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: **COG OPERATING LLC** OGRID #: **229137**
Address: **550 WEST TEXAS, SUITE 100 MIDLAND, TX 79701**
Facility or well name: **OUIMET STATE COM #2H**
API Number: **30-015-** 40417 OCD Permit Number: 213111
U/L or Qtr/Qtr **UL A** Section **2** Township **17S** Range **29E** County: **EDDY**
Center of Proposed Design: Latitude **N/A** Longitude **N/A** 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

RECEIVED
JUN 21 2012
NMOCD ARTESIA

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: **CRI** Disposal Facility Permit Number: **R1966**
Disposal Facility Name: **GM INC** Disposal Facility Permit Number: **711-019-001**
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

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): **Kacie Connally** Title: **PERMITTING TECH**
Signature: Kacie Connally Date: **4-17-2012**
e-mail address: **kconnally@concho.com** Telephone: **432-221-0336**

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

OCD Representative Signature: RRDade **Approval Date:** 6/25/2012

Title: Dist II Supervisor **OCD Permit Number:** 213111

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: _____

Closed Loop Operation & Maintenance Procedure

All drilling fluid circulated over shaker(s) with cuttings discharged into roll off container.

Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll off container.

Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.

Roll off containers are lined and de-watered with fluids re-circulated into system.

Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.

This equipment will be maintained 24 hrs./day by solids control personnel and or rig crews that stay on location.

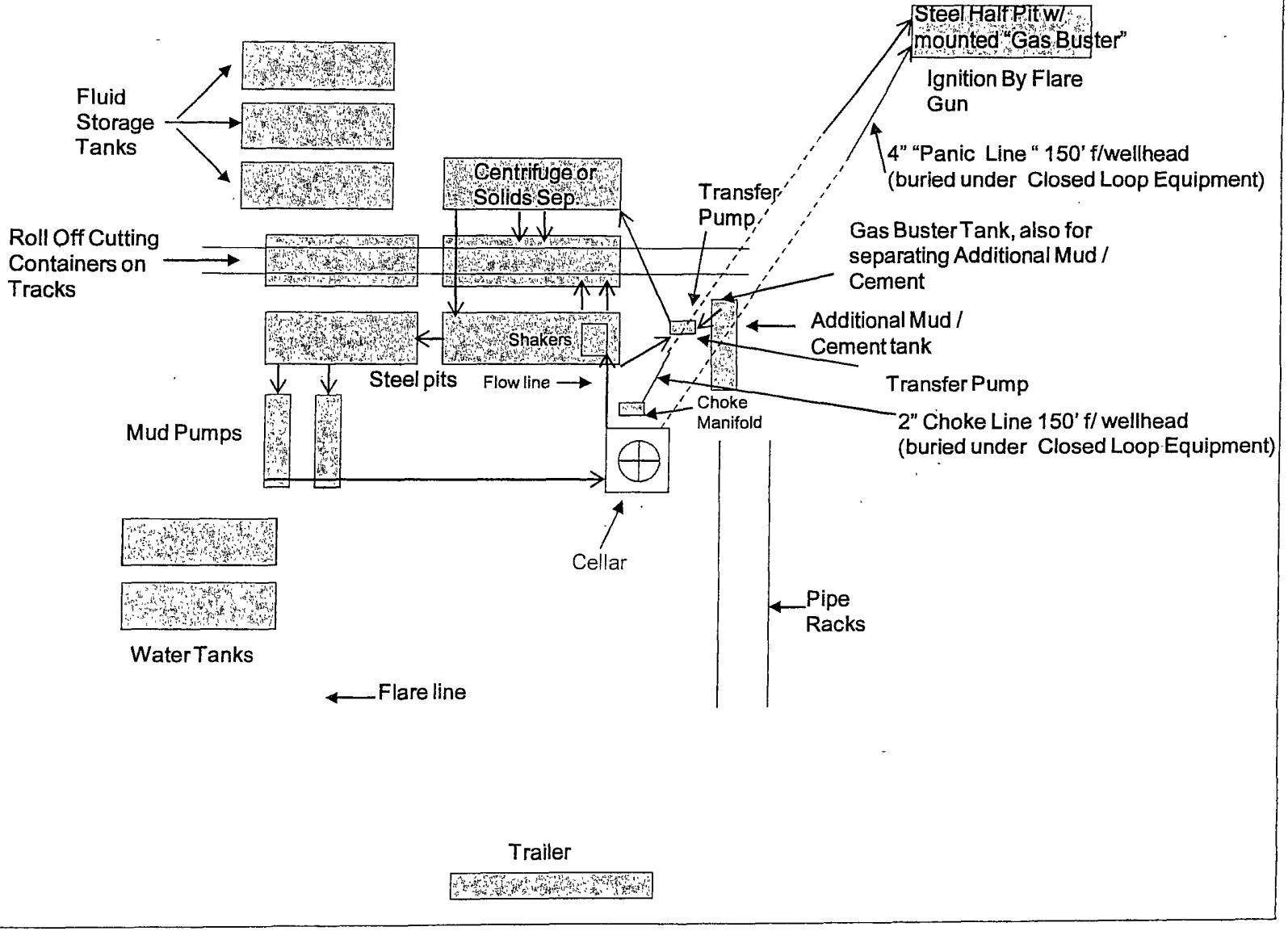
Cuttings will be hauled to either:

