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.

7811

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: X 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 theoperator 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: **ELM RIDGE EXPLORATION CO LLC** OGRID #: 149052

RCVD FEB 28 '11

Address: PO BOX 156 Bloomfield, NM 87413

OIL CONS. DIV.

Facility or well name: **Buena Suerte 28 M 1**

API Number: 30-045-28950 OCD Permit Number:

DIST. 3

U/L or Qtr/Qtr M Section 29 Township 26N Range 11W County: San Juan County

Center of Proposed Design: Latitude 36.4539587377423 Longitude -108.014362878317 NAD: ☐1927 X 1983

Surface Owner: Federal ☐ State ☐ Private ☒ Tribal Trust or Indian Allotment (Navajo)

2.

X **Closed-loop System:** Subsection H of 19.15.17.11 NMAC

Operation: ☐ Drilling a new well X Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A

X 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

X Sign 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.

X Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
X Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
X 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:
X Previously Approved Operating and Maintenance Plan API Number: 30-045-28195

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: Carson Unit WDW 242 Disposal Facility Permit Number: SWD-933

Disposal Facility Name: Envirotech Landfarm Disposal Facility Permit Number: NM-0-0011

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?

☐ Yes (If yes, please provide the information below) X 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): Sharla Bemrose Title: Administrative Specialist

Signature: Sharla Bemrose Date: 2-24-11

e-mail address: Amackey1@elmridge.net Telephone: 505-632-3476 x 201

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

OCD Representative Signature: _____ **Approval Date:** 2/28/11

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: _____

Elm Ridge Exploration Co LLC
Closed Loop System Proposal
Buena Suerte 28M1
API: 30-045-28950
Workover

Closed Loop Design Plan:

Elm Ridge Exploration Co LLC proposes to use a closed loop system to contain well bore fluid generated during the workover procedure on the above referenced well. The system will not entail a drying pad, temporary pit, below grade tank or sump. The system will consist of an above ground tank with adequate volume to hold all fluid generated during the workover operation.

1. Fencing is not required for an above ground closed-loop system.
2. Signage in compliance with 19.15.3.103 NMAC will be present
3. Water will be contained in either a water truck or a 200 bbl flat tank.

Closed-Loop Operating and Maintenance Plan:

The above referenced closed-loop system will be operated and maintained to contain liquids and solids in order to prevent contamination of any fresh water sources and to protect the environment. To ensure the operation is maintained the following steps will be followed:

1. The fluids will be vacuumed out and disposed of at the Elm Ridge Exploration water disposal facility Carson Unit WDW 242 (Permit #: SWD-933) Location: 719' FNL X 1802' FWL "C" – Sec.24-T25N-R12W. Solids that appear in the system will be vacuumed out and disposed of at the Envirotech Land Farm (Permit: NM-01-0011) Location: Sec.6-T29N-R12W.
2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cuttings used or generated by operations associated with this procedure will be placed or store in the tank.
3. The division district office will be notified 48 hours of the discover of compromised intergrity of the closed-loop tank. Upon discovery of the compromised tank, repairs will begin immediately.
4. All the above operations will be inspected daily and a report will be sent via email to the main office by the supervisor on location.

Closed-Loop Closure Plan:

The closed-loop tank will be closed in accordance with 19.15.17.13 this will be done by transporting cuttings and all remaining material to the Envirotech Landfarm (Permit NM-01-0011) Location: Sec.6-T29N-R12W. All remaining liquids will be transported and disposed of at the Elm Ridge Exploration CO LLC Carson Unit WDW 242 (Permit#: SWD-933) Located: : 719' FNL X 1802' FWL "C" – Sec.24-T25N-R12W.