

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 CI 1Z
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

2549

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.

Operator	Dugan Production Corp	OGRID #	006515	RCVD MAR 11 2008					
Address	P.O. Box 320 Farmington, NM 87499			BY 006515					
Facility or well name	Federal I 2	755 E							
API Number	30-045-08867	OCD Permit Number							
U/L or Qtr/Qtr	A	Section	1	Township	29N	Range	14W	County	San Juan
Center of Proposed Design	Latitude	36.76051	Longitude	108.25458	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								

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☒ **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

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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

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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 _____

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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

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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 _____

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OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only)
OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 10/04/2011
Title: Compliance Officer **OCD Permit Number:** _____

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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:** 2/10/2009

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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	<u>Sanchez O'Brien 1 SWD</u>	Disposal Facility Permit Number	<u>SWD 694</u>
Disposal Facility Name	<u>IEI</u>	Disposal Facility Permit Number	<u>NM-01-001B</u>

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

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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)	<u>John Alexander</u>	Title	<u>Vice President</u>
Signature	<u>John Alexander</u>	Date	<u>3/9/2009</u>
e-mail address	<u>john.alexander@duganproduction.com</u>	Telephone	<u>505-325-1821</u>



Invoice Number: 10885
Invoice Date: Feb 13, 2009
Page: 1

Industrial Ecosystems Inc.

P O. Box 1202

Flora Vista, NM 87415

PH: (505) 632-1782 Fax: (505) 632-1876

TAX I.D. #94-3200034

PLEASE REMIT PAYMENT TO
Industrial Ecosystems, Inc
PO Box 1202
Flora Vista, NM 87415

Sold To: DUGAN PRODUCTION CORP
709 E MURRAY DRIVE
FARMINGTON, NM 87499-0420

Location: MARK BROWN
FEDERAL I #2

FED #2

Contact	Payment Terms	Due Date	Customer PO
MARK BROWN	Net 30 Days	3/15/09	

Quantity	Description	Unit Price	Extension
	DATE OF SERVICE: 2/09/09 - 2/10/09		
	IEI WO #8647		
	MATERIAL TRANSPORTED BY SCAT, 1309		
	DISPOSED OF CEMENT & WATER		
1.00	CHLORIDE TEST	15.00	15.00
150.00	DISPOSAL PER BARREL	20.00	3,000.00
<p><i>John Alexander</i> <i>40547</i> <i>2/20/2009</i></p> <p><i>650-4100</i></p> <p><i># 512326</i></p>			

FOR BILLING INQUIRIES PLEASE CALL
(505) 632-1782

ACCOUNTS ARE DUE NET 30 DAYS. PURCHASER AGREES TO PAY
FINANCE CHARGES OF 1.5% PER MONTH (ANNUAL PERCENTAGE RATE
OF 18%) OR A MINIMUM CHARGE OF .50 PER MONTH. ACCOUNTS THAT
HAVE BEEN PLACED FOR COLLECTION WILL BE CHARGED A \$100.00
COLLECTION FEE IN ADDITION TO REASONABLE ATTORNEY FEES AND
COLLECTION CHARGES.

Subtotal	3,015.00
Sales Tax	186.55
Total Invoice Amount	3,201.55
TOTAL	3,201.55

FEB 13 2009



No. 31919

DATE: 2/9/09

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

CUSTOMER: Dugan Production

WORK ORDER

AFE NO.:

PAY KEY NO.:

LOCATION: Federal L #2 Sec 1, T29N, R10W

COMPANY REP:

NAME:

PHONE NO.:

DESCRIPTION OF WORK:

Chained up Super Sucker truck to get into Land Farm

Chop up cement & vacuum

2 loads cement & water to I E I Land Farm

Did not finish pit

	EMP.I.D.	HOURS
OPERATOR Hubert Yazzie	HY	8.00
CRW MN Bevel John	BT	8.00
CRW MN Arlin Yazzie	AY	8.00
CRW MN Virgil Tossie		3.0
CRW MN Lydell Lansing		3.0

EQUIPMENT	UNIT NO.	HOURS
Super Sucker	T-1301	8.00
STAMPED LUMBER TRUCK	12/14	2.00

EMPLOYEE SIGNATURE
Hubert Yazzie

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

CUSTOMER SIGNATURE:

DATE

CUSTOMER NAME:

JOB SITE				OTHER			
STATE	CO	HIGHWAY MILES	TOTAL MILES	STATE	CO	HIGHWAY MILES	TOTAL MILES

JOE SITE					OTHER			
STATE	CO	HIGHWAY MILES	TOTAL MILES		STATE	CO	HIGHWAY MILES	TOTAL MILES

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

INVOICE NUMBER

DATE _____

TRUCK #

DRIVER

Rate Per Hour

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
Inspection	<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
	<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