

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

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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.

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: Shackelford Oil Company OGRID #: 20595
Address: 3510 N A St. Bldg B-100 Midland, TX 79705
Facility or well name: Mobil Federal, Well No. 3
API Number 30-025-30694 OCD Permit Number: P1-03375
U/L or Qtr/Qtr L Section 21 Township 19S Range 32E County: Lea
Center of Proposed Design: Latitude N32.64495 Longitude W103.77805 NAD: 1927 X 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 ☐ Work over 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

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 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: CRI (Controlled Recovery, Inc) Disposal Facility Permit Number: #R-9196
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
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): George R. Smith Title: POA agent for Shackelford Oil Company
Signature: George R. Smith Date: February 10, 2011
e-mail address: gr.smith1@hotmail.com Telephone: 575-623-4940

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

OCD Representative Signature: _____

Approval Date: 06/21/11

Title: _____

Geologist

OCD Permit Number: P1-03375

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: _____

**SHACKELFORD OIL COMPANY, MOBILE FEDERAL WELL NO.
3**

A- Sec. 21, T19S-R32E: 2310' FSL & 330' FWL LEA Co., NM

DESIGN: Closed Loop System with roll-off steel bin (pits)

CRI/Hobbs will supply (1) bin () volume, rails and transportation relating to the Close Loop system. Specifications of Closed Loop System attached.

Contacts: Bob Shackelford #432-682-9784 Office, # 432-813-7090 Cell
“ Art Marquez, Office # 432-682-9784, Cell #575-405-1334

Monitoring: 12 hour service

Equipment:

500 bbl waste fluid tank

500 bbl brine water tank

500 bbl 2% KCL Water Tank

Pump, swivel manifold

Reverse tank

1 CRI Bin with track system

Air pumps on location for immediate remediation process

Layout of Close Loop System with bin, attached.

Cuttings and associated liquids will be hauled to a State regulated third party disposal site, Via CRI (Controlled Recovery, Inc.) Disposal Facility Permit # R9166

OPERATIONS:

Closed Loop equipment will be inspected daily by each tour and any necessary maintenance performed.

Any leak in system will be repaired and or/contained immediately.

OCD will be notified within 48 hours of the spill.

Remediation process started immediately.

CLOSURE:

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI (Controlled Recovery Incorporated) Disposal Facility Permit # R9166

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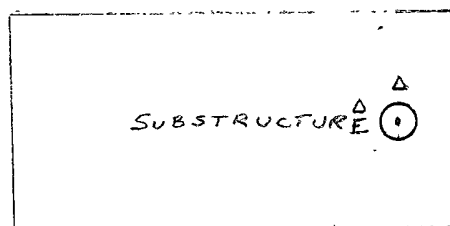
CLOSED LOOP SYSTEM ACCESS

△ - ALARM ON RIG FLOOR WITH SENSORS AT THE FLOOR, BELL NIPPLE & SHAKE

▷ WIND DIRECTION INDICATORS

□ SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIP.

CLOSED LOOP SERVICE RD.



TANKS
FUEL

WATER

BUTANE

△ DOG

HOUSE

PIPE RACKS

CAT WALK

AIR MASK

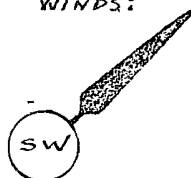
AIR MASKS

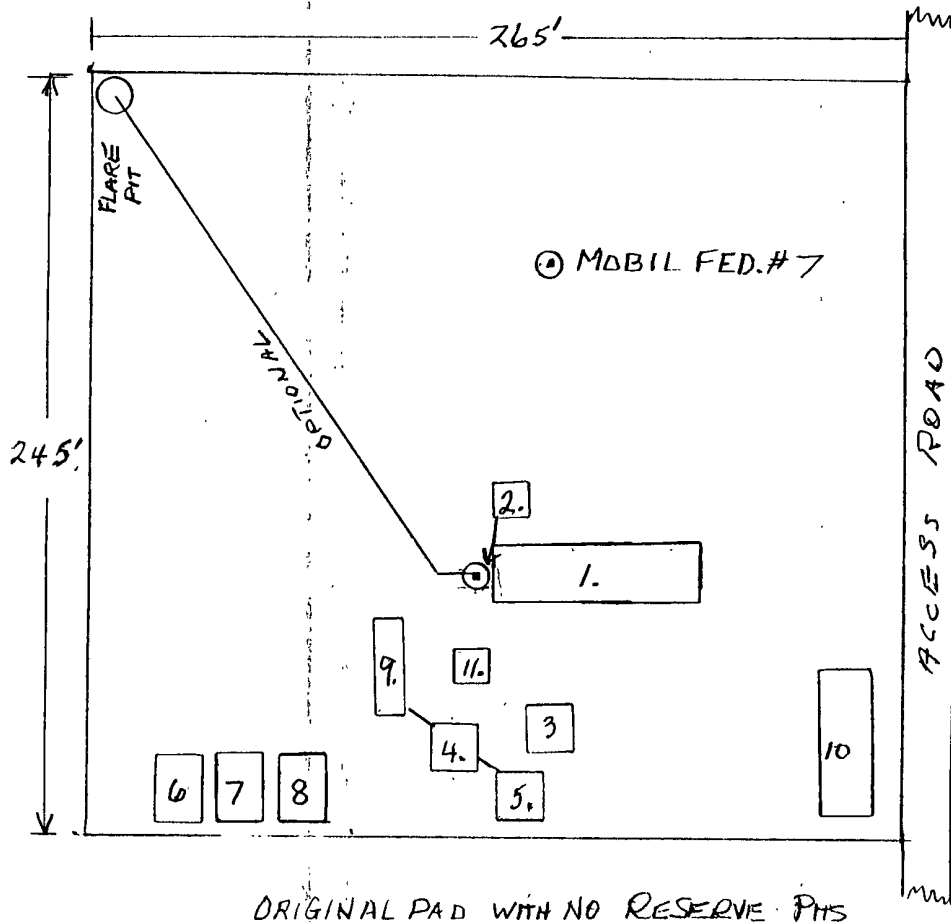
SAFE BRIEFING AREA
COMPANY TRAILER

AIR MASKS

ENTRANCE
WARNING
H₂S SIGN

PREVAILING
WINDS:





1. RIG
2. BOP ACCUMULATOR
3. PUMP SWIVEL & MANIFOLD
4. REVERSE TANK
5. WASTE FLUID
6. FRESH WATER
7. BRINE WATER
8. 20% KCL
9. CRI TANK & TRACK
10. TRAILERS
11. MANIFOLD

EXHIBIT "D"
 SHACKELFORD OIL CO.
 Re-entry: Mobil Federal, Well No. 3
 Pad & Pit Layout