District I	HOBBS OCD	State of New Mexico		Form C-144 CL
1625 N. French Dr., Hobbs, NM 8824 District II	o Ene	ergy Minerals and Natural R	esources	July 21, 2
1301 W. Grand Avenue, Artesia, NM District III	882 AUG 0 6 2013	Department Oil Conservation Divis		For closed-loop systems that only use above
1000 Rio Brazos Road, Aztec, NM 87		1220 South St. Francis	ION Dr	ground steel tanks or haul-off bins and propa to implement waste removal for closure, subm to the appropriate NMOCD District Office.
<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM	87505 RECEIVED		<b>Л</b> .	to the appropriate NMOCD District Office.
	B 4 6 5	nks or haul-off bins and propo		ent waste removal for closure)
<u> </u>		ype of action: Permit 🛛	· · · · · · · · · · · · · · · · · · ·	
Instructions: Please submit one a		• •		For any application request other than for a
	•			emoval for closure, please submit a Form C-144.
		operator of liability should operations with any other applicable governmental		on of surface water, ground water or the environment s, regulations or ordinances.
		OCBID #. 28	1004	
		OGRID #: 28	1994	MINO CRIE
		h, Farmington, NM 87401	EO	
Facility or well name: <u>SCHEN</u>	<u>CK ATP #1</u>			
API Number: <u>30-025-12583</u>		OCD Permit Nur	1ber: <u>PI-01</u>	638 01627
		Township <u>16-S</u> Range		-
				NAD: 1927 [] 1983
Surface Owner: 🔲 Federal 🔀 St	ate 🗌 Private 🔲 Triba	l Trust or Indian Allotment		
3.				
Closed-loop System: Subse				
• – –		ing (Applies to activities which re-	quire prior app	proval of a permit or notice of intent) 🔲 P&A
	I Haul-off Bins			
Above Ground Steel Tanks or <u>Signs</u> : Subsection C of 19.15.17 12"x 24", 2" lettering, providi	.11 NMAC	e location, and emergency telephor	ne numbers	
3. Signs: Subsection C of 19.15.17	.11 NMAC ng Operator's name, site	e location, and emergency telephor	ne numbers	
Signs: Subsection C of 19.15.17 ☐ 12"x 24", 2" lettering, providin Signed in compliance with 19. Closed-loop Systems Permit App Instructions: Each of the following Instruction: Design Plan - based upon t	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack he appropriate requirem	Checklist: Subsection B of 19.15 hed to the application. Please indu- tents of 19.15.17.11 NMAC	.17.9 NMAC licate, by a che	eck mark in the box, that the documents are
Signs:       Subsection C of 19.15.17         12"x 24", 2" lettering, providin         Signed in compliance with 19         Signed in compliance with 19         Closed-loop Systems Permit App         Instructions:         Each of the following         Design Plan - based upon t         Operating and Maintenance         Closure Plan (Please comp	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requirem e Plan - based upon the lete Box 5) - based upor	Checklist: Subsection B of 19.15 hed to the application. Please ind tents of 19.15.17.11 NMAC appropriate requirements of 19.15 in the appropriate requirements of	.17.9 NMAC licate, by a che .17.12 NMAC Subsection C c	
Signs: Subsection C of 19.15.17 I 2"x 24", 2" lettering, providin Signed in compliance with 19 Closed-loop Systems Permit App Instructions: Each of the followin attached. Design Plan - based upon t Operating and Maintenance	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack he appropriate requirem e Plan - based upon the lete Box 5) - based upon ch copy of design) Al	Checklist: Subsection B of 19.15 hed to the application. Please ina ents of 19.15.17.11 NMAC appropriate requirements of 19.15 in the appropriate requirements of PI Number:	.17.9 NMAC licate, by a che .17.12 NMAC Subsection C c	
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providin         X       Signed in compliance with 19.         Closed-loop Systems Permit Applications:       Each of the following         Instructions:       Each of the following         Imstructions:       Each of the following         Instructions:       Each of the following         Imstructions:       Each of the following         Imstructions:       Each of the following         Imstructions:       Plan - based upon the following         Imstructions:       Plan - based upon the following         Imstructions:       Plan (Please comp)         Imstructions:       Plan (Please comp)         Imstructions:       Plan (Please comp)         Imstructions:       Plan (Please comp)         Imstructions:       Please indentify the following and the provide (Plan Previous)	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack he appropriate requirem e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Al psed-loop Systems Tha	Checklist: Subsection B of 19.15 hed to the application. Please ina ents of 19.15.17.11 NMAC appropriate requirements of 19.15 n the appropriate requirements of PI Number: PI Number: L Utilize Above Ground Steel Ta	17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         X       Signed in compliance with 19.         Signed in compliance with 19.         Closed-loop Systems Permit Appendice         Instructions:       Each of the following         Design Plan - based upon t         Operating and Maintenance         Closure Plan (Please comp)         Previously Approved Design (attale Previously Approved Operating and Maintenance Operating and Previously Approved Design (attale Previously Approved Operating and Previously Approved Operating approved Previously Appreviously Approved Previously Approved Prev	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requirem e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Ai psed-loop Systems Tha e facility or facilities for	<u>Checklist</u> : Subsection B of 19.15 <i>hed to the application. Please ina</i> nents of 19.15.17.11 NMAC appropriate requirements of 19.15 in the appropriate requirements of PI Number:	17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC off Bins Only: (19.15.17.13.D NMAC) I cuttings. Use attachment if more than two
