

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 87400
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

JUL 26 2011 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 NMOC 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: XTO Energy, Inc. OGRID #: 005380
Address: 200 N. Loraine, Suite 800, Midland, TX 79701
Facility or well name: Eunice Monument South Unit #365
API Number: 30-025-21871 OCD Permit Number: P1-02934
U/L or Qtr/Qtr A Section 17 Township 21S Range 36E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ 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: NM01-0006
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): Patty Urias Title: Regulatory Analyst
Signature: Patty Urias Date: 2/17/11
e-mail address: patty.urias@xtoenergy.com Telephone: 432-620-4318

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

OCD Representative Signature: [Signature] **Approval Date:** FEB 18 2011

Title: OCD DISTRICT SUPERVISOR/GENERAL MANAGER **OCD Permit Number:** P1-02934

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:** 07/19/11

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**
Instructions: Please identify 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: GANDY MARLEY **Disposal Facility Permit Number:** NM 01-0019
Disposal Facility Name: CRF **Disposal Facility Permit Number:** NM 01-0006
Disposal Facility Name: SUNDANCE **Disposal Facility Permit Number:** NM 01-0003

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): DAVID A. EYLER **Title:** AGENT
Signature: [Signature] **Date:** 07/22/11
e-mail address: deylor@milagro-res.com **Telephone:** (432) 687-3033

EEG 7-26-2011

David Eyler

From: Jeff Kester <jeff@royaltywellservice.com>
Sent: Wednesday, July 20, 2011 6:40 AM
To: Gary McDaniel; Sheila; Leslie White; Austin McDaniel; Trista Pogue; Jeff Kester; David Eyler; Krystal Jurado; JC Kester
Subject: EMSU # 365

Luther
7-14-61

Drove to loc 5 msm talked about Pinch points. spot beam and rigged up. Check psi on well 0# np down well head np up bop picked up 117 jts 2 3/8 tagged CIBP @ 3720' CWI SDFN

7-15-11
Shut down.

7-16-11
Repair pump shut down.

7-17-11
Rtl held tailgate safety mtng.(Snakes) open well 0 psi. Hook onto tbg circ. Hole w 9.5# mud. Testcsg to 500#. Holding. Spot 40 sx cmt. Pooh stand 1300' in drk. Lay down rest. Ru slickline perf 4.5 csg @ 1365' load hole. Attempt to est. Inj. Rate w/o luck. Pressured up to 750#. Called OCD mark whitaker,no answer, left message to drop 50' below perf & spot 25 sx cmt. Rih to 1420 spot 25sx w 2% cal chl. Pooh woc 4 hrs. Rih tag toc @ 1224' pooh. Swifd. -----

7-18-11.
Rtl held tailgate safety mtng. (Proper lift procedure.)Open well 0 psi. Pooh,lay down rest of tbg. Ru slickline,perf 4.5 csg @ 400'. Rd slickline. Load hole,pumped 65 bbls brine down csg, never got circulation,nor blow.notify OCD Mark Whitaker. He advised to squeezE 75 sx cmt@400' woc & tag if ok, perf@60' circ cmt to surf. Squeezed 75 sx cmt w 200# shut in pressure. Woc 4 hrs. Rih tag toc @395'. Notify mark w. @ OCD. He advised to pressure test. Pressured up to 250# bleeding off. Cmt still wet will retest in am. Swifd -----
Picked up cmt truck in penwell drove to loc 5 msm talked about Hot Weather. Press up on csg to 600# held ok. Perf @ 60' pumped 25 bbls @ 250# didn't circulate talked with Mark Whitaker he said to sqz 25 sxs np down bop np up well head sqz 25 sxs and cmt started to come out around well head. Picked up equip clean out steel pit dug out well and cut off weld plate and dry hole marker rig down dug out anchors and cut off clean loc well complete. Drove some equip to the EMSU #423 spot beam and rig SDFN.

7-19-11
Picked up cmt truck in penwell drove to loc 5 msm talked about Hot Weather. Press up on csg to 600# held ok. Perf @ 60' pumped 25 bbls @ 250# didn't circulate talked with Mark Whitaker he said to sqz 25 sxs np down bop np up well head sqz 25 sxs and cmt started to come out around well head. Picked up equip clean out steel pit dug out well and cut off weld plate and dry hole marker rig down dug out anchors and cut off clean loc well complete.

Jeff Kester
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