

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-007-20235
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name VPR B
8. Well Number 31
9. OGRID Number 180514
10. Pool name or Wildcat Castle Rock Park - Vermejo Gas

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other ☒ Coalbed Methane

2. Name of Operator

EL PASO E & P COMPANY, L.P.

3. Address of Operator

PO BOX 190, RATON, NM 87740

4. Well Location

Unit Letter **G** : **1511** feet from the **North** line and **1672** feet from the **East** line

Section **2** Township **29N** Range **18E** **NMPM** **Colfax** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

8,194' (GL)

Pit or Below-grade Tank Application ☐ or Closure ☐ **CLOSED LOOP SYSTEM**

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: **RECOMPLETION - Raton Coals** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work).
SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- MIRU Animas Rig. LD Production tubing. PU bit and scraper on 2 7/8" tubing. RIH to PBTB @ 2,764'.
- PU RBP and packer on tubing. RIH and isolate perforations @ 2,513'- 2,551'.
- RU Superior Wireline. Re-Perf 2413'- 2422', 2586'- 2593', 2629'- 2634' 84 Holes
- PU RBP. RIH and isolate perforations @ 2,629'- 2634'. RU Heatwaves. Pump 1500 gallons of 15% NEFE acid. Pump 350 gallons of 15% NEFE into perforations @ 2629'- 2634'. PU and isolate perforations @ 2586'- 2593'. Acidize perfs with 500 gallons of 15% NEFE acid. PU and isolate perforations 2413'- 2422'. Acidize perfs with 650 gallons of 15% NEFE acid. Flush to bottom perforation with water. RD Heatwaves.
- RIH and set packer @ 2,510'. RU Baker Petrolite. Pump PEP-3 chemical across bottom perforations @ 2563'- 2634'. Let chemical soak for 30 minutes. Set RBP @ 2,340'. Pump PEP-3 chemical across bottom Perforations @ 2,381'- 2,422'. Let chemical soak for 30 minutes. RD Baker Petrolite. RBP @ 2,340'.
- MIRU Superior Well Service. Perforate 1st Stage - 2031'- 2036', 2073'- 2076' 32 Holes
MIRU Maverick Frac with 500 gallons 7 1/2% acid, 87.4 M gallons of slickwater and 55,000 lbs of 16/30 sand. WRBP @ 1,760' Perforate 2nd Stage - 1627'- 1630', 1681'- 1689' 44 Holes
Frac with 500 gallons of acid, 24.8 M of 70Q N2 foam with 35,000 lbs of 16/30 sand. WRBP @ 1,500'
Perforate 3rd Stage - 1431'- 1436' 20 Holes Frac with 500 gallons of acid, 14.9 M gallons of N2 with 20,000 lbs of 16/30 sand. WRBP @ 1,410' Perforate 4th stage - 1288'- 1292', 1328'- 1331', 1356'- 1361' 48 Holes
Frac with 500 gallons of acid, 29.6 M gallons 70Q N2 foam with 45,000 lbs of 16/30 sand.
Perforate 5th stage - 1229'- 1232', 1241'- 1244' 24 Holes Frac with 500 gallons of acid, 14.5 M gallons of 70% N2 foam with 20,000 lbs of 16/30 sand. Flush to top perforation.
- MIRU Maverick Coil Tubing Unit, clean out to 2,510' PBTB.
- RIH with 2 7/8" tubing, rods, pump and production equipment. EOT @ +/- 2,680'. Turn well over to production.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Shirley Mitchell TITLE Regulatory Analyst DATE 03/09/2009
Type or print name Shirley A Mitchell E-mail address: shirley.mitchell@elpaso.com Telephone No. (505) 445-6785
For State Use Only

APPROVED BY: Ed Martin TITLE DISTRICT SUPERVISOR DATE 3/12/09
Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1090 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: EL PASO E & P COMPANY, L.P. OGRID #: 180514
Address: PO BOX 190 RATON, NEW MEXICO 87740
Facility or well name: VPR B 31
API Number: 30-007-20235 OCD Permit Number: _____
U/L or Qtr/Qtr SWNE Section 02 Township 29N Range 18E County: Colfax
Center of Proposed Design: Latitude N 36 46 47.0653 Longitude W 104 59 43.0625 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: VPR B 27 WDW (Water) Disposal Facility Permit Number: API 30-007-20161
Disposal Facility Name: Phantom Landfill Penrose, CO (Frac Sand) Disposal Facility Permit Number: SRU 98-7 (Attached)
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): Shirley Mitchell Title: Sr. Regulatory Analyst
Signature: Shirley Mitchell Date: 03/09/2009
e-mail address: shirley.mitchell@elpaso.com Telephone: (575) 445-6785

