

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: Coaly # 090
API Number: 300-45-33905 OCD Permit Number: _____
U/L or Qtr/Qtr P Section 28 Township 27N Range 12W County: San Juan
Center of Proposed Design: Latitude 36.54075 N Longitude 108.11141 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 03 2008

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: _____

Approval Date: _____

Title: _____

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: 01/17/2013

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: IEI

Disposal Facility Permit Number: NM-01-0010B

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: _____

Date: 03/04/2013

e-mail address: aliph.reena@duganproduction.com

Telephone: 505-325-1821



Industrial Ecosystems Inc. Soil Reclamation Center

P.O. Box 2043
Farmington NM 87499

Phone: (505) 632-1782
Fax: (505) 632-1876

#49 CR 3150
Aztec NM 87410

Material Entry Record

Date: 1/22/13 Company Representatives Name: Aliph Reena

Generator of Material: Dugan Phone Number: _____

Origin of Material (Location): Coaly #900 Rig # _____

Material Transported by: AAA Well Svc H2S Gas ☒ Non-Detect ☐ Detect: Level _____

Driver's Name: Danny Pope

Driver's Cell #: _____

Truck Number: 263

File Number: _____

☒ Logged in Corresponding BioPile Sheet

<116 Chlorides 9.0 PH _____ TDS

Paint Filter Test: ☐ Passed ☒ Failed
☐ Pit ☒ Tanks
Mud _____

☐ DENIED / REJECTED

Type of Material

Soil

Gravel

Solidified Liquid

Other Cement waste

Tank Bottom Sludge
Tank Cleaning Residue
Charcoal Filter Media
Washout by: _____

Amount of Material

	Load #1	Load #2	Load #3	Load #4	Load #5	Load #6	Load #7	Load #8	Load #9	Load #10
Cubic Yards	20									
Barrels										
Washout										
Truck #	263									
Time In	3:25									
Time Out	3:45									
Login Initials										

Exempt

XXX

Non Exempt

I certify that the quantity and type of waste is that listed above. To the best of my knowledge, no other quantities or types of wastes have been added or removed.

Driver's signature: Danny Pope

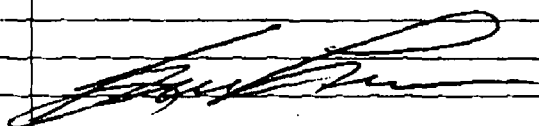
Attendant's Signature: M. Marquez

*Attach copy of test results to C-138/COW

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

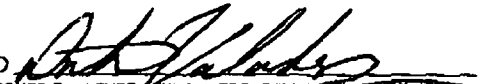
42260

Customer Rep L
Service For COALY 90 DUGAN PRODUCTION CORP. Lease/Well
Truck/Trailer 109 Driver DUSTIN VALADEZ Date 1/22/2013
From COALY 90 To SANCHEZ O'BRIAN

	Produced Water <input 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.		 PULLED FLUID FROM PIT		
1	40	1:00	3:45				
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.				
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	40		2.75				

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

42002

Customer Rep JBse
Service For Dugan Production Lease/Well
Truck/Trailer 108 Driver Peterson, Pinto Date 1-22-13
From Coal 4 #90 (AAA Rig PIT) To SUR B #1
Produced Water ☒ Rig Water ☐ KCL ☐ Frac Water ☐ Tank Bottoms ☐ Pits ☐ Other ☐

	BBLS HAULED	START TIME	STOP TIME	STAND BY TIME	REMARKS:
RTO	XXX	630 ^{AM}			
1	66	PM	1000 ^{AM}		Rig Pit (AAA well service)
2		PM			
3		AM			
4		PM			
5		AM			
6		PM			
7		AM			
8		PM			
9		AM			
10		PM			
RTI	XXX	AM			
TOTAL	65	PM			

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

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

SIGNED [Signature]
THE SIGNED EMPLOYEE ACKNOWLEDGES THAT THEY WERE NOT INVOLVED IN AN ON THE JOB ACCIDENT/INJURY TODAY