

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 #3H**
API Number: **30-015- 40418** OCD Permit Number: **213112**
U/L or Qtr/Qtr **UL H** 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

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: **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: _____

Approval Date: _____

Title: _____

OCD Permit Number: _____

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)

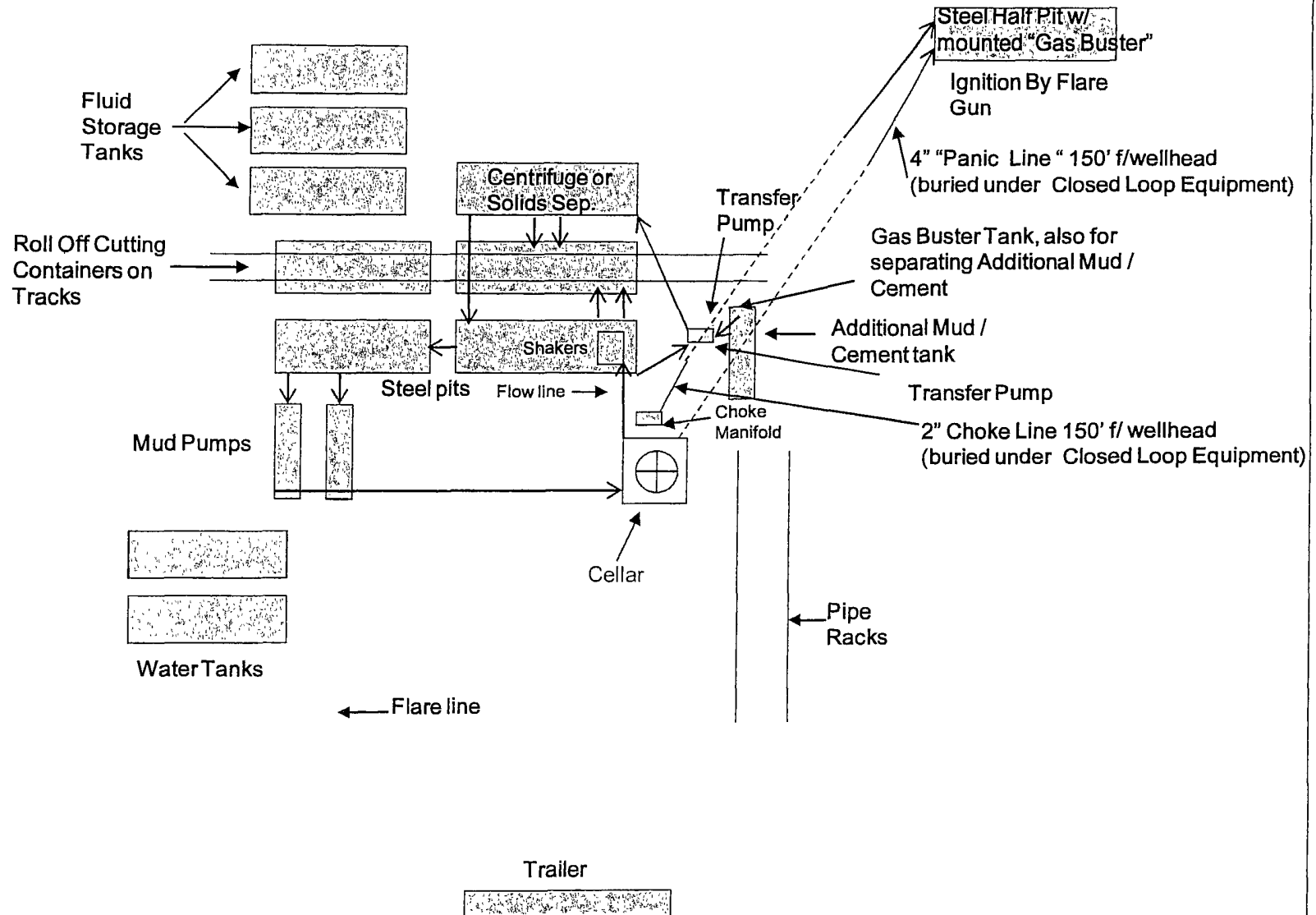
or

GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.

