

District I
1625 M. 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

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 and propose to implement waste removal for closure, submit to the appropriate NMOC 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: Marshall & Winston, Inc. OGRID #: 14187
Address: P. O. Box 50880, Midland, TX 79710-0880
Facility or well name: Medlin Federal Com 18-24
API Number: 30-005-29079 OCD Permit Number: P1-00937
U/L or Qtr/Qtr M Section 8 Township 15S Range 31E County: Chaves
Center of Proposed Design: Latitude 33.024842°N Longitude 103.851099°W 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 19.15.3.103 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 Disposal Facility Permit Number: R-3221 NM-DI-DD06
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): Gabe Herrera Title: Engineer

Signature: [Signature] Date: 01/07/09

e-mail address: gherrera@mar-win.com Telephone: 432-684-6373

BLM: Pending approval by OCD, Artesia

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

OCD Representative Signature: _____

Approval Date: _____

Title: _____

Geologist

OCD Permit Number: _____

02/25/09
DL-00037

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 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

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: _____

POTENTIAL HAZARDS:

No abnormal pressures or temperatures are anticipated. (BHP 4000 psi, BHT 175 deg)
The area has a potential for H2S and the following measures will be taken:

- all personnel will be H2S trained and qualified
- H2S alarms and detection systems will be utilized
- A windsock will be visible at all times
- Flags or warning signs will be visible for road traffic

Indian Fire and Safety, 3317 N.W. Country Rd., Hobbs, NM will deliver the onsite H2S Safety Packet prior to drilling below the 9 5/8" casing shoe. A H2S Contingency Plan will be submitted and delivered to the rig at that time and will conform to the NMOCD and Onshore Order regulations.

COMPANY PERSONNEL:

Otis Holt (Wellsite Supervisor) 325-206-1528 (c)

Gabe Herrera (Marshall & Winston – Engineer) 432-684-6373 (o)
432-260-8650 (c)

Tom Brandt (Marshall & Winston – Operations) 432-684-6373 (o)
432-553-9747 (c)

George Watters (Marshall & Winston – Geologist) 432-684-6373 (o)
432-631-2051 (c)

Marshall & Winston, Inc.
P.O. Box 50880
Midland, Tx. 79710-0880

432-684-6373 Office
432-687-2684 Fax

DIRECTIONS TO LOCATION:

From Maljamar take HWY 249 NW for 1 mile then turn left on HWY 249 going North. Go North for about 10 miles to the HWY 249 and HWY 172 junction. Turn left on HWY 249 going West towards Roswell. Go west about 3 miles and turn right on lease road. Go north on lease road for about ¾ of a mile and location is on your left hand side. SEE Exhibit C.