

RECEIVED

District I  
1625 N. 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

State of New Mexico  
Energy Minerals and Natural Resources

JAN 17 2010

Form C-144 CLEZ  
July 21, 2008

Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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: H.L. Brown Operating, LLC. OGRID #: 213179  
 Address: 300 W. Louisiana  
 Facility or well name: Federal 27 No. 6  
 API Number: 30-041-20937 OCD Permit Number: P1-D1029  
 U/L or Qtr/Qtr F Section 27 Township 7-S Range 37-E County: Roosevelt  
 Center of Proposed Design: Latitude N 33° 40' 56" Longitude W 103° 08' 38.5" 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: Gandy Marley Disposal Facility Permit Number: NM-D1-0019  
 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): CARLTON WHEELER Title: Operations Manager  
 Signature: Carlton Wheeler Date: 9-24-08  
 e-mail address: ccw@hlboperating.com Telephone: (432) 683-5216

7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only) 8005 8 5 7 JAN 19 2010  
OCD Representative Signature: Carly W. Hill Approval Date: \_\_\_\_\_  
Title: DISTRICT SUPERVISOR OCD Permit Number: PI-01029

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.* Per CW  
☒ Closure Completion Date: 12/16/09

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: Sandy Marley Disposal Facility Permit Number: NM-01-0019  
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): CARLTON WHEELER Title: Operations Manager  
Signature: Carlton Wheeler Date: 1-07-10  
e-mail address: cw@hloperating.com Telephone: 432 683 5216

NORTH

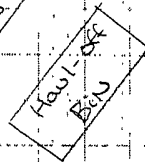
H.L. Brown Operating  
Federal 27 No. 6  
Sec 27 T-7-S R-37-E  
Roosevelt Co. NM

LEASE ROAD

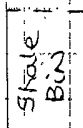
Top soil stockpile



Frac Tanks  
(Mud storage)  
(Brine Water)

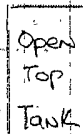


Centrifuge



Dry cuttings

Solids settling  
TANK



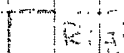
Cement returns

Steel Mud Pits

Premix Mud  
TANK

PUMP  
#1

PUMP  
#2



150'

Rig Water

Generators

125'

LEASE ROAD

# H L Brown - Federal 27 No.6

Unit F Sec 27, T-7-S, R-37-E

Roosevelt County, NM

## **Operating and Maintenance Plan**

1. Closed loop system will be constructed to contain liquids and dry solids on location. Liquids will be hauled to public disposal. Solids will be hauled to Gandy Marley in Roswell. A centrifuge will be used to “dry” cuttings, then dumped in the shale pit for removal by loader to haul-off bins.
2. A 6” berm will be constructed on north and west sides of location to prevent surface runoff from coming on location. Topsoil will be stockpiled on west side of location in the event the well is a dry hole.
3. A sign will be posted in compliance with 19.15.3.103 NMAC.
4. Fencing will not be required.
5. Netting will not be required.

H L Brown - Federal 27 No.6

Unit F Sec 27, T-7-S, R-37-E

Roosevelt County, NM

**Closure Plan**

1. Closed loop system will be used to contain dry solids on location.  
Solids will be hauled off as needed to Gandy Marley.
2. At completion of drilling operations, the closed loop equipment and haul-off bins will be removed.
3. Frac tanks will be retained for completion operations.
4. If well is a dry hole, then caliche will be removed and top soil spread on location as per existing agreement with private surface landowner.