

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

**HOBBS OCD**  
**AUG 20 2013**  
**RECEIVED**

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  
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins, the operator must submit to implement waste removal to the appropriate NMED District Office.

**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.

**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 to the appropriate NMED District Office)

Type of action:  Permit  Closure

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 implement waste removal to the appropriate NMED District Office.

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 applicable laws, rules, regulations or ordinances.

1. Operator: COG Operating LLC OGRID #: \_\_\_\_\_  
Address: 2208 West Main Street, Artesia, NM 88211-0227  
Facility or well name: Tusk Federal #4H  
API Number: \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr Unit O, SWSE Section 25 Township 19S Range 34E County: Lea  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

**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 19.15.3.103 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: 2/14/2013  
e-mail address: mreyes1@concho.com Telephone: 575-748-6945

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

**OCD Representative Signature:** \_\_\_\_\_ **Approval Date:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**OCD Permit Number:** \_\_\_\_\_

**FOR RECORD ONLY**

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 indentify 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**

**Tusk Federal 4H  
SHL: 250' FSL & 2080' FEL  
BHL: 330' FNL & 1980' FEL  
Section 25, T19S R34E  
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:**

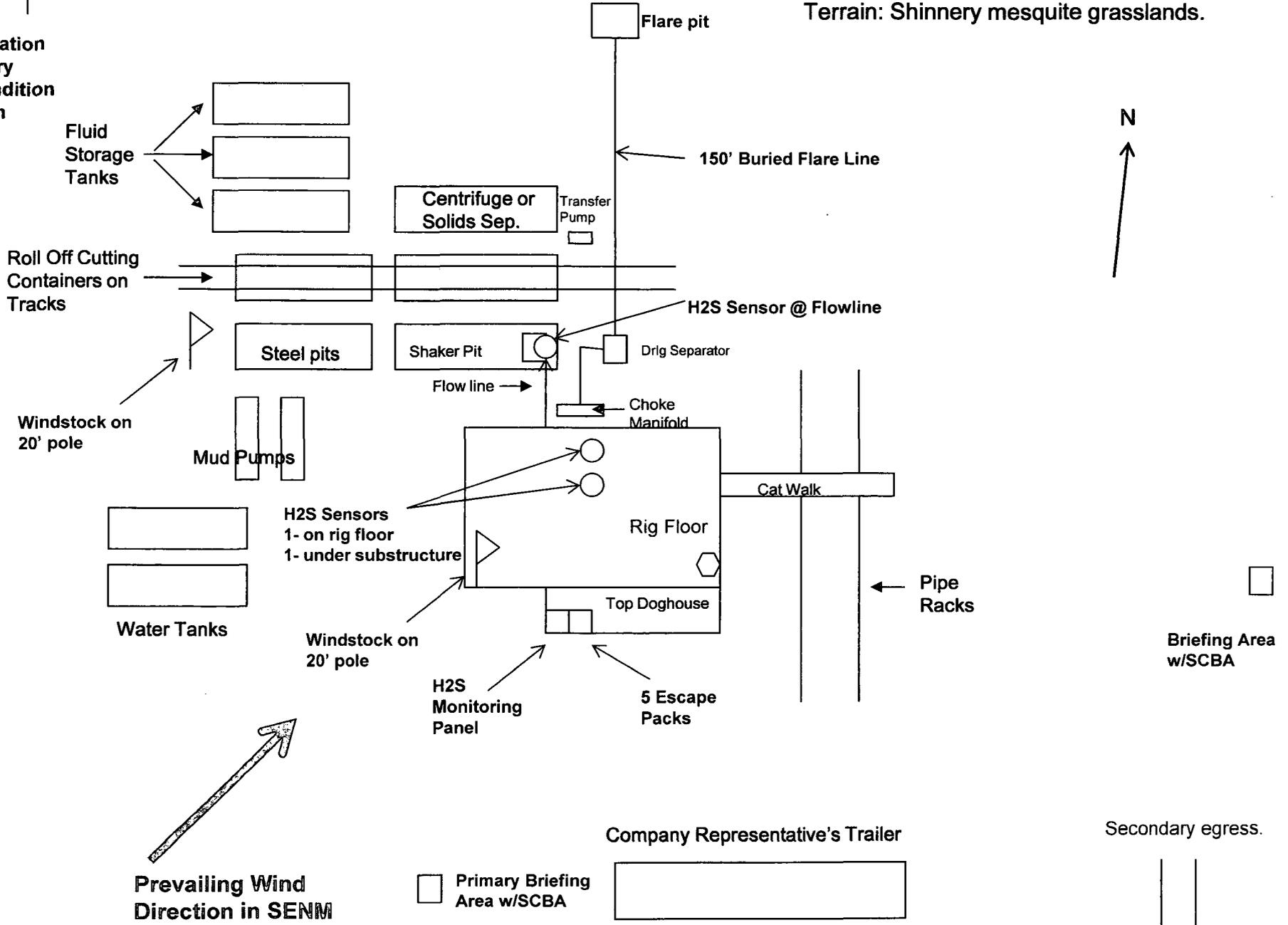
- 2- Mongoose Shale Shakers
- 1- 414 Centrifuge
- 1- 518 Centrifuge
- 2- Roll Off Bins w/ Tracks
- 2- 500 BBL Frac Tanks

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.

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

COG Operating LLC  
H<sub>2</sub>S Equipment Schematic  
Terrain: Shinnery mesquite grasslands.

Location  
Entry  
Condition  
Sign



Prevailing Wind  
Direction in SENM

Primary Briefing  
Area w/SCBA

Company Representative's Trailer

Secondary egress.

N

Briefing Area  
w/SCBA

Pipe  
Racks

Top Doghouse

Rig Floor

Choke  
Manifold

Drig Separator

Flow line

Shaker Pit

Steel pits

Mud Pumps

Windstock on  
20' pole

Water Tanks

H2S Sensors  
1- on rig floor  
1- under substructure

Windstock on  
20' pole

H2S  
Monitoring  
Panel

5 Escape  
Packs

Cat Walk

150' Buried Flare Line

Flare pit

Centrifuge or  
Solids Sep.

Transfer  
Pump

Fluid  
Storage  
Tanks

Roll Off Cutting  
Containers on  
Tracks