

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
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

SEP 10 2012

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 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 ☐ 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: Western Refining Company, L.P. OGRID #: 248440
Address: 6500 Townbridge Drive El Paso, Tx 79905
Facility or well name: State LPG Storage Well #3
API Number: 30-025-35956 OCD Permit Number: P1-D5151
U/L or Qtr/Qtr M Section 32 Township 13S Range 37E County: Lea
Center of Proposed Design: Latitude 32.256297 Longitude 103.191714 NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ 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 19.15.16.8 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.
☒ 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 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: Basic Energy Services LP Disposal Facility Permit Number: API: 30-025-27682
Disposal Facility Name: Sundance Services Disposal Facility Permit Number: NM-01-0003
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

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): Paul T. Hughes, JR., P.E. Title: Drilling Manager
Signature: [Signature] Date: 9/7/2012
on behalf of Western Refining Company, L.P.
e-mail address: phughes@geostock.us.com Telephone: (832) 715-9060

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)
OCD Representative Signature: [Signature] **Approval Date:** 9-11-2012
Title: Dist. MGR **OCD Permit Number:** P1-05151

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:** _____

UNDERGROUND STORAGE CONSULTING ENGINEERS

Jal Storage - State LPG Well No. 3
MIT Workover
Friday, September 07, 2012

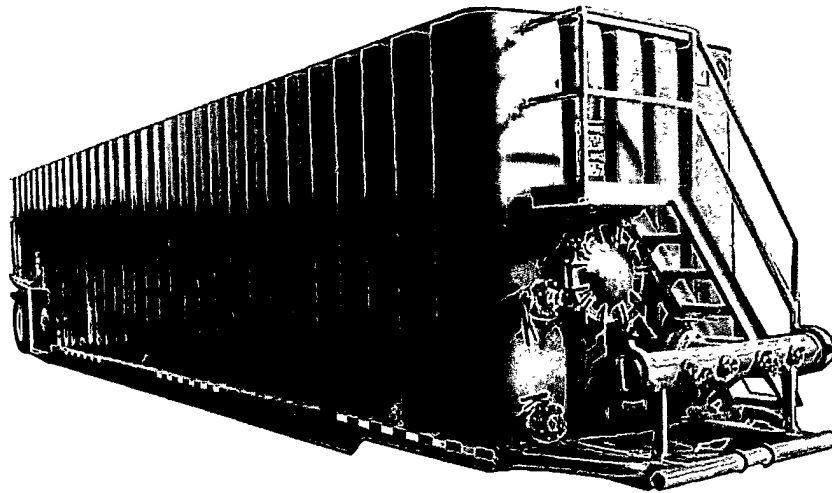
Chrono: N/A

Subject: Form C-144 CLEZ Design Plan Attachment

Per the request of the state please see the following details for disposal of brine operational fluids to be used during the workover at the Jal Storage facility. All fluids will be transported to/from the site in vacuum trucks, brine volumes not to exceed the allowable limit per state law.

Operator: Western Refining Company, L.P.
Well Name(s): State LPG Storage Well No. 3
API Number: 30-025-35956
Project: Workover and Mechanical Integrity Test

Photo of frac tanks to be used:



Dimensions of frac tank:

Length: 38ft
Width: 8ft
Height: 12ft
Volume: 500bbls



16420 Park Ten Place Drive
Suite 450
Houston, TX, 77084
Phone: 281 944 3000
Fax: 281 944 3042

UNDERGROUND STORAGE CONSULTING ENGINEERS

Jal Storage - State LPG Well No. 3
MIT Workover
Friday, September 07, 2012

Chrono: N/A

Subject: Form C-144 CLEZ Operating and Maintenance Plan Attachment

Per the request of the state please see the following details for the operating and maintenance of the closed loop system to be implemented during the workover at the Jal Storage facility.

Operator: Western Refining Company, L.P.
Well Name(s): State LPG Storage Well No. 3
API Number: 30-025-35956
Project: Workover and Mechanical Integrity Test

Fluid Operating and Maintenance Plan

- 1) All equipment and systems which are to handle fluid are to be inspected and tested before storage and implementation into closed loop system
- 2) Mandatory morning check for leaks of frac tanks, hoses, pumps, and any pertinent equipment housing fluids
- 3) Checks for leaks to occur periodically throughout daily operations
- 4) Ensure no fluid is lost outside of closed loop system
- 5) If a spill occurs, immediate and proper cleaning is to occur. Mandatory notification to both Western Refining Company and State of New Mexico OCD.
- 6) Daily reports of site operations to be sent to Western Refining

In the event of an emergency notify local authorities and call New Mexico OCD at (575) 370-3186.



16420 Park Ten Place Drive
Suite 450
Houston, TX, 77084
Phone: 281 944 3000
Fax: 281 944 3042

UNDERGROUND STORAGE CONSULTING ENGINEERS

Jal Storage - State LPG Well No. 3
MIT Workover
Friday, September 07, 2012

Chrono: N/A

Subject: Form C-144 CLEZ Closure Plan Attachment

Per the request of the state please see the following details for disposal of brine operational fluids to be used during the workover at the Jal Storage facility. Please note two separate vendors have been listed due to availability of local area. All frac tanks and vacuum trucks will be cleaned off site with fluids being disposed of in only the approved disposal locations.

Operator: Western Refining Company, L.P.
Well Name(s): State LPG Storage Well No. 3
API Number: 30-025-35956
Project: Workover and Mechanical Integrity Test

Fluid Disposal Options (depending on service provider availability)

- 1) Basic Energy Services
P.B.U. Yard 1208
PO Box 1869
Eunice, NM 88231
(575) 394-2345

Fluids disposed in well privately owned by Basic Energy Services
Well Name: Lea No. 002
Location: NM Hwy 18 at mile marker 21, ~8 miles south of Eunice

- 2) Maclaskey Oilfield Services, Inc
PO Box 580
5900 West Carlsbad Hwy
Hobbs, NM 88240
(575) 393-1016

Disposal facility operated by Sundance Services, Inc
Well Name: Parabo
NMOCO Permit#: nm-01-0003
Well Type: Surface Waste Disposal
Location: Sec 29-T21S-R38E
(575) 394-2511