CRI (permit number R9166)
or
GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.

COG Operating LLC

Closed Loop Equipment Diagram



COG Operating LLC

Eddy County, NM
Ouimet State Com 2H
Ouimet State Com 2H

Wellbore #1

Plan: Plan #1

Surface: 850' FNL, 330' FEL, Sec 2, T17S, R29E, Lot 1
BHL: 990' FNL, 330' FWL, Sec 2, T17S, R29E, Lot 4

Standard Planning Report

13 June, 2012

Database:	Houston R5000 Database	**Local Co-ordinate Reference:**	Site Ouimet State Com 2H
Company:	COG Operating LLC	**TVD Reference:**	WELL @ 3678 00ft (Original Well Elev)
Project:	Eddy County, NM	**MD Reference:**	WELL @ 3678.00ft (Original Well Elev)
Site:	Ouimet State Com 2H	**North Reference:**	Grid
Well:	Ouimet State Com 2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1		

Project Eddy County, NM

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Ouimet State Com 2H

Site Position:		**Northing:**	679,750 20 ft	**Latitude:**	32 86836208
From:	Map	**Easting:**	590,867 60 ft	**Longitude:**	-104 03738841
Position Uncertainty:	0 00 ft	**Slot Radius:**	13 200 in	**Grid Convergence:**	0 16 °

Well Ouimet State Com 2H

Well Position	**+N/-S**	0 00 ft	**Northing:**	679,750 20 ft	**Latitude:**	32 86836208
	+E/-W	0 00 ft	**Easting:**	590,867 60 ft	**Longitude:**	-104.03738841
Position Uncertainty		0 00 ft	**Wellhead Elevation:**		**Ground Level:**	3,660 00 ft

Wellbore Wellbore #1

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010	6/13/2012	7 73	60 68	48,851

Design Plan #1

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0 00

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	0 00	0 00	0 00	268 27

Plan Sections

Measured Depth (ft)	**Inclination (°)**	**Azimuth (°)**	**Vertical Depth (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Dogleg Rate (°/100ft)**	**Build Rate (°/100ft)**	**Turn Rate (°/100ft)**	**TFO (°)**	**Target**
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
3,822 61	0 00	0 00	3,822 61	0 00	0 00	0 00	0 00	0 00	0.00	
4,580 95	91 00	268 27	4,300 00	-14 63	-485 58	12 00	12 00	0 00	268.27	
8,732 48	91 00	268 27	4,227 55	-139 60	-4,634.60	0 00	0 00	0 00	0 00	PBHL (Ouimet State (

