

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

MAR 26 2013

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.

RECEIVED  
**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: Nearburg Producing Company OGRID #: 015742  
Address: 3300 N A Street, Bldg. 2, Ste. 120, Midland, TX 79705  
Facility or well name: WEST LOVINGTON 20 #1  
API Number: 30025-41074 OCD Permit Number: P1-05940  
U/L or Qtr/Qtr D Section 20 Township 17S Range 37E County: Lea  
Center of Proposed Design: Latitude 32.826480 N Longitude 103.279784 W 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 19.15.16.8 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: CRI Disposal Facility Permit Number: R1966/NM-01-0006  
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): Vicki Johnston Title: Gray Surface Specialties, Agent for Nearburg Producing Company  
Signature: Vicki Johnston Date: 3/6/13  
e-mail address: vjohnston1@gmail.com Telephone: (281) 468-2448

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

OCD Representative Signature: \_\_\_\_\_ Approval Date: 03/26/13

Title: Petroleum Engineer OCD Permit Number: P1-05940

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: \_\_\_\_\_ 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: \_\_\_\_\_

**DESIGN PLAN**  
**OPERATING AND MAINTENANCE PLAN**  
**CLOSURE PLAN**

- 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.
- Closed Loop Equipment will be inspected and monitored closely on a daily basis by each tour, and any necessary maintenance will be performed.
- Any leak in the system will be repaired and/or contained immediately. Within 48 hours of a spill/release, the NMOCD district office in Hobbs will be notified. Notifications may be made earlier if a greater release occurs. Notifications will be made in accordance with the reporting requirements specified in NMOCD Rule 116.
- During and after drilling operations, liquids (which apply), all drill cuttings, and drilling fluids will be hauled to one of the following depending upon which rig is available to drill this well:
  - CRI Permit Number NM-01-0006 -- R-9166
  - GMI Permit Number NM-01-0019 – 711-019-001

**Nearburg Producing Company**  
**WEST LOVINGTON 20 #1**  
**Unit D – 387' FNL & 627' FWL**  
**Sec 20, T17S, R37E**  
**Lea County, New Mexico**

Nearburg Producing Company  
WEST LOVINGTON 20 #1  
387' FNL and 627' FWL, Unit D  
Sec 20, T-17S, R37E, Lea County, NM

## CEMENT SCHEDULE

### 13-3/8" CASING:

510 sxs Class C Cement + 2% bwoc Calcium Chloride + 0.125 bwoc Cello Flake + 56.3% Fresh Water. Weight 14.8 ppg Yield 1.35 cfs; Mix water 6.35/gps. These volumes based on circulating cement to surface. 100% excess.

### 8-5/8" CASING:

#### **LEAD:**

765 sxs 50:50 Poz (Fly Ash): Class C Cement + 10% bwoc Bentonite + 0.125% bwoc CelloFlake + 5% bwoc Sodium Chloride + 0.3% bwoc FL-52 + 5% bwoc LCM-1 + 135.5% Fresh Water.

Weight 11.8 ppg Yield 2.45 cfs Mix Water 13.65 gps

#### **TAIL:**

370 sxs "C" Neat.

Weight 14.8 ppg Yield 1.33 cfs Mix Water 6.33 gps

These volumes based on circulating cement to surface. 100% excess.

### 5-1/2" CASING:

#### 1<sup>st</sup> STAGE

##### **LEAD:**

630 sxs (15:16:11) Poz (Fly Ash): Class C Cement: CSE-2 + 0.7% bwoc FL-52 + 0.6% bwoc FL-25 + 4% bwoc Sodium Chloride + 3% bwoc LCM-1 + 0.2% bwoc Sodium Metasilicate + 0.15% bwoc R-21 + 69.9% Fresh Water.

Weight 13.5 ppg Yield 1.53 cfs Mix Water 7.29 gps

These volumes based on 50% excess.

