

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
AUG 13 2013
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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 to implement waste removal to the appropriate NMO...

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system or closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement.

Please be advised that approval of this request does not relieve the operator of liability should operate in the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable rules, regulations or ordinances.

PER OCD RULE 19.15.17, Form C-144clez is no longer required to be submitted, but the operator still has to use and to report to the OCD that Closed-Loop System is being used. Put this statement on all intents: During this procedure we plan to use the Closed-Loop System and haul contents to the required disposal.

1. Operator: Chevron USA, Inc. OGRIL
Address: 15 Smith Road Midland, TX 79705
Facility or well name: BRININSTOOL 23 33 33 USA 1H
API Number: 30-025-41330 OCD Permit Number: _____
U/L or Qtr/Qtr O Section 23 Township 23 S Range 33 E County: LEA
Center of Proposed Design: Latitude 32.296881 Longitude 103.539206 NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

* Amended *
FOR RECORD ONLY

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: R-360 Disposal Facility Permit Number: NM-01-0006
Disposal Facility Name: SUNDANCE DISPOSAL Disposal Facility Permit Number: NM-01-0003
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): Bryan Arant (Agent for Chevron) Title: Regulatory Specialist
Signature: [Signature] Date: 07/03/2013
e-mail address: bryan.arant@chk.com Telephone: (405)935-3782

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

FOR RECORD ONLY

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

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: _____

Closed Loop System

**BRININSTOOL 23 23 33 USA 1H
Unit O, Sec. 23, T-23-S R-33-E
Lea Co., NM
API# 30-025-**

Plans are to use a closed loop system with roll off bins in the drilling of this well. Operator will maintain all liquids and solids within the closed loop system in a safe manner in order to protect public health and the environment.

Operations and Maintenance:

The rig's crew will inspect and monitor the drilling fluids contained within the tank and monitor any spill which may occur. Should a spill, release or leak occur; the NMOCD District I office in Hobbs (575.393.6161) will be notified. Please note that notifications may be made earlier to the district office should a greater release occur in compliance with NMOCD's rules.

In addition, the Bureau of Land Management will be contacted as well should a release occur (per BLM's Rules and Regulations) with the Hobbs office at: 575.361.2822.

Closure:

During and after drilling operations, all fluids and solids will be transported to R-360 Environmental Solutions, Inc. Their permit # is: NM-01-0006.

The alternative disposal facility will be at Sundance Disposal. Their permit # is: NM-01-0003.

