State of New Mexico District L Energy Minerals and Natural Resources
Department 1625 N. French Dr., Hobbs, NM 88240 1301 W. Grand Avenue, Artesia, NM 88210 Oil Conservation Division District III JAN 0 3 204220 South St. Francis Dr. 1000 Rio Brazos Road, Aztec, NM 87410 District IV Santa Fe, NM 87505

1220 S. St. Francis Dr., Santa Fe, NM 8750

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 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)

x Permit Closure Type of action:

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 proval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

environment. Not does approval reneve the operator of its responsibility to each	F.,,,
Operator: KTO Energy, Inc.	OGRID#:
Address: 200 N. Loraine, Suite 800, Midland, TX 79701	
Facility or well name: Exmice Monument South Unit B #860	
API Number: 30-025-04223	OCD Permit Number: 405
U/L or Qtr/Qtr K Section 11 Township	20S Range 36E County: Lea
Center of Proposed Design: Latitude	Longitude NAD: \[\bigcap 1927 \[\bigcap 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment	
X Classed-loop System: Subsection H of 19.15.17.11 NMAC Operation: Drilling a new well X Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A X 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	
X 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 N	umber:
Previously Approved Operating and Maintenance Plan API N	umber:
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: CRI Disposal Facility Permit Number: NMO1-0006	
	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)	
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): Sharon Hindman	Title: Regulatory Analyst
Signature: Majon Wendman	Date: 12/23/2011
c-mail address: sharon hindman@xtoenergy.com	Telephone: <u>432-620-6741</u>

7.	
OCD Approval: Permit Application (including closure plan) Closure Plan (only)	
OCD Representative Signature: Approval Date: 1-5-2012	
Title: Sparse Jungs OCD Permit Number: P1-04051	
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:	
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Rins 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: NM 01- 4006	
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 helief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan. Name (Print): Title: Tegulatory Washington	
c-mail address: <u>ann-perales Oxtolnergy. Com</u> Telephone: <u>432.620-4336</u>	
CCC 3-19-2012	

Form C-144 CLEZ