

HOBBS OCD

OCT 13 2011

State of New Mexico

Energy Minerals and Natural Resources

Department of Energy

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

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AUG 30 2011

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

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APR 23 2013

Form C-144 CLEZ
Revised August 1, 2011

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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: LINN Operating, Inc OGRID #: 269324
 Address: 600 Travis Street, Suite 5100 Houston, Texas 77002
 Facility or well name: Humphrey Queen Unit #023
 API Number: 30-025-22751 OCD Permit Number: 91-03644
 U/L or Qtr/Qtr: 0 Section 03 Township 25S Range 37E County: Lea
 Center of Proposed Design: Latitude 32.15211 Longitude -103.14822 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: _____

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 (Control Recovery Inc) Disposal Facility Permit Number: NM01-004900
 Disposal Facility Name: Gandy-Malley Disposal Disposal Facility Permit Number: NM01-000819
 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

5. 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: Terry B. Callahan Date: 8/30/2011
 e-mail address: TCallahan@linenergy.com Telephone: 281-840-4272

HQU#23

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

OCD Representative Signature: [Signature] Approval Date: 8-31-2011

Title: STAFF MGR OCD Permit Number: P1-03644

10. **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: 5/2/2012

11. **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: Sundance Disposal Facility Permit Number: NM 01-30003

Disposal Facility: _____ 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

12. **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): TERRY B. CALLAHAN Title: Reg Comp Specialist III

Signature: [Signature] Date: 4/22/2013

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

MW/OCD 4-25-2013