District I

1625 N French Dr., Hobbs, NM 88240 ECEIVED State of New Mexico

District II

New Mexico

Energy Minerals and Natural Resources

Form C-144 CLEZ Revised August 1, 2011

District II 811 S First St., Artesia, NM 88210 District III

MAY 30 2012 1000 Rio Brazos Road, Aztec, NM 87410

Department Oil Conservation Division 1220 South St. Francis Dr.

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.

District IV HOBBS COD 1220 S St Francis Dr., Santa Fe, NM 87305 Santa Fe, NM 87505 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: P. W KESMOURES LLC OGRID#: 220351		
Address: $P.O.Box 1479$		
Facility or well name: KAIGER ST 49		
API Number: 30 - 025 - 02538 OCD Permit Number: 11-04664		
U/L or Qtr/Qtr F Section 13 Township 2/5 Range 346 County: LEM		
Center of Proposed Design. Latitude Longitude NAD: 1927 1983		
Surface Owner: Federal X State Private Tribal Trust or Indian Allotment		
2.		
Closed-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		
☐ Above Ground Steel Tanks or ☐ Haul-off Bins		
1.		
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:		
S.   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: CRT   Disposal Facility Permit Number: NM -01-0006		
Disposal Facility Name: SUNDANCE Disposal Facility Permit Number: NM-01-0003		
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 1 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.		
Signature: (My) (WS) Date: 5 28/12		
e-mail address:		

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Oil Conservation Division

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OCD Approval: Permit Application (including closure plan) Closure Plan (only)		
OCD Representative Signature:	Approval Date: 5-30-2012	
Title: STAFF RAGE	Approval Date: 5-30-2012  OCD Permit Number: 910464	
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:		
9. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> 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		
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:	