

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

SEP 01 2011

RECEIVED

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 State of NM (formerly Xeric Oil & Gas) OGRID # 25482  
Address 1625 N. French Drive, Hobbs, NM 88240  
Facility or well name West Pearl Queen Unit #126  
API Number 30-025-03226 OCD Permit Number P1-03662  
U/L or Qtr/Qn M Section 28 Township 19S Range 35E 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 16 8 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 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?  
☐ 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) Mark A. Whitaker Title Compliance Officer  
Signature: Mark A. Whitaker Date 9-1-2011  
e-mail address \_\_\_\_\_ Telephone: \_\_\_\_\_

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

OCD Representative Signature: Mark Whitman

Approval Date: 09/01/2011

Title: Compliance Officer

OCD Permit Number: P1-03662

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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: \_\_\_\_\_

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

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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 XERC OIL & GAS.)

WEST PEARL QUEEN UNIT # 126

Unit M Sec. 28, T-19-S, R-35-E

LEA Co., NM

API#: 30-025-03226

#### Equipment & Design:

State of NM 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.