District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM JUN 2 0 2012 District III

MMOCD ARTESIA

1000 Rio Brazos Road, Aztec, NM 8

1220 S St. Francis Dr., Santa Fe, NM

District IV

State of New Mexico El Venergy Minerals and Natural Resources

Department Oil Conservation Division 20 South St. Francis Dr. 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

anta Fe, NM 87505

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Permit Closure Type of action:

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

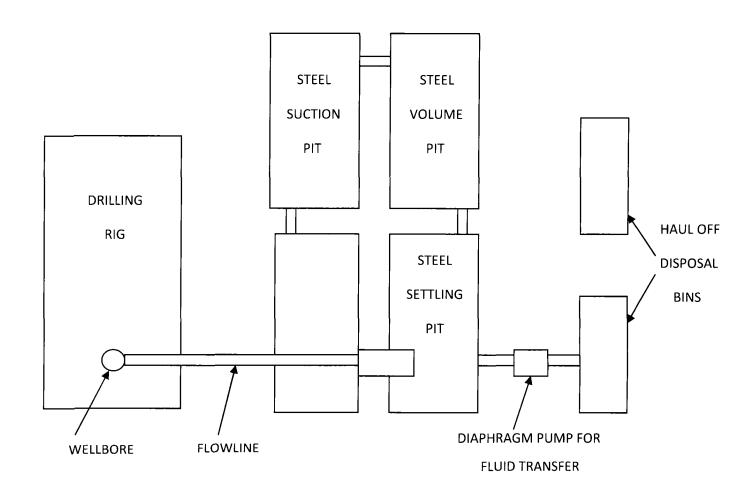
	er applicable governmental authority's rules, regulations or ordinances.	
Operator: Stephens & Johnson Operating Co.	OGRID #: 19958	
Address: P O Box 2249, Wichita Falls, TX 76307		
Facility or well name: East Millman Unit No. 244		
API Number: 30 - 015 - 40405 OCD Permit N	umber: 2/3095	
U/L or Qtr/Qtr F Section 14 Township 19S Range		
Center of Proposed Design: LatitudeLongitude		
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)		
Above Ground Steel Tanks or Haul-off Bins		
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. Instructions: Each of the following items must be attached to the application. Please is		
attached. ☑ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC		
Design Fight - based upon the appropriate requirements of 19.13.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.1	5.17.12 NMAC	
Closure Plan (Please complete Box 5) - based upon the appropriate requirements of	0.01 0.01015150333100	
• • • • • • • • • • • • • • • • • • • •	Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	
Previously Approved Design (attach copy of design) API Number:		
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Previously Approved Design (attach copy of design) Previously Approved Operating and Maintenance Plan API Number: S. Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling facilities are required.	Fanks or Haul-off Bins Only: (19.15.17.13.D NMAC)	
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OCD Approval: Permit Application (including closure plan) Closure Plan OCD Representative Signature: Title:	an (only) Approval Date: 06/25/2012 OCD Permit Number: 2/3095	
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		
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:	

STEPHENS & JOHNSON OPERATING CO.

SEC 14, T19S, R28E EDDY COUNTY, NEW MEXICO

CLOSED LOOP DESIGN



CLOSED LOOP OPERATION, MAINTENANCE and CLOSURE PLAN

- 1. Steel suction pits provided by drilling contractor.
- 2. 2-250 bbl steel reserve pits: One used settling pit, one used for volume of drilling fluid.
- 3. Backhoe used for removal of cuttings from settling pit into haul off disposal bins.
- 4. Diaphragm pump used for transferring fluid from disposal bins back to reserve pit.
- 5. Haul off disposal bins used to haul solid waste to disposal facility.
- 6. All equipment maintained 24 hours per day by solids control personnel and/or rig crews that stay on location.
- 7. Closure plan: Haul all drilling fluids and solid waste to disposal facility and remove steel pits.