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: Marshall & Winston, Inc. OGRID #: 14187
Address: P. O. Box 50880, Midland, TX 79710-0880
Facility or well name: Holiday #1H
API Number: 30-015-39769 OCD Permit Number: 212463
U/L or Qtr/Qtr D to M Section 01 Township 20S Range 25E County: Eddy
Center of Proposed Design: Latitude 32.608747°N Longitude 104.445145°W 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

RECEIVED
AUG 09 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: _____ 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): _____ Title: _____
Signature: _____ Date: _____
e-mail address: _____ Telephone: _____

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

OCD Representative Signature: R Dade **Approval Date:** 8/30/12

Title: Dist II Supervisor **OCD Permit Number:** 212463

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:** 05/13/12

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: *Please 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: R360 Disposal Facility Permit Number: NM-01-0006

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): Gabe Herrera Title: Engineer

Signature: _____ Date: 08/08/12

e-mail address: gherrera@mar-win.com Telephone: 432-684-6373

MARSHALL & WINSTON

N. Seven Rivers
Eddy County, NM
Holiday #1H
VH - Job #32K0412497

Survey: Gyro

SDI Standard Survey Report

This survey is correct to the best of my knowledge and is supported by actual field data.

Notarized this date 14th of May, 2012.

Notary Signature
County of Midland
State of Texas

NOTARY PUBLIC STATE OF TEXAS

CARRIE REED
My Commission Expires
October 4, 2015

Scientific Drilling
Directional Drilling Operations

Scientific Drilling International, Inc.

SDI Standard Survey Report

Scientific Drilling
Directional Drilling Operations

Company:	MARSHALL & WINSTON	**Local Co-ordinate Reference:**	Well Holiday #1H
Project:	N Seven Rivers	**TVD Reference:**	WELL @ 0 00usft (Original Well Elev)
Site:	Eddy County, NM	**MD Reference:**	WELL @ 0 00usft (Original Well Elev)
Well:	Holiday #1H	**North Reference:**	Grid
Wellbore:	VH - Job #32K0412497	**Survey Calculation Method:**	Minimum Curvature
Design:	VH - Job #32K0412497	**Database:**	EDM-Regulatory

Project N. Seven Rivers

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 Eddy County, NM

Site Position:		**Northing:**	593,691 23 usft	**Latitude:**	32° 37' 55 596 N
From:	Lat/Long	**Easting:**	465,423 08 usft	**Longitude:**	104° 26' 44 344 W
Position Uncertainty:	0 00 usft	**Slot Radius:**	13-3/16"	**Grid Convergence:**	-0 06 °

Well Holiday #1H, Vertical

Well Position	**+N/-S**	0 00 usft	**Northing:**	585,191 78 usft	**Latitude:**	32° 36' 31.489 N
	+E/-W	0 00 usft	**Easting:**	465,569 92 usft	**Longitude:**	104° 26' 42 522 W
Position Uncertainty		0 00 usft	**Wellhead Elevation:**	usft	**Ground Level:**	0 00 usft

Wellbore VH - Job #32K0412497

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	04/30/12	7 91	60 37	48,688

Design VH - Job #32K0412497

Audit Notes:

Version:	1 0	**Phase:**	ACTUAL	**Tie On Depth:**	0 00

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0 00	0 00	0 00	180 14

Survey Program **Date** 05/11/12

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
100 00	2,260.00	Gyro (VH - Job #32K0412497)	KSRG	Keeper Gyro

Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	True Vertical Depth	North/South (usft)	East/West (usft)	Closure Azimuth (°)	Closure Distance (usft)
0 00	0 00	0 00	0 00	0.00	0 00	0 00	0 00
100 00	0 41	79 26	100 00	0 07	0 35	79 26	0 36
200 00	0 62	74 52	200 00	0 28	1 22	77 22	1 26
300 00	0 39	78 59	299 99	0 49	2 08	76 75	2 14
400 00	0 14	54 81	399 99	0 63	2 51	75 99	2 59
500 00	0 34	82 47	499 99	0 74	2 91	75 78	3 00
600 00	0 52	93 19	599 99	0 75	3 65	78 40	3 73
700 00	0 17	83 13	699 98	0 74	4 25	80 10	4 32
800 00	0 43	91 76	799.98	0 75	4 78	81 09	4 84
900 00	0 24	112 21	899 98	0 66	5 35	82 98	5 39
1,000 00	0 29	105 55	999 98	0 51	5 78	84 95	5 81
1,100 00	0 21	107 22	1,099 98	0 39	6 20	86 41	6 21

Company:	MARSHALL & WINSTON	**Local Co-ordinate Reference:**	Well Holiday #1H
Project:	N. Seven Rivers	**TVD Reference:**	WELL @ 0 00usft (Original Well Elev)
Site:	Eddy County, NM	**MD Reference:**	WELL @ 0 00usft (Original Well Elev)
Well:	Holiday #1H	**North Reference:**	Grid
Wellbore:	VH - Job #32K0412497	**Survey Calculation Method:**	Minimum Curvature
Design:	VH - Job #32K0412497	**Database:**	EDM-Regulatory

Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	True Vertical Depth	North/South (usft)	East/West (usft)	Closure Azimuth (°)	Closure Distance (usft)
1,200.00	0 27	108 67	1,199 98	0 26	6 60	87 75	6 61
1,300 00	0 18	102 61	1,299 98	0 15	6 98	88 77	6 98
1,400 00	0 12	123 52	1,399 98	0 06	7 22	89 54	7 22
1,500 00	0 10	151 44	1,499.98	-0 08	7 35	90 60	7 35
1,600 00	0 12	209 21	1,599 98	-0 24	7 34	91.91	7 34
1,700 00	0 19	199 39	1,699 98	-0 49	7 23	93 90	7 25
1,800 00	0 43	253 92	1,799 98	-0 75	6 82	96 31	6 86
1,900 00	0 76	254 80	1,899 97	-1 03	5 82	100 05	5 91
2,000 00	0 78	273 35	1,999 96	-1 17	4 50	104 53	4 64
2,100.00	1 00	275 86	2,099 95	-1 04	2 95	109 37	3 12
2,200 00	0 93	270 04	2,199 93	-0 95	1 27	126 73	1 58
2,260 00	1 20	274 32	2,259.92	-0 90	0 16	170 22	0 91

MARSHALL & WINSTON

Scientific Drilling
Directional Drilling Operations

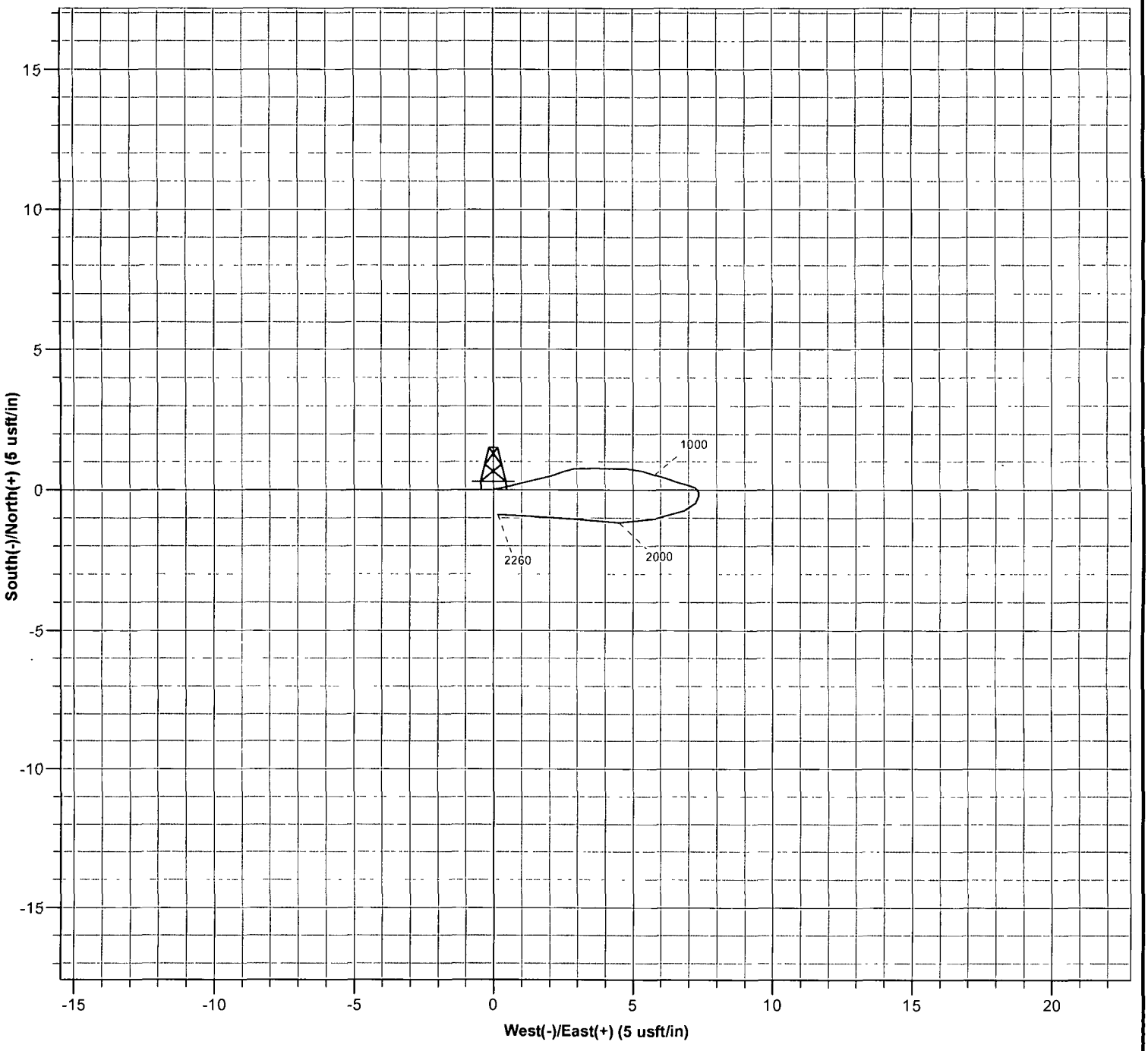
Azimuths to Grid North
True North 0.06°
Magnetic North 7.97°

Magnetic Field
Strength 48687.8snT
Dip Angle 60.37°
Date 04/30/2012
Model IGRF2010

To convert a Magnetic Direction to a Grid Direction, Add 7.97°
To convert a True Direction to a Grid Direction, Add 0.06°

WELL DETAILS: Holiday #1H
Ground Level: 0.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	585191.78	465569.92	32° 36' 31.489 N	104° 26' 42.522 W	



Project: N. Seven Rivers
Site: Eddy County, NM
Well: Holiday #1H
Wellbore: VH - Job #32K0412497
Design: VH - Job #32K0412497

SITE DETAILS: Eddy County, NM
Site Centre Latitude: 32° 37' 55.596 N
Longitude: 104° 26' 44.344 W

Positional Uncertainity: 0.00
Convergence: -0.06
Local North: Grid