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

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.

9969

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: EnerVest Operating, LLC OGRID #: 143199

Address: 1001 Fannin St. , Suite 800, Houston, TX 77002

Facility or well name: Jicarilla 155 # 19M

API Number: 30-039- 29937 OCD Permit Number:

U/L or Qtr/Qtr G Section 29 Township 26N Range 05W County: Rio Arriba

Center of Proposed Design: Latitude 36 27' 31.4" N Longitude 107 22' 55.9" W 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

RCVD APR 30 '12
OIL CONS. DIV.
DIST. 3

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 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: EnviroTech inc. Disposal Facility Permit Number: NM-01-0011

Disposal Facility Name: T n T Environmental Disposal Facility Permit Number: NM-01-0008

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): Loren ~~Diede~~ Title: Contract Agent

Signature: Date: 4-30-2012

e-mail address: lddesi@yahoo.com Telephone: 505-334-8867

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

OCD Representative Signature: Jonathan O. Kelly **Approval Date:** 4/30/2012

Title: Compliance Officer **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: Telephone:

EnerVest Operating, LLC

Jicarilla 155 # 19M

Unit G, Sec. 29, T26N, R5W Rio Arriba, NM

Closed Loop System

Closed Loop Design and Construction Plan

In accordance with 19.15.17.11 NMAC, EnerVest Operating, LLC. (EV) will utilize a closed loop system while drilling this well to insure the confinement of oil gas or water to prevent an uncontrolled release.

EV will use D&D Services to drill the surface casing portion of the hole. D&D Services will utilize an above ground closed loop system for mud handling and solids separation.

The intermediate casing and production liner portions of the hole will be drilled by D&J Drilling. Patriot Technologies will furnish the closed loop solids separation and handling equipment.

Design and construction considerations are:

1. A well sign shall be posted at the well site in accordance with 19.15.3 103 NMAC.
2. No drying pads or sumps will be used in conjunction with this closed loop system.
3. Solids that have been separated from the mud with a centrifuge will be hauled to a properly permitted landfarm facility.
4. The mud will be conditioned for re-use as much as is practical, any mud left over at the end of the drilling process will be hauled to next location for re-use or hauled to a properly permitted facility for disposal.

Closed Loop Operating and maintenance plan

In accordance with 19.15.17.12 NMAC, EV shall operate and maintain the closed loop system in a manner that will contain all solids and liquids, maintain the systems integrity, prevent contamination of fresh water and protect public health and the environment. This will be accomplished by the following processes:

1. EV shall recycle, re-use or reclaim and dispose of all drilling fluids and solids in a manner approved by the current NMOCD rules.
2. EV shall not discharge into or store any hazardous waste in the closed loop system, nor shall it allow miscellaneous solid waste or debris into the closed loop system.
3. The pit tanks will be of sufficient volume to maintain a safe freeboard prior to the disposal of the solids and liquids from the drilling rig operations.
4. Disposal of the solids and liquids will be done on a periodic basis maintaining a safe and responsible free board in the pits. The drill cuttings will be transported off the drill site and disposed of at a properly permitted land farm. The liquid portion of the drill fluids will be separated by centrifuge to be re used. Any portion that cannot be re used will be disposed of at an appropriate facility.

5. The closed loop system will be inspected daily while the system is in use. EV shall maintain a log of such inspections.
6. In the event of a leak from any of the components within the closed loop system, EV will take appropriate measures to repair the leak and contain the release and report to NMOCD the event within 48 hours of the detection of the leak or release.

Closure Plan

In accordance with 19.15.17.13 NMAC EV will not use any temporary pits, drying pads or sumps in the drilling operations. The closed loop system(s) and all associated activities will be performed on the drilling pad and will not be performed on or in an area that will not be used for future service and operations of the well. The closure of the closed loop system will be performed as follows:

1. Upon termination of rig operations, all liquids remaining in the closed loop system will be either transported to another drill site for re-use or will be disposed of at an appropriate facility.
2. The closed loop system(s) components, including any and all of the containment tanks will be removed from the location in conjunction with the drilling or completion rig from the well site.
3. Upon termination of the rig operations any remaining solid materials in the closed loop system will be disposed of at a properly permitted landfarm facility.
4. Within sixty days from the date that EV ceases drilling activities at the well site for which the closed loop permit was issued and the closed loop equipment has been removed from the well site, EV shall complete and execute items 9 and 10 of the C-144 CLEZ and file with the NMOCD district office.