

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

8-13-09
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: D.J. Simmons, Inc. OGRID #: 005578
Address: 1009 Ridgeway Place, suite 200, Farmington, NM 87401
Facility or well name: Geren #5
API Number: 30-045-27333 OCD Permit Number: _____
U/L or Qtr/Qtr _____ Section 26 Township 29N Range 9 W County: San Juan
Center of Proposed Design: Latitude 36.7013315 Longitude -107.7449999 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

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: Basin Disposal Disposal Facility Permit Number: NM-01-005
Disposal Facility Name: Industrial Ecosystems Inc. Disposal Facility Permit Number: NM-1-10-B
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): Derick Lucas Title: Petroleum Engineer
Signature: Derick Lucas Date: August 13, 2008
e-mail address: dlucas@djsimmons.com Telephone: 505-326-3753

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

OCD Representative Signature: [Signature]

Approval Date: 8-25-08

Title: Environ / spec 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: _____

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: _____ 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: _____

Sent
8-13-08
DL

Closed-looped Design Plan

D.J. Simmon's closed-loop system will not include a drying pad, temporary pit, below grade tank, or sump. The system will include an above ground tank for holding the fluids and any cuttings from the rig operations. This tank will meet all necessary safety guidelines, and will be large enough to keep a safe free board between the disposal fluids and solids from the rig operations.

1. Fencing is not required for an above ground closed-loop system
2. It will be signed in compliance with 19.15.3.103 NMAC
3. A frac tank will be on location to store fresh water

Closed-loop Operating and Maintenance Plan

D.J. Simmon's closed-loop tank will be operated and maintained to contain liquids and solids in order to prevent contamination of fresh water sources, in order to protect public health and the environment. To ensure the operation is maintained, the following steps will be followed:

1. The liquids will be vacuumed out and disposed of at the Basin Disposal facility (Permit #NM-01-005). Solids in the closed-loop tank will be vacuumed out and disposed of at Industrial Ecosystems Inc. (Permit #NM-1-10-B) on a periodic basis to prevent over topping.
2. No hazardous waste, miscellaneous solid waste or debris will be discharged into or stored in the tank. Only fluids or cuttings used or generated by rig operations will be placed or stored in the tank.
3. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon the discovery of the compromised tank, repairs will be enacted immediately.
4. All of the above operations will be inspected and a log will be signed and dated. During rig operations, the inspection will be daily.

Closed-loop Closure Plan

The closed-loop tank will be closed in accordance with 19.15.17.13. This will be done by transporting cuttings and all remaining sludges to Industrial Ecosystems Inc. (Permit #NM-1-10-B) immediately following rig operations. All remaining liquids will be transported and disposed of in the Basin Disposal facility (Permit #NM-01-005). The tanks will be removed from the location as part of the rig move. At the time of well abandonment, the site will be reclaimed and re-vegetated to pre-existing conditions when possible.

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

Form C-138
Revised March 12, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

*Surface Waste Management Facility Operator
and Generator shall maintain and make this
documentation available for Division inspection.

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. Generator Name and Address:

D.J. Simmons, Inc.
1009 Ridgeway Place, Suite 200, Farmington, NM 87401

2. Originating Site:

Geren #5 P&A steel waste pit

3. Location of Material (Street Address, City, State or ULSTR):

Sec 26 T29N R9W

4. Source and Description of Waste:

The cuttings, stored in steel waste pits, are from the P&A operation of the Geren #5 performed by A-plus Well Services

Estimated Volume 3 yd³ / bbls Known Volume (to be entered by the operator at the end of the haul) 3 yd³ / bbls

5. GENERATOR CERTIFICATION STATEMENT OF WASTE STATUS

I, Derick Lucas, representative or authorized agent for D.J. Simmons, Inc. do hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is: (Check the appropriate classification)

☒ RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste. Operator Use Only Waste Acceptance Frequency: ☒ Monthly ☐ Weekly ☐ Per Load

☐ RCRA Non-Exempt: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFR 261.21-261.24, or listed hazardous waste as defined in 40 CFR, part 261, subpart D, as amended. The following documentation is attached to demonstrate the above-described waste is non-hazardous. (Check the appropriate items)

