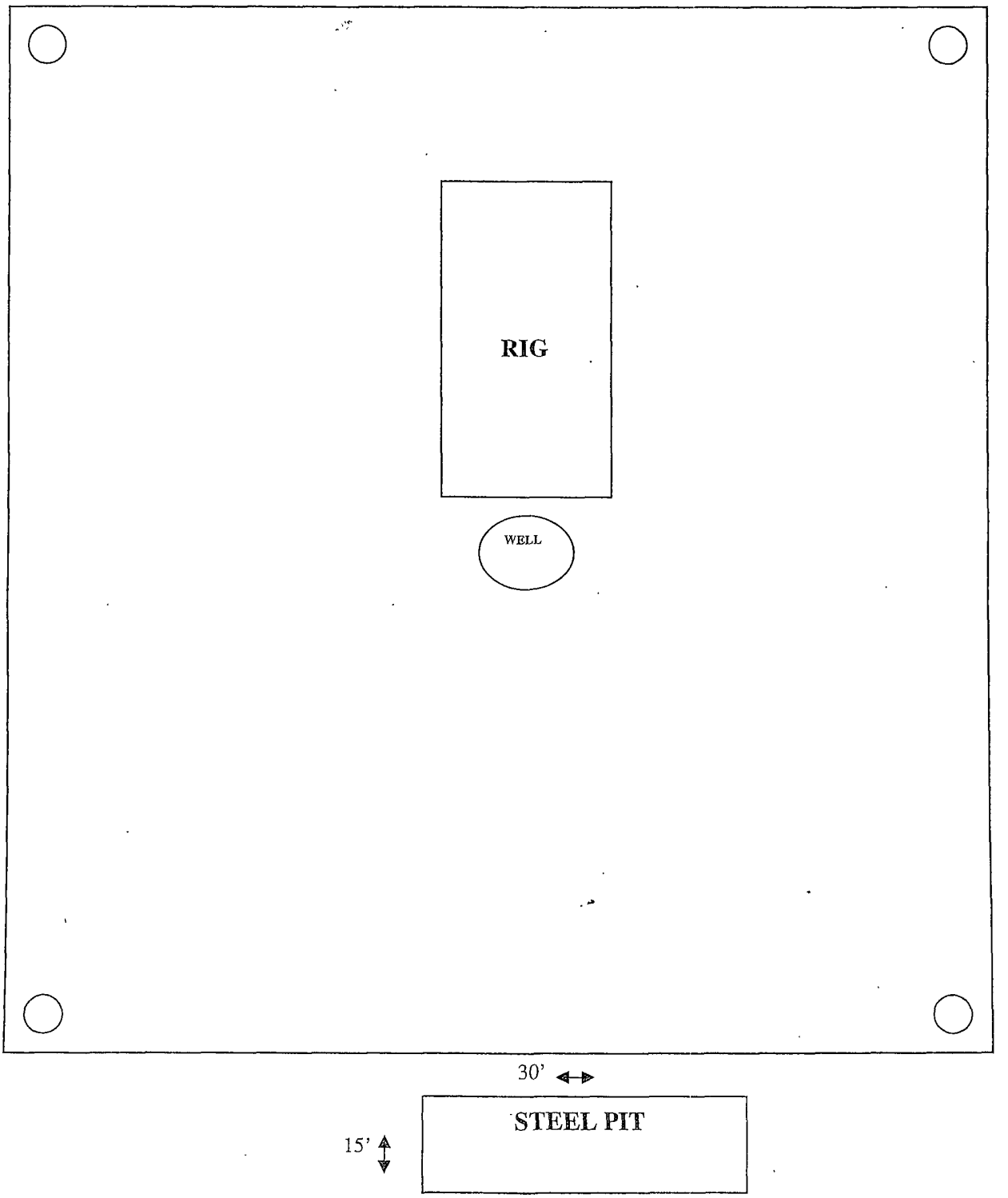
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

C-144CLEZ P&A Attachment
RIG LAY-OUT



New Mexico Drilling Daily Circulating System Inspection For Closed Loop Systems

Wellname:		Permit #:		Rig Mobe Date:	
County:				Rig Demobe Date:	

Inspection Date	Time	By Whom	Any drips or leaks from steel tanks, lines or pumps not contained?* Explain.	Has any hazardous waste been disposed of in system?

All circulating systems to be inspected DAILY during drilling operations.
***Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.**

OXY PERMIAN DRILLING
SUMMARY OF CHANGES
HODGES B #5

WELL SUMMARY DATA

Well Name	**Hodges B #5**	**Drilling Rig**	HP 345
County	Lea Co. NM	**Field**	Justis Devonian, North
API Number	30-025-11386	**Permit Number**	305119
Elevation	3111.6'	**KB Elevation**	**16.5' above ground = 3128.1'**
MD / TVD	**7926' (MD)/7800' (TVD)**	**Drilling Engineer**	Carlos Mercado

SUMMARY OF CHANGES

Hodges B #5 is a re-entry, with a window in the existing 7" casing at ~4924'. Cement program was designed in two stages. Stage 1 covered the whole open hole section (re-entry well with 4.5" casing string to be run to surface.) Stage 2 was meant to cover the whole cased hole section. DV tool placed at 4800'. However, it did not reach surface. A temperature log was run and was found at 160' from surface. Since the whole open hole section and most of the casing section was cemented, Randy Dade with NMOCD agreed with us on not pursuing remedial work, as the zone of interest was covered and we were in compliance with cement requirements in the production string.

The detailed information of the changes is below.

Hole Section Summary

String	Hole Size	Approx. Depth	Casing Size
Intermediate	NA	4924 ft	7"
Production	6.125"	7926 ft	4.5"

Cement Program Summary

PUMP CEMENT 1ST STAGE: 80 SKS (29.2 BBL) CEMENT LIGHT PREMIUM PLUS, 12.4 PPG, 2.05 YIELD, 11.41 GAL/SK, AT 5 BPM. AT 689 PSI, AND TAIL 130 SKS (66.4 BBL) CEMENT PERMIAN BASIN PREMIUM PLUS, 13.2 PPG, 1.62 YIELD, 8.191 GAL/SK, AT 5 BPM. AFTER DISPLACEMENT, OPENED DV TOOL AT 4800' AND CIRCULATED CEMENT TO SURFACE.

PERFORM 2ND STAGE CEMENT JOB. PUMP 20 BLS FRESH WATER + LEAD 130 SKS (70 BBL) INTERFILL C CEMENT, 11.9 PPG,2.42 YIELD, 13.85 GAL/SK, AT 5 BPM, TAIL 100 SKS (37 BBL) CEMENT LIGHT PREMIUM PLUS, 12.4 PPG, 2.05 YIELD, 11.39 GAL/SK, AT 5 BPM. DISPLACED WITH 76.2 BBLS FRESH WATER AT 5 BPM. DID NOT CIRCULATE CEMENT TO SURFACE ON 2ND STAGE. TOC FOUND AT 160' WITH TEMP SURVEY.