

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

HOBBS OGD

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Amended *

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.

RECEIVED

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:	VPR OPERATING, LLC	OGRID #:	266091					
Address	1406 CAMP CRAFT RD, SUITE 106, AUSTIN, TX 78746							
Facility or well name	REDTAIL STATE COM #1H							
API Number:	30-025-40181	OCD Permit Number:	PI-03426					
U/L or Qtr/Qtr	A	Section	02 Township	23S	Range	32E	County:	LEA
Center of Proposed Design	Latitude	33 29' 53.14"	Longitude	103 08' 41.96"	NAD:	<input checked="" type="checkbox"/> 1927 <input 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. ☒ Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: ☒ Drilling a new well ☐ Workover 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 _____

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	SUNDANCE INCORPORATED	Disposal Facility Permit Number:	NM-01-0003
Disposal Facility Name	CRI	Disposal Facility Permit Number:	NM-01-0006
Disposal Facility Name	LEA LAND	Disposal Facility Permit Number:	NM-01-035
Disposal Facility Name:	GANDY MARLEY	Disposal Facility Permit Number:	NM-01-0019

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

Amended *

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): JAMES R. HULING Title: AGENTSignature: [Signature] Date: 07-05-2011e-mail address: jrhuling@kiamichenergy.com Telephone: 817-923-8323

7.

OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)OCD Representative Signature: [Signature] Approval Date: 7-6-2011Title: STAFF OCD Permit Number: P1-03426

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 _____

VPR Operating, LLC
1406 Camp Craft Road, Suite 106
Austin, Texas 78746

Redtail State Com #1H
SHL: Unit A Sec. 2, T23S-R32E
BHL: Unit P Sec. 2, T23S-R32E

Lea County, NM
API # 30-025-

Equipment & Design:

VPR Operating, LLC will utilize a closed loop system in the drilling and completion of this well. The attached Rig Location Layout is attached along with BOPE and Choke Manifold.

Operations & Maintenance:

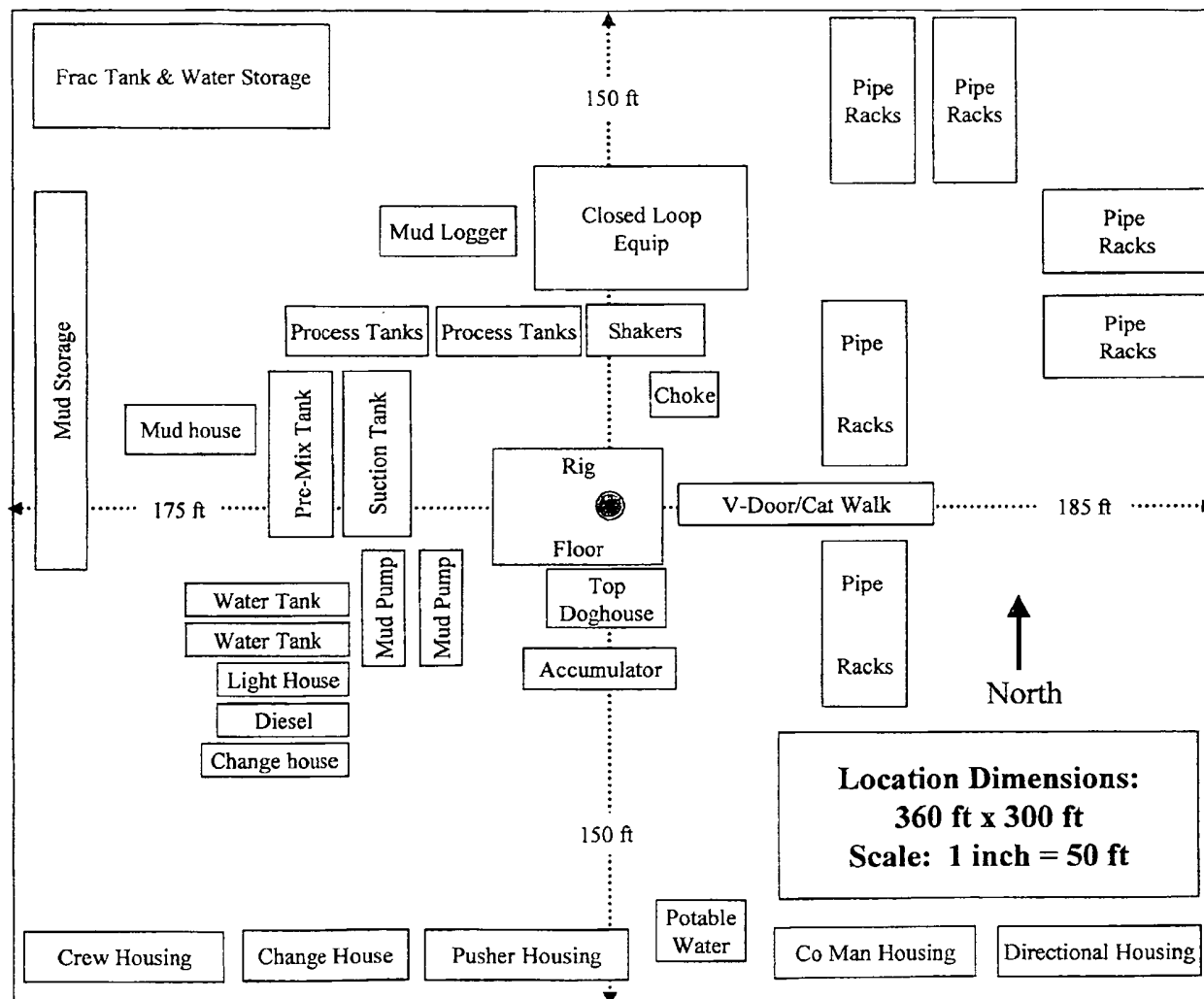
During operations the rig crew and other personnel will continuously monitor fluids and solids to insure no release occurs. Should a release occur the NMOCD District 1 office in Hobbs (575.393.6161) will be notified as required under NMOCD Rule 19.15.29 8.