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         X       Signed in compliance with 19         X       Signed in compliance with 19         Signed in compliance with 19         Closed-loop Systems Permit Appendice         Instructions:       Each of the following         Instructions:       Each of the following         Instructions:       Each of the following         Instructions:       Facing and Maintenance         Image: Design Plan - based upon the previously Approved Design (attace)         Previously Approved Design (attace)         Maste Removal Closure For Closure For Closure Structions:         Please indentify the facilities are required.         Disposal Facility Name:	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requirem e Plan - based upon the lete Box 5) - based upon the copy of design) AI nd Maintenance Plan Al psed-loop Systems Tha e facility or facilities for	Checklist: Subsection B of 19.15 hed to the application. Please ina ents of 19.15.17.11 NMAC appropriate requirements of 19.15 in the appropriate requirements of PI Number: PI Number: <u>t Utilize Above Ground Steel Ta</u> r the disposal of liquids, drilling j Disposal Fa	.17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC <u>off Bins Only</u> : (19.15.17.13.D NMAC) <i>I cuttings. Use attachment if more than two</i> Number:
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         Signed in compliance with 19.         Closed-loop Systems Permit Applications:         Each of the following the follow	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requirem e Plan - based upon the lete Box 5) - based upor ch copy of design) AI nd Maintenance Plan Ai psed-loop Systems Tha e facility or facilities for	Checklist:       Subsection B of 19.15         hed to the application.       Please indents         hents of 19.15.17.11 NMAC         appropriate requirements of 19.15         n the appropria	17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC         off Bins Only:         (19.15.17.13.D NMAC) <i>cuttings. Use attachment if more than two</i> Number:
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         Signed in compliance with 19.         Closed-loop Systems Permit Applications:         Each of the following the follow	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requirem e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Ai psed-loop Systems Tha e facility or facilities for pop system operations a	Checklist:       Subsection B of 19.15         hed to the application.       Please ina         hents of 19.15.17.11 NMAC         appropriate requirements of 19.15         n the disposal of liquids, drilling j         t Utilize Above Ground Steel Ta         r the disposal of liquids, drilling j         Disposal Fa	17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC off Bins Only: (19.15.17.13.D NMAC) I cuttings. Use attachment if more than two
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         Signed in compliance with 19         Image: Signed in compliance wit	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requirem e Plan - based upon the lete Box 5) - based upon the dapintenance Plan Al psed-loop Systems That e facility or facilities for pop system operations at the information below) Il not be used for future ser Specifications - based upon the appropriate requirement	Checklist:       Subsection B of 19.15         hed to the application.       Please independent of the application.         hents of 19.15.17.11 NMAC         appropriate requirements of 19.15         in the appropriate requirements of 19.15 </td <td>17.9 NMAC licate, by a che .17.12 NMAC Subsection C c </td> <td>of 19.15.17.9 NMAC and 19.15.17.13 NMAC</td>	17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         X       Signed in compliance with 19         X       Image: Closed-loop Systems Permit Applications: Each of the following that the following the foll	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack he appropriate requireme e Plan - based upon the lete Box 5) - based upon the copy of design) AI nd Maintenance Plan Al beed-loop Systems Tha e facility or facilities for poop system operations at the information below) Il not be used for future set Specifications - based up n the appropriate requirement pon the a	Checklist:       Subsection B of 19.15         hed to the application.       Please independent of the application.         hents of 19.15.17.11 NMAC         appropriate requirements of 19.15         in the appropriate requirements of 19.15         t Utilize Above Ground Steel Tapper 10         the disposal of liquids, drilling j	17.9 NMAC licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         Signed in compliance with 19         Instructions: Each of the following the following the following the following the following the following the provide of the following the provide of the following the proposed closed-loging the following the proposed closed-loging the following the proposed closed-loging the following the following the following the following the following the following the proposed closed-loging the proposed closed-loging the following the proposed closed-loging the following the proposed closed-loging the following the proposed closed-loging the proposed closed-loging the following the proposed closed-loging the following the proposed closed-loging the proposed closed-loging the proposed closed the following t	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack the appropriate requirem e Plan - based upon the lete Box 5) - based upon the copy of design) AI nd Maintenance Plan Al psed-loop Systems That e facility or facilities for the information below) Il not be used for future set Specifications - based up n the appropriate requirement pon the appropriate pont pont pont pont pont pont pont pont pont	Checklist: Subsection B of 19.15 hed to the application. Please indi- tents of 19.15.17.11 NMAC appropriate requirements of 19.15 in the appropriate requirements of PI Number:	A 17.9 NMAC licate, by a che licate, by a che .