

District I
1625 N. French Dr., Hobbs, NM 88240

Energy Minerals and Natural Resources

District II
1301 W. Grand Avenue, Artesia, NM 88210

FEB 1 2013

Department

District III
1000 Rio Brazos Road, Aztec, NM 87410

Oil Conservation Division

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

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 NMOC 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: CrownQuest Operating, LLC OGRID #: 213190
 Address: c/o P.O. Box 953, Midland, TX 79702
 Facility or well name: New Mexico AN State #9
 API Number: 30 025 20955 OCD Permit Number: PI-05751
 U/L or Qtr/Qtr BC Section 22 Township 14S Range 33E County: Lea
 Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
 Surface Owner: Federal State Private Tribal Trust or Indian Allotmen

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 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: Gandy Corp. Box 2140, Lovington, NM 88260 Disposal Facility Permit Number: NM-01-0019
 Disposal Facility Name: _____ 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) 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): Luke Dunn Title: Engineer
 Signature: [Signature] Date: 2/11/2013
 e-mail address: ann.wtor@gmail.com Telephone: 432 684-6381/Jeremy-557 6778

7.M

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)
OCD Representative Signature: [Signature] Approval Date: 2-11-2013
Title: Dist. Mgr OCD Permit Number: PI-85751

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 identify 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: Gandy Corporation 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: _____

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CrownQuest Operating, LLC (213190)

New Mexico AN State #9 30 025 20955 P and A

C-144 CLEZ attachment

Haul off/steel pit to be utilized by Basic Energy Services, rental from Stone Oilfield Services located in Lovington, New Mexico.

Volume is 250 bbls. Well will be inspected by sight review during all operations, in the event of any leak - it will be contained and Oil Conservation Division will be immediately notified.

The Cuttings and Solids will be taken to Gandy Coporation, P.O. Box 2140, Lovington, NM 88260.

2/11/2013