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

State of New Mexico HOBBS OFfergy Minerals and Natural Resources

Form C-144 CLE. July 21, 200

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

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

District III 1000 Rio Brazos Road, Aztec, NM 87410

District IV

Department MAR 1 3 2013 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)

Permit Closure Type of action:

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 |
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| Operator: 047 USA Inc. OGRID#: 16696 Address: P.O. Box 50250 Midland TX 79710 |
| |
| Facility or well name: State CL #1 |
| API Number: 30.025-01573 OCD Permit Number: 175075 |
| U/L or Qtr/Qtr C Section 2 Township 165 Range 33 County: Lea |
| Center of Proposed Design: Latitude 32.78298 Longitude 103.6357 NAD: 1927 1983 |
| Surface Owner: Federal State Private Tribal Trust or Indian Allotment |
| |
| ☐ <u>Closed-loop System</u> : 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 |
| 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 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: Control Recoveration. Disposal Facility Permit Number: WM-01-006 |
| 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): David Stewart Title: Regulatory Advisor |
| Signature: Date: 311113 |
| e-mail address: devid_stewateoxy.com Telephone: 432-685-5717 |

| 7. OCD Approval: Permit Application (including closs | ure plan) [Closure Plan (only) |
|--|---|
| OCD Representative Signature: | Scown Approval Date: 3/15/2013 |
| Title: Compliance Officer | Approval Date: 3/15/2013 OCD Permit Number: 91-05893 |
| The closure report is required to be submitted to the divis | mpletion): Subsection K of 19.15.17.13 NMAC ved closure plan prior to implementing any closure activities and submitting the closure report. sion within 60 days of the completion of the closure activities. Please do not complete this een obtained and the closure activities have been completed. Closure Completion Date: |
| | r Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than |
| Disposal Facility Name: | Disposal Facility Permit Number: |
| Disposal Facility Name: | |
| Were the closed-loop system operations and associated acc Yes (If yes, please demonstrate compliance to the it | tivities performed on or in areas that <i>will not</i> be used for future service and operations? tems below) \(\subseteq\) No |
| Required for impacted areas which will not be used for full Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Techn | · |
| | nitted with this closure report is true, accurate and complete to the best of my knowledge and licable closure requirements and conditions specified in the approved closure plan. |
| Name (Print): | Title: |
| Signature: | Date: |
| e-mail address: | Telephone: |



New Mexico Drilling Daily Circulating System Inspection For Closed Loop Systems

| Wellname: | | AND THE RESIDENCE OF THE PROPERTY OF THE PROPE | F | Permit # | • | | - and to place and the said is a second | and the second second | | Rig Mo | be Da | te: | | | and the second second second | · ····· - · ···· |
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| County: | | | | | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | Rig De | emobe | Date | • | | | |
| | 72 | | Any | drips or | leaks | from | steel | tanks, | lines | or pumps | not | Has a | ny f | nazardous | waste | been |

| Inspection Date | Time | By Whom | Any drips or leaks from steel tanks, lines or pumps not contained?* Explain. | Has any hazardous waste been disposed of in system? |
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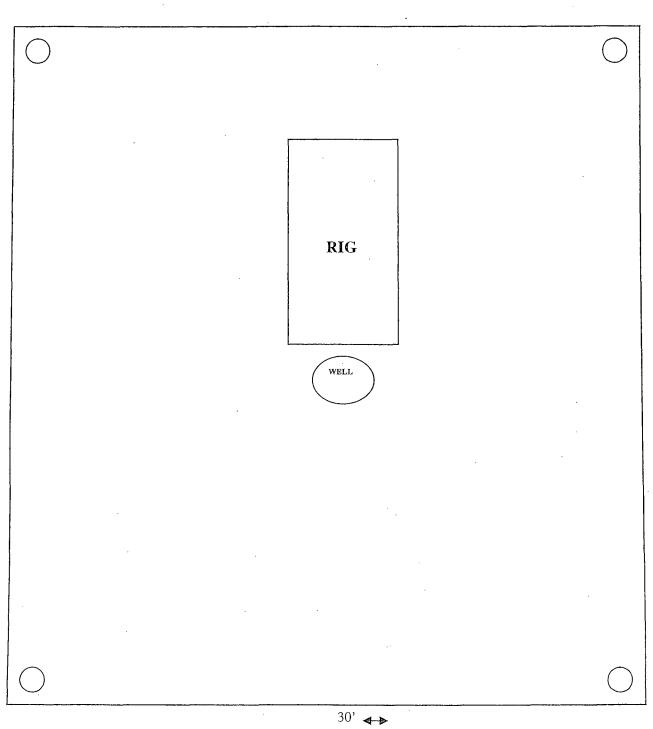
All circulating systems to be inspected DAILY during drilling operations.

Page ___ of ___

NM Daily Circulating System Inspection - Closed loop REV 0 8/4/2008

^{*}Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.

C-144CLEZ P&A Attachment RIG LAY-OUT



STEEL PIT