

District I
1625 N. French Dr. Hobbs, NM 88240
District II
811 S. First St. Artesia, NM 88203
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

SEP 01 2011

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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.

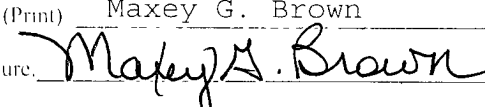
Operator	State of NM (formerly Xeric Oil and Gas)		OGRID #	25482
Address	1625 N. French Drive, Hobbs, NM 88240			
Facility or well name	East Pearl Queen Unit #36			
API Number	30-025-03221	OCD Permit Number	P1-03660	
U/L or Qtr/Qtr	N	Section	27	Township 19S Range 35E County LEA
Center of Proposed Design	Latitude	Longitude		NAD <input type="checkbox"/> 1927 <input type="checkbox"/> 1983
Surface Owner	<input type="checkbox"/> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment			

<input checked="" type="checkbox"/> Closed-loop System:	Subsection H of 19.15.17.11 NMAC
Operation	<input type="checkbox"/> Drilling a new well <input type="checkbox"/> Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) <input checked="" type="checkbox"/> P&A
<input checked="" type="checkbox"/> Above Ground Steel Tanks or	<input type="checkbox"/> Haul-off Bins

Signs:	Subsection C of 19.15.17.11 NMAC
<input type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
<input checked="" type="checkbox"/> Signed in compliance with 19.15.16.8 NMAC	

Closed-loop Systems Permit Application Attachment Checklist:	Subsection B of 19.15.17.9 NMAC
<i>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.</i>	
<input checked="" type="checkbox"/> Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC	
<input checked="" type="checkbox"/> Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC	
<input checked="" type="checkbox"/> 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	
<input type="checkbox"/> Previously Approved Design (attach copy of design)	API Number
<input type="checkbox"/> Previously Approved Operating and Maintenance Plan	API Number

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:	(19.15.17.13 D NMAC)		
<i>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.</i>			
Disposal Facility Name	Gandy Marley	Disposal Facility Permit Number	NM01-0019
Disposal Facility Name	Sundance Disposal	Disposal Facility Permit Number	NM01-0003
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?			
<input type="checkbox"/> Yes (If yes, please provide the information below) <input checked="" type="checkbox"/> No			
Required for impacted areas which will not be used for future service and operations			
<input type="checkbox"/> Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC			
<input type="checkbox"/> Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC			
<input type="checkbox"/> 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)	Maxey G. Brown	Title	Compliance Officer
Signature		Date	9/1/2011
e-mail address		Telephone	575-393-6161

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OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)
OCD Representative Signature: [Signature] **Approval Date:** 9-1-2011
Title: Staff mgr **OCD Permit Number:** P1-03660

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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: _____

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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

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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: _____

STATE OF NM (formerly Xeric Oil and Gas.)

East Pearl Queen Unit #36

Unit N Sec. 27, T-19-S, R-35-E

LEA Co., NM

API#: 30-025-03221

Equipment & Design:

State of NM (formerly Xeric Oil and Gas) will use a closed loop system in the plug and abandonment of this well. The following equipment will be on location:

- (1) 250 bbl steel reverse tank

Operations & Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor any release that may occur. Should a release, spill or leak occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.

Closure:

After plugging operations, fluids and solids will be hauled and disposed at Gandy-Marley Disposal's location, permit number NM 01-0019. Secondary site will be Sundance Disposal, permit number NM 01-0003.