State of New Mexico

Form C-144 CLEZ July 21, 2008

District I 1625 N. French Dr., Hobbs, NM 88240 Energy Minerals and Natural Resources District II 1301 W. Grand Avenue, Artesia, NM 88210 03 200 District III
1000 Rio Brazos Road, Azlec, NM-SAOBBSOCD

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

District IV

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)

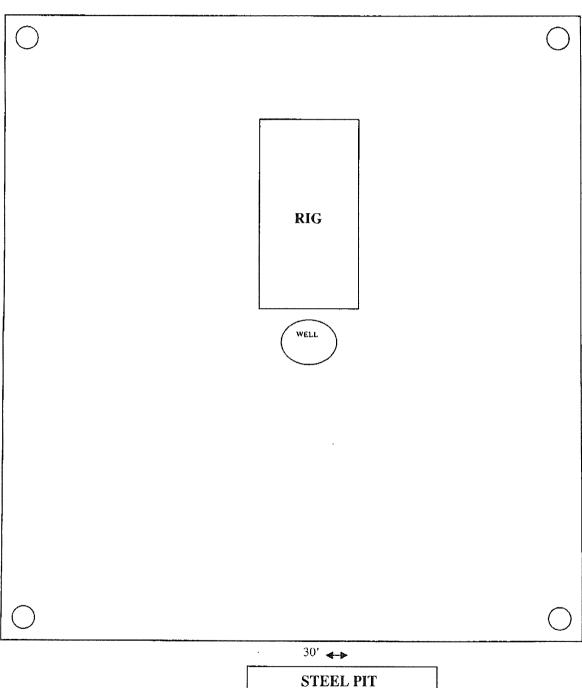
Type of action: Permit Closure

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.

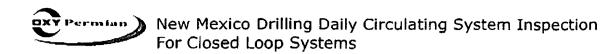
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
1. Operator: OKY USA Inc. OGRID#. 16696 Address: P.O. Box 50250 Milked, TX TG70
Facility or well name: 1 c Manage B Federa 1 #2
API Number: 30-025 - 10335 OCD Permit Number: P1 - 02283
U/L or Qtr/Qtr Section _ 22 _ Township _ 235 _ Range _ 37E _ County: County:
Center of Proposed Design: Latitude 37.28682 Longitude 103.14925 NAD 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
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) 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
☐ 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. 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:
s. <u>Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only</u> : (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: Control Recovery Inc. Disposal Facility Permit Number: NM-OL-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) 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): Vanid Stewart Title: SR. Reg. Analyst
Signature: Date: E310
c-mail address: david Stewart @ 044. com Telephone: 432-685-5717
horse (THICH)

OCD Approval: Permit Application (including closure dan) Closure Plan (only)								
OCD Representative Signature: STAFF MER OCD Permit Number: P1-02283								
Title:STAFF MERE OCD Permit Number: P1-02283								
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:								
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 a two facilities were utilized.	than							
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? \[\subseteq \text{ Yes} (If yes, please demonstrate compliance to the items below) \subseteq \text{ No} \]	Í							
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):								
Signature Date:								
e-mail address: Telephone:								

C-144CLEZ P&A Attachment RIG LAY-OUT



STEEL PIT



Wellname:			Permit #:			Rig Mobe Date:				
County:						Rig Demobe Date:				
Inspection Date	Time	By Whom	Any drips or leaks from contained?* Explain.	n steel tanks,	lines or	pumps not	Has any l disposed	hazardous waste of in system?	been	
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All circulating systems to be inspected DAILY during drilling operations.

Page ____ of _

NM Daily Circulating System Inspection – Closed loop REV 0 8/4/2008

^{*}Any leak of the steel tanks, lines or pumps shall be reported to the NMOCD and repaired within 48 hours.