COG Operating LLC

Closed Loop Equipment Diagram



Crescent Directional Drilling

Planning Report

Database:	R5000 Houston DB	Local Co-ordinate Reference:	Site Ouimet State Com 3H
Company:	COG Operating LLC	TVD Reference:	WELL @ 3681 00ft (Original Well Elev)
Project:	Eddy County, NM	MD Reference:	WELL @ 3681 00ft (Original Well Elev)
Site:	Ouimet State Com 3H	North Reference:	Grid
Well:	Ouimet State Com 3H	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 3H					
Site Position:		Northing:	678,850 40 ft	Latitude:	32 86588883
From:	Map	Easting:	590,868 30 ft	Longitude:	-104 03739435
Position Uncertainty:	0 00 ft	Slot Radius:	13 200 in	Grid Convergence:	0.16 °

Well	Ouimet State Com 3H					
Well Position	+N-S	0 00 ft	Northing:	678,850 40 ft	Latitude:	32 86588883
	+E-W	0 00 ft	Easting:	590,868 30 ft	Longitude:	-104 03739435
Position Uncertainty		0 00 ft	Wellhead Elevation:		Ground Level:	3,663 00 ft

Wellbore		Wellbore #1			
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	5/31/2012	7 73	60 68	48,853

Design:	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0 00
Vertical Section:	Depth From (TVD)	+N-S	+E-W	Direction
	(ft)	(ft)	(ft)	(°)
	0 00	0 00	0 00	271 24

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 94	91 00	271 24	4,300 00	10 51	-485.68	12 00	12 00	0 00	271 24	
8,732 86	91 00	271 24	4,227 54	100 30	-4,636 00	0 00	0 00	0 00	0 00	PBHL (Ouimet State C

Crescent Directional Drilling

Planning Report

Database:	R5000 Houston DB	Local Co-ordinate Reference:	Site Ouimet State Com 3H
Company:	COG Operating LLC	TVD Reference:	WELL @ 3681 00ft (Original Well Elev)
Project:	Eddy County, NM	MD Reference:	WELL @ 3681 00ft (Original Well Elev)
Site:	Ouimet State Com 3H	North Reference:	Grid
Well:	Ouimet State Com 3H	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)
8,732.86	91.00	271.24	4,227.54	100.30	-4,636.00	4,637.08	0.00	0.00	0.00
TD @ 8732.86' MD, 4227.54' TVD - PBHL (Ouimet State Com 3H Plan 1)									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N-S (ft)	+E-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
hit/miss target - Shape									
PBHL (Ouimet State Cor - plan hits target center - Point	0.00	0.00	4,227.54	100.30	-4,636.00	678,950.70	586,232.30	32.86619933	-104.05249196

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates			
		+N-S (ft)	+E-W (ft)	Comment	
3,822.61	3,822.61	0.00	0.00	KOP - Start Build @ 12 00°/100'	
4,580.94	4,300.00	10.51	-485.68	Landing Point - Hold @ 91 00° INC, 271 24° AZ	
8,732.86	4,227.54	100.30	-4,636.00	TD @ 8732.86' MD, 4227.54' TVD	



