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

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.
HOBBS OCD
Operator: CHAPARRAL ENERGY, LLC. OGRID #: 004115
Address: 701 CEDAR LAKE BLVD. OKLAHOMA CITY, OK 73114
JUL 05 2013
Facility or well name: WEST DOLLARHIDE QUEEN SAND UNIT #140
API Number: 30 025 30297 OCD Permit Number: 033441 PI-06513
U/L or Qtr/Qtr K Section 32 Township 24S Range 38E County: LEA
RECEIVED
Center of Proposed Design: Latitude 3210345 Longitude -103.05180 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: SUNDANCE Disposal Facility Permit Number: NM -01-0003
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): BILLY W. NIEVAR Title: PRODUCTION ENGINEER
Signature: Billy W. Nievar Date: July-2-2013
e-mail address: billy.nievar@chaparralenergy.com Telephone: 405-426-4040

JUL 18 2013

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

OCD Representative Signature: E Gonzales **Approval Date:** 7-18-2013

Title: Dist. Mgr **OCD Permit Number:** P1-00513

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

HOBBS OCD

JUL 05 2013

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

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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: _____

DESIGN PLAN

Closed Loop System (West Dollarhide Queen Sand Unit Field WDQSU)

Chaparral Energy LLC has to perform well work at various times on wells located in the WDQSU. The design type we would plan to use is a Closed-Loop System. This work is usually only well repairs and workovers. All of the solids and liquids generated in this work will be stored in steel pits or haul off bins at the well site. Since the WDQSU has it's own injection system any water generated from workover operations will be sent back to the injection plant. The water is then injected back into the injection wells. After the workover operations are complete the solids generated from workover operations will be stored in a small earth pit approximately 4' x 6' x 6". The pit will be lined with 20 mil liner material. Once the solids are placed in the liner the liner will be looped over and tied together. Since this is usually a small volume of one to two yards at each well, several of the liners are loaded on a dump truck at one time and sent to the designated disposal facility.

OPERATING AND MAINTENANCE PLAN

Operation of this type of closed loop system is simple. Environmental trays are used to collect fluids that drain from the tubing or wellhead while tripping in or out of the well. Open top tanks or haul off bins are used to hold all fluids and solids generated from the well work. Hoses and steel pipes are used to transfer the fluids from the well to the tank. Pumps are also used to circulate fluids from the steel pit or tank to the well and back again. Sometimes a well will flow while working on the well. Vacuum tank trucks may also be used if the well flows more fluid than the tank can hold. The system is maintained by daily inspections. The open top tanks or haul off bins are above ground so any leaks or drips can be isolated cleaned up quickly. Open top tanks can be covered with netting to prevent migratory birds from entering the tank. If necessary the work area can be fenced to keep out animals and people from entering the work area.

SKETCH OF WORKOVER WITH ANNCILLARY EQUIPMENT

Not To Scale