

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

MAR 12 2012

RECEIVED

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
Revised August 1, 2011

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: SandRidge E&P, LLC OGRID #: 270265
Address: 123 Robert S. Kerr Ave., OKC OK 73102-6406
Facility or well name: Parcell Federal #8
API Number: 30-025 / 40488 OCD Permit Number: PI-04318
U/L or Qtr/Qtr J Section 08 Township 21S Range 38E County: LEA
Center of Proposed Design: Latitude 32.490243 N Longitude -103.077816 W 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 19.15.16.8 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 Disposal Facility Permit Number: NM-01-0006
Disposal Facility Name: PARADO Sundance 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): Linda Guthrie Title: Regulatory Manager
Signature: Linda Guthrie Date: 8/5/11
e-mail address: lguthrie@sandrledgeenergy.com Telephone: (405) 429-6085

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

OCD Representative Signature: _____ Approval Date: 03/14/12

Title: PETROLEUM ENGINEER OCD Permit Number: P1-04318

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 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: _____ 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: _____

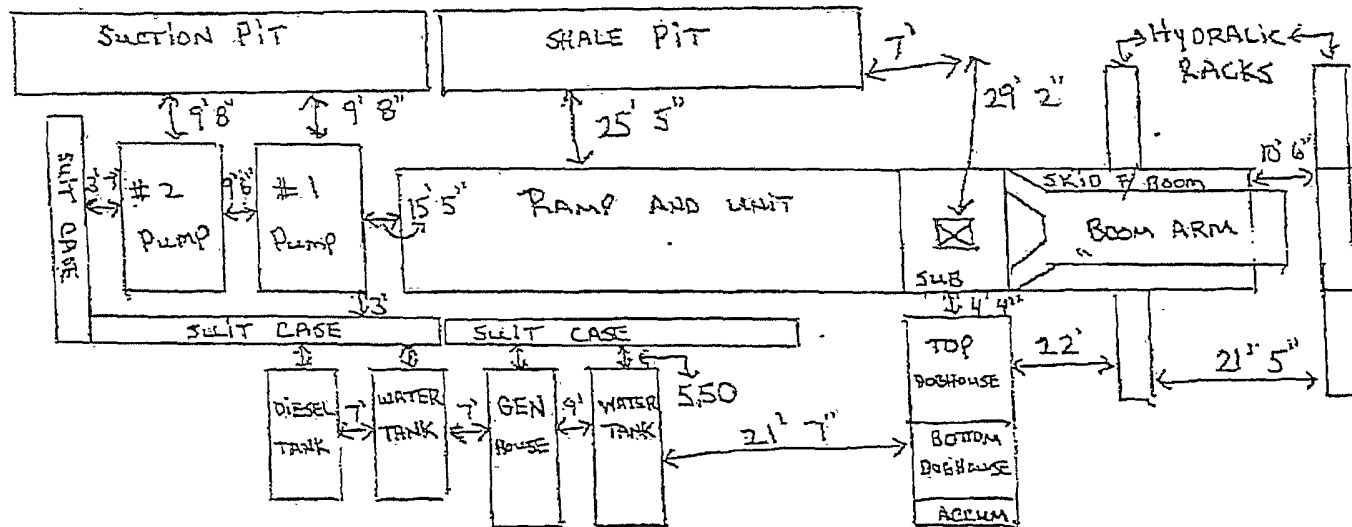
e-mail address: _____ Telephone: _____

LARIAT SERVICES, INC.

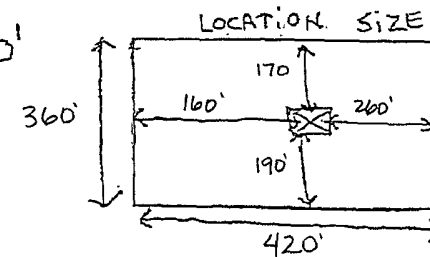
RIG #17

TYPICAL LOCATION FOOTPRINT

Reserve Pit should be added as needed



CENTER OF HOLE TO BACK OF STEEL PITS 40'
 CENTER OF HOLE TO END OF ACCUMULATOR 61'
 CENTER OF HOLE TO END OF UNIT RAMP 58'
 CENTER OF HOLE TO BACK OF LAST PIPE RACK - 48'
 CENTER OF HOLE TO END OF BOOM - 44'
 CENTER OF HOLE TO END OF SKID FOR ROOM - 34'