#### 2<sup>nd</sup> STAGE

##### **LEAD:**

545 sxs : 50:50 Poz (Fly Ash): Class H Cement + 0.3% bwoc FL-52 + 10% bwoc Bentonite + 5% bwoc Sodium Chloride + 0.2 bwoc R-21 + 139.7% fresh water.

Weight 11.8 ppg Yield 2.45 cfs Mix Water 14.07 gps

##### **TAIL:**

305 sxs Class H Cement

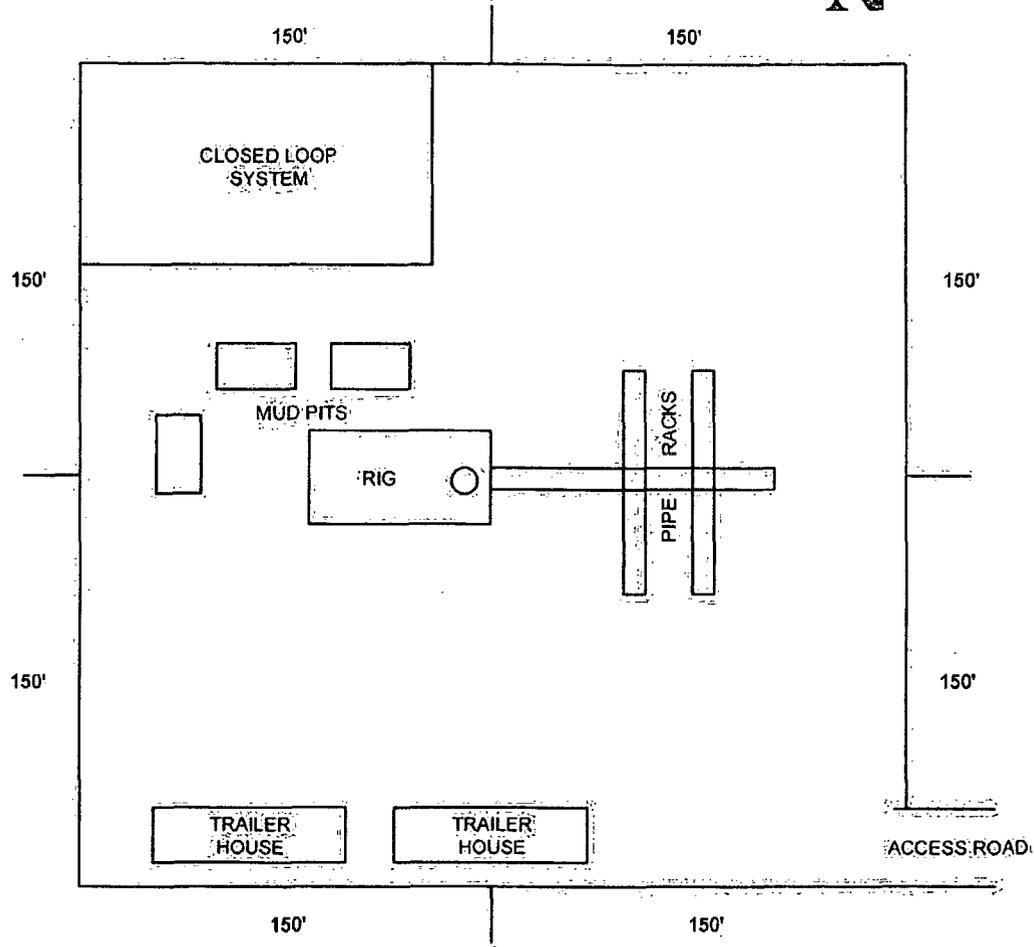
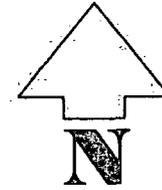
Weight 14.80 ppg Yield 1.33 cfs Mix Water 6.33 gps

These volumes based on 50% excess.

Final cement volumes for production casing to be calculated off of open hole logs.

# Nearburg Producing Company

Exploration and Production



## WEST LOVINGTON 20 #1