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HOBBS OCD

State of New Mexico

NMOCD ARTESIA

Form C-144 CLEZ  
Revised August 1, 2011

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

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Energy Minerals and Natural Resources  
Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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: LJNN Operating, Inc. OGRID #: 269324  
Address: 600 Travis Street, Suite 5100 Houston, Texas 77002  
Facility or well name: Maljamar Grayburg Unit #88  
API Number: 30-025-33365 OCD Permit Number: P1-04874  
U/I. or Qtr/Qtr K Section 04 Township 17S Range 32E County Lea  
Center of Proposed Design: Latitude 32.85991 Longitude -103.77433 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) ☒ P&A

☐ 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 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: CRT Control Recovery Inc.

Disposal Facility Permit Number: NM01-0019 NM-D1-0006

Disposal Facility Name: Gandy-Marley Disposal

Disposal Facility Permit Number: NM01-0009 NM-D1-0019

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): Terry B. Callahan

Title: Regulatory Specialist III

Signature: Terry B. Callahan

Date: 7-3-2012

e-mail address: TCallahan@hinnenergy.com

Telephone: 281-840-4272

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MBU-88

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

OCD Representative Signature: M. A. Brown Approval Date: 7/5/2012

Title: Compliance Officer OCD Permit Number: PI-04874

**9. 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: 7-17-2012

**10. Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**  
Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than one facility was utilized.

Disposal Facility Name: R-360 (CRF) Disposal Facility Permit Number: R-9166

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

**11. 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): Jess Hayes Title: Production Foreman

Signature: [Signature] Date: 7/18/12

e-mail address: Jhayes@linnenergy.com Telephone: 575-602-3283

ELG 7-26-2012

LINN OPERATING, INC.

MAJAMAR GRAYBURG UNIT #088

UNIT K, SEC 04, T-17-S, R-32-E

LEA COUNTY, NM

API#: 30-025-33365

Item #4 Form C-144 CLEZ Attachment

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Equipment & Design:

D&L Meters and Instrument Service, Inc. will use a closed loop system in the workover of this well. The following equipment will be on location:

(1) 500 bbl steel 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 the NMOCD's rule 19.15.29.8.

Closure

After workover operations, fluids and solids will be hauled and disposed at CRI's (Control Recovery Inc.) location, permit number NM 01-0019. Secondary site will be Gandy-Marley Disposal, permit number NM 01-0006.