**COG Operating LLC
Ouimet State Com 3H
Eddy County, NM
Plan #1**



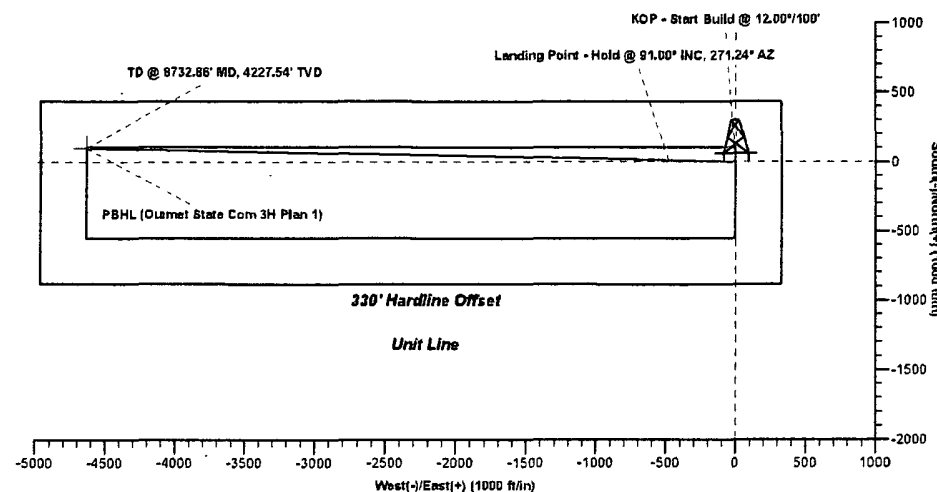
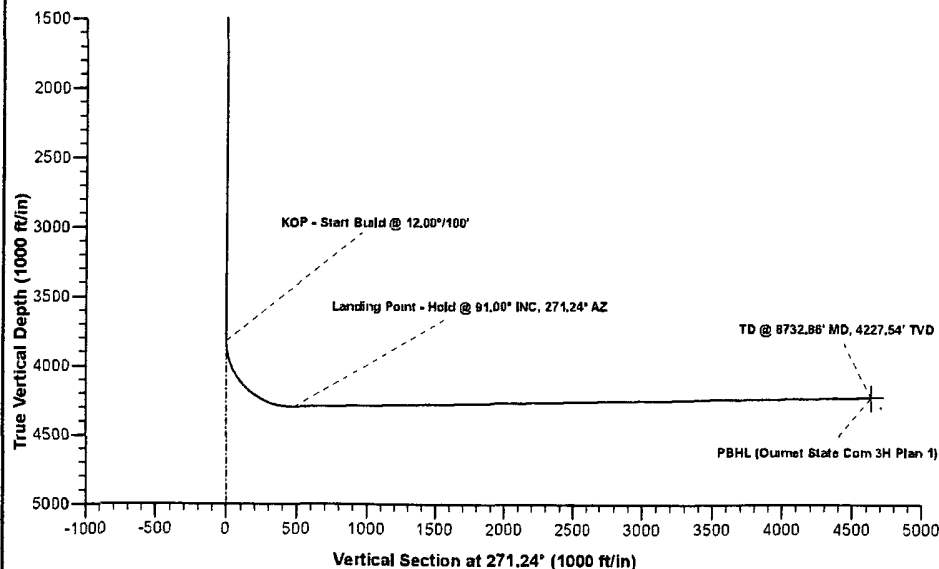
Surface Location		Ground Elev: 3663.00 WELL @ 3681.00ft (Original Well Elev)			
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	676850.40	590868.30	32.86568883	-104.03739434

TARGET DETAILS							
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PBHL (Ouimet State Com 3H Plan 1)	4227.54	100.30	-4636.00	676850.70	586232.30	32.86619933	-104.05249196



Azimuths to Grid North
True North: -0.16°
Magnetic North: 7.57°

Magnetic Field
Strength: 48853.1snT
Dip Angle: 60.68°
Date: 5/31/2012
Model: IGRF2010



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Diag	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	4580.94	91.00	271.24	4300.00	10.51	-485.68	12.00	271.24	485.80	Landing Point - Hold @ 91.00° INC, 271.24° AZ
4	8732.86	91.00	271.24	4227.54	100.30	-4636.00	0.00	0.00	4637.08	TD @ 8732.86' MD, 4227.54' TVD