

District I
1625 N. French, Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
21, 2008

For closed-loop systems
ground steel tanks
to implement
to the approval
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.
request other than for a
ure, please submit a Form C-144.
of surface water, ground water or the
mental authority's rules, regulations or ordinances.

Closed-Loop System Permit or Closure Plan

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

Type of action: Permit

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

Please be advised that approval of this request does not relieve the operator of liability should an environmental incident occur. Nor does approval relieve the operator of its responsibility to comply with any other

1.
Operator: COG Operating LLC OGRID #: 229137 **HOBBS OCD**
Address: 2208 West Main Street, Artesia, NM 88211-0227
Facility or well name: Roy Batty Federal Com #3H
API Number: 30-025-41333 OCD Permit Number: **FOR RECORD ONLY**
U/L or Qtr/Qtr Unit O, SWSE Section 11 Township 24S Range 33E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ 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: _____

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: Controlled Recovery, Inc. Disposal Facility Permit Number: R-9166
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): Mayte Reyes Title: Regulatory Analyst
Signature: Mayte Reyes Date: 5/28/2013
e-mail address: mreyes1@concho.com Telephone: 575-748-6945

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

FOR RECORD ONLY
Approval Date: _____

OCD Representative Signature: _____

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: HOUSO OOD

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

AUG 10 2013

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

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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**

**Roy Batty Federal Com 3H
SHL: 190' FSL & 1887' FEL
BHL: 330' FNL & 1887' FEL
Section 11 T24S R33E
Lea County, New Mexico**

COG Operating LLC will be using all above ground steel pits for fluid and cuttings while drilling. If any tank develops a leak we will have immediate visual discovery, we would then transfer the fluid to another tank then remove any contaminated soil and dispose of it in the cuttings bins for transportation. All leaks should be kept to less than 5 barrels. Rig crews will monitor the tanks at all times.

Equipment List:

- 2- Mongoose Shale Shakers
- 1- 414 Centrifuge
- 1- 518 Centrifuge
- 2- Roll Off Bins w/ Tracks
- 2- 500 BBL Frac Tanks

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI (Controlled Recovery Inc.) Permit R-9166 or any other approved facility.

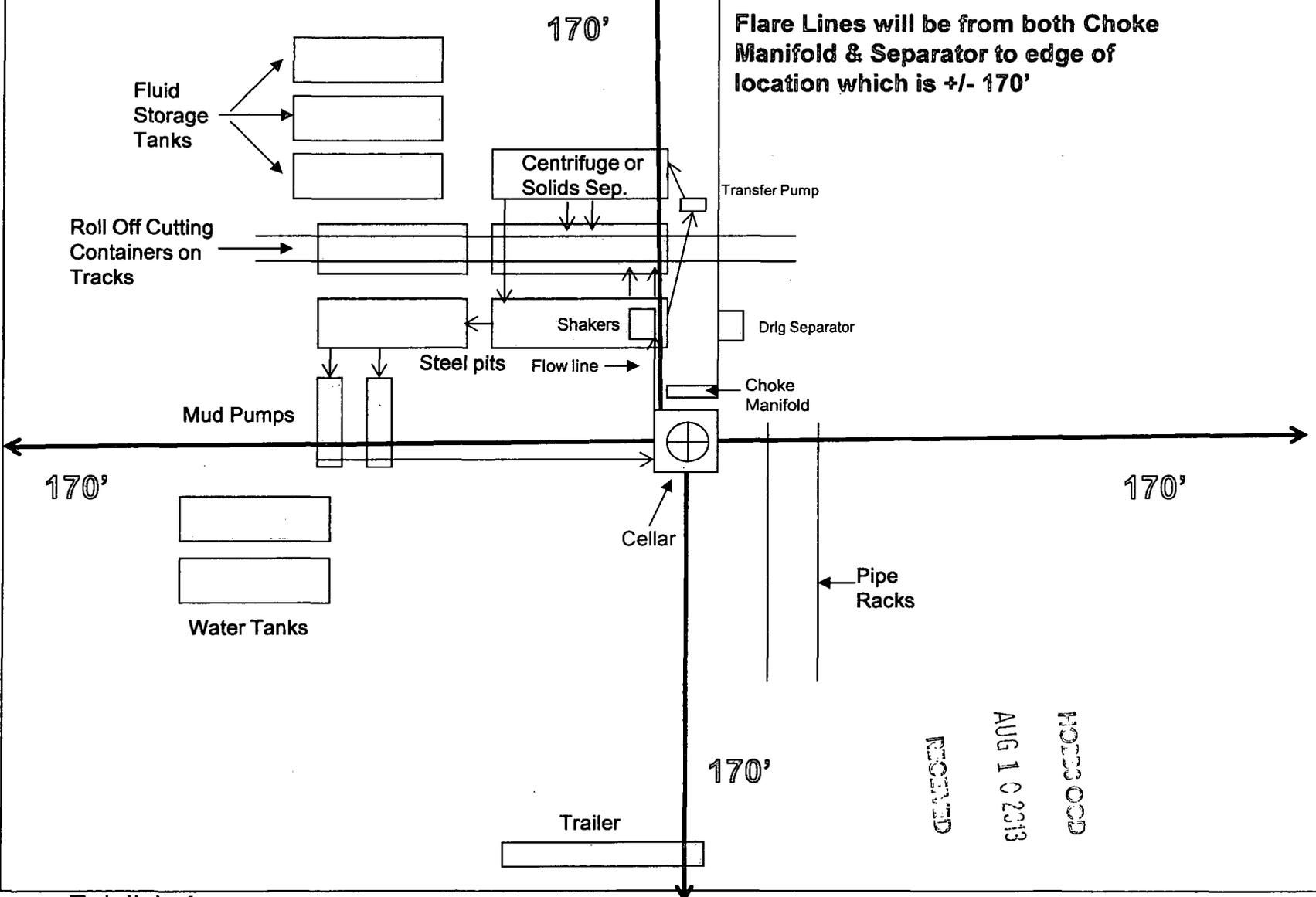
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COG Operating LLC
Rig Plat & Closed Loop Equipment Diagram

Well pad will be 340' X 340'
with cellar in center of pad



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HOBBS OGD

Exhibit 1