Database:	Houston R5000 Database	**Local Co-ordinate Reference:**	Site Ouimet State Com 2H
Company:	COG Operating LLC	**TVD Reference:**	WELL @ 3678 00ft (Original Well Elev)
Project:	Eddy County, NM	**MD Reference:**	WELL @ 3678 00ft (Original Well Elev)
Site:	Ouimet State Com 2H	**North Reference:**	Grid
Well:	Ouimet State Com 2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,822 61	0 00	0 00	3,822.61	0 00	0 00	0 00	0 00	0 00	0 00
KOP - Start Build @ 12.00°/100'									
3,900 00	9 29	268 27	3,899 66	-0 19	-6 25	6 26	12.00	12.00	0.00
4,000 00	21.29	268 27	3,995.95	-0 98	-32 56	32 57	12 00	12 00	0 00
4,100 00	33.29	268 27	4,084 66	-2 36	-78 30	78 33	12 00	12.00	0.00
4,200 00	45 29	268.27	4,161 92	-4 26	-141 47	141 54	12 00	12.00	0 00
4,300 00	57 29	268.27	4,224 34	-6 61	-219 33	219 42	12 00	12 00	0 00
4,400 00	69.29	268 27	4,269 21	-9 29	-308 45	308 59	12 00	12 00	0 00
4,500 00	81 29	268 27	4,294 57	-12 20	-404 95	405 13	12 00	12 00	0 00
4,580 95	91 00	268 27	4,300 00	-14 63	-485 58	485 80	12.00	12 00	0 00
Landing Point - Hold @ 91.00° INC, 268.27° AZ									
4,600 00	91 00	268 27	4,299 67	-15 20	-504 62	504 85	0 00	0 00	0 00
4,700 00	91 00	268 27	4,297 93	-18 21	-604 56	604.83	0 00	0 00	0 00
4,800 00	91 00	268.27	4,296 18	-21 22	-704 50	704 82	0 00	0 00	0 00
4,900 00	91 00	268 27	4,294 44	-24 23	-804 44	804 80	0 00	0 00	0 00
5,000 00	91 00	268 27	4,292 69	-27 24	-904 38	904 79	0 00	0 00	0 00
5,100 00	91 00	268 27	4,290.95	-30 25	-1,004 32	1,004 77	0 00	0 00	0 00
5,200 00	91 00	268 27	4,289 20	-33 26	-1,104 26	1,104 76	0 00	0 00	0 00
5,300 00	91.00	268 27	4,287 46	-36 27	-1,204 20	1,204 74	0 00	0 00	0 00
5,400 00	91 00	268 27	4,285 71	-39 28	-1,304 14	1,304 73	0 00	0 00	0 00
5,500 00	91 00	268 27	4,283 96	-42 29	-1,404 08	1,404 71	0 00	0 00	0 00
5,600 00	91 00	268 27	4,282 22	-45 30	-1,504 01	1,504 70	0 00	0 00	0 00
5,700 00	91 00	268 27	4,280 47	-48 31	-1,603 95	1,604.68	0 00	0 00	0 00
5,800 00	91 00	268 27	4,278 73	-51 32	-1,703 89	1,704.67	0 00	0 00	0 00
5,900 00	91 00	268 27	4,276 98	-54 33	-1,803.83	1,804 65	0 00	0 00	0 00
