

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.

6175

**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: <u>Dugan Production Corp</u>		OGRID #: <u>006515</u>
Address: <u>P.O. Box 420 Farmington, NM 87499</u>		
Facility or well name: <u>Redfern #7</u>		
API Number: <u>30-045-24797</u>	OCD Permit Number: _____	
U/L or Qtr/Qtr <u>P</u>	Section <u>9</u>	Township <u>28N</u> Range <u>11W</u> County: <u>San Juan</u>
Center of Proposed Design: Latitude <u>36.670305256</u> Longitude <u>108.003049919</u>		NAD: <input checked="" type="checkbox"/> 1927 <input type="checkbox"/> 1983
Surface Owner: <input checked="" type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment		

2. <input checked="" type="checkbox"/> <b>Closed-loop System:</b> Subsection H of 19.15.17.11 NMAC
Operation: <input type="checkbox"/> Drilling a new well <input type="checkbox"/> Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) <input checked="" type="checkbox"/> P&A
<input checked="" type="checkbox"/> Above Ground Steel Tanks or <input type="checkbox"/> Haul-off Bins

3. <b>Signs:</b> Subsection C of 19.15.17.11 NMAC
<input checked="" type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
<input checked="" type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC

4. <b>Closed-loop Systems Permit Application Attachment Checklist:</b> Subsection B of 19.15.17.9 NMAC
<b>Instructions:</b> 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.
<input type="checkbox"/> Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
<input type="checkbox"/> Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
<input checked="" type="checkbox"/> 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
<input type="checkbox"/> Previously Approved Design (attach copy of design) API Number: _____
<input type="checkbox"/> Previously Approved Operating and Maintenance Plan API Number: _____

5. <b>Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</b> (19.15.17.13.D NMAC)
<b>Instructions:</b> 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: <u>Basin Disposal</u> Disposal Facility Permit Number: <u>NM01-0005</u>
Disposal Facility Name: <u>IEI</u> Disposal Facility Permit Number: <u>NM-01-001B</u>
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? <input type="checkbox"/> Yes (If yes, please provide the information below) <input checked="" type="checkbox"/> No
<b>Required for impacted areas which will not be used for future service and operations:</b>
<input type="checkbox"/> Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
<input type="checkbox"/> Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
<input type="checkbox"/> Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. <b>Operator Application Certification:</b>
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): <u>Mark S Brown</u> Title: <u>Drilling Superintendant</u>
Signature: _____ Date: <u>03/23/2010</u>
e-mail address: <u>mstbbrown@duganproduction.com</u> Telephone: <u>505-326-4548</u>

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

**OCD Representative Signature:** Mark S Brown **Approval Date:** 6/2/10

**Title:** Insiro / 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:** 04/27/10

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: Basin Disposal Disposal Facility Permit Number: NM01-0005

Disposal Facility Name: IEI Disposal Facility Permit Number: NM01-001B

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): Mark S Brown Title: Drilling Superintendant

Signature: \_\_\_\_\_ Date: 04/24/10

e-mail address: \_\_\_\_\_ Telephone: 505-320-5707



# BASIN DISPOSAL, INC.

"SPECIALIZING IN DISPOSAL OF PRODUCED WATER AND DRILLING MUD"  
P.O. BOX 100 • AZTEC, NEW MEXICO 87410 • PHONE (505) 632-8936

NO. **488942**

NMOCD PERMIT: NM -001-0005

Oil Field Waste Document, Form C138

INVOICE:

DEL. TKT#:

DATE

GENERATOR:

HAULING CO.

ORDERED BY:

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
10A	157	RED FERN #7	80			15 <sup>00</sup>	68 <sup>00</sup>	10 APR 24 10:21 AM
10A	157	RED FERN #7	80			85 <sup>00</sup>	68 <sup>00</sup>	10 APR 24 11:27 AM
3								
4								
5								
TOTAL							136 <sup>00</sup>	

I, Troy Hamilton 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, Oil field wastes generated from oil and gas exploration and production operations and not mixed with non-exempt waste, per OCD's mixing policy.

☒ Approved

☐ Denied

ATTENDANT SIGNATURE: [Signature]

OIL & WATER HAULING  
NMSCC 3561

# THREE RIVERS TRUCKING, INC.

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

400538

CUSTOMER Dugan LEASE Red Fern WELL #7  
TRUCK NO. 157 DRIVER Troy Hamrick DATE 7-24-10  
RIG WATER ☐ FRAC WATER ☐ OIL ☐ PITS ☐ OTHER mark BROWN  
FROM Location TO Basin

BBLS. HAULED		STARTING TIME		STOP TIME		OFF DUTY HOURS	STAND-BY HOURS	HAUL HOURS	RECEIVED BY	
1. Road Time Out	<u>80</u>	Starting Time	<u>6:30</u> <u>A.M.</u>	Stop Time	<u>A.M.</u>					
2. BBLS. Hauled	<u>80</u>	Starting Time	<u>A.M.</u>	Stop Time	<u>12:00</u> <u>P.M.</u>			<u>5 1/2</u>		
3. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
4. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
5. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
6. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
7. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
8. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
9. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
10. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
11. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
12. BBLS. Hauled		Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
13. ROAD TIME IN	<u>XXXXX</u>	Starting Time	<u>A.M.</u>	Stop Time	<u>A.M.</u>					
TOTAL BBLS.	<u>160</u>					<u>XXXXX</u>		<u>5 1/2</u>	<u>5 1/2</u>	TOTAL HOURS

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

REMARKS: haul from Rig pit tank to Basin

FUEL \_\_\_\_\_ KEY NUMBER OR TANK \_\_\_\_\_

(OFFICE USE ONLY: CHECKED BY \_\_\_\_\_)

SIGNED

Troy Hamrick  
DRIVER

OIL & WATER HAULING  
NMSCC 3561

# THREE RIVERS TRUCKING, INC.

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

434813

CUSTOMER Dugan LEASE Redfern #7 WELL \_\_\_\_\_  
TRUCK NO. 123 DRIVER Peter Brown DATE 4/28/10  
RIG WATER ☐ FRAC WATER ☐ OIL ☐ PITS ☐ OTHER Flowback Mark Brown  
FROM Redfern #7 TO Basin Dispos.

BBLS. HAULED		STARTING TIME		STOP TIME		OFF DUTY HOURS	STAND-BY HOURS	HAUL HOURS	RECEIVED BY	
1. Road Time Out		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
2. BBLS. Hauled		Starting Time	1:00	Stop Time	A.M. P.M.					
3. BBLS. Hauled	60	Starting Time	A.M. P.M.	Stop Time	2:15	A.M. P.M.				
4. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
5. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
6. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
7. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
8. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
9. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
10. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
11. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
12. BBLS. Hauled		Starting Time	A.M. P.M.	Stop Time	A.M. P.M.					
13. ROAD TIME IN	XXXXXX	Starting Time	2:15	Stop Time	2:45	A.M. P.M.				
TOTAL BBLS.						XXXXXX XXXXXX			1.75	TOTAL HOURS

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

REMARKS: Drive to West hammon & Drive to basin disp.

FUEL \_\_\_\_\_ KEY NUMBER OR TANK \_\_\_\_\_

(OFFICE USE ONLY: CHECKED BY \_\_\_\_\_) SIGNED PB Brown

DRIVER

JOB SITE:	Bloomfield			OTHER:			
STATE:	CO:	HIGHWAY MILES	TOTAL MILES	STATE:	CO.:	HIGHWAY MILES	TOTAL MILES
NM			43				