

HOBBS OCD

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 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

MAR 28 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: <u>MATADOR PRODUCTION COMPANY</u> OGRID #: <u>228937</u>	
Address: <u>5400 LBJ FREEWAY, STE. 1500, DALLAS, TX 75240</u>	
Facility or well name: <u>RANGER 12 STATE #1</u>	
API Number: <u>30-025-41091</u>	OCD Permit Number: <u>91-05960</u>
U/L or Qtr/Qtr _____ Section <u>12</u> Township <u>20S</u> Range <u>35E</u> County: <u>LEA</u>	
Center of Proposed Design: Latitude <u>N 32.5821966</u> Longitude <u>W 103.4167280</u> NAD: <input type="checkbox"/> 1927 <input checked="" type="checkbox"/> 1983	
Surface Owner: <input type="checkbox"/> Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment	
2. <input type="checkbox"/> Closed-loop System: Subsection H of 19.15.17.11 NMAC	
Operation: <input checked="" type="checkbox"/> Drilling a new well <input type="checkbox"/> Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) <input type="checkbox"/> P&A	
<input type="checkbox"/> Above Ground Steel Tanks or <input type="checkbox"/> Haul-off Bins	
3. Signs: Subsection C of 19.15.17.11 NMAC	
<input checked="" type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
<input checked="" type="checkbox"/> 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.	
<input checked="" type="checkbox"/> Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC	
<input checked="" type="checkbox"/> Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC	
<input checked="" type="checkbox"/> 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	
<input type="checkbox"/> Previously Approved Design (attach copy of design) API Number: _____	
<input type="checkbox"/> 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: <u>NM-1-106 R360</u>	Disposal Facility Permit Number: <u>R-9166-NM-01-0006</u>
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?	
<input type="checkbox"/> Yes (If yes, please provide the information below) <input checked="" type="checkbox"/> No	
Required for impacted areas which will not be used for future service and operations:	
<input type="checkbox"/> Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
<input type="checkbox"/> Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC	
<input type="checkbox"/> 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): <u>Billy Goodwin</u>	Title: <u>Drilling Manager</u>
Signature: <u>Billy Goodwin</u>	Date: <u>03/28/2013</u>
e-mail address: _____	Telephone: _____

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

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

Approval Date: 08/08/13

Title: Petroleum Engineer

OCD Permit Number: P1-05960

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: \_\_\_\_\_

# MRC Energy Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5200 • Fax 972.371.5201

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## Closed Loop Design Plan

Ranger 12 State #1  
SHL: 660 FSL & FWL  
BHL: 660 FSL & FWL  
Section 12 T20S R35E  
Lea County, New Mexico

MRC will use the below pieces of equipment for our closed loop operations for the well listed above. We will be closed loop for the entire well. MRC will use steel tank pits and boxes for cuttings and disposal, and we will have excess in case any of the pits/boxes leak so that we always have redundancy. The solids control technician will monitor the tanks and equipment around the clock and, in conjunction, the rig crews will monitor the same. If a leak is discovered in one of the pits or boxes, we will transfer the cuttings or liquid to another pit or box, fix the leak or replace it and then remove any contaminated soil, putting it in the cuttings box for proper disposal.

During drilling operations all cuttings, drilling fluids, and disposal will be hauled off via R360 (NM-1-106) under order R-9166 or another approved facility depending on availability.

