

District I
625 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.

4471

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: Redfern 2
API Number: 30-045-60162 OCD Permit Number: _____
U/L or Qtr/Qtr I Section 16 Township 28N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.65973 Longitude 108.00283 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"x24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.3.103 NMAC

RCVD NOV 25 '08
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: 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 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: Sanchez O'Brien SWD 1 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: 11/23/2009

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

Approved Brandon Bell NMOC 1-11-10

Invoice



125 E. John Carpenter Freeway,
Suite 220
Irving, TX 75062
Phone: 505-327-1958
Fax: 505-327-6446



Invoice #	5346
Invoice Date	10/29/2009
Due Date	11/28/2009

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

Ship To
Well Name/Job Location
Redfern #2 REF02

Customer P.O./AFE	Work Date	Work Order	Co. Rep	County/State
Mark Brown	10/27/2009	32228		

Item Number	Description	UOM	QTY	UNIT PRICE	EXTENDED PR...
SSS-002	Super Sucker Vacuum Truck (off-site time)		2	150.00	300.00T
SSS-001	Super Sucker Vacuum Truck		3	220.00	660.00T
SJM-001	Tri-Gas Monitor		1	50.00	50.00T

APPROVED FOR PAYMENT BY *[Signature]*
DUGAN PRODUCTION CORP **606-17**

Job Description
Thank you for your business **645-1700**

Received By:	Subtotal	\$1,010.00
	Sales Tax (7.0%)	\$70.70
	Total	\$1,080.70
Remit payment to address above		TERMS: NET 30



No. 32228

DATE: 10.27.09

1206 E. MURRAY DRIVE · FARMINGTON, NEW MEXICO 87401
PHONE (505) 325-8292 · FAX (505) 327-6446

CUSTOMER: Dugan Production Corp.

WORK ORDER

AFE NO.:

PAY KEY NO.:

LOCATION: Redfern #2

COMPANY REP: MARK BROWN

NAME:

PHONE NO. 325.5707

DESCRIPTION OF WORK: VACUUM-UP Drilling mud Right Tank Shovel
1000 Hose and some DRY UP Cement Breakup

OPERATOR	EMP.I.D.	HOURS	EMPLOYEE SIGNATURE
Virgil Bosie			
CRW MN Anthony Cipriotti			
CRW MN			
CRW MN			
CRW MN			
EQUIPMENT	UNIT NO.	HOURS	
SuperSucker	1301		
yard to loc SS-002		1.0	
Hrs VACUUM USE SS-001		3.0	
Loc to land farm SS-002		1.0	
		5.0	

BY SIGNING ABOVE
THE EMPLOYEE STATES:
I WAS NOT INVOLVED IN A
JOB RELATED ACCIDENT,
I SUFFERED NO
JOB RELATED INJURY
ON THIS WORKDAY!

MATERIAL

Tire Gas Monitor

CUSTOMER SIGNATURE:

DATE:

CUSTOMER NAME:

JOB SITE:	Bloomfield			OTHER:			
STATE:	CO:	HIGHWAY MILES	TOTAL MILES	STATE:	CO.:	HIGHWAY MILES	TOTAL MILES
NM							

THREE RIVERS TRUCKING, INC.

Physical Address:
5929 HWY. 64
BLOOMFIELD, NM 87413

(505) 632-5300

Mailing Address:
P.O. BOX 2728
FARMINGTON, NM 87499

INVOICE

No.

6251-D

To: Dugan Productions
P.O. Box 420
Farmington, NM 87499

Date

P. O. No. 10/23/2009

Mark Brown

From		To					
13a Form #2 REF02		SOB					
Truck No.	Date	Service Rendered	Capacity	Ticket No.	Hours	Rate	Amount
17	10/22/09	hauled to disposal	140	411608	7.5	\$60.00	\$450.00
Total							\$450.00
NM Sales Tax							\$27.84
TOTAL CHARGES							\$477.84

Trucking

APPROVED FOR PAYMENT BY

DUGAN PRODUCTION CORP

645-1700

PAID
NOV 10 2009
#516379

OCT 26 2009

WATER HAULING
SCC 3561

THREE RIVERS TRUCKING, INC.

P.O. BOX 2728
FARMINGTON, NEW MEXICO 87499
(505) 632-5300

411606

CUSTOMER Dugan LEASE Red Fern WELL #2
TRUCK NO. 134 DRIVER Araceli Viramontes DATE 10-22-09
BIG WATER ☐ FRAC WATER ☐ OIL ☐ PITS ☐ OTHER Mark Brown
FROM flow back TO S.O.B.

BBLs. HAULED		STARTING TIME		STOP TIME		OFF DUTY HOURS	STAND-BY HOURS	HAUL HOURS	RECEIVED BY
Road Time Out		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled	<u>80</u>	Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				<u>RAA</u>
BBLs. Hauled	<u>80</u>	Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled	<u>1</u>	Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				<u>RAA</u>
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
BBLs. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
ROAD TIME IN	XXXXX	Starting Time	A.M. P.M.	Stop Time	A.M. P.M.				
TOTAL BBLs.	<u>140</u>					XXXXX XXXXX		<u>7.5</u>	TOTAL HOURS

ROAD CONDITIONS: CLEAR ☐ ICE ☐ SNOWING ☐ RAINING ☐ MUD ☒ CHAINS REQ. ☐

REMARKS: pull the water out of the pit without pulling cement

FUEL _____ KEY NUMBER OR TANK _____

OFFICE USE ONLY: CHECKED BY _____ SIGNED Araceli Viramontes
DRIVER