6,000 00	91 00	268 27	4,275 24	-57 34	-1,903.77	1,904 64	0.00	0 00	0 00
6,100 00	91 00	268 27	4,273 49	-60 35	-2,003 71	2,004 62	0 00	0 00	0 00
6,200 00	91 00	268 27	4,271 75	-63 36	-2,103 65	2,104 61	0 00	0 00	0 00
6,300 00	91 00	268 27	4,270 00	-66 37	-2,203 59	2,204 59	0 00	0 00	0 00
6,400 00	91 00	268 27	4,268 26	-69 39	-2,303 53	2,304 58	0 00	0 00	0 00
6,500 00	91 00	268 27	4,266 51	-72 40	-2,403 47	2,404 56	0 00	0 00	0 00
6,600 00	91 00	268 27	4,264 77	-75 41	-2,503 41	2,504 54	0 00	0 00	0 00
6,700 00	91 00	268 27	4,263 02	-78 42	-2,603 35	2,604 53	0 00	0 00	0 00
6,800 00	91 00	268 27	4,261 28	-81 43	-2,703 29	2,704 51	0 00	0 00	0 00
6,900 00	91 00	268 27	4,259 53	-84 44	-2,803 23	2,804 50	0 00	0.00	0 00
7,000 00	91 00	268 27	4,257 79	-87 45	-2,903 17	2,904 48	0 00	0 00	0 00
7,100 00	91 00	268 27	4,256 04	-90.46	-3,003 11	3,004 47	0 00	0 00	0 00
7,200 00	91 00	268 27	4,254 30	-93 47	-3,103 05	3,104 45	0 00	0 00	0 00
7,300 00	91 00	268.27	4,252 55	-96 48	-3,202 99	3,204 44	0.00	0 00	0 00
7,400 00	91 00	268 27	4,250 81	-99 49	-3,302 92	3,304 42	0 00	0 00	0 00
7,500 00	91 00	268 27	4,249 06	-102 50	-3,402 86	3,404 41	0 00	0.00	0 00
7,600 00	91 00	268 27	4,247 31	-105.51	-3,502 80	3,504.39	0 00	0 00	0.00
7,700 00	91 00	268 27	4,245 57	-108 52	-3,602 74	3,604 38	0 00	0 00	0 00
7,800 00	91 00	268 27	4,243 82	-111 53	-3,702 68	3,704 36	0 00	0 00	0 00
7,900.00	91 00	268 27	4,242 08	-114 54	-3,802 62	3,804 35	0 00	0 00	0 00
8,000 00	91 00	268 27	4,240 33	-117 55	-3,902 56	3,904 33	0 00	0 00	0 00
8,100 00	91 00	268 27	4,238 59	-120 56	-4,002 50	4,004 32	0 00	0 00	0 00
8,200 00	91 00	268 27	4,236 84	-123 57	-4,102 44	4,104 30	0 00	0 00	0 00
8,300 00	91 00	268 27	4,235 10	-126 58	-4,202 38	4,204 29	0 00	0 00	0 00
8,400 00	91 00	268.27	4,233.35	-129.59	-4,302 32	4,304 27	0 00	0 00	0 00
8,500.00	91 00	268 27	4,231 61	-132 60	-4,402 26	4,404.26	0 00	0 00	0 00
8,600 00	91 00	268 27	4,229 86	-135 61	-4,502 20	4,504 24	0 00	0 00	0.00
8,700 00	91 00	268 27	4,228 12	-138 62	-4,602 14	4,604 22	0 00	0 00	0 00

