

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 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: WPX Energy Production, LLC OGRID #: 120782  
Address: PO Box 640 / 721 S Main Aztec, NM 87410  
Facility or well name: Schalk 32 #001B  
API Number: 30-039-31109 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr A Section 32 Township 31N Range 4W County: Rio Arriba  
Center of Proposed Design: Latitude 36.86086N Longitude -107.27266W 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

**OIL CONS. DIV DIST. 3**

**FEB 27 2013**

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: See attached CLP 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) ☒ 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): Ben Mitchell Title: Regulatory Specialist  
Signature: [Signature] Date: 2/27/2013  
e-mail address: ben.mitchell@wpxenergy.com.com Telephone: 505-333-1806

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

OCD Representative Signature: \_\_\_\_\_

Approval Date: \_\_\_\_\_

Title: Compliance Officer OCD Permit Number: \_\_\_\_\_

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: \_\_\_\_\_

**WPX Energy Production Co., LLC**  
**San Juan Basin: New Mexico Assets**  
Closed-Loop System Plan: Drilling/Completion/P&A

In accordance with Rule 19.15.17 NMAC, the following plan describes the general Design & Construction, Operation & Maintenance, and Closure of Closed-Loop systems on WPX locations in the San Juan Basin of New Mexico.

**Closed-Loop Design Plan:**

The Closed-Loops System will consist of one or more temporary above-ground tank(s) suitable for holding the cuttings and fluids for rig operations and the planned workover activities. The tank(s) will be of sufficient volume to maintain a safe free-board between disposal of the liquids and solids from rig operations. Additional design considerations include:

1. The Closed-loop System used by WPX will not entail a drying pad, temporary pit, below-grade tank or sump.
2. Fencing is not required for an above-ground closed-loop system.
3. It will be signed in compliance with 19.15.3.103 NMAC
4. A frac tank will be on location to store water.
5. Tanks will be placed on the active and disturbed areas of the well location and within the existing ROW footprint.

**Closed-Loop Operations/Maintenance Plan:**

The Closed-Loops System will be operated and maintained: to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. The following steps will be followed to attain this goal:

1. The liquids will be vacuumed out and disposed of at one of the following facilities depending on the proximity of the well and available disposal volumes Rosa Unit SWD #1 (Order: SWD-916, API:30-039-27055), Jillson Fed. SWD #001 (Order: R10168/R10168A, API: 30-039-25465), Middle Mesa SWD #001 (Order: SWD-350-0, API: 30-045-27004) and/or Basin Disposal (Permit: NM-01-0005). SWD #002 (Order: SWD-1236, API: 30-039-30812).
2. Solids in the Closed-Loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM-01-0011) on a periodic basis to prevent over topping.
3. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank(s). Only fluids or cutting intrinsic to, used or generated by rig operations will be placed or stored in the tank(s).
4. The Division District office will be notified within 48 hours of the discovery of compromised integrity of the Closed-Loop System. Upon discovery of the compromised tank, repairs will be enacted immediately.
5. All of the above operations will be inspected and a log will be signed and dated. During rig operations the inspection will be daily.

**Closed-Loop Closure Plan:**

The Closed-Loops System will be closed in accordance with 19.15.17.13. This will be done by:

1. Transporting cuttings and all remaining sludge to Envirotech (Permit Number NM-01-0011) following rig operations.
6. Transport for disposal All remaining liquids will be of in one of the following facilities depending on the proximity of the well and available disposal volumes Rosa Unit SWD #1 (Order: SWD-916, API:30-039-27055), Jillson Fed. SWD #001 (Order: R10168/R10168A, API: 30-039-25465), Middle Mesa SWD #001 (Order: SWD-350-0, API: 30-045-27004) and/or Basin Disposal (Permit: NM-01-0005). SWD #002 (Order: SWD-1236, API: 30-039-30812).
2. Removal of the tank(s) from the well location as part of the rig move.
3. At time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible, or as stipulated by the landowner in a surface use agreement.

## Kelly, Jonathan, EMNRD

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**From:** Kelly, Jonathan, EMNRD  
**Sent:** Wednesday, June 17, 2015 7:52 AM  
**To:** 'Jaramillo, Marie'  
**Cc:** Powell, Brandon, EMNRD; Smith, Cory, EMNRD; Brunk, Andrew; Felix, Andrea; Granillo, Lacey  
**Subject:** RE: Schalk 32 - 1H\_Pit Cuttings

Marie,

This is allowed by Rule, please be aware that the closure time frame will start with the release of the first drilling rig that is using the pit. Also, based on the length since the pit's original approval, please review the existing pit permit in its entirety for the 4H to ensure WPX is in compliance the permit.

Jonathan D. Kelly  
Compliance Officer  
Oil Conservation Division  
Energy, Minerals, & Natural Resources  
1000 Rio Brazos, Aztec, NM 87410  
(505)334-6178 ext 122  
[jonathan.kelly@state.nm.us](mailto:jonathan.kelly@state.nm.us)

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**From:** Jaramillo, Marie [<mailto:Marie.Jaramillo@wpxenergy.com>]  
**Sent:** Tuesday, June 16, 2015 4:15 PM  
**To:** Kelly, Jonathan, EMNRD  
**Cc:** Powell, Brandon, EMNRD; Smith, Cory, EMNRD; Brunk, Andrew; Felix, Andrea; Granillo, Lacey  
**Subject:** Schalk 32 - 1H\_Pit Cuttings  
**Importance:** High

Jonathan,

The Schalk 32-1H had a Closed Loop C-144 filed on 2/27/2013 and approved on 2/27/2013. The Schalk 32-4H had a Pit C-144 filed on 5/1/2012 and Approved.

WPX is requesting a verbal approval to dispose of the cuttings from the Schalk 32-1H into the Pit of the Schalk 32-4H per our phone conversation.

Thanks,

*Marie Jaramillo*

Permit Tech III  
WPX Energy  
Office: 505-333-1808  
Fax: 505-333-1814

marie.jaramillo@wpxenergy.com

**WPXENERGY.**

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