

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.

Closed-Loop System Permit or Closure Plan Application

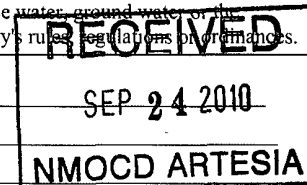
(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

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: Sandridge Exploration and Production LLC	OGRID #: 270265
Address: 2130 W. Bender Hobbs, NM 88240	
Facility or well name: FOC B State #11	
API Number: 30-015-36255	OCD Permit Number: 210802
U/L or Qtr/Qtr O	Section 16 Township 17S Range 31E County: Eddy
Center of Proposed Design: Latitude _____ Longitude _____ NAD: <input checked="" type="checkbox"/> 1927 <input type="checkbox"/> 1983	
Surface Owner: <input type="checkbox"/> Federal <input checked="" type="checkbox"/> State <input 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 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 checked="" type="checkbox"/> P&A
<input checked="" type="checkbox"/> Above Ground Steel Tanks or <input checked="" type="checkbox"/> Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
<input checked="" 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: Gandy-Marley Inc Disposal Facility Permit Number: NM-01-0019
Disposal Facility Name: CRI Disposal Facility Permit Number: NM-01-0006
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that <i>will not</i> 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

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): Colleen Robinson Title: Regulatory Analyst
Signature: Date: 9-22-2010
e-mail address: crobinson@sdrge.com Telephone: 575-738-1739 ext 117

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

OCD Representative Signature: _____

Approval Date: 09/27/2010

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: _____

I Design Plan

Above ground steel tanks will be used for the management of all fluids

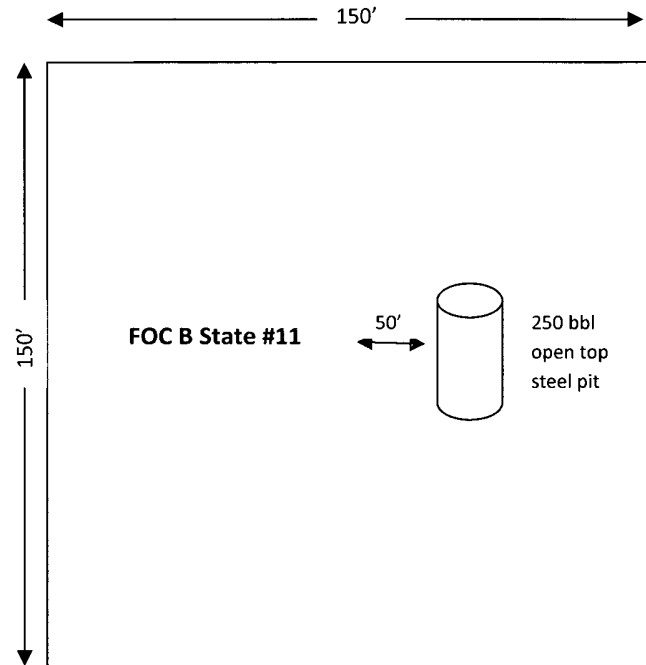
II Operations and Maintenance Plan

Arena Resources Inc will operate and maintain all of the above ground steel tanks in a prudent manner to prevent any spills. Should a leak develop, the appropriate NMOCD Division Office will be notified within 48 hours and the leak will be addressed immediately. During an upset the source of the leak will be isolated and addressed as soon as it is discovered. Free liquids will be removed and loose topsoil will be used to stabilize the spill. The contaminated soil will either be remediated in-situ or be excavated and taken to an approved facility.

III Closure Plan

All fluids will go to an above ground steel tank and will be hauled to an approved facility. Impacted areas which will not be used for future service or operations will be reclaimed as per approved methods.

FOC B State #11
API #30-015-36255



All distances approximate.
Not to scale