

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87401  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

FEB 11 2013

RECEIVED

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  
Revised August 1, 2011

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: RMR operating LLC OGRID #: 281085 ✓  
 Address: 2515 McKinney Ave. Ste 400 Dallas TX 75201  
 Facility or well name: Madera 25 Federal #1 ✓  
 API Number: 30 025 29808 ✓ OCD Permit Number: P1-05752  
 U/L or Qtr/Qtr J Section 25 Township 26S Range 34E County: Lea County ✓  
 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 19.15.16.8 NMAC

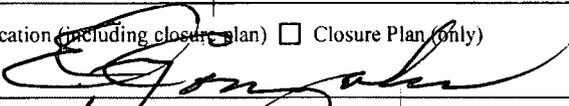
4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
 Design Plan - based upon the appropriate 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: R360 Disposal Facility Permit Number: NM-01-0006  
 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 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): Tommy W. Folson Title: Exec VP & Director of ESP  
 Signature: [Signature] Date: 2/11/2013  
 e-mail address: tommy@redmountainresources.com Telephone: 214 871 0400

P.M.

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

OCD Representative Signature:  Approval Date: 2-11-2013

Title: Dist. Mgr. OCD Permit Number: PL-05752

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: \_\_\_\_\_



RMR Operating, LLC  
Madera 25 Federal #1  
Sec.25, T-26S, R-34E  
1980' FSL & 1980' FEL  
Lea County, NM

API # 30-025-29808

GL: 3197.6'

Form C-144 CLEZ

**Design Plan:**

A 200 bbl open top steel tank will be rented from Cavalos, and will be used for this job. The tank will be used to circulate water and cement (cement will have sugar added to prevent it from setting up) from well bore into.

A 500 bbl steel frac tank will be set to hold fresh water to circulate into well bore.

**Operating & Maintenance Plan:**

The tanks will be monitored at all times and will be checked daily to ensure no leaks occur in the tank. The tanks will be walked around daily to look for potential leaks.

**Closure Plan:**

The tanks will be emptied of all fluids and the fluid will be disposed at R360.

Tommy W. Folsom

Executive VP and Director of E&P

## Mull, Donna, EMNRD

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**To:** Mauder, Susan B  
**Subject:** RE: Braidenhead and MI Testing  
**Attachments:** BRADENHEAD TEST Rev 1 01 (3).doc

Susan,

We have Revised the Bradenhead form just a little. Please see attached and have your field personal use the revised form.

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**From:** Mauder, Susan B [<mailto:Susan.B.Mauder@conocophillips.com>]  
**Sent:** Monday, February 11, 2013 6:32 AM  
**To:** Mull, Donna, EMNRD  
**Subject:** RE: Braidenhead and MI Testing

Donna,  
Good morning. The production foreman coordinating the testing in the MCA area is Dennis Ross and his phone number is:  
575-391-5595  
I confirmed with Dennis that all tests will be witnessed by a Conoco employee and that information will be noted on the chart/form. If there are any difficulties someone will notify you immediately.  
Regards, Susan

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**From:** Mull, Donna, EMNRD [<mailto:donna.mull@state.nm.us>]  
**Sent:** Monday, February 11, 2013 4:57 AM  
**To:** Mauder, Susan B  
**Subject:** [EXTERNAL]RE: Braidenhead and MI Testing

Susan,

Thanks for letting me know this test information.

Could you get me a name and phone number for the field personal that is running these test?

Thanks, Donna

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**From:** Mauder, Susan B [<mailto:Susan.B.Mauder@conocophillips.com>]  
**Sent:** Friday, February 08, 2013 2:16 PM  
**To:** Mull, Donna, EMNRD  
**Cc:** Tischer, Steve P; Ross, Dennis E.; Savage, Ali (Global Personnel Inc.)  
**Subject:** Braidenhead and MI Testing

Donna,  
I left you a voice message this afternoon to advise you of the testing schedule for MCA unit. Operations will be conducting Braidenhead testing the week of 2/11/13. The Mechanical Integrity Testing will be conducted the week of 2/18/13.

Hope you have a good weekend.  
All the best to you, Susan Mauder