

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
JUN 17 2013
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Form C-144 CLEZ
Revised August 1, 2011

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: Western Refining Company, L.P. OGRID #: 248440
Address: 6500 Townbridge Drive, El Paso, TX 79905
Facility or well name: State LPG Storage Well # 3
API Number: 30-025-35956 OCD Permit Number: PI-06372
U/L or Qtr/Qtr: M Section 32 Township 23S Range 37E County: Lea
Center of Proposed Design: Latitude 32.256297 Longitude 103.191714 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 19.15.16.8 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: Basic Energy Services LP, Lea No. 002 Disposal Facility Permit Number: API: 30-025-27682
Disposal Facility Name: Sundance Services Disposal Facility Permit Number: NM-01-0003
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): Eric T. Busch Title: Vice President - operations
on behalf of Western Refining Company, L.P.
Signature: [Signature] Date: 05/29/2013
e-mail address: eric@longvist.com Telephone: 713-559-9953

JUN 18 2013

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

OCD Representative Signature: [Signature]

Approval Date: 6-18-2013

Title: Dist. MGR

OCD Permit Number: PL-06372

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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FIELD SERVICE

www.lonquistfieldservice.com

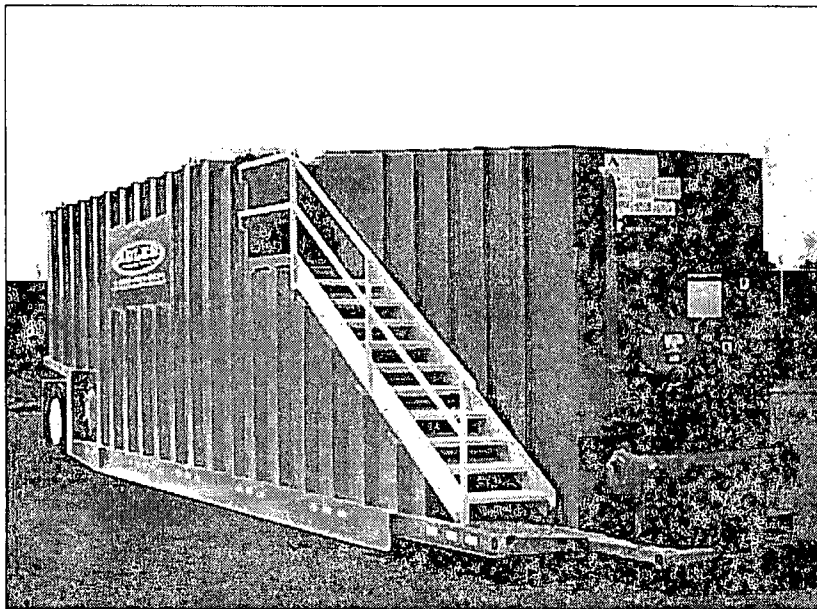
WICHITA
CALGARY

Subject: Western Refining Company, L.P.—Form C-144 CLEZ Design Plan Attachment

On behalf of Western Refining, Lonquist Field Service (LFS) is respectfully submitting the following details for containment of salt saturated sodium chloride brine water to be used during the workover operations of State LPG Storage Well Nos. 3 & 4 at the Jal Storage Facility. All fluids will be transported within the site in vacuum trucks, and any brine volumes sent onto public roadways will not exceed the allowable limit per New Mexico regulation. All brine required for this workover will be pulled from Western Refining's existing brine pond, and any remaining brine in surface tanks will be utilized to pre-pressure the wells for the nitrogen-brine interface MIT. Only empty tanks and vacuum trucks bound for cleaning will be transported on public roadways.

