

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Revised August 1, 2011

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: COG OPERATING, LLC OGRID #: 299137
Address: 550 W. TEXAS AVE., SUITE 100, MIDLAND, TEXAS 79701
Facility or well name: BURCH KELLY UNIT #130
API Number: 30-015-03118 OCD Permit Number: 213180
U/L or Qtr/Qtr B Section 26 Township 17S Range 30E County: EDDY
Center of Proposed Design: Latitude _____ Longitude _____ 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 19.15.16.8 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 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: GANDY MARLEY NM 01-0019
Disposal Facility Name: R360 Disposal Facility Permit Number: NM 01-0006
Disposal Facility Name: SUNDANCE Disposal Facility Permit Number: NM 01-0003
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 A. EYLER Title: AGENT
Signature: [Signature] Date: 07/03/12
e-mail address: deyler@milagro-res.com Telephone: 432.687.3033

7. **OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)
OCD Representative Signature: [Signature] **Approval Date:** 7/11/12
Title: Dist # Supervisor **OCD Permit Number:** 213180

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:** 10/22/12

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.
GANDY MARLEY NM 01-0019
Disposal Facility Name: R360 Disposal Facility Permit Number: NM 01-0006
Disposal Facility Name: SUNDANCE Disposal Facility Permit Number: NM 01-0003
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): DAVID A. EYLER Title: AGENT
Signature: [Signature] Date: 10/22/12
e-mail address: deyler@milagro-res.com Telephone: 432.687.3033

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMLC028784B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
BURCH KELLY UNIT 1309. API Well No.
30-015-0311810. Field and Pool, or Exploratory
GRAYBURG JACKSON;7R-QN-GB11. County or Parish, and State
EDDY COUNTY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
COG OPERATING, LLCContact: DAVID A EYLER
E-Mail: deyley@milagro-res.com3a. Address
600 W. ILLINOIS AVE.
MIDLAND, TX 797013b. Phone No. (include area code)
Ph: 432-687-3033

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 26 T17S R30E NENE 660FNL 1980FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

10/15/12: MIX X PUMP A 30 SX.CMT.PLUG @ 3,379'; WOC-DID NOT TAG CMT.PLUG; MIX X PUMP A 30 SX.CMT.PLUG @ 3,379'; WOC X TAG CMT.PLUG @ 3,307'; MIX X PUMP A 25 SX.CMT.PLUG @ 3,307'; WOC X TAG CMT.PLUG @ 2,932'.
10/16/12: MIX X PUMP A 25 SX.CMT.PLUG W/2%CACL @ 2,559'; WOC X TAG CMT.PLUG @ 2,451'; MIX X PUMP A 25 SX.CMT.PLUG @ 2,451'(PER BLM).
10/17/12: TAG CMT.PLUG @ 2,379'(OK'D BY BLM); SET 7" CIBP @ 2,300'; MIX X PUMP A 30 SX.CMT.PLUG @ 2,300'; WOC(PER BLM) X TAG CMT.PLUG @ 2,128'; PERF. 7" CSG. @ 1,150'; ATTEMPT TO EST.INJ.RATE - PRES. UP TO 500#; MIX X PUMP A 60 SX.CMT.PLUG @ 1,200'(PER BLM); WOC X TAG TOP OF CMT.PLUG @ 834'(OK'D BY BLM).
10/18/12: PERF. X SQZ. A 55 SX.CMT.PLUG @ 500'; CWI @ 250# X LEFT S/I FOR 1.5 HRS.; OPEN WELL W/ NO PRES. ON TBG.; REL. PKR. X POOH W/ TBG.X PKR.; WOC X TAG CMT.PLUG INSIDE 7" CSG. @ 30'.
10/19/12: DRILL OUT CMT. PLUG FROM 29'-159'(PER BLM).

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #156230 verified by the BLM Well Information System
For COG OPERATING, LLC, sent to the Carlsbad**

Name (Printed/Typed) DAVID A EYLER

Title AGENT

Signature (Electronic Submission)

Date 10/24/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #156230 that would not fit on the form

32. Additional remarks, continued

10/20/12: CON'T TO DRILL OUT CMT. TO 159'-537'(PER BLM).

10/21/12: PERF. X SQZ. A 55 SX.CMT.PLUG INTO SQZ. PERFS @ 500'(10/18/12)(PER BLM)- DISPLACED W/ 1.5 BBLs TO 400'(PER BLM); WOC X TAG TOP OF CMT.PLUG @ 421'; MIX X PUMP A 30 SX.CMT.PLUG @ 421'; WOC X TAG TOP OF CMT. PLUG @ 249'; PERF. X CIRC. TO SURF. A 35 SX. CMT. PLUG @ 63'-3'.

10/22/12: DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; MIX X SPOT A 5 SX.CMT.PLUG TO BRING CMT. TO SURF.; WELD ON STEEL PLATE TO CASINGS X INSTALL GROUND LEVEL DRY HOLE MARKER.

WELL PLUGGED AND ABANDONED 10/22/12.