• <u>Close</u>	a-Loop System Permit or Closure Plan Ap	oplication
Districe 1	State of New Mexico	Form C-144 CLE
1625 N. French Dr., Hobbs, NM 88240 District II	Energy Minerals and Natural Resources	July 21, 20
1301 W. Grand Avenue, Artesia, NM 88210 District III	Department Oil Conservation Division	For closed-loop systems that only use above ground steel tanks or haul-off bins and propos
1000 Rio Brazos Road, Aztec, NM 87410 District IV	1220 South St. Francis Dr.	ground steel tanks or haul-off bins and proposito implement waste removal for closure, submit to the appropriate NMOCD District Office.
1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NM 87505	
(that only use above ground	l steel tanks or haul-off bins and propose to implen	ment waste removal for closure)
	Type of action: 🗌 Permit 🖾 Closure	
	rm C-144 CLEZ) per individual closed-loop system reques eel tanks or haul-off bins and propose to implement waste	
lease be advised that approval of this request does not	relieve the operator of liability should operations result in pollu o comply with any other applicable governmental authority's ru	tion of surface water, ground water or the environment.
Operator: <u>LRE OPERATING, LLC</u>	OGRID #:281994	
Address: c/o Mike Pippin LLC, 3104 N	. Sullivan, Farmington, NM 87401	
Facility or well name: <u>HORSESHOE STATE</u>	#1	
API Number: <u>30-015-40230</u>	OCD Permit Number: 2	12874
	Township <u>17-S</u> Range <u>28-E</u>	
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.		_
	er or Drilling (Applies to activities which require prior a	
Above Ground Steel Tanks or 🛛 Haul-off E	Bins	RECEIVED
3. Signs: Subsection C of 19.15.17.11 NMAC		MAY 14 2013
	name, site location, and emergency telephone numbers	
Signed in compliance with 19.15.3.103 NM		NMOCD ARTESIA
Instructions: Each of the following items must attached. Design Plan - based upon the appropriate Operating and Maintenance Plan - based	<u>chment Checklist</u> : Subsection B of 19.15.17.9 NMAG t be attached to the application. Please indicate, by a c requirements of 19.15.17.11 NMAC upon the appropriate requirements of 19.15.17.12 NMA based upon the appropriate requirements of Subsection C	heck mark in the box, that the documents are
 Previously Approved Design (attach copy of design) 		C 01 17.15.17.5 NWAC and 15.15.17.15 NWAC
Previously Approved Operating and Maintenance	Plan API Number:	
Instructions: Please indentify the facility or fa facilities are required.	tems That Utilize Above Ground Steel Tanks or Haul cilities for the disposal of liquids, drilling fluids and dr	rill cuttings. Use attachment if more than two
—	Disposal Facility Permit	
Disposal Facility Name:		rmit Number:
Will any of the proposed closed-loop system ope Yes (If yes, please provide the informatio	erations and associated activities occur on or in areas than below) No	at will not be used for future service and operation
Re-vegetation Plan - based upon the appropriate	<i>r future service and operations:</i> - based upon the appropriate requirements of Subsection H of e requirements of Subsection I of 19.15.17.13 NMAC riate requirements of Subsection G of 19.15.17.13 NMAC	19.15.17.13 NMAC
6. Operator Application Certification:		
1	with this application is true, accurate and complete to the	e best of my knowledge and belief.
Name (Print):		
Signature:		
e-mail address:	Telephone:	

7. OCD Approval: Permit Application (including closure plan) Closure Plan (only)			
OCD Representative Signature:	Approval Date:		
Title: Dese A S	OCD Permit Number:212874		
^{8.} <u>Closure Report (required within 60 days of closure completion)</u> : 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: 4/27/13		
9. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> 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: <u>CRI (Controlled Recovery Inc.)</u>	Disposal Facility Permit Number: <u>R-9166</u>		
Disposal Facility Name: <u>Westall Loco Hills Water Disposal</u> Disposal Facility Permit Number: <u>R-3221</u>			
Were the closed-loop system operations and associated activities perform Yes (If yes, please demonstrate compliance to the items below)			
Required for impacted areas which will not be used for future service and Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	l operations:		
10. Openeter Classer Cartifications			
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): Mike Pippin	Title:Petroleum Engineer - Agent		
Signature:Mile Lippin	Date: <u>May 13, 2013</u>		
e-mail address:mike@pippinllc.com	Telephone: <u>505-327-4573</u>		

LRE OPERATING, LLC <u>PIT CLOSURE</u>

DRILLING DESIGN: Closed Loop System – CLS (Closed Loop Systems) supplied roll-off steel bins (pits).

COMPLETION DESIGN: Closed Loop System – Flow tank during completion A ~100 bbl flow tank will be provided by Reliable Well Service, 512 W. Texas, Artesia, NM 88210, 575-748-1213. Contact person: Wille Morrison

CLOSURE:

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During drilling and completion operations, all solids and cuttings were hauled off by CLS to their disposal facility, Permit #R-9166.

All liquids were hauled to Westall Loco Hills Water Disposal. Permit #R-3221. The closed loop equipment was inspected daily by the rig crew during drilling and completion operations. There were no leaks or spills during drilling or completion operations.