

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

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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 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: LIME ROCK RESOURCES A,L,P OGRID #: 255333 ✓
Address: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401
Facility or well name: DENIUS FEDERAL #1
API Number: 30-025-01374 ✓ OCD Permit Number: P1-01924
U/L or Qtr/Qtr I Section 33 Township 17-S Range 33-E 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: CRI (Controlled Recovery Inc.) Disposal Facility Permit Number: R-9466 NM-DI-DDDB
Disposal Facility Name: Westall Loco Hills Water Disposal Disposal Facility Permit Number: R-3221
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): Mike Pippin Title: Petroleum Engineer - Agent
Signature: Mike Pippin Date: 2/26/10
e-mail address: mike@pippinllc.com Telephone: 505-327-4573

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

OCD Representative Signature: _____

Approval Date: _____

Title: _____

Geologist

OCD Permit Number: _____

PL-01924

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: _____

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-25787	² Pool Code 97037	³ Pool Name Cabresto Canyon Tertiary
⁴ Property Code 22862	⁵ Property Name Jicarilla 459-20	⁶ Well Number 8
⁷ OGRID No. 013925	⁸ Operator Name Black Hills Gas Resources, Inc.	⁹ Elevation 7240' GL

¹⁰ Surface Location

UL or lot no. K	Section 20	Township 30-N	Range 3-W	Lot Idn	Feet from the 2205'	North/South line South	Feet from the 1530'	East/West line West	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 160 - SW/4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.	RCVD FEB 22 '10 OIL CONS. DIV.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	¹⁷ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.	
	Signature: <u>Mike Pippin</u> Date: <u>2/18/10</u> Mike Pippin Printed Name	
	¹⁸ SURVEYOR CERTIFICATION	
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
	Date of Survey: <u>12/19/97</u> Signature and Seal of Professional Surveyor: <u>Roy A. Rush</u> 8894 Certificate Number	

LIME ROCK RESOURCES A, L.P.
DENIUS FEDERAL #1
API#: 30-025-01374

DESIGN: Closed Loop System – Flow tank during workover.

A ~100 bbl flow tank will be provided by Reliable Well Service, 512 W. Texas, Artesia, NM 88210, 575-748-1213. Contact person: Willie Morrison

OPERATIONS:

The closed loop equipment will be installed on the well pad and inspected daily by the workover crew and any necessary maintenance performed.

Any leak in the system will be repaired and/or contained immediately.

OCD will be notified within 48 hours of any spill.

Remediation process will be started immediately.

CLOSURE:

During workover operations, all cuttings & associated liquids will be hauled off to the disposal facility, CRI (Controlled Recovery Inc. Permit #R9166. Water will be hauled off to Westall Loco Hills Water Disposal permit #R-3221.

**POWER OF ATTORNEY
DESIGNATION OF AGENT**

LIME ROCK RESOURCES A, L.P. hereby names the following person as its agent:

Name of Agent: Mike Pippin, Pippin LLC

Agent's Address: 3104 N. Sullivan, Farmington, NM 87401-2017

Agent's Telephone Number: (505) 327-4573

GRANT OF SPECIAL AUTHORITY

LIME ROCK RESOURCES A, L.P. grants its agent the authority to act for it with respect to the following only:

1. Executing forms required to be filed with the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department.
2. Executive forms required to be filed with the Bureau of Land management of the Department of Interior of the United States of America.

EFFECTIVE DATE

This power of attorney is effective immediately.

RELIANCE ON THIS POWER OF ATTORNEY

Any person, including the agent, may rely upon the validity of this power of attorney or a copy of it unless that person knows it has terminated or is invalid.

SIGNATURE AND ACKNOWLEDGMENT

LIME ROCK RESOURCES A, L.P.

By: [Signature]

Name: Charles Adcock

Title: Managing Director

Date: February 9, 2009

Address: 1111 Bagby Street, Suite 4600, Houston, TX 77002

Telephone Number: (713) 292-9512

State of TEXAS

County of HARRIS

This instrument was acknowledged before me on 11th of February, 2009 by Charles Adcock, Managing Director of LIME ROCK RESOURCES A, L.P. acting on behalf of said limited partnership.

Signature of Notarial Officer: [Signature]

My commission expires: August 5, 2012