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

OCD Representative Signature: Ed Martin

Approval Date: 3/12/09

Title: **DISTRICT SUPERVISOR**

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 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: shirley.mitchell@elpaso.com Telephone: 575 445-6785

**FORM C-144 CLEZ ATTACHMENT
EL PASO E & P COMPANY, L.P.
RATON BASIN
ABOVE GROUND STEEL TANKS**

Closed-Looped Design Plan

In accordance with Rule 19.15.17 NMAC, the following describes the design of a closed-looped system for El Paso E & P Company, L.P. The following describes El Paso E & P Company's standard procedures for a closed-looped system; a separate plan will be submitted for any closed-loop system, which does not conform to this plan.

El Paso E & P Company's closed-loop system will not require a drying pad, temporary pit, below grade tank or a sump. It will include an above ground steel tank suitable for holding the solids and fluids for rig operations. The flow-back tank will be of sufficient volume to maintain a safe free board between disposal of the liquids and solids from the rig operations.

- Fencing is not required for an above ground closed-loop system.
- El Paso E & P Company will post a well sign in compliance with 19.15.3.103 NMAC.
- El Paso E & P Company will place a tank on location to store fresh water.

Operating and Maintenance Plan (O & M)

El Paso E & P Company's closed-loop system will be operated and maintained to contain liquids and solids to prevent contamination of fresh water sources, to protect public health, and the environment. El Paso E & P Company's O & M plan will include the following steps:

- El Paso E & P Company has contracted Rain For Rent to supply flow-back tanks at the location. This company will haul off water and liquids for disposal at one of our nearest Salt Water Disposals located on the Vermejo Park Ranch.
- Solids in the closed-loop tank will be hauled off location by Rain For Rent and disposed At the Phantom Landfill located at Penrose, Colorado # SRU 98-7.
- No hazardous waste, miscellaneous solid waste, or debris will be stored in the tanks. Only fluids or cuttings, used or generated by rig operations, will be placed or stored in the tanks.
- El Paso E & P Company will notify the Santa Fe District Office within 48 hours, if a discovery of the closed-loop system's integrity is compromised in any way. Upon a discovery of a compromised tank, repairs will be made immediately.
- During rig operations, a daily inspection will be conducted, which will be logged, signed, and dated.

Closure Plan

The closed-loop system will be hauled off within 60 days of completion, and in accordance with Subsection D of 19.15.17.13. This will be done by transporting the liquids to the nearest Salt Water Disposal on the Vermejo Park Ranch; and the solids will be transported by Rain For Rent to the Phantom Landfill located at Penrose, Colorado # SRU 98-7. The flow-back tank will be removed from the location as part of the rig mob. If any equipment is set off location, El Paso E & P Company will re-seed the disturbed area. Also as part of the abandonment of the well, the location will be re-contoured and re-vegetated to pre-existing conditions when possible.

FREMONT COUNTY

CERTIFICATE OF DESIGNATION

ISSUED TO:

TWIN LANDFILL FREMONT

420 St. Paul Street, Denver, Colorado 80206

FOR THE OPERATION OF PHANTOM LANDFILL

LOCATED AT:

2500 FREMONT COUNTY ROAD 67, PENROSE, COLORADO 81240

RESOLUTION # 97-12, APPROVED FEBRUARY 11, 1997, BY THE FREMONT COUNTY BOARD OF COUNTY COMMISSIONERS

SPECIAL REVIEW USE PERMIT # SRU 98-7 RECORDED ON 4/21/99, AT BOOK 1366, PAGE 47

James R. Schauer

JAMES R. SCHAUER, CHAIRMAN

Cathy J. Gribbs, Deputy Clerk
NORMA HATFIELD, COUNTY CLERK

Keith L. McNew

KEITH L. MCNEW

Joseph F. Rall

JOSEPH F. RALL

