Paul Kautz

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
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 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: **'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.

1.

Operator: Marshall and Winston Incorporated OGRID #: 014187

Address: P.O. Box 50880, Midland, TX 79710-0880

Facility or well name: CACTUS FEDERAL # 25 1H

API Number: 30-005- 29176 OCD Permit Number: P1-02913

U/L or Qtr/Qtr SHL = D, BHL = A Section 25 Township 15 S Range 31 E County: CHAVES

Center of Proposed Design: Latitude 33.992285'N Longitude 103.782120' W NAD: **'X' 1983**

Surface Owner: ☐ Federal ☐ State **'X' Private** ☐ Tribal Trust or Indian Allotment

2.

'X' Closed-loop System: Subsection H of 19.15.17.11 NMAC

Operation: **'X' Drilling a new well** ☐ Workover or Drilling (Applies to activities which require prior approval of permit or notice of intent) ☐ P&A

'X' Above Ground Steel Tanks and 'X' Haul-off Bins

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JAN 28 2011
HOBBSOCD

3.

Signs: Subsection C of 19.15.17.11 NMAC

'X' 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

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

'X' Previously Approved Design (attach copy of design) API Number: 30-005-29113

'X' Previously Approved Operating and Maintenance Plan API Number: 30-025-29113

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 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: Gandy- Marley, Route 45 Crossroads, NM Disposal Facility Permit Number: NM711-1-0020

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

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): Vernon D. Dyer Title: Agent (i.e. for Marshall and Winston Incorporated)

Signature: Date:

e-mail address: vdyeroil@cableone.com Telephone: (575) 420 – 0355

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

OCD Representative Signature: _____ **Approval Date:** 2-17-2011

Title: _____ **OCD Permit Number:** P1-02913

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 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

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: _____

C-144 Attachment
Closed Loop System Maintenance Summary
NMOCD Rule 19.15.17 NMAC
District I, NMOCD,
Hobbs, NM, Ph: 1-(575) 393-6161

Operator and Well:

Marshall and Winston Incorporated
Cactus Federal # 25-1H
Section 25, T.15 S., R. 31. E
Chaves County, NM

Equipment:

The anticipated equipment shall consist of:
Above Ground steel tanks and or Roll-off steel tanks.
Dual motion shale shakers, solid removal centrifuges, gas separator, one 500 bbl fresh water and one 500 bbl brine water frac tanks. The closed loop mud system shall follow the guidance of regulations NM 19.15.17.11 NMAC.

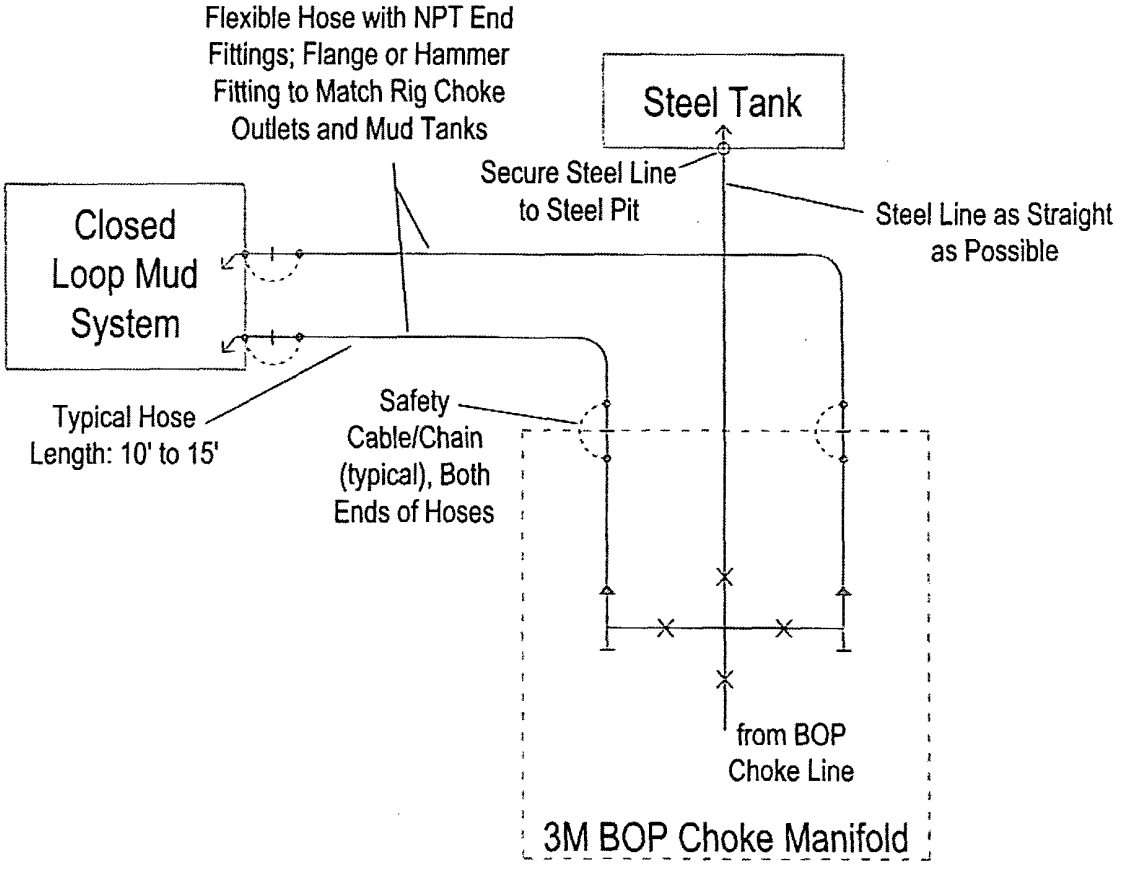
Maintenance:

