

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: 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: PALADIN ENERGY CORP OGRID # AG470 164070
Address: 10290 Monroe Dr., Suite 301, Dallas, Texas 75229
Facility or well name: W E Mathers A #1
API Number: 30-025-01047 OCD Permit Number: PI-02448
U/L or Qtr/Qtr B Section 3 Township T12S Range R33E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ 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 Paladin Energy Corp., Bagley SWD #4 Well Disposal Facility Permit Number: API # 30-025-010105

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): David Plaisance Title V.P. Exploration & Production

Signature: [Signature] Date: 9/15/2010

e-mail address: aplaisance@paladinenergy.com Telephone: 214-654-0132 ext 3

7
OCD Approval: Permit Application (including closure plan) Closure Plan (only)
 OCD Representative Signature: _____ Approval Date: 9-16-10
 Title: STAFF MEMBER OCD Permit Number: PI-02448

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: _____

1-500 bbl haul off tank for brine water

(No cuttings in this operation)

OPERATION AND MAINTENANCE

System will be maintained during operating hours by control personnel that will stay on location.

Any and all leaks will be repaired and/or contained immediately.

OCD will be notified within 48 hours of remediation started if spill or leak occurs.

Will adhere to Rule 116.

CLOSURE PLAN

During and following completion of Plugback Operations all fluids will be hauled off by Closed Loop Specialist.

GROUNDWATER

Per OCD and State Engineer data, the groundwater occurs at a depth of 40' to 60'.

CLOSED-LOOP SYSTEM FOR PLUG BACK, RE-COMPLETION, P&A, T&A OPERATIONS
DESIGN AND CONSTRUCTION
(NO CUTTINGS IN THIS OPERATION)

500 BBL STORAGE HAUL OFF TANK



PUMPS & EQUIPMENT NEEDED FOR CLOSED
LOOP SYSTEM

250 BBL FRESH/BRINE WATER
STORAGE