Database:	Houston R5000 Database	**Local Co-ordinate Reference:**	Site Ouimet State Com 2H
Company:	COG Operating LLC	**TVD Reference:**	WELL @ 3678 00ft (Original Well Elev)
Project:	Eddy County, NM	**MD Reference:**	WELL @ 3678 00ft (Original Well Elev)
Site:	Ouimet State Com 2H	**North Reference:**	Grid
Well:	Ouimet State Com 2H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,732 48	91 00	268 27	4,227 55	-139 60	-4,634 60	4,636 70	0 00	0 00	0 00
TD @ 8732.48' MD, 4227.55' TVD - PBHL (Ouimet State Com 2H Plan 1)									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL (Ouimet State Cor - plan hits target center - Point	0 00	0 00	4,227 55	-139 60	-4,634 60	679,610 60	586,233 00	32 86801317	-104 05248396

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
3,822 61	3,822 61	0 00	0 00	KOP - Start Build @ 12 00°/100'
4,580 95	4,300 00	-14 63	-485 58	Landing Point - Hold @ 91 00° INC, 268 27° AZ
8,732 48	4,227 55	-139 60	-4,634 60	TD @ 8732 48' MD, 4227 55' TVD

CRESCENT DIRECTIONAL DRILLING

COG Operating LLC
Ouimet State Com 2H
Eddy County, NM
Plan #1

CONCHO

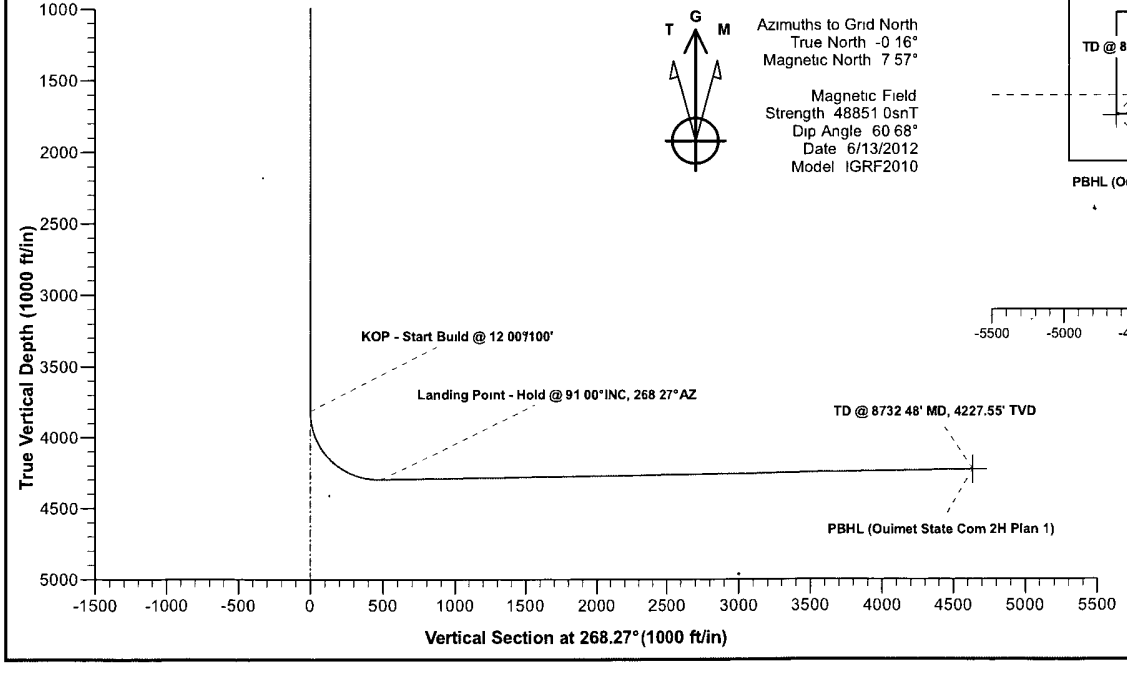
Surface Location		Ground Elev: 3660.00	WELL @ 3678.00ft (Original Well Elev)		
+N/-S	+E/-W	Northing	Easting	Latittude	Longitude
0.00	0.00	679750.20	590867.60	32.86836209	-104.03738841

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PBHL (Ouimet State Com 2H Plan 1)	4227.55	-139 60	-4634.60	679610.60	586233 00	32.86801317	-104 05248396

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
1	0.00	0.00	0.00	0 00	0.00	0.00	0 00	0.00	0.00	
2	3822 61	0.00	0.00	3822.61	0 00	0.00	0.00	0.00	0 00	KOP - Start Build @ 12.00?100'
3	4580 95	91 00	268.27	4300 00	-14.63	-485.58	12.00	268 27	485 80	Landing Point - Hold @ 91 00°INC, 268.27°AZ
4	8732 48	91 00	268 27	4227.55	-139.60	-4634 60	0.00	0.00	4636 70	TD @ 8732.48' MD, 4227.55' TVD



Azimuths to Grid North
True North -0 16°
Magnetic North 7 57°

Magnetic Field
Strength 48851 0snT
Dip Angle 60 68°
Date 6/13/2012
Model IGRF2010