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

HOBBS OCD
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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: LINN Operating, Inc. OGRID #: 269324

Address: 600 Travis Street, Suite 5100 Houston, Texas 77002

Facility or well name: Caprock Maljamar Unit #266

API Number: 30-025-33821 OCD Permit Number: Pl-05496

U/L or Qtr/Qtr E Section 24 Township 17S Range 32E County: Lea

Center of Proposed Design: Latitude 32.822247109255 Longitude -103.726663973552 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 19.15.3.103 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 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: Sundance Disposal Facility Permit Number: NM01-0003

Disposal Facility Name: Gandy-Marley Disposal Disposal Facility Permit Number: NM01-0019

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

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): Terry B. Callahan Title: Regulatory Specialist III

Signature: Callahan Date: 10/16/2012

e-mail address: tcallahan@linnenergy.com Telephone: 281-840-4272

DEC 05 2012

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ **Approval Date:** 12-05-2012

Title: DISTRICT SUPERVISOR **OCD Permit Number:** P1-05496

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.
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

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 belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

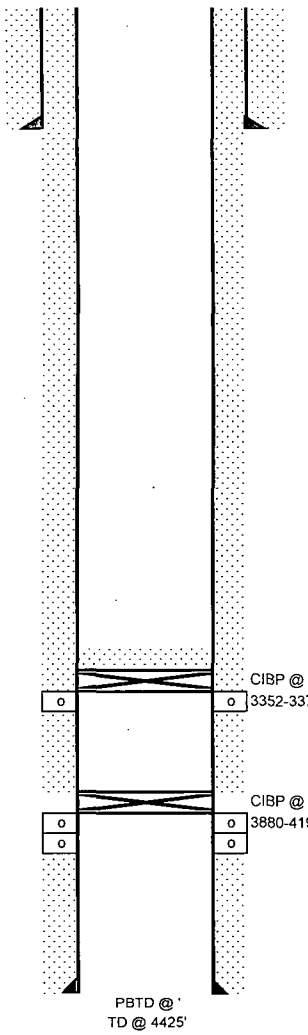
Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Current Wellbore Schematic

Well Name:	Caprock Maljamar Unit 266	Date Prepared:	30-Jan-12
Location:	E-24-17S-32E 1828 FNL 569 FWL	Last Updated:	
		Spud Date:	9-Feb-97
API #:	30-025-33821	RR Date:	
		Spud Date to RR Date:	
Elevations:	GROUND: 4072.0	Completion Start Date:	
	KB: 4086.0	Completion End Date:	
Depths (KB):	PBTD: 4343'	Completion Total Days:	
	TD: 4425'	Co-ordinates:	



Surface Casing :
10 jts 8-5/8" 20#,ISW-42 set @ 438'
Cmt w/ 325 sxs Cl C + 1/4#FC/sx + 2%CaCl
Circ 92 sxs to pit - TOC @ surf

Production Casing:
108 jts 5-1/2" 17# J-55 LT&C csg set @ 4425'
FC @ 4382'
Cmt'ed w/ 1000 glas superflush 102 + 850 sxs Halliburton Lite + 250 sxs Premium Plus
Circ 37 sxs to surf - TOC @ Surface

Tubing:	Length (ft)	Bottom

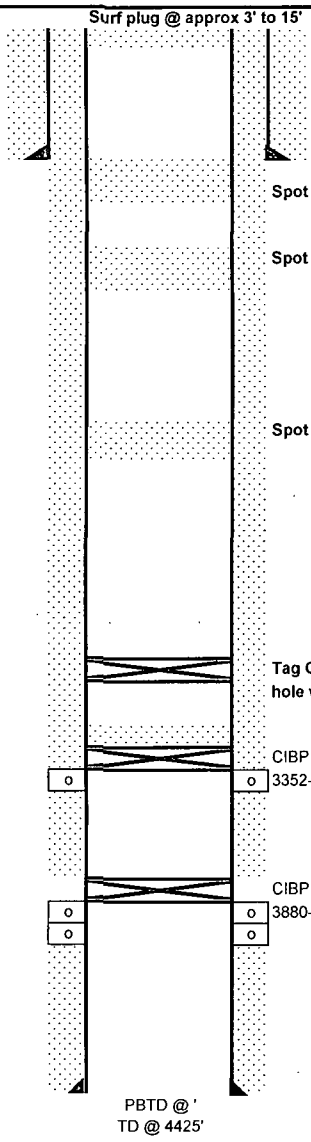
Rods & Pump:

Notes:
Top of Salt - 670'
Base of Salt - 1570'

Perforations:
Grayburg - 3880,81,83,84,85,3913,14,23,34,35,85,4084,85,99,4100,01,16,17,18,23,24,30,31,32,36,41,
84,85,88,89,90
Queen - 3352-3378

Proposed Wellbore Schematic

Well Name:	Caprock Maljamar Unit 266	Date Prepared:	30-Jan-12
Location:	E-24-17S-32E 1828 FNL 569 FWL	Last Updated:	
		Spud Date:	9-Feb-97
API #:	30-025-33821	RR Date:	
		Spud Date to RR Date:	
Elevations:	GROUND: 4072.0	Completion Start Date:	
	KB: 4086.0	Completion End Date:	
Depths (KB):	PBTD: 4343'	Completion Total Days:	
	TD: 4425'	Co-ordinates:	



Hole Size
12-1/4"
7-7/8"

Surface Casing :
10 jts 8-5/8" 20#,ISW-42 set @ 438'
Cmt w/ 325 sxs Cl C + 1/4#FC/sx + 2%CaCl
Circ 92 sxs to pit - TOC @ surf

Production Casing:
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FC @ 4382'
Cmt'ed w/ 1000 glas superflush 102 + 850 sxs Halliburton Lite + 250 sxs Premium Plus
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84,85,88,89,90
Queen - 3352-3378