

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 87499
Facility or well name: Chaco # 003
API Number: 300-45-22472 OCD Permit Number: _____
U/L or Qtr/Qtr F Section 1 Township 24N Range 9W County: San Juan
Center of Proposed Design: Latitude 36.34579 N Longitude 107.7448 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

RCVD FEB 25 '14
OIL CONS. DIV.
DIST. 3

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: 02/05/2014

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: Sanchez O' Brien SWD # 1

Disposal Facility Permit Number: SWD - 694

Disposal Facility Name: Envirotech

Disposal Facility Permit Number: NM-01-0011

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 Reena

Title: Production Engineer

Signature: _____

Date: 02/24/2014

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

Telephone: 505-325-1821



Bill of Lading

MANIFEST # 45771

DATE 1-31-14 JOB # 06094-0138

PHONE: (505) 632-0615 • 5796 U.S. HIGHWAY 64 • FARMINGTON, NEW MEXICO 87401

[illegible]

By signing as the driver/transporter, I certify the material hauled from the above location has not been added to or tampered with. I certify the material is from the above mentioned Generator/Point of Origin and that no additional material has been added or mixed into the load.

TRANSPORTER CO. A Plus NAME Andy Hockenbuhl SIGNATURE [Signature]
COMPANY CONTACT Eric 325-2627 PHONE 501 428 4535 DATE Jan 31 14

Signatures required prior to distribution of the legal document.

550 Water Service, LLC

505.947.2152

11320

☒ DUGAN

12341 Hwy. 550 S. • Bloomfield, NM 87413

CUSTOMER _____ LEASE _____ WELL _____

TRUCK NO. 4 DRIVER Dennis DATE 1-24-14

RIG WATER ☐ FRAC WATER ☐ OIL ☐ PTS ☐ PROD WATER ☐ OTHER Flowback

FROM Chaco #3 TO SOB Storage Tank on SOB #90

BBLS HAULED	STARTING TIME	STOP TIME	OFF DUTY HOURS	STAND-BY HOURS	HAUL	RECEIVED BY
1. Road Time Out	Starting Time <u>10:30</u>	Starting Time <u>AM</u>	AM PM			
2. Hauled <u>80</u>	Starting Time <u>AM</u>	Starting Time <u>3:15</u>	AM PM			
3. BBLS Hauled	Starting Time <u>AM</u>	Starting Time <u>AM</u>	AM PM			<u>4.75</u>
4. BBLS Hauled	Starting Time <u>AM</u>	Starting Time <u>AM</u>	AM PM			

ROAD CONDITIONS: CLEAR ☒ ICE ☐ SNOWING ☐ RAINING ☐ MUD ☐ CHAINS REQUIRED ☐

REMARKS: pulled collar by well head, on stand by, pulled half moon pit and took to storage tank by SOB.

SAN JUAN REPRODUCTION - F P & A SIGNED Dennis DRIVER

550 Water Service, LLC

11333

550 Water Service, LLC

505.947.2152

11333

12341 Hwy. 550 S. • Bloomfield, NM 87413

☒ DUGAN

CUSTOMER _____ LEASE _____ WELL _____

TRUCK NO. 4 DRIVER Dennis DATE 1-29-14

RIG WATER ☐ FRAC WATER ☐ OIL ☐ PTS ☐ PROD WATER ☐ OTHER _____

FROM Chaco #3 TO SOB SWD

BBLS HAULED	STARTING TIME	STOP TIME	OFF DUTY HOURS	STAND-BY HOURS	HAUL	RECEIVED BY
1. Road Time Out	Starting Time <u>8:00</u> <u>PM</u>	Starting Time <u>AM</u> <u>PM</u>				
2. BBLS Hauled <u>80</u>	Starting Time <u>AM</u> <u>PM</u>	Starting Time <u>AM</u> <u>PM</u>				
3. P.S. Hauled <u>80</u>	Starting Time <u>AM</u> <u>PM</u>	Starting Time <u>6:30</u> <u>PM</u>				<u>10.5</u>
4. S Hauled	Starting Time <u>AM</u> <u>PM</u>	Starting Time <u>AM</u> <u>PM</u>				

ROAD CONDITIONS: CLEAR ☒ ICE ☐ SNOWING ☐ RAINING ☐ MUD ☐ CHAINS REQUIRED ☐

REMARKS: Stand-by @ Chaco #3 w/ A+6 Rig to pull
water fr. Cedar and pull Rig Pits.

PLA SIGNED Dennis Dennis DRIVER

550 Water Service, LLC

11334

505.947.2152

12341 Hwy. 550 S. • Bloomfield, NM 87413

LEASE

WELL

4
DRIVER

Dennis

DATE

1-30-14

☒ FRAC WATER ☐ OIL ☐ PTS ☐ PROD WATER ☐ OTHER

haco #3

TO

SOB SWD

HA	STARTING TIME	STOP TIME	OFF DUTY HOURS	STAND-BY HOURS	HAUL	RECEIVED BY
Out	Starting Time 9:30 AM	Starting Time AM				
d 80	Starting Time AM	Starting Time AM				
d 80	Starting Time AM	Starting Time 5:00 PM				7.5
d	Starting Time AM	Starting Time AM				

ITIONS: CLEAR ☒ ICE ☐ SNOWING ☐ RAINING ☐ MUD ☐ CHAINS REQUIRED ☐

Stand-by 5 Rig to pull cellar and pits

P & A

SIGNED

Dennis

DRIVER

inn - F

water truck
Marty

550 Water Service, LLC

11337

505.947.2152

12341 Hwy. 550 S. • Bloomfield, NM 87413

☒ DUGAN

CUSTOMER _____ LEASE _____ WELL _____

TRUCK NO. 4 DRIVER Dennis DATE 1-31-14

RIG WATER ☒ FRAC WATER ☐ OIL ☐ PTS ☐ PROD WATER ☐ OTHER _____

FROM Chaco #3 TO SOB SWD

BBLS HAULED	STARTING TIME	STOP TIME	OFF DUTY HOURS	STAND-BY HOURS	HAUL	RECEIVED BY
1. Road Time Out	Starting Time <u>9:15</u> <input checked="" type="radio"/> AM <input type="radio"/> PM	Starting Time _____ AM _____ PM				
2. BBLS Hauled <u>80</u>	Starting Time _____ AM _____ PM	Starting Time <u>10:45</u> <input checked="" type="radio"/> AM <input type="radio"/> PM				
3. BBLS Hauled _____	Starting Time _____ AM _____ PM	Starting Time _____ AM _____ PM				<u>1.5</u>
4. BBLS Hauled _____	Starting Time _____ AM _____ PM	Starting Time _____ AM _____ PM				

ROAD CONDITIONS: CLEAR ☒ ICE ☐ SNOWING ☐ RAINING ☐ MUD ☐ CHAINS REQUIRED ☐

REMARKS: P & A

SIGNED Dennis Dennis

DRIVER