The drilling crew will inspect the closed loop circulating system at least once during each tour. Inspections or maintenance shall be entered into the driller's log. Any release of spill discovered will be reported to the NMOCD at (575) 393-6161 within 24 hours in accordance to NMOCD Rule 19.15.29 NMAC.

Closure:

All circulating fluids and cuttings deemed for disposal shall be transported to one of the following state permitted waste disposal sites to be determined:

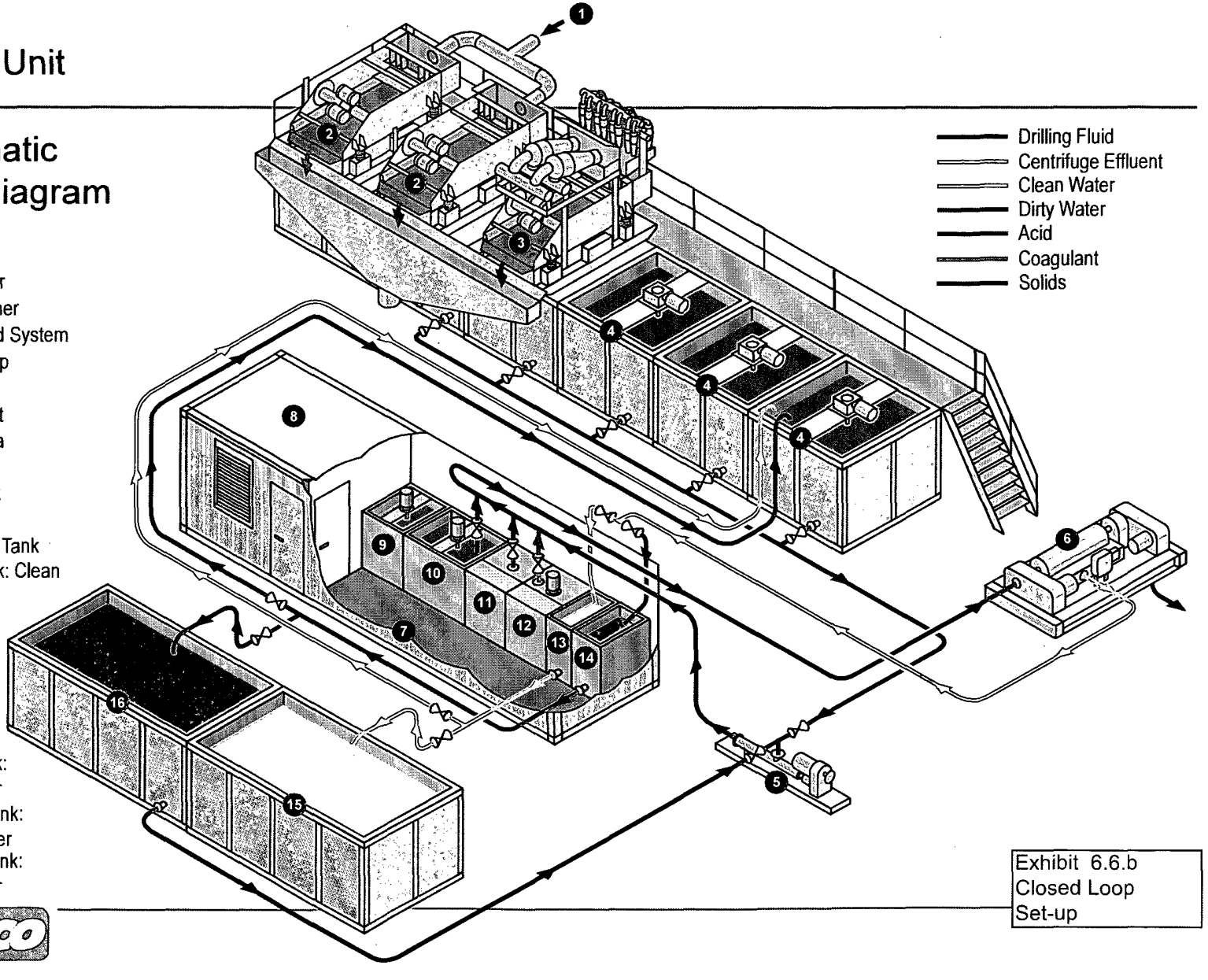
1) **Gandy Marley Inc., waste disposal site, Route 45 Crossroads, Hwy 380, permit no. NM 711-01-020, EPID 0001002484.**
2) **Alternative disposal sites are Sundance Services, waste disposal site, located three miles east of Eunice, NM permit no. NM-01-0003.**
3) **Control Recovery Inc. waste disposal site, Halfway, Hwy 62, permit no. NM-01-0006.**



