

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  
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

RECEIVED

JUN 21 2010

HOBBSOCD

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.

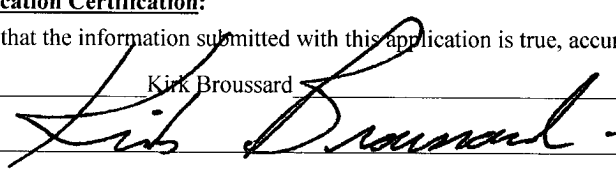
1.  
Operator: Jay Management Company LLC OGRID #: 247962  
Address: 2425 West Loop South, Ste 810 Houston, TX 77027  
Facility or well name: Vera Com #1  
API Number: 30-025-22761 OCD Permit Number: ~~2005~~ PI-02146  
U/L or Qtr/Qtr E Section 32 Township 11S Range 33E County: Lea  
Center of Proposed 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 19.15.3.103 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: Gandy Marley Disposal Facility Permit Number: NM 01-0019  
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): Kirk Broussard Title: Operations Engineer  
Signature:  Date: 06/10/10  
e-mail address: kirkb@isramco-jay.com / sgrisham@isramco-jay.com Telephone: 713-621-6785

7.

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

OCD Representative Signature: \_\_\_\_\_ Approval Date: \_\_\_\_\_

Title: \_\_\_\_\_ OCD Permit Number: P1-02146

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: 5/19/10

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: Gandy Marley Disposal Facility Permit Number: NM 01-0019

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): Kirk Broussard Title: Operations Engineer

Signature:  Date: 6/18/10

e-mail address: kirkb@isramco-jay.com / sgrisham@isramco-jay.com Telephone: 713-621-6785

K2

Jay Management Co., LLC

Well Name: Vera #1

Unit G, 32-11S-33E Lea Co, NM

API #: 30-025-22704 Prod Code: 26561

**Equipment & Design:**

Jay Management Company LLC will use a closed loop system during the re-perforating and acidizing of the Vera #1.

The following equipment will be used on location:

1. 1 – 250 bbls Steel Tank

**Operations & Maintenance:**

Each day of operations, the rig crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor any possible release of fluids, spill or leak. Should such an event occur Jay Management will immediately notify the NMOCD District 1 office Hobbs, NM at 575-393-6161 as required by NMOCD rule 19.15.29.8.

**Closure:**

After operations have been completed, all fluids and solids will be hauled and disposed of at the Gandy Marley Disposal facilities (Permit # NM 01-0019) in Tatum, NM.

## Mull, Donna, EMNRD

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**From:** Linda Richardson [lrichardson@rangeresources.com]  
**Sent:** Thursday, June 17, 2010 7:12 AM  
**To:** Mull, Donna, EMNRD  
**Subject:** API 300253902300 (Tubb completion), 300253902300 (Blinebry Completion)

*Good morning Donna,*

*The MMS has informed me that I have suspended OGORs because of the above mentioned. The Tubb completion for this well was accepted for record by the BLM in June 2009. The production started in December 2008. Can you make this completion effective for December 2008 so these records will clear?*

*Also, the completion paperwork for the Blinebry dated 5/21/10 has been submitted. I realize this may not have been processed yet, but please show the production started in February 2010 when it is approved so that I can clear these suspensions.*

*Thanks for your help,*

*Linda Richardson*

Sr. Production Analyst  
Range Resources  
100 Throckmorton St., Ste 1200  
Fort Worth, TX 76102  
Direct (817) 869-4145  
Fax (817) 869-1445