

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 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

MAY 10 2013

RECEIVED

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: ICA Energy Operating LLC OGRID #: 178694
Address: POB 2712, Odessa, TX 79760 (432) 580-5722
Facility or well name: ICA 31 # 1
API Number: 30-041-20958 OCD Permit Number: 91-06202
U/L or Qtr/Qtr SESE Section 31 Township 9 S Range 34 E County: Roosevelt
Center of Proposed Design: Latitude 33.571858^N Longitude 103.497250^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 19.15.3.103 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, Rt. 45 Crossroads, Hwy 380 Disposal Facility Permit Number: NM 711-01-020
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): Vernon D. Dyer Title: Agent Call for add't information
Signature: *Vernon D. Dyer* Date: 11-26-2012
e-mail address: Vdyeroil@cableone.com Telephone: (575) 420-0355

Original Application sent to NMOCD District I

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

OCD Representative Signature: _____ Approval Date: 05/14/13

Title: Petroleum Engineer OCD Permit Number: P1-06202

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: _____

C-144 Attachment
Closed Loop System Maintenance Summary
NMOCD Rule 19.15.17 NMAC
District I, NMOCD,
Hobbs, NM at (575) 393-6161

Operator and Well:

ICA Energy Operating LLC
ICA Federal 31 # 01
Section 31, T. 09 S., R. 34. E
Roosevelt County, NM

Equipment:

The anticipated equipment shall consist of:

Above Ground steel tanks and or Roll-off steel tanks.

Dual motion shale shakers, solid removal centrifuges, gas separator, one 500 bbl fresh water and one 500 bbl brine water frac tanks. The closed loop mud system shall follow the guidance of regulations NM 19.15.17.11 NMAC.

*** SEE: RIG LAYOUT EXHIBIT 1.0 FOR ABOVE DROUND STEEL PIT SETUP**

Maintenance:

The drilling crew will inspect the closed loop circulating system at least once during each tour. Inspections or maintenance shall be entered into the driller's log. Any release of spill discovered will be reported to the NMOCD at (575) 393-6161 within 24 hours in accordance to NMOCD Rule 19.15.29 NMAC.

Closure:

All circulating fluids and cuttings deemed for disposal shall be transported to one of the following state permitted waste disposal sites to be determined:

- 1) Gandy Marley Inc., waste disposal site, Route 45 Crossroads, Hwy 380, permit no. NM 711-01-020, EPID 0001002484.**
- 2) Alternative disposal sites are Sundance Services, waste disposal site, located three miles east of Eunice, NM permit no. NM-01-0003.**

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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Run Date: 10/29/2012

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 211.720
Serial Number NMNM-- - 108475

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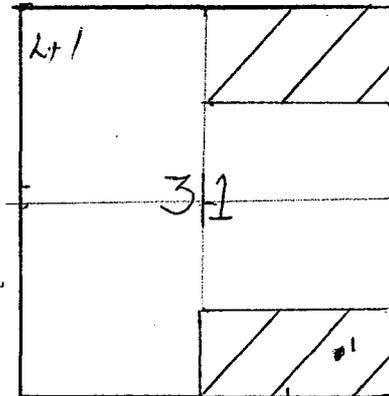
Name & Address			Int Rel	% Interest
ABO PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.0000000
BLAYLOCK STEVE	214 W TEXAS AVE #306	MIDLAND TX 79701	OPERATING RIGHTS	0.0000000
CAP OIL LTD	PO BOX 3273	ABILENE TX 79604	OPERATING RIGHTS	0.0000000
LOUGH C SHANE	3830 E EVERGLADE	ODESSA TX 79762	OPERATING RIGHTS	0.0000000
MCCABE GREG	PO BOX 11188	MIDLAND TX 79702	OPERATING RIGHTS	0.0000000
MYCO INDUSTRIES INC	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.0000000
OXY Y-1 COMPANY	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.0000000
OZARK EXPLORATION INC	3838 OAK LAWN AVE #1525	DALLAS TX 75219	OPERATING RIGHTS	0.0000000
THOMPSON CLEO J	325 N ST PAUL #4300	DALLAS TX 75201	OPERATING RIGHTS	0.0000000
THOMPSON J CLEO & JR	325 N ST PAUL #4500	DALLAS TX 752013993	LESSEE	100.0000000
THOMPSON PETROLEUM CORP	325 N ST PAUL #4300	DALLAS TX 75201	OPERATING RIGHTS	0.0000000
WES-TEX DRILLING CO LP	PO BOX 3739	ABILENE TX 79604	OPERATING RIGHTS	0.0000000
YATES PETRO CORP	105 S 4TH ST	ARTESIA NM 88210	OPERATING RIGHTS	0.0000000

Serial Number: NMNM-- - 108475

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0080S	0340E	031	ALIQ	N2NE,S2SE;	ROSWELL FIELD OFFICE	ROOSEVELT	BUREAU OF LAND MGMT
23	0080S	0340E	031	LOTS	1;	ROSWELL FIELD OFFICE	ROOSEVELT	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 108475

Act Date	Code	Action	Action Remark	Pending Office
04/16/2002	387	CASE ESTABLISHED	200204042	
04/17/2002	191	SALE HELD		
04/17/2002	267	BID RECEIVED	\$13780.00;	
04/17/2002	392	MONIES RECEIVED	\$13780.00;	
05/10/2002	237	LEASE ISSUED		
05/10/2002	974	AUTOMATED RECORD VERIF	GSB	
06/01/2002	496	FUND CODE	05;145003	
06/01/2002	530	RLTY RATE - 12 1/2%		
06/01/2002	868	EFFECTIVE DATE		
07/02/2002	963	CASE MICROFILMED		
05/02/2003	140	ASGN FILED	S HORN/J C THOMPSON	
09/09/2003	139	ASGN APPROVED	EFF 06/01/03;	
09/09/2003	974	AUTOMATED RECORD VERIF	LR	
10/05/2004	932	TRF OPER RGTS FILED	THOMPSON JRLP/CAP OIL	
10/26/2004	932	TRF OPER RGTS FILED	THOMPSON/YATES PETRO	
12/02/2004	933	TRF OPER RGTS APPROVED	01EFF 11/01/04;	
12/02/2004	933	TRF OPER RGTS APPROVED	02EFF 11/01/04;	
12/02/2004	974	AUTOMATED RECORD VERIF	LR	
09/01/2005	246	LEASE COMMITTED TO CA	NMNM114011;	
09/01/2005	651	HELD BY PROD - ALLOCATED	NMNM114011;	
09/01/2005	660	MEMO OF 1ST PROD-ALLOC	/1/	
11/28/2005	643	PRODUCTION DETERMINATION	/1/NMNM114011	
05/12/2011	940	NAME CHANGE RECOGNIZED	YATES DRL CO/OXY Y-1	



*ICA ENERGY 31 #1
SAN ANTONIO*

Serial Number: NMNM-- - 108475

Line Nr	Remarks
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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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0002	STIPS APPLIED TO LEASE:
0003	SENM-S-22 (PRAIRIE CHICKENS)
0004	RENTAL PAID FOR 06/01/03;
0005	RENTAL PAID FOR 06/01/04;