

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: Stevie Joe 006
API Number: 300-39-06179 OCD Permit Number: _____
U/L or Qtr/Qtr C Section 6 Township 25N Range 3W County Rio Arriba
Center of Proposed Design: Latitude 36.4336 N Longitude 107.1879 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 AUG 23 '12
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: Jonathan Kelly **Approval Date:** 8/23/2012
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:** 06/15/2012

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: Basin Disposal **Disposal Facility Permit Number:** NM-001-0005
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:** 08/20/2012
e-mail address: aliph.reena@duganproduction.com **Telephone:** 505-325-1821



REMIT TO:
DAWN TRUCKING CORPORATION
P O Box 1498 - Farmington, NM 87499-1498
(505) 327-6314 - (800) 843-3205
dtc@dawntrucking.com - www.dawntrucking.com

INVOICE
340790

48 STATE I.C.C. AUTHORITY

DUGAN PRODUCTION
PO BOX 420
FARMINGTON NM 87499-0420

DUGAN

06/12/2012

Page 1

| Ticket # | Ticket Dt | Description | P01 | BBLS | Bill As | Rate | Amount |
|-----------------------------|------------|-------------------------------|-----|-----------|---------|-------|--------|
| Origin <u>STEVIE JOE #6</u> | | Destination <u>BASIN-5555</u> | | | | | |
| DERRICK COMANCHE | | PRODUCED WATER | | | | | |
| 80568 | 06/10/2012 | TRUCK 211 | | 80.00 | 5.75 | 78.00 | 448.50 |
| | | FUEL SURCHARGE | | | 5.75 | 7.11 | 40.88 |
| 82050 | 06/07/2012 | TRUCK 283 | | 80.00 | 5.00 | 78.00 | 390.00 |
| | | FUEL SURCHARGE | | | 5.00 | 7.11 | 35.55 |
| | | | | | 21.50 | | |
| Sales Tax Rate: 6.3125 | | | | Total | : | | 914.93 |
| | | | | Sales Tax | : | | 57.75 |
| | | | | Balance | : | | 972.68 |

PAID
JUL 10 2012
5712.79

645-1700

APPROVED FOR PAYMENT BY

DUGAN PRODUCTION CORP

JUN 14 2012

Interest Charged at 1 1/2% PER MONTH OR 18% PER ANNUM on Accounts Not Paid Within 30 Days.
All Costs and Reasonable Attorney fees for Collection Will Be Paid By Purchaser.



BASIN DISPOSAL, INC.
SPECIALIZING IN DISPOSAL OF PRODUCED WATER AND DRILLING MUD
P.O. BOX 100 AZTEC, NEW MEXICO 87410 PHONE (505) 932-8930

NO. **583254**
NMOCOD/PERMIT NM-001-0405
Oil Field Waste Disposal Form O138
INVOICE

DATE 6-7-10

DEL. TKT# 72050

GENERATOR W. J. ...

BILL TO W. J. ...

HAULING CO. Basin Disposal, Inc.

DRIVER ...

ORDERED BY ...

CODES ...

WASTE DESCRIPTION ☒ Exempt Oilfield Waste ☐ Produced Water ☐ Drilling/Completion Fluids ☐ Reserve Pit

STATE ☒ NM ☐ CO ☐ AZ ☐ UT TREATMENT/DISPOSAL METHODS ☒ EVAPORATION ☒ INJECTION ☒ TREATING PLANT

| NO. | TRUCK | LOCATION(S) | VOLUME | AM | PM | COST | TOTAL | TIME |
|-----|-------|-------------|--------|----|----|-------|-------|------|
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| | | | | | | TOTAL | | |

I, ... representative or authorized agent for the above generator and hauler hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1985 regulatory determination that the above described waste is RCRA Exempt Oil field wastes generated from oil and gas exploration and production operations and not mixed with non-exempt waste, per OGD's mixing policy.

☒ Approved

☐ Denied

ATTENDANT SIGNATURE ...

Revision Approved 10/2/97



BASIN DISPOSAL, INC.

SPECIALIZING IN DISPOSAL OF PRODUCER WATER AND DRILLING MUD
P.O. BOX 100 • AZTEC, NEW MEXICO 87410 • PHONE (505) 632-8935

NO. 565454

NM OGD PERMIT: NM 001-0005

Oil Field Waste Document Form O-135

INVOICE

DATE 6/14/92

DEL. RT# 8-26

GENERATOR PLACER

BILL TO PLACER

HAULING CO. TRUCK

DRIVER ELMER A. GILBERT

ORDERED BY WILLIAM K. CROOKER

CODES (P) (N) (H) (G)

WASTE DESCRIPTION ☒ Exempt Oilfield Waste ☐ Produced Water ☐ Drilling/Completion Fluids ☐ Reserve Pit

STATE ☒ NM ☐ CO ☐ AZ ☐ UT TREATMENT/DISPOSAL METHODS ☐ REVAPORATION ☒ INJECTION ☒ TREATING PLANT

| NO. | TRUCK | LOCATION(S) | VOLUME | AM | RM | COST | TOTAL | TIME |
|-------|-------|-------------|--------|----|----|------|-------|----------|
| 1 | X-11 | 7700th T.P. | 5 | | | 1.50 | 6.00 | 11:00 AM |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | 1.10 | |
| TOTAL | | | | | | | | |

I, WILLIAM K. CROOKER representative or authorized agent for the above generator and hauler hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination that the above described waste is RCRA Exempt Oilfield wastes generated from oil and gas exploration and production operations and not mixed with non-exempt waste per OGD's mixing policy.

☒ Approved

☐ Denied

ATTENDANT SIGNATURE WILLIAM K. CROOKER

(Not from oilfield waste)