

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

2578

**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	REC'D MAR 11 '09					
Address	P.O. Box 320 Farmington, NM 87499			Oil Cons. Div.					
Facility or well name	Stella Needs A Com SWD 1			DIST. 3					
API Number	30-045-08994	OCD Permit Number							
U/L or Qtr/Qtr	K	Section	36	Township	30N	Range	14W	County	San Juan
Center of Proposed Design	Latitude	36.76733	Longitude	108.26324	NAD	<input checked="" type="checkbox"/> 1927	<input type="checkbox"/> 1983		
Surface Owner	<input type="checkbox"/> Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment								

<b>2</b>	
<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	

<b>3</b>	
<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	

<b>4</b>	
<b>Closed-loop Systems Permit Application Attachment Checklist:</b> 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.	
<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 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 _____

<b>5</b>	
<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)	
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?	
<input type="checkbox"/> Yes (If yes, please provide the information below) <input checked="" type="checkbox"/> No	
Required for impacted areas which will not be used for future service and operations	
<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	

<b>6</b>	
<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) _____	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:** 1/30/2009

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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 Sanchez O'Brien 1 SWD Disposal Facility Permit Number SWD 694  
Disposal Facility Name \_\_\_\_\_ Disposal Facility Permit Number \_\_\_\_\_  
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) John Alexander Title Vice President  
Signature John Alexander Date 3/9/2009  
e-mail address john.alexander@duganproduction.com Telephone 505-325-1821

original  
Accounting  
copy  
Driver

<b>BILL TO.</b>  Dugan Production Corp. P. O: Box 420 Farmington, NM 87499	<div style="text-align: right;"> <b>INVOICE NUMBER:</b> 12068  <b>DATE:</b> 1-30-09                 </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <span>TRUCK # 263</span> <span>DRIVER <i>Thomas Hammer</i></span> <span>Rate Per Hour _____</span> </div>
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Well Code	BBLs Hauled		Start Time	Stop Time	Total Hours	Location Descriptions		Odometer Reading		Disposal Charge	Total
	Oil	Water				From	To	Start	End		
	80		6:30 <sup>AM</sup>	9:00 <sup>PM</sup>	2½	STELLA #1 - FRAC TANK	FEDERAL I #2	285420	285423		
	140		9:00 <sup>PM</sup>	11:00 <sup>PM</sup>	2	STELLA #1 - RIG	S.D.B. #1 2000 694	285423	285475		
	20		12:00 <sup>PM</sup>		1	CHACO PLANT #90 SEPARATOR PIT	"	285475			
	5					CHACO PLANT #90 COMPRESSOR PIT	"				
	115			2:30 <sup>PM</sup>	2½	SAN JUAN R FED #90	S.D.B. #1		285534		
	160		2:30 <sup>PM</sup>	6:00 <sup>PM</sup>	3½	SAN JUAN R FED #90	TRUCK'S TOAST #4	285534	285606		
LOE-31	520		TOTALS		11½						

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

**REMARKS** Moved fresh water in frac tank from stella #1 to the FEDERAL I #2 Empty Rig Pit  
 From 11:00 - 12:00 A-Z TIRE