

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

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 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: Paladin Energy Corp.

OGRID #: 1647070

Address: 10290 Monroe Dr., suite 301, Dallas Texas 75229

Facility or well name: New Mexico BH State
State BB NCT-1 Well #4

API Number: 30-025-00110 / ✓ OCD Permit Number: P1-80680

U/L or Qtr/Qtr D Section 11 Township 12S Range 32E 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: State BB NCT-1 #1 SWD

Disposal Facility Permit Number: Order No. SWD 790-0

Disposal Facility Name: Gandy-Marley (commercial facility)

Disposal Facility Permit Number: NM-21-0019

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): David Plaisance Title: V.P. Production & Exploration

Signature: David Plaisance Date: 11/14/2008

e-mail address: dplaisance@paladinenergy.com Telephone: 214-352-5245

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

OCD Representative Signature: _____

Approval Date: _____

Title: **Geologist**

OCD Permit Number: _____

P1-00680

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: _____

Paladin Energy Corp.

State BH NCT-1 Well #4

Unit D, Sec 11, Tws 12S, Rng 32E

Paladin will use steel pits for its operations.

Hydrology

Average depth of groundwater per state Engineer is 81 ft.

Operations and Maintenance

The steel pits and equipment will be inspected daily and any necessary maintenance will be performed. Any leak in the system will be repaired and/or contained immediately and OCD notified within 48 hours.

State remediation process as per Rule 116

Closure Plan

All liquids will be hauled to State BB#1 SWD, east Caprock field. Any solids associated with this plugback will be hauled to a commercial disposal site (Gandy Marley).

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☒ All ☐ Non-Domestic ☐ Domestic

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

AVERAGE DEPTH OF WATER REPORT 11/14/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	12S	32E	02				2	60	60	60
L	12S	32E	06				1	59	59	59
L	12S	32E	08				2	110	110	110
L	12S	32E	10				1	81	81	81
L	12S	32E	14				3	35	85	68
L	12S	32E	17				2	60	60	60
L	12S	32E	19				1	94	94	94
L	12S	32E	22				2	53	53	53
L	12S	32E	23				7	30	58	44
L	12S	32E	30				1	110	110	110
L	12S	32E	32				1	145	145	145

Record Count: 23

PALADIN ENERGY CORP
STATE BH NCT-1 WELL #4
STEEL PIT - WORKOVER DIAGRAM

