Conditions of Approval (if any):

Bridges State #35 Plug & Abandon Cont'd.

- 12/24/08 Mixed & sqzd 50 sacks of Class C, 2% calcium cmt into perfs @ 2,500'. Pressed up to 1,000 psig & SWI. SDF holidays.
- POOH w/19 jts 2-3/8" WS tbg, LD 51 jts of 2-3/8" tbg, & pkr. RU Wireline equip. RIH w/WL & perforated (4 sqzd hole) @ 875'. RIH w/7" pkr & 19 jts of 2-3/8" WS tbg. Attempted to set pkr @ 575'. POOH w/2-3/8" tbg. LD pkr.
- RIH w/7" prk & 18 jts of 2-3/8" WS tbg. Set pkr @ 549'. Mixed & spotted 50 sacks of class C, 2% calcium cmt. POOH w/2-3/8" tbg & LD. pkr. RIH w/21 jts of 2-3/8" WS tbg & tag cmt @ 690'. POOH LD w/21 jts of 2-3/8" WS tbg. RU wireline equip. RIH w/WL & perforated (4 sqzd hole) @ 60'. POOH w/WL & perforating gun. RD WL equip. Mixed & circ 25 sacks of class C, 2% calcium cmt. ND BOP. RDMO P&A PU. Called NMOCD. Waiting on Dry Hole marker to be built.

District I 1625 N. French Dr., House 1847 1119

1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

District II

District IV

1301 W. Grand Aven District III

State of New Mexico Energy Minerals and Natural Resources

Department

Oil Conservation Division

DEC 0 5 700d1220 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 and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

fem Permit or Closure Plan Application

steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: X Permit X 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 re	esponsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.	
Operator: YTO Energy Inc.	OGRID #:005380	
Address 200 N. Loraine, Ste. 800 Midland, TX	79705	
API Number:30-025-02125	OCD Permit Number: P1-00784	
	TownshipT-17SRangeR-34E County:Lea	
Center of Proposed Design: Latitude		
Surface Owner: Federal X State Private Tribal Trust or Indian Allotment		
X 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) X P&A X 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 X 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. X Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC X Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC X 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 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: CRI Disposal Facility Permit Number: NM-01-0006		
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) X 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): / Kristy Ward	Title: Regulatory Analyst	
Signature: Kristy Ward	Date:November 25, 2008	
e-mail address: kristy_ward@xtoenergy.com	Telephone:432-620-6740	

OCD Approval: Permit Application (including closure plan) Closure P	lan (only) Approval Date: DEC 1 5 2008	
OCD Representative Signature: Amy M. A.	Approval Date: DEO 10 2000	
Title:OC DISTRICT SUPERVISOR/GENERAL MANAGES	OCD Permit Number: P1-00784	
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: 12-31-08		
Olosure 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: NM - 01 - 000 G		
Disposal Lacinty Mattic.	•	
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 belief. I also certify that the closure complies with all applicable closure requirer Name (Print): Signature: Wash - Ward x tecnergy . com	report is true, accurate and complete to the best of my knowledge and ments and conditions specified in the approved closure plan. Title: Regulatory bralest Date: 1-5-09 Telephone: 432-620-6740	

KKZ.



Closure Report

Solids and Fluids were removed from steel tanks and hauled off by trucking companies and taken to.

Disposal Facility Name: CRI

Disposal Facility Permit Number: NM-01-0006