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Signs:       Subsection C of 19.15.17         ] 12"x 24", 2" lettering, providit         X       Signed in compliance with 19         X       Image: Signed in compliance with 19	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack he appropriate requireme e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Al beed-loop Systems That e facility or facilities for boop system operations at the information below) Il not be used for future set Specifications - based up n the appropriate requirement pon the appropriate requirement pon the appropriate requirement on submitted with this a	Checklist:       Subsection B of 19.15         hed to the application.       Please independent of the application.         hents of 19.15.17.11 NMAC         appropriate requirements of 19.15         in the appropriate requirements of 19.15         in the appropriate requirements of 19.15         in the appropriate requirements of 19.15         PI Number:	A 17.9 NMAC <i>licate, by a che</i> .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Signs:       Subsection C of 19.15.17         □ 12"x 24", 2" lettering, providit         □ Signed in compliance with 19         ▲         □ Closed-loop Systems Permit App         Instructions:       Each of the following         attached.       □ Design Plan - based upon t         □ Operating and Maintenance       □ Closure Plan (Please comp         □ Previously Approved Design (atta       Previously Approved Operating and         ∞       Waste Removal Closure For Closure For Closure For Closure Planse indentify the facilities are required.         □ Disposal Facility Name:	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attack he appropriate requireme e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Al beed-loop Systems That e facility or facilities for boop system operations at the information below) Il not be used for future set Specifications - based up n the appropriate requirement pon the appropriate requirement pon the appropriate requirement on submitted with this a	Checklist:       Subsection B of 19.15         hed to the application.       Please independent of the application.         hents of 19.15.17.11 NMAC         appropriate requirements of 19.15         in the appropriate requirements of 19.15         in the appropriate requirements of 19.15         in the appropriate requirements of 19.15         PI Number:	A 17.9 NMAC <i>licate, by a che</i> .17.12 NMAC Subsection C c 	of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Signs: Subsection C of 19.15.17  I 2"x 24", 2" lettering, providit  Signed in compliance with 19  Closed-loop Systems Permit App Instructions: Each of the followin  tatached.  Design Plan - based upon t  Operating and Maintenance  Closure Plan (Please comp  Previously Approved Design (atta Previously Approved Design (atta Previously Approved Operating an  Waste Removal Closure For Cle Instructions: Please indentify the facilities are required.  Disposal Facility Name:  Will any of the proposed closed-loe Yes (If yes, please provide Required for impacted areas which wi Soil Backfill and Cover Design Re-vegetation Plan - based upon Site Reclamation Plan - based upon  Site Reclamation Plan - based upon  Key Soil Backfill and Cover Design Coperator Application Certificat I hereby certify that the informati Name (Print):	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requireme e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Al besed-loop Systems That e facility or facilities for poop system operations at the information below) Il not be used for future set Specifications - based up n the appropriate requirement pon the appropriate requirement pon the appropriate requirement pon submitted with this a	Checklist:       Subsection B of 19.15         hed to the application.       Please independent of the appropriate requirements of 19.15         appropriate requirements of 19.15       in the appropriate requirements of 19.15         in the appropriate requirements of 19.15       in the appropriate requirements of 19.15         PI Number:	A 17.9 NMAC licate, by a che .17.12 NMAC Subsection C co main control of the control of the section H of 19 MAC NMAC mplete to the b	of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Signs: Subsection C of 19.15.17  I 2"x 24", 2" lettering, providit  Signed in compliance with 19  Closed-loop Systems Permit App Instructions: Each of the followin  tatached.  Design Plan - based upon t  Operating and Maintenance  Closure Plan (Please comp  Previously Approved Design (atta Previously Approved Design (atta Previously Approved Operating an  Waste Removal Closure For Cle Instructions: Please indentify the facilities are required.  Disposal Facility Name:  Will any of the proposed closed-loe Yes (If yes, please provide Required for impacted areas which wi Soil Backfill and Cover Design Re-vegetation Plan - based upon Site Reclamation Plan - based upon  Site Reclamation Plan - based upon  Key Soil Backfill and Cover Design Coperator Application Certificat I hereby certify that the informati Name (Print):	.11 NMAC ng Operator's name, site .15.3.103 NMAC plication Attachment ( ing items must be attach he appropriate requireme e Plan - based upon the lete Box 5) - based upon ch copy of design) AI nd Maintenance Plan Al besed-loop Systems That e facility or facilities for poop system operations at the information below) Il not be used for future set Specifications - based up n the appropriate requirement pon the appropriate requirement pon the appropriate requirement pon submitted with this a	Checklist:       Subsection B of 19.15         hed to the application.       Please independent of the appropriate requirements of 19.15         appropriate requirements of 19.15       in the appropriate requirements of 19.15         in the appropriate requirements of 19.15       in the appropriate requirements of 19.15         PI Number:	A 17.9 NMAC licate, by a che .17.12 NMAC Subsection C co main control of the control of the section H of 19 MAC NMAC mplete to the b	of 19.15.17.9 NMAC and 19.15.17.13 NMAC

