

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: Nadel and Gussman Permian LLC OGRID #: 155615
Address: 601 North Marienfeld, Suite 508, Midland Tx 701
Facility or well name: NEW MEXICO EU STATE COM Well #1
API Number: 30-15-25393 OCD Permit Number: 209608
U/L or Qtr/Qtr J Section 26 Township 23 S Range 26 E County: EDDY
Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

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NMOCD ARTESIA

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: List Attached 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): Kem E. McCready Title: NM Operations Manager
Signature: Kem E. McCready Date: 10/06/2009
e-mail address: kemm@naguss.com Telephone: 432-682-4429

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

OCD Representative Signature: Jacques Reems Approval Date: 10/20/2007

Title: Geologist OCD Permit Number: 209608

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.

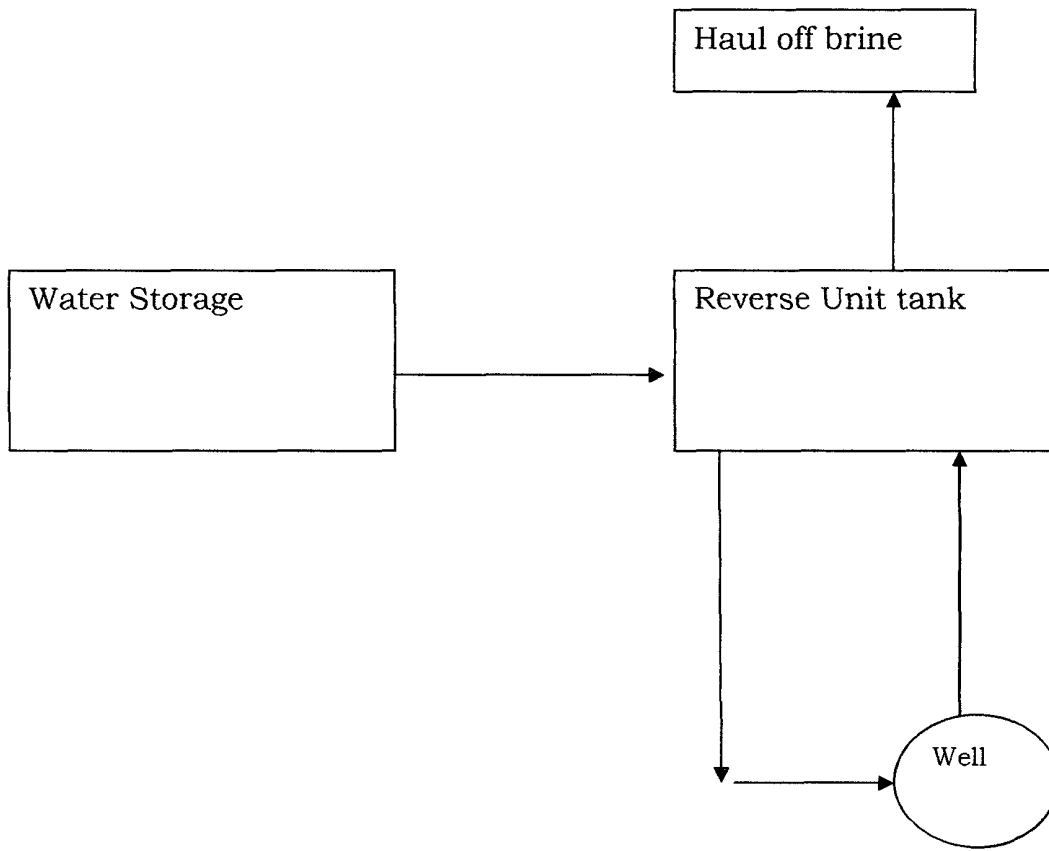
Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Permit No.	Company Name	Effective	County	Facility Name	Legals
19	GANDY MARLEY INC	10/06/1994	Chaves	GANDY MARLEY LANDFARM	-4-11 S-31 E
28	OLD LOCO OIL CO	07/02/1985	Eddy	OLD LOCO TREATING PLANT	-19-17 S-31 E
43	Loco Hills Landfarm LLC	11/08/2004	Eddy	Loco Hills Landfarm	m-32-16 S-30 E
4	LOCO HILLS WATER DISPOSAL	10/30/1981	Eddy	LOCO HILLS WATER DISPOSAL	M-16-17 S-30 E
36	OK HOT OIL SERVICE INC	08/16/2000	Eddy	OK HOT OIL SERVICES INC	O-14-17 S-28 E
24	CHAPARRAL SWD	01/31/1995	Lea	CHAPARRAL TREATING PLANT	B-17-23 S-37 E
35	LEA LAND INC	01/05/2000	Lea	LEA LAND LANDFILL	-32-20 S-32 E
12	C&C LANDFARM INC	11/16/1992	Lea	C&C LANDFARM	B-3-20 S-37 E
13	ENVIRONMENTAL PLUS INC	02/15/1993	Lea	ENVIRONMENTAL PLUS LANDFARM	-14-22 S-37 E
15	GOO YEA LANDFARM INC	11/16/1992	Lea	GOO YEA LANDFARM	-14-11 S-38 E
23	J&L LANDFARM INC	05/10/1998	Lea	J&L LANDFARM	-9-20 S-38 E
