District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210 **HOBBS OCD**
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505 **DEC 1 3 2012**

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
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)

RECEIVED

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: **COG OPERATING LLC**   OGRID #: **229137**

Address: **One Concho Center, 600 W. Illinois Ave   MIDLAND, TX 79701**

Facility or well name: **PAN HEAD FEE #4H**

API Number: **30-025- 40888**   OCD Permit Number: **P1-05519**

U/L or Qtr/Qtr **UL C**   Section **11** Township **17S** Range **32E** County: **LEA**

Center of Proposed Design: Latitude **N/A**   Longitude: **N/A**   NAD: ☐1927 ☐1983

Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

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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: **CRI**   Disposal Facility Permit Number: **R1966**

Disposal Facility Name: **GM INC**   Disposal Facility Permit Number: **711-019-001**

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): **Kacie Connally**   Title: **PERMITTING TECH**

Signature: *Kacie Connally*   Date: **09/12/2012**

e-mail address: **kconnally@concho.com**   Telephone: **432-221-0336**

7.

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

OCD Representative Signature: _~~(signature)~~_   **Approval Date:** _12/13/12_

Title: _Petroleum Engineer_   **OCD Permit Number:** _P1-05519_

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: _____

Closed Loop Operation & Maintenance Procedure

All drilling fluid circulated over shaker(s) with cuttings discharged into roll off container.

Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll off container.

Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.

Roll off containers are lined and de-watered with fluids re-circulated into system.
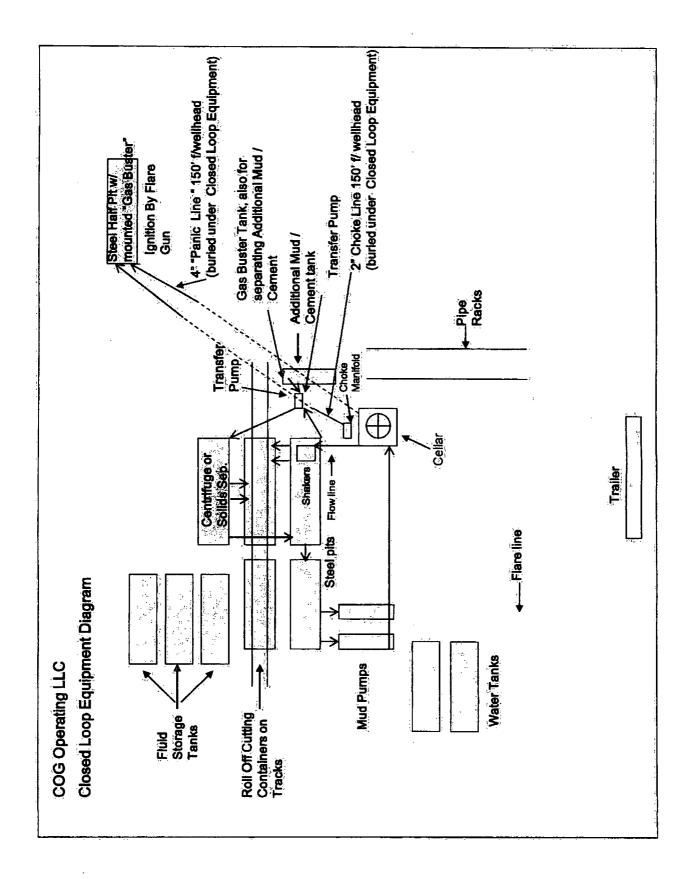
Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.

This equipment will be maintained 24 hrs./day by solids control personnel and or rig crews that stay on location.

Cuttings will be hauled to either:

CRI (permit number R9166)
or
GMI (permit number 711-019-001)

dependent upon which rig is available to drill this well.

COG Operating LLC

Closed Loop Equipment Diagram

Steel Half Pit w/ mounted "Gas Buster"

Ignition By Flare Gun

4" "Panic Line " 150' f/wellhead (buried under Closed Loop Equipment)

Gas Buster Tank; also for separating Additional Mud / Cement

Additional Mud / Cement tank

Transfer Pump

2" Choke Line 150' f/ wellhead (buried under Closed Loop Equipment)

Transfer Pump

Choke Manifold

Pipe Racks

Centrifuge or Solids Sep.

Shakers

Flow line

Cellar

Trailer

Steel pits

Fluid Storage Tanks

Roll Off Cutting Containers on Tracks

Mud Pumps

Water Tanks

Flare line