

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

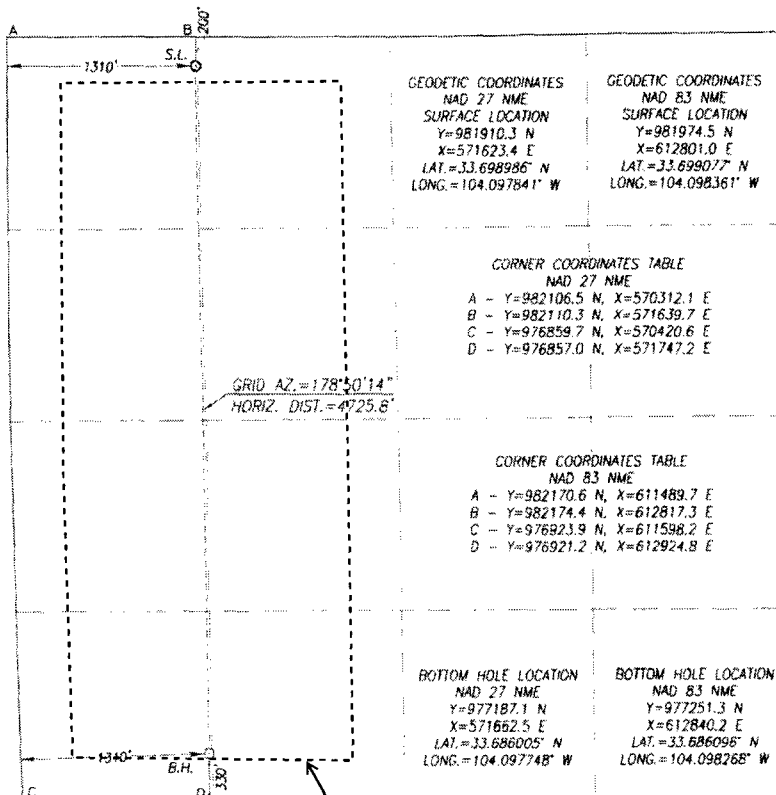
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-64309	Pool Code 21730	Pool Name Elkins, San Andres
Property Code 320614	Property Name BONANZA	Well Number 5H
OGRID No. 371985	Operator Name HADAWAY CONSULTING & ENGINEERING, LLC	Elevation 3957'

Surface Location									
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	7-S	28-E		200	NORTH	1310	WEST	CHAVES

Bottom Hole Location If Different From Surface									
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	7-S	28-E		330	SOUTH	1310	WEST	CHAVES
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No. R-14538			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>John C Maxey</i> 1/10/2018</p> <p>John C Maxey Printed Name jcm@maxeyengineering.com E-mail Address</p>
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 2, 2017</p> <p>Date of Survey Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 1/27/2017 Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239</p> <p>ACK REL W O 17110706 JWSC W O 1713 1006</p>

NEW MEXICO OIL CONSERVATION
ARTESIA DISTRICT
JAN 16 2018
RECEIVED

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

JAN 16 2018 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.

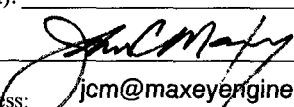
1. Operator: Hadaway Consulting & Engineering, LLC OGRID #: 371985
Address: 711 W. Birch St, Canadian TX 79014
Facility or well name: Bonanza 5H
API Number: _____ OCD Permit Number: _____
U/L or Qtr/Qtr D Section 21 Township 7S Range 28E County: Chaves
Center of Proposed Design: Latitude 33.699077 Longitude -104.098361 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 19.15.16.8 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.
☒ 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): John Maxey Title: Pet Engr
Signature:  Date: 1/10/2018
e-mail address: jcm@maxeyengineering.com Telephone: 575-623-0438

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

OCD Representative Signature: _____ Approval Date: _____

Title: _____ 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 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: _____ 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: _____

Hadaway Consulting & Engineering LLC

Closed Loop System

Bonanza 5H

Operating and Maintenance Procedures

and

Closure Plan

Operating Procedures

The operator will utilize a closed loop system to collect and process drilling fluids and solids generated during drilling operations on the subject well. This system (see Figure 1) will be monitored, serviced, and maintained 24 hours daily by Rig Personnel. All liquids and solids will be contained in steel vessels.

