

District I
1625 N. French Dr. Hobbs, NM 87401
District II
1561 W. Grand Avenue Artesia, NM 88210
District III
1190 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/D 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.

Operator PALADIN ENERGY CORP OGRID #: 16470 164D70
Address 10290 Monroe Dr., Suite 301 Dallas, Texas 75229
Facility or well name: South Vacuum 35 #2 SWD
API Number: 30-025-36789 OCD Permit Number: PI-02422
H/T or Qtr/Qu G Section 35 Township 118S Range R35E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ NAD ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

☒ **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

Signs: Subsection C of 19.15.17.11 NMAC

☐ 17" x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19.15.3.104 NMAC

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: _____

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: Paladin energy Corp., South Vacuum 35 #2 SWD Disposal Facility Permit Number: API # 30-025-03151

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 I 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 I of 19.15.17.13 NMAC

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 Plasance Title: V.P. Exploration & Production

Signature: [Signature] Date: 9/7/2010

e-mail address: dplasance@paladinenergy.com Telephone: 214-654-0132 ext 3

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

OCD Representative Signature: [Signature] Approval Date: 09/7/10

Title: Geologist OCD Permit Number: P1-D2422

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: _____

CLOSED LOOP DESIGN PLAN FOR PLUG BACK OPERATIONS

EQUIPMENT

1-250 bbl tank for holding fluids

1-500 bbl haul off tank for brine water

(No cuttings in this operation)

OPERATION AND MAINTENANCE

System will be maintained during operating hours by control personnel that will stay on location.

Any and all leaks will be repaired and/or contained immediately

OCD will be notified within 48 hours of remediation started if spill or leak occurs

Will adhere to Rule 116.

CLOSURE PLAN

During and following completion of Plugback Operations all fluids will be hauled off by Closed Loop Specialist.

GROUNDWATER

Per OCD and State Engineer data, the groundwater occurs at a depth of 60' to 70'.

CLOSED-LOOP SYSTEM FOR PLUG BACK OPERATIONS
DESIGN AND CONSTRUCTION
(NO CUTTINGS IN THIS OPERATION)

500 BBL STORAGE HAUL OFF TANK



PUMPS & EQUIPMENT NEEDED FOR CLOSED
LOOP SYSTEM

250 BBL FRESH/BRINE WATER
STORAGE

