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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 indentify 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 IncDisposal Facility Permit Number:NM-01-0019 Disposal Facility Name:CRIDisposal 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: Side Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Signature:Greg Bryant Title:P&A Tech		Little Little			
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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 G 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):Greg Bryant Title:P&A Tech Signature: Date:3/8/13 e-mail address: greg.bryant@basicenergyservices.com Telephone:(432) 563-3355	Disposal Facility Name:Gandy-Marley Inc	Disposal Facility Per	mit Number:NM-01-0019		
□ 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 G of 19.15.17.13 NMAC ☑ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC ③ 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): Greg Bryant Title: P&A Tech Signature: J8/13 e-mail address: greg.bryant@basicenergyservices.com Telephone: (432) 563-3355	Disposal Facility Name:CRI	Disposal Facility Per	rmit Number:NM-01-0006		
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e-mail address:greg.bryant@basicenergyservices.com Telephone:(432) 563-3355					
e-mail address:greg.bryant@basicenergyservices.com Telephone:(432) 563-3355	Signature:	Date:	3/8/13		
Form C-144 CLEZ Oil Conservation Division Page 1 of 2			(432) 563-5355 Page 1 of 2		

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. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> 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 <i>will not</i> 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 op Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	perations:	
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):		
Signature:	Date:	
e-mail address:	Telephone:	

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I. Design Plan

Above ground steel tanks will be used for the management of all plugging fluids.

II. Operations and Maintenance Plan

Basic Energy will operate and maintain all of the above ground steel tanks involved in plugging operations in a prudent manner to prevent any spills. If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. During an upset condition the source of the spill is isolated and addressed as soon as it is discovered. Free liquids will be removed and loose topsoil will be used to stabilize the spill. The contaminated soil will be either bioremediated or excavated and taken to an agency approved disposal facility.

III. Closure Plan

All plugging fluids will go to above ground steel tanks and will be hauled by various trucking companies to an agency approved disposal facility.

Impacted areas which will not be used for future service or operations will be reclaimed and reseeded as stated in the APD.

Nearburg Producing Company Huber Fed #1 Unit J, Section 03, T20S, R25E Eddy County, New Mexico API# 30-015-23958

Equipment & Design:

Basic Energy Services will used a closed loop system in the plug and abandonment of this well. The following equipment will be on location:

(1) 250 bbl steel reverse tank

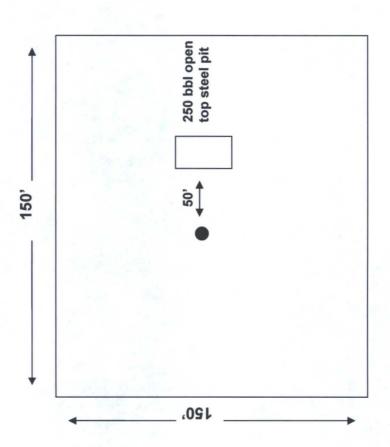
Operations & Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor the release that may occur. Should a release, spill or leak occur, the NMOCD District 1 office in Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.

Closure:

After plugging operations, fluids and solids will be hauled and disposed at Gandy-Marley Disposal's location, permit number NM 01-0019. Secondary site will be CRI Disposal, permit number NM 01-0006. Nearburg Producing Company Huber Fed #1 Unit J, Section 03, T20S, R25E Eddy County, New Mexico API# 30-015-23958

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All distances approximate Not to scale