State of New Mexico

District I 1625 N. French Dr., Hobbs, NM 88240 District II

HOBBS OCEnergy Minerals and Natural Resources

Form C-144 CLE July 21, 200

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410 FEB 1 6 2012 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Department

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)

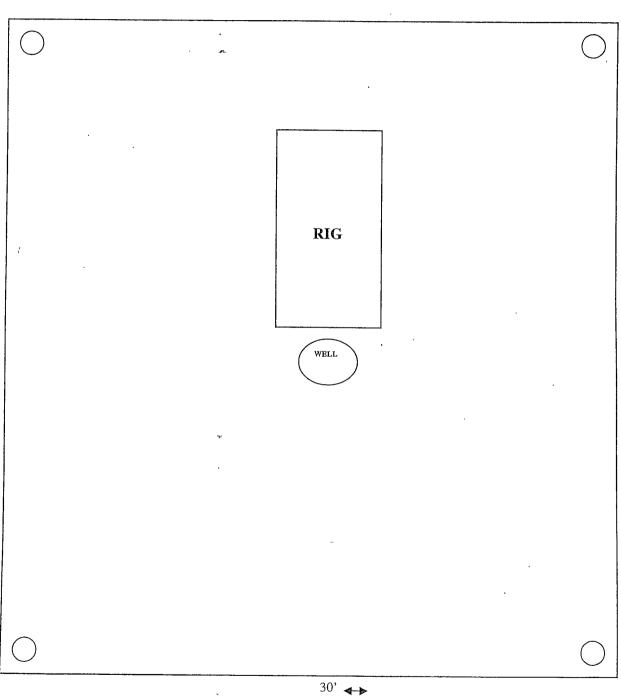
Type of action: Permit Closure

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: _ USA Inc. OGRID #: M: dlend 1.0. Box 50250 NM State CE #2 API Number: 30-025-05567 OCD Permit Number: + U/L or Qtr/Qtr ____ ___Section_ ____ Township ___**\9** Range 37E County: ___ Center of Proposed Design: Latitude 32.69215 Longitude 103, 29343 _____ NAD: 🗹 1927 🗌 1983 Surface Owner: Federal State Private Tribal Trust or Indian Allotment 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) Above Ground Steel Tanks or Haul-off Bins 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 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: 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: Control Recover Inc. Disposal Facility Permit Number: WM-01-0006 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 **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): Signature: Date: _

Telephone: ___

7.	-
OCD Approval: Permit Application (including closure plan) Closure	Plan (only)
OCD Representative Signature:	Approval Date: 2-20-2012
Title:	OCD Permit Number: 7 04212
8. Closure Report (required within 60 days of closure completion): Subsection Instructions: Operators are required to obtain an approved closure plan prior The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the complete the submitted to the division within the submitted to the submitted to the division within the submitted to the division within the submitted to the submitted to the division within the submitted to the division within the submitted to the sub	to implementing any closure activities and submitting the closure report.
Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, dri two facilities were utilized.	s That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Elling fluids and drill cuttings were disposed. Use attachment if more than
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 o Yes (If yes, please demonstrate compliance to the items below) No	r in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service and operat Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ions:
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure belief. I also certify that the closure complies with all applicable closure requirer.	report is true, accurate and complete to the best of my knowledge and nents and conditions specified in the approved closure plan.
Name (Print):	
Signature:	Date:
e-mail address:	Telephone:

C-144CLEZ P&A Attachment RIG LAY-OUT



STEEL PIT



New Mexico Drilling Daily Circulating System Inspection For Closed Loop Systems

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County:			-	Rig Demobe Date:		- Indeed and a second
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Inspection Date	Time	By Whom	Any drips or leaks from steel tanks, lines or pumps not Has any hazardous waste been contained?* Explain. disposed of in system?
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Page ____ of ___

NM Daily Circulating System Inspection - Closed loop REV 0 8/4/2008

All circulating systems to be inspected DAILY during drilling operations.

*Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.