

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 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: Dugan Production Corp. OGRID #: 6515  
Address: P.O.Box. 420, Farmington, NM  
Facility or well name: Dome Rusty 24-22-7 # 001  
API Number: 300-43-20320 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr J Section 24 Township 22N Range 7W County: Sandoval  
Center of Proposed Design: Latitude 36.12225 N Longitude 107.52394 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

OIL CONS. DIV DIST. 3  
MAR 05 2013

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: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
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): \_\_\_\_\_ Title: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

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

OCD Representative Signature: Jonathan D. Kelly Approval Date: 3/07/2013

Title: Compliance Officer OCD Permit Number: \_\_\_\_\_

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: 1/12/13

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: Sanchez O' Brien SWD # 1 Disposal Facility Permit Number: SWD-694

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): Aliph T Reena Title: Production Engineer

Signature: [Signature] Date: 03/04/2013

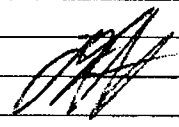
e-mail address: aliph.reena@duganproduction.com Telephone: 505-325-1821

**DETRICK SERVICES**  
P.O. Box 655 • Bloomfield, NM 87413  
(505) 320-8169 • (505) 632-1453

41288

Customer Rep Tose  
Service For Dugan Production Corp Lease/Well \_\_\_\_\_  
Truck/Trailer 104 Driver Aida Mutillo Date 1-10-13  
From Dome Rusty 24-22-2 #1 To Sanchez O' Brien 540

Produced Water ☐ Rig Water ☒ KCL ☐ Frac Water ☐ Tank Bottoms ☐ Pits ☐ Other ☐

	BBLS HAULED	START TIME	STOP TIME	STAND BY TIME	REMARKS:
RTO	XXX	A.M. P.M.	A.M. P.M.		
1	80	1:00	6:15		5' 14" 
2		A.M. P.M.	A.M. P.M.		
3		A.M. P.M.	A.M. P.M.		
4		A.M. P.M.	A.M. P.M.		First & Last load
5		A.M. P.M.	A.M. P.M.		
6		A.M. P.M.	A.M. P.M.		
7		A.M. P.M.	A.M. P.M.		
8		A.M. P.M.	A.M. P.M.		
9		A.M. P.M.	A.M. P.M.		
10		A.M. P.M.	A.M. P.M.		
RTI	XXX	A.M. P.M.	A.M. P.M.		
TOTAL					

ROAD CONDITIONS: ☐ CLEAR ☐ MUD ☒ SNOWPACK ☐ EXTRA ROUGH ☐ EXTRA STEEP ☐ CHAINS REQ.

Total Fluid	Water
Top Gauge _____	_____
Bottom Gauge _____	_____
Seal Off _____	On _____

SIGNED \_\_\_\_\_  
THE SIGNED EMPLOYEE ACKNOWLEDGES THAT THEY WERE NOT INVOLVED IN AN ON THE JOB ACCIDENT/INJURY TODAY

**DETRICK SERVICES**  
P.O. Box 655 • Bloomfield, NM 87413  
(505) 320-8169 • (505) 632-1453

41300

Customer Rep Jose  
Service For Dugan Production Corp Lease/Well \_\_\_\_\_  
Truck/Trailer 105 Driver Brian Date 1/10/13  
From Dome Rusty 24-22-7 #1 To Sanchez O. Brien

Produced Water <input checked="" type="checkbox"/>		Rig Water <input type="checkbox"/>	KCL <input type="checkbox"/>	Frac Water <input type="checkbox"/>	Tank Bottoms <input type="checkbox"/>	Pits <input type="checkbox"/>	Other <input type="checkbox"/>
BBLs HAULED	START TIME	STOP TIME	STAND BY TIME	REMARKS:			
RTO	XXX	A.M. P.M.	A.M. P.M.				
1	40	1:00	A.M. P.M.		pulled the Rig Pit		
2			A.M. P.M.	0:15			
3			A.M. P.M.		First ; Last load		
4			A.M. P.M.				
5			A.M. P.M.				
6			A.M. P.M.				
7			A.M. P.M.				
8			A.M. P.M.				
9			A.M. P.M.				
10			A.M. P.M.				
RTI	XXX	A.M. P.M.	A.M. P.M.				
TOTAL			5:25				

ROAD CONDITIONS: ☐ CLEAR ☒ MUD ☒ SNOWPACK ☐ EXTRA ROUGH ☐ EXTRA STEEP ☐ CHAINS REQ.

Total Fluid	Water
Top Gauge _____	_____
Bottom Gauge _____	_____
Seal Off _____	On _____

SIGNED Brian Detrick  
THE SIGNED EMPLOYEE ACKNOWLEDGES THAT THEY WERE NOT INVOLVED IN AN ON THE JOB ACCIDENT/INJURY TODAY