

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
RECEIVED
Department of Natural Resources
Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
SEP 21 2011
HOBBSDO

Form C-144 CLEZ
Revised August 1, 2011

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

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>ASPEN OPERATING COMPANY, L.L.C.</u> OGRID #: <u>217598</u> Address <u>801 CHERRY ST., SUITE 810, FORT WORTH, TX 76102</u> Facility or well name <u>STATE AC (SWD) #0001</u> API Number <u>30-025-03646</u> OCD Permit Number <u>PI-03733</u> U/L or Qu/Qu <u>N</u> Section <u>15</u> Township <u>10S</u> Range <u>36E</u> County <u>LEA</u> Center of Proposed Design: Latitude <u>33.44159</u> Longitude <u>-103.246</u> NAD <input type="checkbox"/> 1927 <input checked="" type="checkbox"/> 1983 Surface Owner <input type="checkbox"/> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment	
2. <input checked="" type="checkbox"/> Closed-loop System: Subsection H of 19.15.17.11 NMAC <u>REPAIR SLOD</u> Operation <input type="checkbox"/> Drilling a new well <input checked="" type="checkbox"/> Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) <input type="checkbox"/> P&A <input checked="" type="checkbox"/> Above Ground Steel Tanks or <input type="checkbox"/> Haul-off Bins	
3. Signs: Subsection C of 19.15.17.11 NMAC <input 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 19.15.16.8 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 documents are attached. <input checked="" type="checkbox"/> Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC <input checked="" 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. 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. OGRID <u>162928</u> Disposal Facility Name <u>DKD now owned by Energen Resources, Corp.</u> Disposal Facility Permit Number <u>182267</u> Disposal Facility Name <u>Gandy Corp. Treating Plant</u> Disposal Facility Permit Number <u>ORDER NO NM-01-0025</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 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	
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): <u>MICHAEL WILSON</u> Title: <u>PRODUCTION MANAGER</u> Signature: <u>Mike Wilson</u> Date: <u>9/20/2011</u> e-mail address: <u>mwilson@aspen-oil.com</u> Telephone: <u>817-455-2311</u>	

SEP 22 2011

7
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)
OCD Representative Signature: [Signature] **Approval Date:** 9-21-2011
Title: STAFF MGR **OCD Permit Number:** PL-03733

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:** _____

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: _____ Disposal Facility Permit Number: _____
 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

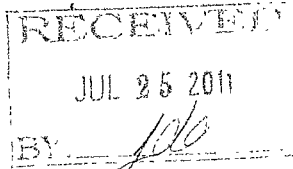
10.
Operator Closure Certification:
 I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.
 Name (Print): _____ Title: _____
 Signature: _____ Date: _____
 e-mail address: _____ Telephone: _____

DKD 08/10/2011

Dan's

TRUCKING

806 West Avenue E
 Lovington, NM 88260
 Office / Fax (575) 396-2066



INVOICE #

1475

TERMS	REP
	HILDA 575-441-0663

AD 7-2-2011

Date	July 20, 2011	Bill To	Aspen Operating
Company	Aspen Operating	Address	823 South Main Street
Lease	State 10	City / St / Zip	Jacksboro, TX 76458
Order By	Johnny Villa	Unit #	DM42

Description	Hours	Rate	Amount
Pulled bottoms from both oil tanks and put water back into water tank.	4	90.00	360.00
DATE RECEIVED _____ C/OE/WORKOVER/ATE _____ ACCOUNT NO. <u>9016</u> LEASE NO. <u>N.A. 1003</u> APPROVED BY <u>DR</u> DATE APPROVED <u>8/11</u> DESCRIPTION <u>7-20-11 Pulled</u> <u>oil tank bottoms & put water into</u> <u>water tank. State 10-1</u> <u>RC 8-2-11</u>			

Work Done By Daniel M
 Accepted By: _____
 Company Representative

Fuel Surcharge	0
Sub Total	360.00
Tax 6.875%	24.75
Total	384.75

CLOSED-LOOP SYSTEMS PERMIT APPLICATION ATTACHMENT

RE: C-144CLEZ

Submitted for repair of State AC #1 (SWD), 30-025-03646, N 15-10S-36E, Lea County, NMX.

BOX #4:

Design Plan:

Aspen Operating Company, L.L.C. (Aspen) plans to use a vacuum truck and steel tank to hold up to 300 barrels of fluid and waste from the repair and workover operation of the subject well.

Operating and Maintenance Plan:

Aspen plans to inspect the truck, steel tank and equipment for leaks during operations. In the event a leak is found, then Aspen will shut down for repairs and notify the OCD District I Office in Hobbs, NMX.

Closure Plan:

After the repair of the subject well, and in the event we encounter mud and cuttings, Aspen will have the trucking company haul the waste to Gandy Corp Treating Plant, Order Number NM1-25-0, SE/4, 11-10S-35E, Lea County.

Please contact me with any concerns.

Sincerely,

Michael Wilson

Production Manager

Aspen Operating Company, L.L.C. (OGRID # 217598)

801 Cherry St., Suite 810

Fort Worth, TX 76102

817-455-2311

mwilson@aspen-oil.com