

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 NMOC District Office

2467
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.

Operator: Synergy Operating, LLC	OGRID #: 163458	RCVD NOV 6 '08
Address: P.O. Box 5513, Farmington, NM 87499-5513		OIL CONS DIV
Facility or well name: Airport 29-13-8 #113		DIST. 3
API Number: 30-045-34829	OCD Permit Number:	
U/L or Qtr/Qtr: D	Section: 8	Township: 29N Range: 13W County: San Juan
Center of Proposed Design: Latitude 36.74544° N	Longitude 108.23439° W	NAD: <input type="checkbox"/> 1927 <input checked="" type="checkbox"/> 1983
Surface Owner: <input type="checkbox"/> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment		

2.
<input checked="" type="checkbox"/> Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: <input checked="" type="checkbox"/> Drilling a new well <input type="checkbox"/> Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) <input type="checkbox"/> P&A
<input checked="" type="checkbox"/> Above Ground Steel Tanks or <input type="checkbox"/> Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
<input type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
<input checked="" type="checkbox"/> 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.
<input checked="" type="checkbox"/> Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
<input checked="" type="checkbox"/> Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
<input checked="" type="checkbox"/> 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
<input type="checkbox"/> Previously Approved Design (attach copy of design) API Number: _____
<input type="checkbox"/> 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: Basin Disposal Disposal Facility Permit Number: NM01 - 005
Disposal Facility Name: EnviroTech Disposal Facility Permit Number: NM01-0011
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? <input type="checkbox"/> Yes (If yes, please provide the information below) <input checked="" type="checkbox"/> No
Required for impacted areas which will not be used for future service and operations.
<input type="checkbox"/> Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
<input type="checkbox"/> Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
<input type="checkbox"/> Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

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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): Glen O Papp Title: Operations Manager

Signature:  Date: 11-05-2008

e-mail address GPAPP@SYNERGYOPERATING.COM Telephone: 505-599-4908

7.

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

OCD Representative Signature:  Approval Date: 12-3-08

Title: EnviroSpec 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: _____

Synergy Operating, LLC

Closed Loop System (No drying pads & off-site disposal)

General Plan

In accordance with Rule 19.15.17.11 New Mexico Administrative Code, Synergy Operating, LLC proposes the following standards for all its closed-loop drilling systems, that do not incorporate drying pads or on-site disposal of drill cuttings. Any proposed operation that deviates from this plan will be covered under a separate plan submitted to the NM OCD.

Design and Construction Plan - 19.15.17.11(H) NMAC:

Synergy Operating, LLC's closed-loop drilling systems will be designed and constructed to ensure the confinement of oil, gas or water to prevent uncontrolled releases. The main component of these systems will consist of above-ground welded steel tanks or 'pits' suitable for holding the drilling fluids, used to maintain hole stability, and the drill cuttings that are removed from the hole. The volume of the tank(s) will be sufficient as to allow gravity segregation of the drill cutting from the drilling fluids, yet still comply with free board requirements. As the steel 'pits' accumulate drill cuttings, these cuttings will have to be mechanically removed from the 'pits' on an intermittent basis. The size and number of the steel 'pits' utilized will be a function of the hole volume, location size and rental availability.

Operations and Maintenance Plan - 19.15.17.12(A) NMAC:

The closed-loop drilling systems will be operated and maintained to contain liquids and solids to prevent contamination of fresh water and protect public health and the environment. The following procedure will be followed:

1. During the drilling operation the drilling fluids in the steel 'pits' will be recycled and pumped back down the hole. Upon the completion of the drilling operations, the drilling fluids in the steel 'pits' will be either reclaimed and moved to another permitted drilling location or disposed of at the Basin Disposal's SWD facility (Permit #NM-01-005).
2. Solids or drilling cuttings will be vacuumed from the steel 'pits' on an intermittent basis, so as to provide adequate free board and enough time for gravity segregation to occur. The drill cuttings will be hauled to a permitted solid waste disposal site, either EnviroTech (Permit #NM01-0011) or Industrial Ecosystems Inc (Permit #NM01-0010B).

3. No hazardous wastes will be discharged into or stored in the steel 'pits' of the closed-loop system.
4. In the event the closed-loop system develops a leak, Synergy Operating personnel or their agent, will remove all liquids above the leak line immediately and notify the NM OCD Aztec District office with 48-Hours of the discovery. Repairs to the system will begin immediately.

Closure Plan - 19.15.17.13(D) NMAC:

This general plan as submitted by Synergy Operating, LLC does not consider the use of drying pads and on-site burial of the drill cuttings.

The steel 'pits' will be emptied of drilling fluids and drill cuttings and disposed of at permitted division facilities. The drilling fluids in the steel 'pits' will be either reclaimed and moved to another permitted drilling location or disposed of at the Basin Disposal's SWD facility (Permit #NM-01-005). Solids or drilling cuttings will be vacuumed from the steel 'pits' and hauled to a solid waste disposal site, either EnviroTech (Permit #NM01-0011) or Industrial Ecosystems Inc (Permit #NM01-0010B).

Upon their emptying, the steel 'pits' will be hauled off of the drilling location back to the yard of the rental company from which these items were rented.