

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Artec, 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.

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 AMENDED 

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>Fasken Oil and Ranch, LTD.</u> OGRID #: <u>151416</u> ✓	
Address: <u>303 W. Wall St., Ste. 1800, Midland, TX 79701-5116</u>	
Facility or well name: <u>Quail "16" State No. 2</u> ✓	
API Number: <u>30-025-39340</u> ✓	OCD Permit Number: <u>P1 - 02390</u> ✓
U/L or Qtr/Qtr <u>N</u> Section <u>16</u> Township <u>20S</u> Range <u>34E</u> County: <u>Lea</u> ✓	
Center of Proposed Design. Latitude _____ Longitude _____ NAD: <input 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	
2. <input checked="" type="checkbox"/> Closed-loop System: Subsection H of 19.15.17.11 NMAC 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 19.15.3.103 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 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. Disposal Facility Name: <u>Controlled Recovery, Inc.</u> Disposal Facility Permit Number: <u>NM-01-0006</u> 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 <i>Required for impacted areas which will not be used for future service and operations.</i> <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>Kim Tyson</u> Title: <u>Regulatory Analyst</u> Signature: <u>Kim Tyson</u> Date: <u>08/30/2010</u> e-mail address: <u>kimt@forl.com</u> Telephone: <u>(432) 687-1777</u>	

7.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only)
OCD Representative Signature: [Signature] Approval Date: 9-1-10
Title: STAFF MEMBER OCD Permit Number: P1-02390

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 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: _____ 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: _____

August 30, 2010

Fasken Oil and Ranch, Ltd.
Quail "16" State No. 2
1230' FSL & 1980' FWL
Sec. 16, T20S, R34E
Lea County, NM

RE: Form C-144 CLEZ Attachment

Design Plan: We propose to use one 500 bbl test tank, one 250 bbl skid mounted steel flowback tank, and ~~one~~ 130 bbl skid mounted steel reverse unit pit placed on location.

Operating and Maintenance Plan:

Each tank/bin will be checked regularly for leaks. Should a leak develop the contents will be removed and the tank/bin will be repaired or replaced. The division district office will be notified with 48 hours of the discovery of any leak.

Closure Plan: Contents will be emptied and hauled to an OCD approved facility. At the current time the CRI disposal facility at Halfway Bar will be utilized for disposal. The permit number for the CRI facility is Permit Number 6. See the attachment.

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

FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TEXAS 79701-5116

(432) 687-1777
kimt@forl.com

**Kim Tyson
Regulatory Analyst**

August 30, 2010

Ms. Donna Mull
New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Dear Ms. Mull,

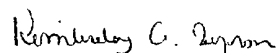
Re: Quail "16" State No. 2
Pit Permit No. P1-02390
Laguna Valley; Morrow (Gas) Pool
API No. 30-025-39340
Lea County

A Closed Loop Pit Application was approved for the above referenced well on 8-25-10, and pit No. P1-02390 was assigned to the Pit Permit. I am submitting an amended Closed Loop Pit Application for Pit No. P1-02390 to add a 130 bbl skid mounted steel reverse unit pit.

If you have any questions or need any additional information please e-mail me at kimt@forl.com or call me at (432) 687-1777.

Thanks for your help concerning this matter.

Yours truly,


Kimberley A. Tyson
Regulatory Analyst