APR 3 0 2009 District I
1625 N. French Dr., Hobbs, NM 88240 Energy Minerals and Natural Resources
District II District II
1301 W. Grand Avenue, Artesia, NM 88210 MAY 18 2009 Oil Conservation Division

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 OBBSOCD1220 South St. Francis Dr.

1. 30 - 5 6 45

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.

Closed-Loop System Permit or Closure Plan Application

Santa Fe, NM 87505

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

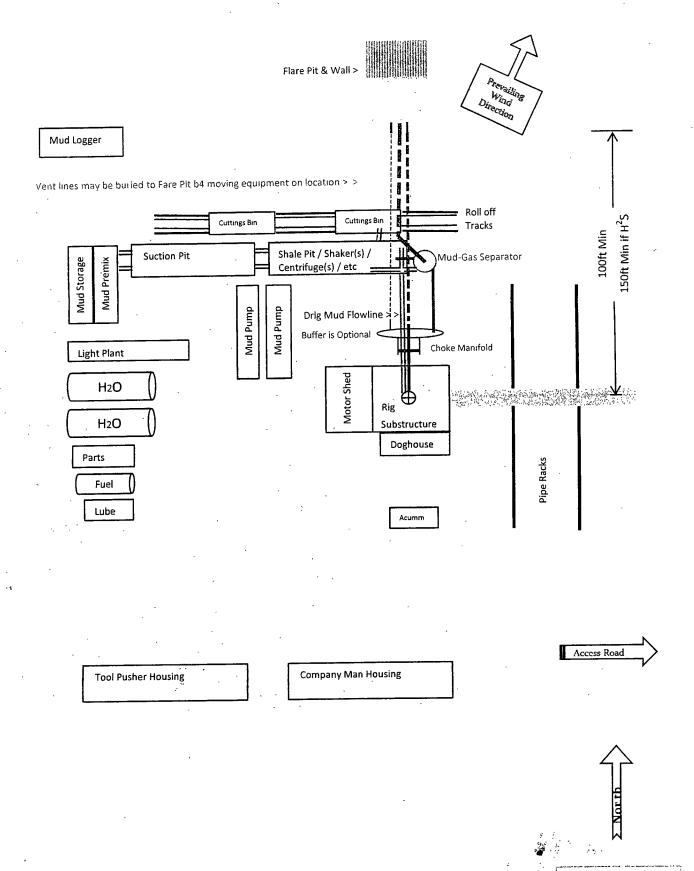
Type of action: X Permit Closure

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.

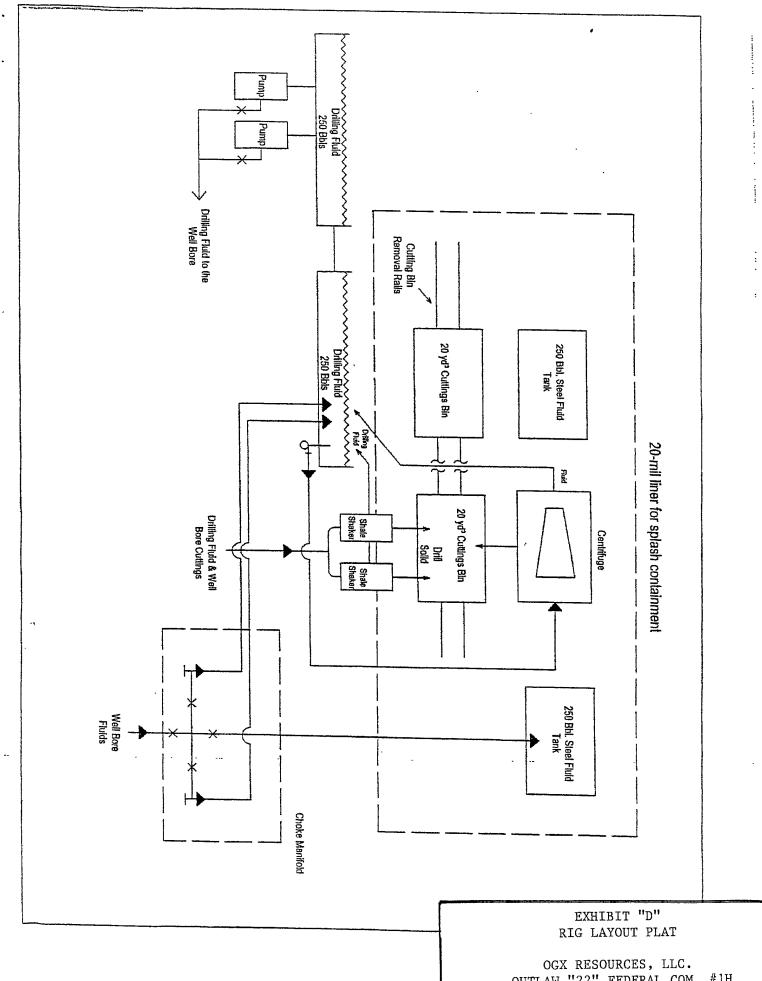
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances. Operator: Resources LLC . Address: P.O. Box 2064, Midland TX 79702 Facility or well name: ____Outlaw "22" Fed Com #1H API Number: OCD Permit Number: U/L or Qtr/Qtr B Section 22 Township 20S Range 33E County: Lea NM Center of Proposed Design: Latitude ____32° 33',50.24"N _____ Longitude ____103°38',54.41"W _____ NAD: ___1927. ___ 1983 Surface Owner: X Federal 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) 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 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 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 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. NM-D1-0006 Disposal Facility Name: __Controlled Recovery Inc. (CRI) ____ Disposal Facility Permit Number: __ 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 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): ____Engineering Manager__ Signature: Date: 16 Apr. 2009 e-mail address: jeff@ogxresources.com Telephone: Form C-148 CLEZ Oil Conservation Division Page 1 of 2

OCD Approval: Permit Application (including closure plan) - Closure Plan (only)	
OCD Representative Signature:	Approval Date: 1 10/20/09
Title: Geologist	OCD Permit Number: P1 - D1413
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 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	
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:

v,



Generic Drill Site Layout



OGX RESOURCES, LLC.

OUTLAW "22" FEDERAL COM. #1H

UNIT "B" SECTION 22

T20S-R33E LEA CO. NM

OGX Resources, LLC Closed Loop System

Turquoise 30 Fed SWD, Well #1 1930'FNL & 1980' FWL Section 30-T24S-R32E Lea County, New Mexico

Equipment Design Plan

Closed Loop System will consist of:

- 1 (minimum) Double panel shaker with rig inventory
- 1 (minimum) Centrifuge, certain wells and flow rates may require 2 centrifuges
- 1 minimum centrifugal pump to transfer fluids
- 2 (minimum) 500 bbl FW & BW Tanks
- 1 500 bbl watertank with rig inventory
- 1 -tank / bin to catch cement / excess mud returns generated during a cement job
- 1 Set of rail cars / catch bins

Operation Plan

All equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly.

Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

Closure Plan

While drilling all cuttings and fluids associated with drilling will be hauled off and disposed of via Control Recovery Incorporated facilities Permit R-9166.