Operator: Western Refining Company, L.P.
Well Names: State LPG Storage Well No. 3 & 4
API Numbers: 30-025-35956 and 30-025-35957
Project: Workover and MIT to place wells back in service

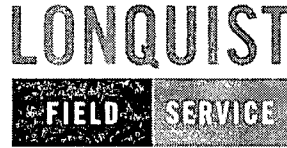
Photo of proposed frac tank to be used for fluid storage:



Dimensions of frac tank:

Length: 38 ft
Width: 8 ft
Height: 12 ft
Volume: 500 bbls

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CALGARY

www.lonquistfieldservice.com

Subject: Western Refining Company, L.P.—Form C-144 CLEZ Operating and Maintenance Plan Attachment

On behalf of Western Refining, Lonquist Field Service (LFS) is respectfully submitting the following details for the operating and maintenance of the closed loop system to be utilized for the workover operations of State LPG Storage Well Nos. 3 & 4 at the Jal Storage Facility.

Operator: Western Refining Company, L.P.

Well Names: State LPG Storage Well No. 3 & 4

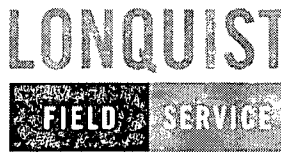
API Numbers: 30-025-35956 and 30-025-35957

Project: Workover and MIT to place well back in service

Fluid Operating and Maintenance Plan

- 1) All equipment and systems which are to handle fluids are to be inspected and tested prior to storage and integration into the closed loop system.
- 2) Mandatory morning checks are to be performed to confirm the presence of leaks of frac tanks, hoses, pumps, and any pertinent equipment which is expected to be holding fluid during the operation.
- 3) Additional checks are to be performed throughout daily operations to confirm the presence of leaks on the equipment.
- 4) Ensure 100% of the fluids are contained within the closed loop system.
- 5) Any fluid movements will be done within the facility, and prior to moving onto public roadways, all vacuum trucks and tanks will be emptied at the onsite brine pond, with outlets capped.
- 6) In the event of a spill or leak, mandatory notification of Western Refining Company, L.P. and State of New Mexico Oil Conservation District will occur immediately. The spill or leak shall be contained, the leaking equipment shall be isolated and repaired, and the spill site shall be immediately cleaned as per facility and State regulations.
- 7) Daily reports of on-site operations shall be provided to Western Refining each morning.
- 8) In the event of an emergency, notify local authorities and contact the New Mexico OCD at 575-370-3186.

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Subject: Western Refining Company, L.P.—Form C-144 CLEZ Closure Plan Attachment

On behalf of Western Refining, Lonquist Field Service (LFS) is respectfully submitting the following details for the disposal of salt saturated sodium chloride brine water to be used during the workover operations of State LPG Storage Well Nos. 3 & 4 at the Jal Storage Facility. Our plan is to utilize the existing brine pond at Western's Jal Storage Facility to provide all brine required for the workover operations. Brine remaining in surface tanks at the conclusion of the workover will be utilized to pre-pressure the cavern wells for the nitrogen-brine interface MIT. All frac tanks and vacuum trucks will be cleaned off site, with fluids being disposed of at the below mentioned approved disposal facilities.

Operator: Western Refining Company, L.P.
Well Names: State LPG Storage Well Nos. 3 & 4
API Numbers: 30-025-35956 & 30-025-35957
Project: Workover and MIT to place wells back in service

Fluid Disposal Options:

- 1) Western Refining Company, L.P.
Jal, NM Storage Facility
State LPG Storage Well No. 3—API No. 30-025-35956
State LPG Storage Well No. 4—API No. 30-025-35957

Fluids required for workover are provided from existing brine pond located on-site, and any fluids remaining in surface tanks at the conclusion of the workover will be utilized to pre-pressure cavern wells 3 and 4 for the MITs.

- 2) Basic Energy Services
P.B.U. Yard 1208
P.O. Box 1869
Eunice, NM 88231
575-394-2545

This facility will be utilized for tank and vacuum truck cleaning only. Fluids are disposed of in well privately owned by Basic Energy Services.

Well Name: Lea No. 002

Location: NM Hwy 18 at mile marker 21, approximately 8 miles south of Eunice

LFS confirmed today that both facilities adequate capacity to handle all of the fluids required for disposal.