ř \ 👝

7. <u>OCD Approva</u> l: Permit Application (including closure plan) Closure Plan (only)						
OCD Representative Signature:	Approval Date:					
Title:	OCD Permit Number: PI-01638 OCB32					
8. <u>Closure Report (required within 60 days of closure completion)</u> : 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: <u>4/25/10</u>					
9.         Closure Report Regarding Waste Removal Closure For Closed-loop Systems         Instructions: Please indentify the facility or facilities for where the liquids, drill         two facilities were utilized.         Disposal Facility Name:       CRI (Controlled Recovery Inc.)       Di         Disposal Facility Name:       Westall Loco Hills Water Disposal       Di         Were the closed-loop system operations and associated activities performed on or       Yes (If yes, please demonstrate compliance to the items below)       No         Required for impacted areas which will not be used for future service and operation       Site Reclamation (Photo Documentation)       Soil Backfilling and Cover Installation         Re-vegetation Application Rates and Seeding Technique       Pachage       Pachage	ling fluids and drill cuttings were disposed. Use attachment if more than isposal Facility Permit Number:R-9166 Disposal Facility Permit Number:R-3221 in areas that will not be used for future service and operations?					
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):       Mike Pippin         Title:       Petroleum Engineer - Agent         Signature:       Mike Cuppin						
e-mail address:mike@pippinllc.com	Telephone: <u>505-327-4573</u>					

.

## LRE OPERATING, LLC <u>PIT CLOSURE</u>

## **CLOSURE**:

During workover operations, all solids and cuttings were hauled off by CLS to their disposal facility, Permit #R-9166.

All liquids were hauled to Westall Loco Hills Water Disposal. Permit #R-3221. The closed loop equipment was inspected daily by the rig crew. There were no leaks or spills during the workover operations. The closed-loop system was on the wellpad.