Standard Closed Loop Mud System

Enviro Unit

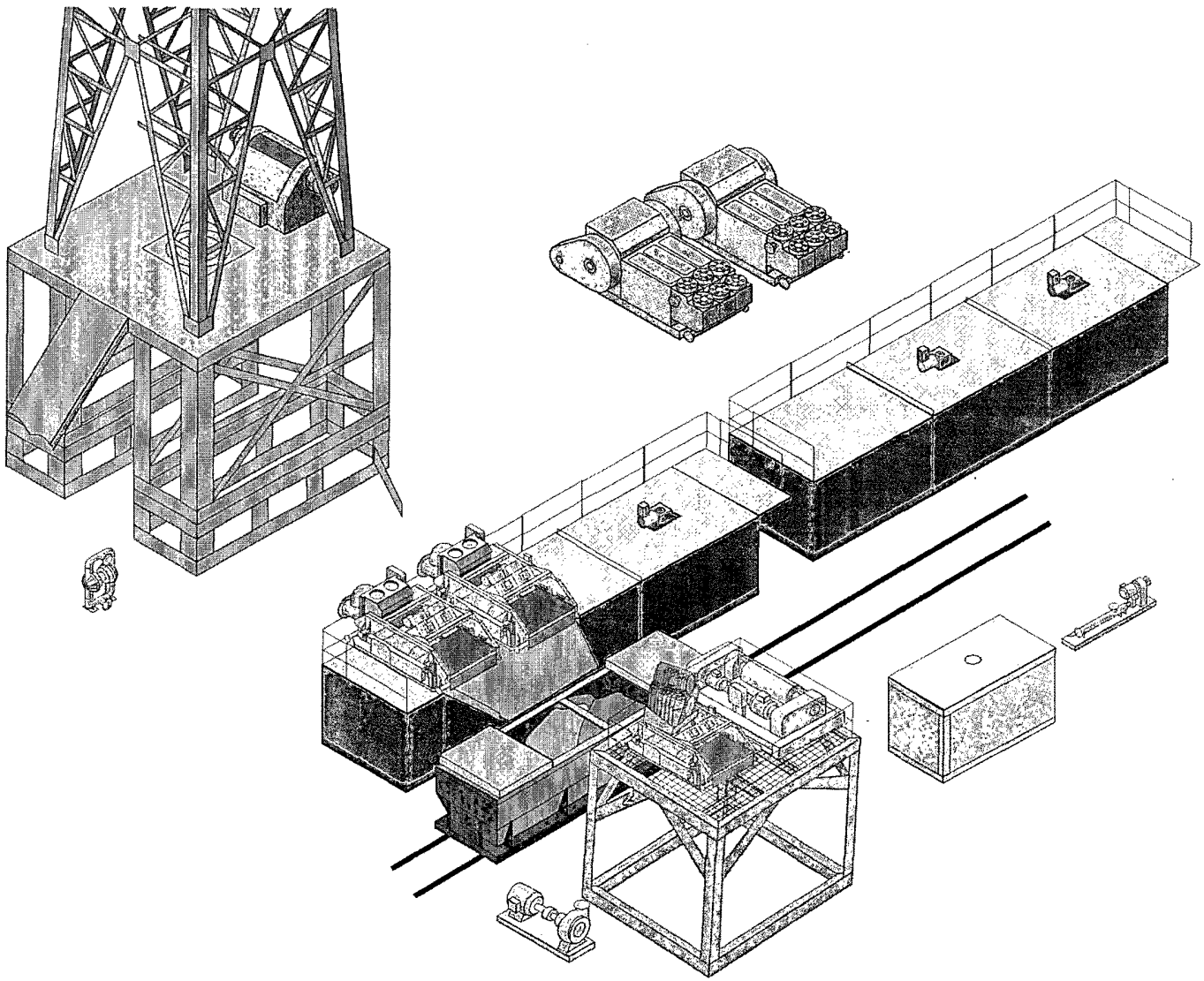
Schematic Flow Diagram



1. Flow Line
2. Rig Shaker
3. Mud Cleaner
4. Active Mud System
5. Feed Pump
6. Centrifuge
7. Enviro Unit
8. Living Area
9. Mix Tank
10. Store Tank
11. Acid Tank
12. Coagulant Tank
13. Catch Tank: Clean Water
14. Catch Tank: Dirty Water
15. Storage Tank: Clean Water
16. Storage Tank: Dirty Water

SWACO

Exhibit 6.6.b
Closed Loop
Set-up



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