LOCATION SIZE
 FOR CLOSED
 LOOP SYSTEM

Lariat Services, Inc. – Rig #17 Inventory

APPROXIMATE AGE:

Built 2005

POWERED DRAW WORKS:

Rt 400 Single Drum Drawworks Lebus Grooved for 1 1/8" Line 42" x 10" Brakes with 424-400,000# Tension Torque Brake.

Powered by 630 HP Series 60 Detroit Engine with an Allison 6061 Transmission to 500 HP Right Angle Gear Box.

MAST & SUBSTRUCTURE:

International Derrick Service 67' 500,000 GNC Mast Mounted on a 3 Axle Carrier with Boatskid 12' Substructure with Pipe Handling Boom Arm.

POWERED PUMPS:

(1) RSF-1000 Powered by Detroit Series 2000 Diesel Engine.

(1) EMSCO DB-550 Powered by Caterpillar 3406 Diesel Engine.

TOP HEAD DRIVE AND POWER UNIT:

Top Drive system XK250-24K Powered by Detroit Series 60 / 350 HP @ 1200 RPM with Sunstrawn Hydraulic Pump.
Maximum Circulating Pressure 5000 PSI with Torque Capacity of 24,000 Ft. lbs. Max. RPM 150.

CROWN AND TRAVELING CARRIER FOR TOP HEAD DRIVE:

Crown is Designed for 8 Line String Up, Consisting of (8) 20" x 1 1/8" Sheaves. Banjo Sheaves are 1 1/8" X 250 Ton.

WELL CONTROL EQUIPMENT:

Koomey 8 Bottle 5 Station Accumulator.

5000 # Choke Manifold.

11" x 3000 # Double Shaffer B.O.P.

GENERATOR HOUSE:

10' x 48' Skid Mounted House.

(2) 380 KW Marathon Generators Powered by (2) Detroit Series 60 550 HP Diesel Engines.

Sullivan Palettek Rotary Screw Compressor.

MUD SYSTEM:

(2) 10' W x 5' H x 40' L with 10' Porch on Each End 400 BBL Each with (4) 5" x 6" Centrifugal Pumps with 50 HP, Electric motors, Linear Shale Shaker. (2) Cone Desander (12) Cone Desilter and Mud Hopper.

TOOLPUSHER'S HOUSE:

8' W x 40' L Idle Time Trailer.

TOP DOGHOUSE:

8' W x 20' L with 4' Porch.

BOTTOM DOG HOUSE:

25' L x 8' W with 5 Station Accumulator Mounted on Front.

WATER TANK:

8' W x 8' H x 40' L with Lubster Mounted on One End with (2) 2" X 3" Centrifugal Pumps with 20 HP Electric Motors.
Water Tank 500 BBL Cap.

HANDLING TOOLS AND AUXILLARY EQUIPMENT:

OWI 1000 Hydraulic Wireline Machine.

U.S. Oil Tools.

Air Slips.

(2) Braden Hydraulic 3/8" Line Winches.

Lariat Services, Inc. – Rig #17 Inventory

- (1) 450 Gallon Day Tank on Unit.
- (1) 450 Gallon Hydraulic Tank.
- (3) Sultcases (1) 32' x 3' x 1" – (1) 40' x 3' x 1" - (1) 34' x 3' x 2".
- (1) Diesel Tank Skid Mounted 38' L x 7' (Tank Is 6' x 6' x 14').
- (1) Junk Box 5' x 8" x 20'.
- (1) Auto-Drill Automatic Driller.
- Type "D" Weight Indicator with E-80 Sensor.
- Deadline Anchor Hercules Type HA 118T.
- Crown Protection System.
- (1) Pre-Mix Pit 7' W x 7' H x 28' L with 5" x 6" Mixing Pump 100 HP Electric Motor.
- (1) 500 BBL Storage Tank.