Drilling fluids will be recycled and reused on location or stored for utilization on subsequent wells. Surplus fluids will be transported to an approved Disposal Site.

Solids will be separated from the drilling fluids and transferred to transport containers. The containers will be trucked to an approved Disposal Site for solids disposal.

No hazardous materials will be discharged into the Closed Loop System.

Closure Plan

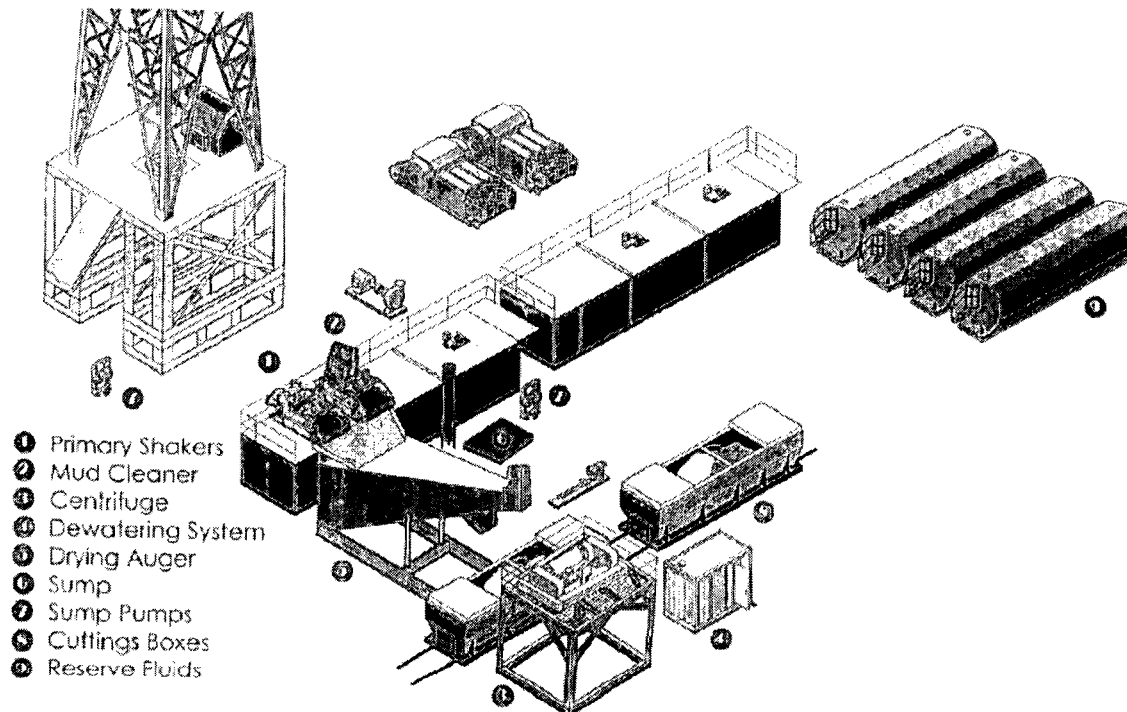
Upon the conclusion of drilling operations, the closed loop system will be removed from the well site. Upon completion of testing and facility installation operations, the location pad size will be reduced to the minimum allowed for safe and efficient operation. Stockpiled surface materials will be utilized to restore the location to as original condition as feasible.

FIGURE 1

CLOSED LOOP SYSTEM

Hadaway Consulting & Engineering LLC

Bonanza 5H



Note: Exact equipment and layout configuration may vary dependent upon Rig utilized and Vendor availability.