

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 OCD

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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 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: Pride Energy Company OGRID #: 151323
Address: P.O. Box 701950 Tulsa, OK 74170-1950
Facility or well name: South Four Lakes Unit, Well No. 15
API Number: 30-025-36882 OCD Permit Number: PI-03511
U/L or Qtr/Qtr G Section 2 Township 12S Range 34 E County: Lea
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 19.15.17.11 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: _____

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 Disposal Disposal Facility Permit Number: NM 01-0019
Disposal Facility Name: Sundance Disposal Disposal Facility Permit Number: NM 01-0003
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): John W. Pride Title: President of Pride Oil & Gas Co., Inc., as General Partner of Pride Energy Company
Signature: John W. Pride Date: 7/13/11
e-mail address: johnp@pride-energy.com Telephone: (918) 524-9200

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

OCD Representative Signature: _____

Approval Date: 7-25-2011

Title: STAFF WORK

OCD Permit Number: P1-03511

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: _____

Pride Energy Company

South Four Lakes Unit, #15
Unit G Section 2, T-12-S, R-34-E
Lea County, New Mexico
API#: 30-025-36882

Equipment & Design:

Pride Energy Company will use a closed loop system during the recompletion of this well. The following equipment will be on location:

- (1) 500 bbl frac tank

Operations & Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the frac tank and visually monitor any release that may occur. Should a release, spill, or leak occur, the NMOCD District 1 Office Hobbs (575-393-6161) will be notified, as required in the NMOCD's rule 19.15.29.8.

Closure:

After performing the recompletion operations, fluids and solids will be hauled and disposed at Gandy-Marley Disposal's location, permit number NM 01-0019. Secondary site will be Sundance Disposal, permit number NM 01-0003.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 16, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Pride Energy Company
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87504

Division Administrative Order NSL-5132

Reference is made to the following: (i) your initial application (*administrative application reference No. pSEM0-428850186*) on behalf of Pride Energy Company ("Pride") filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe on October 13, 2004 for location exceptions to the rules and regulations currently governing ~~both the Four Lakes-Devonian Gas Pool (76920) and the Four Lakes-Upper Pennsylvanian Pool (25460)~~ for Pride's proposed South Four Lakes Unit Well No. 15 to be drilled 2380 feet from the North line and 2230 feet from the East line (Unit G) of Section 2, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico; (ii) the Division's response by letter from Mr. Michael E. Stogner, Engineer/Hearing Officer with the Division in Santa Fe dated November 1, 2004 withdrawing this application from the Division's administrative process and setting this matter to hearing before a duly appointed Examiner (*see Division Case No. 13390*); (iii) your e-mail of Monday, November 8, 2004 requesting the initial application be amended to address the deeper Four Lakes-Devonian Gas Pool only; and (iv) the Division's records in Hobbs and Santa Fe, including the files in Division Cases No. 10546 and 13390.

The Four Lakes-Devonian Gas Pool is currently governed under Division Rule 104.C (3), see the Division Director's memorandum dated October 25, 1999 concerning older deep gas pools established prior to June 1, 1964, which requires 160-acre spacing units comprising a single governmental quarter section. Pride's proposed well is to be a replacement gas well within a previously existing 160.14-acre spacing unit in the Four Lakes-Devonian Gas Pool comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 2, which was dedicated to Pride's South Four Lakes Unit Well No. 8 (*API No. 30-025-29533*), located at a standard gas well location 660 feet from the North line and 990 feet from the East line (Lot 1/Unit A) of Section 2, from April 1, 1986 (*date of first production when the well was operated by Exxon Corporation*) to September, 1997 (*date of last reported production by Phillips Petroleum Company*).

Your application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Four Lakes-Devonian Gas Pool than a well drilled at a location considered to be standard within the above-described 160.14-acre spacing unit.

Furthermore, this replacement well at the proposed unorthodox gas well location will enable Pride to deplete additional reserves within this unit and state lease that might not otherwise be recovered.

It is further understood that all of Section 12 is a single state lease issued by the New Mexico State Land Office (*State Lease No. E-02064-0001*) in which all leasehold ownership is common, and which is committed to the South Four Lakes Unit (*see Division Orders No. R-710 and R-710-A*).

By the authority granted me under the provision of Division Rule 104.F (2), the above-described unorthodox Devonian gas well location for Pride's proposed South Four Lakes Unit Well No. 15 is hereby approved.

IT IS FURTHER ORDERED THAT:

(1) Division Order No. R-9758, issued in Case No. 10546 on November 10, 1992, which order authorized Phillips Petroleum Company to drill its South Four Lakes Well No. 13 as an infill well within this 160.14-acre unit at an unorthodox gas well location within a fifty foot radius of a point 2450 feet from the North line and 960 feet from the East line (Unit H) of Section 2 (which well was never permitted), is hereby placed in abeyance until further notice.

(2) ~~Any subsequent request by the operator of the above-described South Four Lakes Unit Well No. 15 to amend this administrative order to include any other formation or pool shall be set to hearing and will not be administered administratively.~~

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,




Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office – Santa Fe
Case No. 10546
Case No. 13390