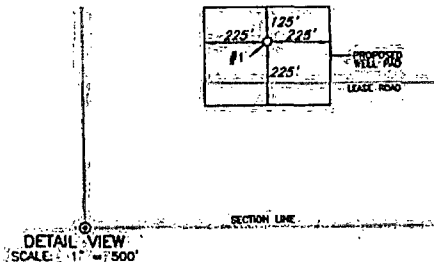
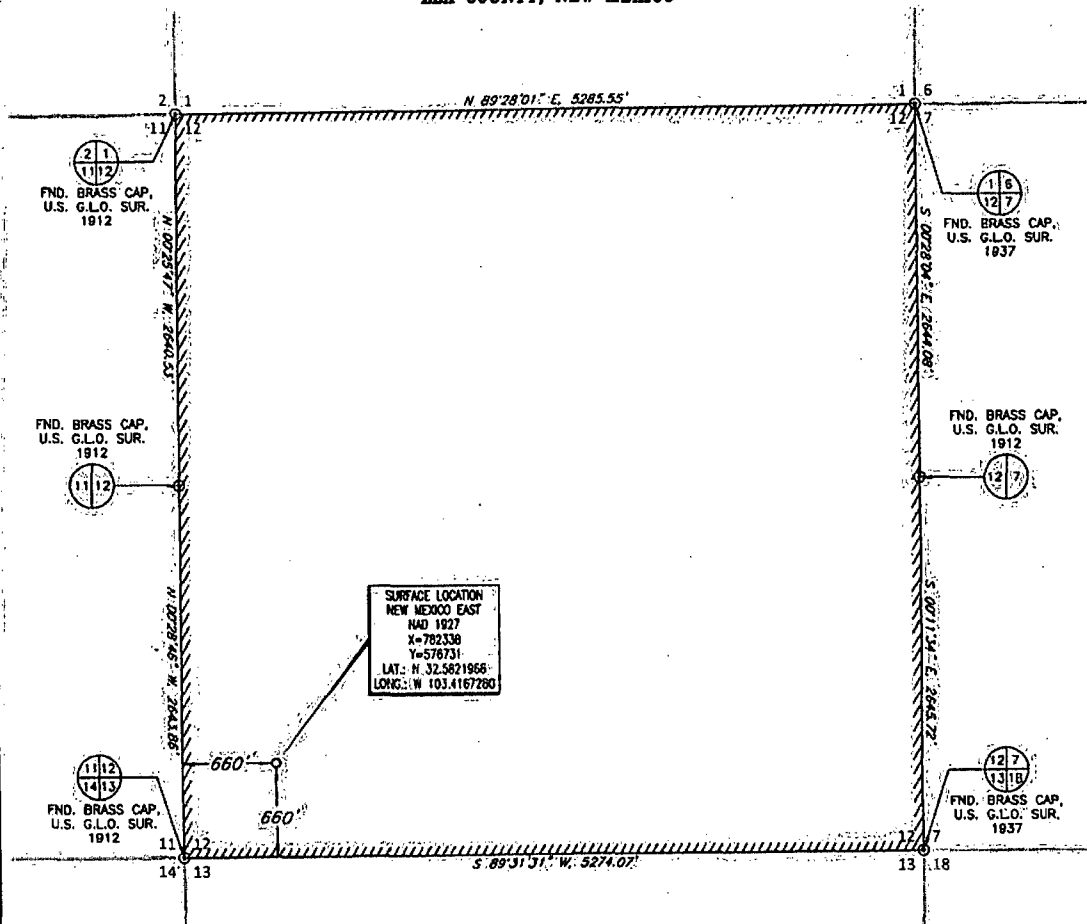
### Equipment List

2 – King Cobra Shale Shakers  
2 – 500 bbl frac tanks,  
1 – CD 500 Centrifuge

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SECTION 12, TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.  
LEA COUNTY, NEW MEXICO



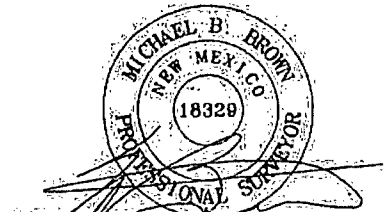
LEASE NAME & WELL NO.: MATADOR RANGER 12 STATE #1

SECTION 12 TWP 20-S RGE 35-E SURVEY N.M.P.M.  
COUNTY LEA STATE NM  
DESCRIPTION 660' FSL & 660' FWL

DISTANCE & DIRECTION FROM INT. OF NM-176 W & NM-207  
GO WEST ON NM-176 W  $\pm 6.4$  MILES, THENCE WEST (LEFT)  
TO STAY ON NM-176 W  $\pm 9.1$  MILES, THENCE NORTH (RIGHT)  
ON CR. 30/PEARSON LN.  $\pm 1.0$  MILE, THENCE NORTHEAST  
(RIGHT) ON PEARSON RD.  $\pm 6.2$  MILES, THENCE NORTH (RIGHT)  
ON LEASE RD.  $\pm 1.7$  MILES, THENCE WEST (LEFT) ON LEASE RD.  
 $\pm 0.1$  MILE TO A POINT  $\pm 145$  FEET SOUTH OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE  
GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST  
ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET  
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE  
GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT  
THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION CO. THIS  
CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE  
FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS  
TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" x 14"



Michael Blake Brown, P.S. No. 18329  
MARCH 4, 2013

**TOPOGRAPHIC**  
SURVEYING • MAPPING • GIS • GPS  
2803 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
TELEPHONE: (432) 682-1853 • FAX (432) 682-1743  
1400 EVERMAN PARKWAY, Ste. 107 • FT. WORTH, TEXAS 76140  
TELEPHONE: (817) 744-7512 • FAX (817) 744-7548  
2225 PERRYTON PARKWAY • PAMPA, TEXAS 79055  
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