

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

SEP 17 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 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: Caza Operating, LLC OGRID #: 249099
Address: 200 N. Loraine, Suite 1550, Midland, Texas 79701
Facility or well name: Moore Cowbell 27 State # 1H
API Number: 30 025 39404 OCD Permit Number: P1-05173
U/L or Qtr/Qtr P Section 27 Township 12 South Range 32 East County: Lea
Center of Proposed Design: Latitude 33°14' 39.35"N Longitude 103°42' 01.15"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 indentify 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 Facility Permit Number: NM-01-0019
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): Richard L. Wright Title: Operations Manager
Signature: Richard L. Wright Date: 9-12-2012
e-mail address: rwright@cazapetro.com Telephone: 432 682 7424

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)
OCD Representative Signature: Mark Whitman **Approval Date:** 09-18-2012
Title: Compliance Officer **OCD Permit Number:** P1-05173

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:** _____

Caza Operating, LLC

Moore Cowbell 27 State # 1

Lease Serial number VB-1128

API 30 025 39404

Caprock Wolfcamp, East

660 FSL & 990 FEL, Sec 27, T-12-S, R-32-E

Lea County, New Mexico

P&A Procedure

DIRECTIONS TO WELL.

- From Tatum New Mexico, go West 22 miles on Highway 360 to Mile Marker 205.
- Turn Left/South on Moore Rd, go 9.5 miles South/Southwest
- Turn Left, Go .7 miles South.
- Turn Right, Go .4 miles West.
- Turn Left, Go 1.3 miles South.
- Turn Right, Go 600 ft West to Location

ENGINEERING INFO:

GL ELEV : 4335 ft GL

RKB DRILLING RIG: 26.5 FT

CASING 7 inch 26# P-110 LTC BURST 9960 PSI COLLAPSE 6210 PSI CAPACITY 0.03826 BPF

TUBING 2.375 4.7# L-80 EUE 8RD BURST 11,200 COLLAPSE 11,780 CAPACITY .003870 BPF

Float Collar @ 8785 ft.

WELL HEAD:

TUBING SPOOL 11 INCH 5 M X 7 1/16 INCH 10 M.

PLUG & ABANDON PROCEDURE

1. MIRU Well Service Unit.
2. POH w/ Rods & Pump. N/U BOPE. POH w/ Tubing.
3. Set CIBP @ 8200 ft.
4. RIH w/ tubing. Cap CIBP @ 8200 ft w/ 25 sks Cement. Plug should be 120 ft. TOC should be 8080'.
5. Test 7 inch Casing to 2500 psi.
6. Circulate Mud Laden Fluid from 8080' to Surface. (12.5 lb per sack salt gel in 10 ppg Brine)
7. Spot 35 Sks cement (170 ft) plug from 7200' to 7030 ft.
8. Spot 35 Sks cement (170 ft) plug from 5040' to 4870 ft.
9. Spot 35 Sks cement (170 ft) plug from ^{2300 2130}~~3600~~' to 3430 ft.
10. Spot 35 Sks cement (170 ft) plug from 1522' to 1352 ft. Tag Plug.
11. Circulate 72 sks Cement (350 ft) plug from 350 ft to Surface.
12. Cut Well head 3 ft below Ground Level. Cut Anchors below Ground Level. Install Dry hole tree. Fill in Cellar.
13. Dismantle & remove Equipment.
14. Remove Caliche if required.

Preferred vendors:

BASIC ENERGY SERVICES- PLUGGING COMPANY.