25	GANDY CORP	06/27/1973	Lea	Gandy Corp. Treating Plant	-11-10 S-35 E
26	JENEX OPERATING CO	09/21/1983	Lea	JENEX TREATING PLANT	D-14-20 S-38 E
30	ARTESIA AERATION LLC	06/29/1999	Lea	ARTESIA AERATION LANDFARM	-7-17 S-32 E
32	SOUTH MONUMENT SURFACE WASTE FACILITY LLC	10/04/1999	Lea	SOUTH MONUMENT LANDFARM	A-25-36 S-20 E
33	DOOM LANDFARM	04/03/2000	Lea	DOOM LANDFARM	g-5-25 S-37 E
34	DD LANDFARM INC	04/12/2000	Lea	DD LANDFARM	-31-21 S-38 E
21	RHINO OILFIELD DISPOSAL INC	11/17/1997	Lea	RHINO OILFIELD LANDFARM	-34-20 S-38 E
44	COMMERCIAL EXCHANGE, INC.	11/01/2004	Lea	Blackwater Oil Reclamation Facility	d-1-25 S-37 E
39	PITCHFORK LANDFARM LLC	10/30/2002	Lea	PITCHFORK LANDFARM	A-5-24 S-34 E
6	CONTROLLED RECOVERY INC	04/27/1990	Lea	CONTROLLED RECOVERY	-27-20 S-32 E
42	COMMERCIAL EXCHANGE, INC.	07/22/2004	Lea	Blackwater Landfarm	f-1-25 S-37 E
38	SAUNDERS LANDFARM LLC	10/28/2002	Lea	SAUNDERS LANDFARM	M-7-14 S-34 E
41	LAZY ACE LANDFARM LLC	03/09/2004	Lea	LAZY ACE LANDFARM	M-22-20 S-34 E
3	SUNDANCE SERVICES, INC.	08/30/1977	Lea	SUNDANCE PARABO	m-29-21 S-38 E
37	COMMERCIAL EXCHANGE, INC.	03/31/2003	Lea	COMMERCIAL SURFACE WM FACILITY	A-1-20 S-36 E
8	T-N-T ENVIRONMENTAL INC	01/19/1987	Rio Arriba	TNT EVAP POND/LANDFARM	-8-25 N-3 W
11	ENVIROTECH INC	07/07/1992	San Juan	ENVIROTECH LANDFARM #2	-6-26 N-10 W
9	KEY FOUR CORNERS INC	04/02/1991	San Juan	KEY EVAP POND and Landfarm	E-2-29 N-12 W
10	JFJ LANDFARM LLC	07/22/2002	San Juan	JFJ Land Farm Crouch Mesa (Formerly Tierra)	j-2-29 N-12 W
5	BASIN DISPOSAL INC	10/16/1987	San Juan	BASIN DISPOSAL EVAP. POND	F-3-29 N-11 W

WORKOVER CLOSED LOOP SYSTEM



Operating and Maintenance Plan:

During workover operations, third party service companies will utilize equipment to remove wellbore fluids, collect it and haul off for disposal.

Closure Plan:

No solids are expected to be produced all liquids will be hauled off to a permitted disposal facility\ well.