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 ,IAN 05 2009 OCD-ARTESIA 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 X 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 hability should operations result in pollution of surface water, ground water | |
|---|---------------|
| environment Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations of the comply with any other applicable governmental authority's rules. | or ordinances |
| Operator: Fasken Oil and Ranch, Ltd. OGRID#: 151416 | · |
| Address: 303 W. Wall St., Ste. 1800, Midland, TX 79701 | |
| Facility or well name: Avalon State No. 1 | |
| | |
| API Number: 30-015-20743 OCD Permit Number: 0208306 | |
| U/L or Qtr/Qtr K Section 7 Township 21S Range 26E County: Eddy Center of Proposed Design: Latitude Longitude NAD: 1927 | |
| | |
| Surface Owner: Federal X 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 docume | nts 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 NMA) | 3) |
| Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more the | |
| 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 Yes (If yes, please provide the information below) No | operations? |
| 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 | ENTERED |
| 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: | |

| OCD Approval: Permit Application (including closure plan) Closure Plan (only) | | | | | |
|--|---|--|--|--|--|
| OCD Representative Signature: | Approval Date: | | | | |
| Title: | OCD Permit Number: | | | | |
| 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. X Closure Completion Date: 11-7-08 | | | | | |
| 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: Controlled Recovery, Inc. | Disposal Facility Permit Number: 6 | | | | |
| Disposal Facility Name. | Disposal Facility Permit Number: | | | | |
| Were the closed-loop system operations and associated activities performed on or ☐ Yes (If yes, please demonstrate compliance to the items below) ☒ No | in areas that will not be used for future service and operations? | | | | |
| Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique | ons. | | | | |
| Operator Closure Certification: | | | | | |
| I hereby certify that the information and attachments submitted with this closure rebelief. I also certify that the closure complies with all applicable closure requirements. | | | | | |
| Name (Print): Kim Tyson | Title: Regulatory Analyst | | | | |
| Signature: Rim Rysom | Date: 12-29-08 | | | | |
| e-mail address: kimt@forl.com | Telephone: 432-687-1777 | | | | |

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|------------|---|------------|------------|---|----------------|
| 19 | GANDY MARLEY INC | 10/06/1994 | | GANDY MARLEY LANDFARM | -4-11 S-31 E |
| 28 | OLD LOCO OIL CO | 07/02/1985 | Eddy | OLD LOCO TREATING PLANT | -19-17 S-31 E |
| 43 | Loco Hills Landfarm LLC | 11/08/2004 | Eddy | Loco Hills Landfarm | m-32-16 S-30 E |
| 4 | LOCO HILLS WATER DISPOSAL | 10/30/1981 | Eddy | LOCO HILLS WATER DISPOSAL | M-16-17 S-30 E |
| 36 | OK HOT OIL SERVICE INC | 08/16/2000 | Eddy . | OK HOT OIL SERVICES INC | O-14-17 S-28 E |
| 24 | CHAPARRAL SWD | 01/31/1995 | Lea | CHAPARRAL TREATING PLANT | B-17-23 S-37 E |
| 35 | LEA LAND INC | 01/05/2000 | Lea | LEA LAND LANDFILL | -32-20 S-32 E |
| 12 | C&C LANDFARM INC | 11/16/1992 | Lea | C&C LANDFARM | B-3-20 S-37 E |
| 13 | ENVIRONMENTAL PLUS INC | 02/15/1993 | Lea | ENVIRONMENTAL PLUS LANDFARM | -14-22 S-37 E |
| 15 | GOO YEA LANDFARM INC | 11/16/1992 | Lea | GOO YEA LANDFARM | -14-11 S-38 E |
| 23 | J&L LANDFARM INC | 05/10/1998 | Lea | J&L LANDFARM | -9-20 S-38 E |
| 25 | GANDY CORP | 06/27/1973 | Lea | Gandy Corp. Treating Plant | -11-10 S-35 E |
| 26 | JENEX OPERATING CO | 09/21/1983 | Lea | JENEX TREATING PLANT | D-14-20 S-38 E |
| 30 | ARTESIA AERATION LLC | 06/29/1999 | Lea | ARTESIA AERATION LANDFARM | -7-17 S-32 E |
| 32 | SOUTH MONUMENT SURFACE WASTE FACILITY LLC | 10/04/1999 | Lea | SOUTH MONUMENT LANDFARM | A-25-36 S-20 E |
| 33 | DOOM LANDFARM | 04/03/2000 | Lea | DOOM LANDFARM | g-5-25 S-37 E |
| 34 | DD LANDFARM INC | 04/12/2000 | Lea | DD LANDFARM | -31-21 S-38 E |
| 21 | RHINO OILFIELD DISPOSAL INC | 11/17/1997 | Lea | RHINO OILFIELD LANDFARM | -34-20 S-38 E |
| 44 | COMMERCIAL EXCHANGE, INC. | 11/01/2004 | Lea | Blackwater Oil Reclamation Facility | d-1-25 S-37 E |
| 39 | PITCHFORK LANDFARM LLC | 10/30/2002 | Lea | PITCHFORK LANDFARM | A-5-24 S-34 E |
| → 6 | CONTROLLED RECOVERY INC | 04/27/1990 | Lea | CONTROLLED RECOVERY | -27-20 S-32 E |
| 42 | COMMERCIAL EXCHANGE, INC. | 07/22/2004 | Lea | Blackwater Landfarm | f-1-25 S-37 E |
| 38 | SAUNDERS LANDFARM LLC | 10/28/2002 | Lea | SAUNDERS LANDFARM | M-7-14 S-34 E |
| 41 | LAZY ACE LANDFARM LLC | 03/09/2004 | Lea | LAZY ACE LANDFARM | M-22-20 S-34 E |
| 3 | SUNDANCE SERVICES, INC. | 08/30/1977 | Lea | SUNDANCE PARABO | m-29-21 S-38 E |
| 37 | COMMERCIAL EXCHANGE, INC. | 03/31/2003 | Lea | COMMERCIAL SURFACE WM FACILITY | A-1-20 S-36 E |
| 8 | T-N-T ENVIRONMENTAL INC | 01/19/1987 | Rio Arriba | TNT EVAP POND/LANDFARM | -8-25 N-3 W |
| 11 | ENVIROTECH INC | 07/07/1992 | San Juan | ENVIROTECH LANDFARM #2 | -6-26 N-10 W |
| 9 | KEY FOUR CORNERS INC | 04/02/1991 | San Juan | KEY EVAP POND and Landfarm | E-2-29 N-12 W |
| 10 | JFJ LANDFARM LLC | 07/22/2002 | San Juan | JFJ Land Farm Crouch Mesa (Formerly Tierra) | j-2-29 N-12 W |
| 5 | BASIN DISPOSAL INC | 10/16/1987 | Can luan | BASIN DISPOSAL EVAP, POND | F-3-29 N-11 W |