Closure:

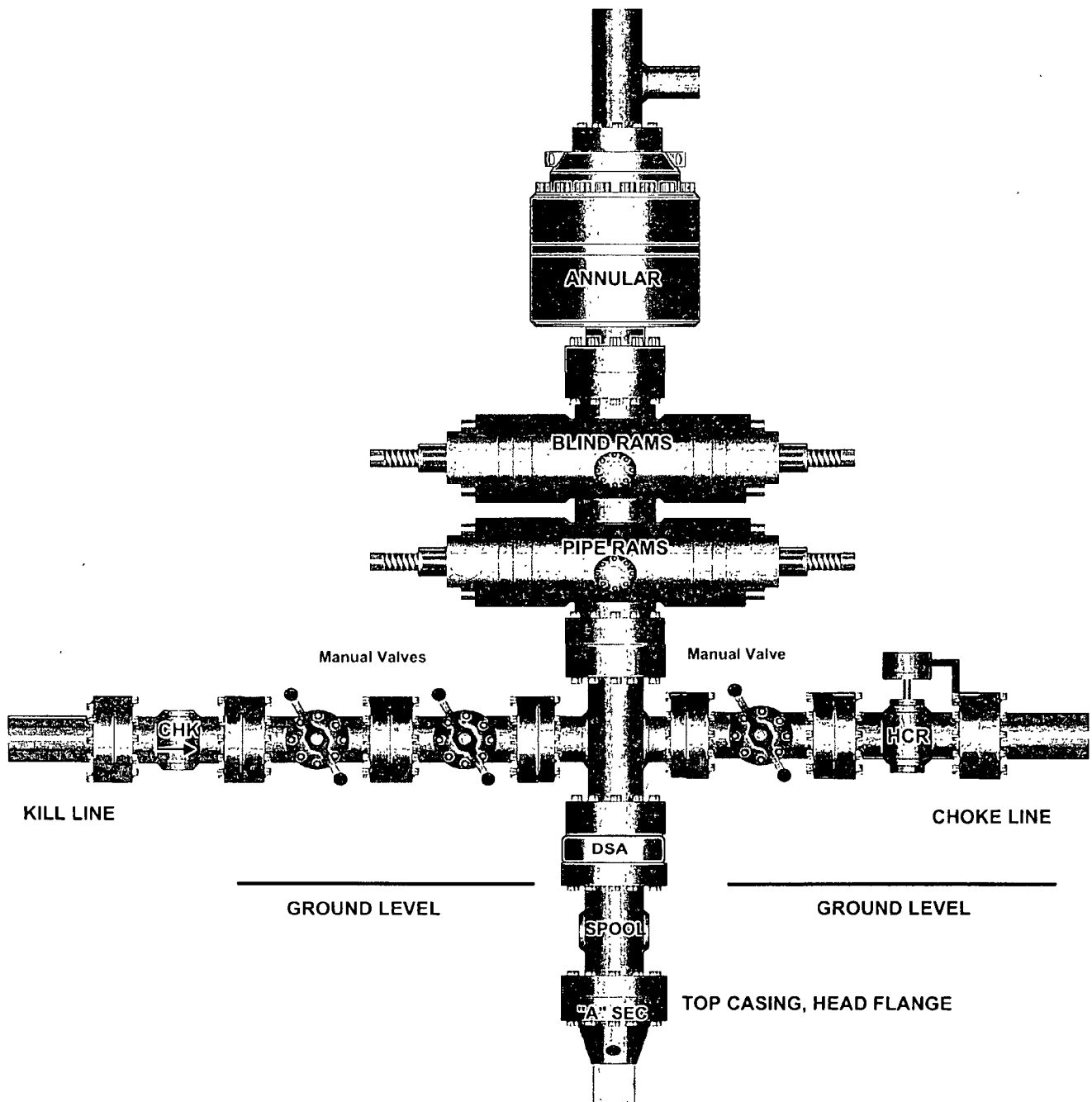
After operations are complete, fluids and solids will be hauled and disposed to one of the four NMOCD facilities:

