

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 NMOC District Office.

4472

**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 #: 006515  
Address: P.O. Box 420 Farmington, NM 87499  
Facility or well name: Five of Diamonds No. 2S  
API Number: 30-045-24557 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr L Section 10 Township 30N Range 13W County: San Juan  
Center of Proposed Design: Latitude 36.82543 Longitude 108.19813 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: \_\_\_\_\_ 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: 10/27/2009

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 1 SWD Disposal Facility Permit Number: SWD 694

Disposal Facility Name: IEI Disposal Facility Permit Number: NM-01-001B

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)

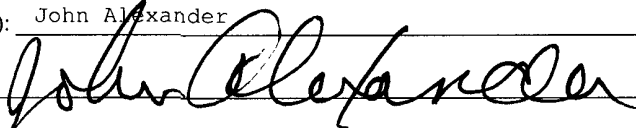
☐ Soil Backfilling and Cover Installation

☐ 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): John Alexander Title: Vice President

Signature:  Date: 11/24/2009

e-mail address: john.alexander@duganproduction.com Telephone: 505-325-1821

Approved Brandon Powell NMOCN 1-11-10

# Invoice



125 E. John Carpenter Freeway,  
Suite 220  
Irving, TX 75062

Phone: 505-327-1958

Fax: 505-327-6446



Invoice #	5347
Invoice Date	10/29/2009
Due Date	11/28/2009

<b>Bill To</b>
Dugan Production P.O. Box 420 Farmington, NM 87499
State-Township-Range

<b>Ship To</b>
Well Name/Job Location
Five of Diamonds #2S <b>FIV03</b>

Customer P.O./AFE..	Work Date	Work Order	Co. Rep	County/State
Mark Brown	10/27/2009	32229		

Item Number	Description	UOM	QTY	UNIT PRICE	EXTENDED PR...
SSS-002	Super Sucker Vacuum Truck (off-site time)		3.5	150.00	525.00T
SSS-001	Super Sucker Vacuum Truck		0.5	220.00	110.00T
SJM-001	Tri-Gas Monitor		1	50.00	50.00T

Job Description  
Thank you for your business

APPROVED FOR PAYMENT

DUGAN PRODUCTION CORP

**645-1700**

Received By:

<b>Subtotal</b>	\$685.00
<b>Sales Tax (7.0%)</b>	\$47.95
<b>Total</b>	\$732.95

Remit payment to address above

TERMS: NET 30

JOB SITE:	Chokecherry Canyon			OTHER:			
STATE:	CO:	HIGHWAY MILES	TOTAL MILES	STATE:	CO.:	HIGHWAY MILES	TOTAL MILES
NM			98				

Dugan Production Corp.  
P. O. Box 420  
Farmington, NM 87499

DATE: 10-12-09

Rate Per Hour 110<sup>50</sup>

Driver's	<input type="checkbox"/> Air Compressor	<input type="checkbox"/> Coupling Devices	<input type="checkbox"/> Horn	<input type="checkbox"/> Rear End	<input type="checkbox"/> Spare Seal Beam	<input type="checkbox"/> Windows	<input type="checkbox"/> Doors
Vehicle	<input type="checkbox"/> Air Lines	<input type="checkbox"/> Defroster/Heater	<input type="checkbox"/> Lights	<input type="checkbox"/> Reflectors	<input type="checkbox"/> Suspension System	<input type="checkbox"/> Windshield Wipers	<input type="checkbox"/> Hitch
	<input type="checkbox"/> Battery	<input type="checkbox"/> Drive Line	<input type="checkbox"/> Head - Stop		<input type="checkbox"/> Steering	<input type="checkbox"/> Other	<input type="checkbox"/> Landing Gear
Inspection	<input type="checkbox"/> Body	<input type="checkbox"/> Engine	<input type="checkbox"/> Tail - Dash	<input type="checkbox"/> Safety Equipment	<input type="checkbox"/> Tachograph		<input type="checkbox"/> Lights - All
	<input type="checkbox"/> Brake Accessories	<input type="checkbox"/> Exhaust	<input type="checkbox"/> Turn Indicators	<input type="checkbox"/> Fire Extinguisher	<input type="checkbox"/> Tires	<input type="checkbox"/> Trailer	<input type="checkbox"/> Suspension System
	<input type="checkbox"/> Brakes, Parking	<input type="checkbox"/> Frame & Assembly	<input type="checkbox"/> Mirrors	<input type="checkbox"/> Reflective Triangles	<input type="checkbox"/> Tire Chains	<input type="checkbox"/> Brake Connections	<input type="checkbox"/> Tires
	<input type="checkbox"/> Brakes, Service	<input type="checkbox"/> Front Axle	<input type="checkbox"/> Oil Pressure	<input type="checkbox"/> Flags-Flares-Fuses	<input type="checkbox"/> Transmission	<input type="checkbox"/> Brakes	<input type="checkbox"/> Wheels & Rims
	<input type="checkbox"/> Clutch	<input type="checkbox"/> Fuel Tanks	<input type="checkbox"/> Radiator	<input type="checkbox"/> Spare Bulbs & Fuses	<input type="checkbox"/> Wheels & Rims	<input type="checkbox"/> Coupling Devices	<input type="checkbox"/> Other

REMARKS