☐ MSDS Information ☐ RCRA Hazardous Waste Analysis ☐ Process Knowledge ☐ Other (Provide description in Box 4)

GENERATOR 19.15.36.15 WASTE TESTING CERTIFICATION STATEMENT FOR LANDFARMS

I, Derick Lucas, representative for D.J. Simmons, Inc. do hereby certify that representative samples of the oil field waste have been subjected to the paint filter test and tested for chloride content and that the samples have been found to conform to the specific requirements applicable to landfarms pursuant to Section 15 of 19.15.36 NMAC. The results of the representative samples are attached to demonstrate the above-described waste conform to the requirements of Section 15 of 19.15.36 NMAC.

5. Transporter:

A-plus well services water trucks

OCD Permitted Surface Waste Management Facility

Name and Facility Permit #: Industrial Ecosystems Inc. #NM1-10-B

Address of Facility: Farmington, NM 87499

Method of Treatment and/or Disposal:

☐ Evaporation ☐ Injection ☐ Treating Plant ☒ Landfarm ☐ Landfill ☐ Other

Waste Acceptance Status:

☐ APPROVED

☐ DENIED (Must Be Maintained As Permanent Record)

PRINT NAME: Derick Lucas

TITLE: Petroleum Engineer

DATE: 8/13/2008

SIGNATURE: [Signature]

TELEPHONE NO.: 505-326-3753

Faxed to:
Facility &
Bill @ A-plus
8-13-08
DL

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

Form C-138
Revised March 12, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

*Surface Waste Management Facility Operator
and Generator shall maintain and make this
documentation available for Division inspection.

REQUEST FOR APPROVAL TO ACCEPT SOLID WASTE

1. Generator Name and Address:

D.J. Simmons, Inc.
1009 Ridgeway Place, Suite 200, Farmington, NM 87401

2. Originating Site:

Geren #5 P&A steel waste pit

3. Location of Material (Street Address, City, State or ULSTR):

Sec 26 T29N R9W

4. Source and Description of Waste:

The fluids, stored in steel waste pits, are from the P&A operation of the Geren #5 performed by A-plus Well Services

Estimated Volume 3 yd³ / bbls Known Volume (to be entered by the operator at the end of the haul) _____ yd³ / bbls

5. GENERATOR CERTIFICATION STATEMENT OF WASTE STATUS

I, Derick Lucas, representative or authorized agent for D.J. Simmons, Inc. do hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is: (Check the appropriate classification)

☒ RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste. Operator Use Only: Waste Acceptance Frequency ☐ Monthly ☐ Weekly ☐ Per Load

☐ RCRA Non-Exempt: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFR 261.21-261.24, or listed hazardous waste as defined in 40 CFR, part 261, subpart D, as amended. The following documentation is attached to demonstrate the above-described waste is non-hazardous. (Check the appropriate items)

☐ MSDS Information ☐ RCRA Hazardous Waste Analysis ☐ Process Knowledge ☐ Other (Provide description in Box 4)

GENERATOR 19.15.36.15 WASTE TESTING CERTIFICATION STATEMENT FOR LANDFARMS

I, _____, representative for _____ do hereby certify that representative samples of the oil field waste have been subjected to the paint filter test and tested for chloride content and that the samples have been found to conform to the specific requirements applicable to landfarms pursuant to Section 15 of 19.15.36 NMAC. The results of the representative samples are attached to demonstrate the above-described waste conform to the requirements of Section 15 of 19.15.36 NMAC.

5. Transporter:

A-plus well services water trucks

OCD Permitted Surface Waste Management Facility

Name and Facility Permit #: Basin Disposal #NM01-005

Address of Facility: Aztec, NM 87401

Method of Treatment and/or Disposal:

☐ Evaporation ☐ Injection ☐ Treating Plant ☒ Landfarm ☐ Landfill ☐ Other

Waste Acceptance Status:

☐ APPROVED

☐ DENIED (Must Be Maintained As Permanent Record)

PRINT NAME: Derick Lucas

TITLE: Petroleum Engineer

DATE: 8/13/2008

SIGNATURE: [Signature]

TELEPHONE NO.: 505-326-3753

Faxed to:
Facility &
Bill @ A-plus
8-13-08
DL