

District I
1625 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

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 and propose to implement waste removal for closure, submit to the appropriate NMOCD 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: Huntington Energy, L.L.C. OGRID #: 208706
Address: 908 N.W. 71st St., Oklahoma City, OK 73116
Facility or well name: Hubbard #1
API Number: _____ OCD Permit Number: _____
U/L or Qtr/Qtr D Section 26 Township 14S Range 38E County: Lea
Center of Proposed Design: Latitude 33.08172N Longitude -103.07398W 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 19.15.16.8 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: Gandy-Marley Disposal Facility Permit Number: NM-01-000019
Disposal Facility Name: CRI Disposal Facility Permit Number: NM-01-0006
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): Catherine Smith Title: Regulatory
Signature: Catherine Smith Date: 10/25/2013
e-mail address: csmith@huntingtonenergy.com Telephone: 405-840-9876

OCT 30 2013

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

Closed Loop System Plan: P&A

In accordance with Rule 19.15.17 NMAC, the following plan describes the general Design, Operating and Maintenance, and Closure of the proposed Closed-Loop system for this well.

Closed-Loop Design Plan:

The Closed-Loop System will consist of one or more temporary above-ground steel tank(s) or waste pit(s) suitable for holding all cuttings and fluids circulated from the well during the planned rig operations. The tank(s) will be of sufficient volume to maintain a safe free-board between disposal of liquids and solids from rig operations. Design considerations include:

1. Closed-Loop System will not use a drying pad, temporary pit, below-grade tank or sump.
2. Fencing is not required for an above-ground closed-loop system.
3. It will be signed in compliance with 19.15.3.103 NMAC.
4. Frac tank will be on location to store fresh or KCl water.
5. Tanks will be placed on the active and disturbed areas of the well location.

Closed-Loop Operation and Maintenance Plan:

The Closed-Loop System will be operated and maintained; to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. The following steps will be followed to ensure protection:

1. The liquids in the steel tank(s) will be vacuumed out and disposed of at one of the following facilities: Gandy-Marley Disposal (Permit: NM-01-00019) or CRI Disposal (NM-01-0006).
2. Solids in the Closed-Loop tank will be vacuumed out and disposed of at one of the following facilities: Gandy-Marley Disposal (Permit: NM-01-00019) or CRI Disposal (NM-01-0006).
3. No hazardous wastes, miscellaneous solid wastes or debris will be discharged into or stored in the tank(s). Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank(s).
4. The District Office will be notified within 48 hours of discovery of compromised integrity (a spill over 5 bbls) of the Closed-loop System. The repairs will be taken care of immediately.
5. Operations will be inspected daily during rig operations.

Closed-Loop Closure Plan:

The Closed-loop System will be closed in accordance with 19.15.17.13. The following is the closure plan:

1. All remaining liquids will be transported for disposal at one of the following: Gandy-Marley Disposal (Permit: NM-01-00019) or CRI Disposal (NM-01-0006) after rig activities.
2. All remaining sludge & cuttings will be transported to one of the following: Gandy-Marley Disposal (Permit: NM-01-00019) or CRI Disposal (NM-01-0006) after rig activities.
3. Tank(s) will be removed from the location after rig activities have been completed.
4. The site will be reclaimed and re-vegetated to pre-existing conditions when possible at time of well abandonment. Reseeding and mix will be in compliance with the approved permitted stipulations.