Josed-Loop System Permit or Closure Plan Application

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

1220 S. St. Francis Dr., Santa Fe, NM 87505

e-mail address:

State of New Mexico **Energy Minerals and Natural Resources** Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

July 21, 2008 For closed-loop systems that only use above

Form C-144 CLEZ

ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

(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. OGRID #: 281994 Operator: <u>LRE OPERATING, LLC</u> Address: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401 Facility or well name: ARCO STATE #1 ___ OCD Permit Number: 213499 API Number: 30-015-39635 U/L or Qtr/Qtr L Section 24 Township 17-S Range 28-E County: EDDY _____Longitude ______ NAD: 1927 1983 Center of Proposed Design: Latitude Surface Owner: Federal State Private Tribal Trust or Indian Allotment 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 RECEIVED Signs: Subsection C of 19.15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers AUG 12 2013 Signed in compliance with 19.15.3.103 NMAC 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) Previously Approved Operating and Maintenance Plan API Number: 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 indentify 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: _____ Disposal Facility Permit Number: ____ 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 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 **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): Title: ____ ______ Date: _____ Signature:

Telephone:

OCD Representative Signature: Approval Date: 19/25/13	
Title:	OCD Permit Number: 213499
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: 8/7/13
☐ Yes (If yes, please demonstrate compliance to the items below) ☐ Required for impacted areas which will not be used for future service and ☐ Site Reclamation (Photo Documentation) ☐ Soil Backfilling and Cover Installation	med on or in areas that will not be used for future service and operations? No
Re-vegetation Application Rates and Seeding Technique	
belief. I also certify that the closure complies with all applicable closure	e requirements and conditions specified in the approved closure plan.
10. Operator Closure Certification: I hereby certify that the information and attachments submitted with this	Title: Petroleum Engineer - Agent

LRE OPERATING, LLC PIT CLOSURE

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.