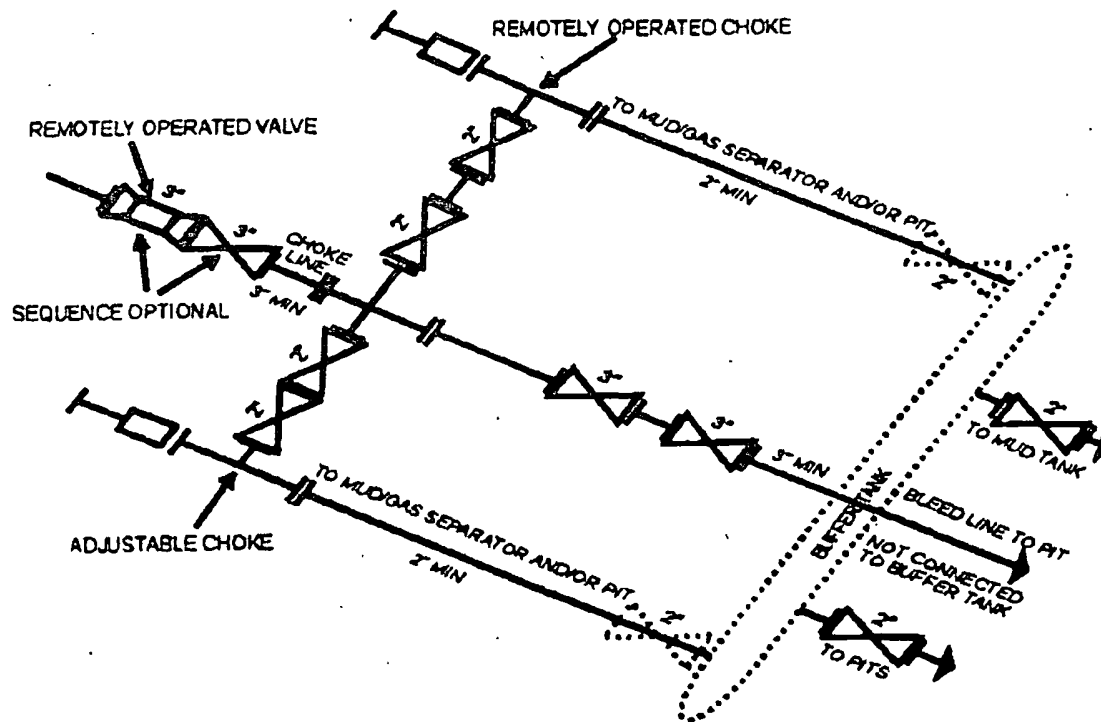
Disposal Facility Name	<u>SUNDANCE INCORPORATED</u>	Disposal Facility Permit Number:	<u>NM-01-0003</u>
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Disposal Facility Name	<u>LEA LAND</u>	Disposal Facility Permit Number.	<u>NM-01-035</u>
Disposal Facility Name	<u>GANDY MARLEY</u>	Disposal Facility Permit Number	<u>NM-01-0019</u>

Conventional Rig Location Layout



13-5/8" x 5,000 psi BOP Stack





SM CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]