

525 N. French Dr., Hobbs, NM 88240
District II
301 W. Grand Avenue, Artesia, NM 88210
District III
000 Rio Brazos Road, Aztec, NM 87410
District IV
220 S. St. Francis Dr., Santa Fe, NM 87505

Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

July 21, 2008

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.

HOESS OGD

Closed-Loop System Permit or Closure Plan Application (SEP 06 2013)

(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.

Operator: COG Operating LLC OGRID #: 229137
Address: 2208 West Main Street, Artesia, NM 88211-0227
Facility or well name: Deckard Federal Com #4H
API Number: 30-025-41384 OCD Permit Number: FOR RECORD ONLY
1/4 or Qtr/4th Unit D NENE Section 13 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

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

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

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 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

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: 7/1/2013

E-mail address: mreyes1@concho.com Telephone: 575-748-6945

SEP 11 2013

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

OCD Representative Signature: _____ Approval Date: _____

Title: _____

OCD Permit Number: _____

FOR RECORD ONLY

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: _____

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

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**

**Deckard Federal Com 4H
SHL: 190' FNL & 660' FEL
BHL: 330' FSL & 660' FEL
Section 13 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.

COG Operating LLC
Rig Plat & Closed Loop Equipment Diagram.

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

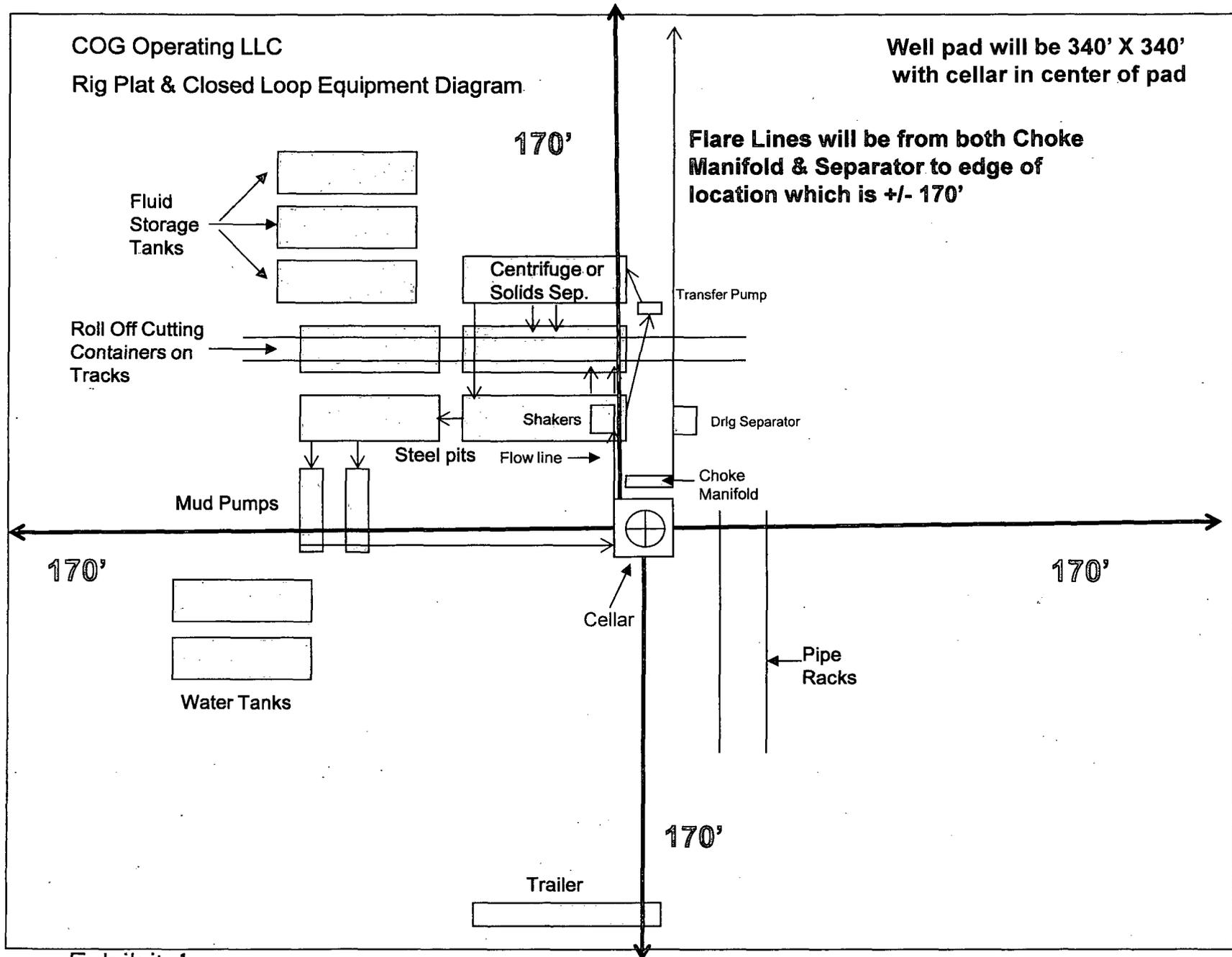


Exhibit 1