

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
June 16, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

9264
Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

RCVD DEC 2 '11

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

OIL CONS. DIV.

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

DIST. 3

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
Address: 709 East Murray Drive, Farmington, New Mexico 87401	RCVD JUL 15 '08
Facility or well name: Squaw Valley Com #91	OIL CONS. DIV.
API Number: 30-045-34577	OCD Permit Number: DIST. 3
U/L or Qtr/Qtr P Section 4 Township 23N Range 10W County: San Juan	
Center of Proposed Design: Latitude 36.25162 North Longitude 107.89490 West NAD: <input type="checkbox"/> 1927 <input checked="" type="checkbox"/> 1983	
Surface Owner: <input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Tribal Trust or Indian Allotment	

<input checked="" type="checkbox"/> Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Permanent <input type="checkbox"/> Emergency <input type="checkbox"/> Cavitation <input checked="" type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness 20 mil <input checked="" type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other <input checked="" type="checkbox"/> String-Reinforced Seams: <input type="checkbox"/> Welded <input checked="" type="checkbox"/> Factory <input type="checkbox"/> Other Volume: 600 bbl Dimensions: L 76' x W 13' x D 8'	<input type="checkbox"/> Closed-loop System: Subsection H of 19.15.17.11 NMAC <input type="checkbox"/> Drying Pad <input type="checkbox"/> Tanks <input type="checkbox"/> Haul-off Bins <input type="checkbox"/> Other <input type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness mil <input type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other Seams: <input type="checkbox"/> Welded <input type="checkbox"/> Factory <input type="checkbox"/> Other Volume: bbl yd ³ Dimensions: Length x Width
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<input type="checkbox"/> Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material: <input type="checkbox"/> Secondary containment with leak detection <input type="checkbox"/> Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off <input type="checkbox"/> Visible sidewalls and liner <input type="checkbox"/> Visible sidewalls only <input type="checkbox"/> Other Liner type: Thickness mil <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other	<input type="checkbox"/> Fencing: Subsection D of 19.15.17.11 NMAC <input type="checkbox"/> Chain link, six feet in height, two strands of barbed wire at top <input type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet <input type="checkbox"/> Netting: Subsection E of 19.15.17.11 NMAC <input type="checkbox"/> Screen <input type="checkbox"/> Netting <input type="checkbox"/> Other <input type="checkbox"/> Monthly inspections <input type="checkbox"/> Signs: Subsection C of 19.15.17.11 NMAC <input checked="" type="checkbox"/> 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers <input type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC
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<input type="checkbox"/> Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: <input checked="" type="checkbox"/> Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval. <input type="checkbox"/> Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
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Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks)

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No
☐ NA

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits)

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No
☐ NA

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

Temporary Pits, Emergency Pits, and Below-grade Tanks 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.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.15 NMAC
- ☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.15 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ 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 - 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: 30-045- or Permit Number: _____

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.

- ☐ Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.15
- ☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ 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 - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

Permanent Pits Permit Application 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.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.15 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Proposed Closure: 19.15.17.13 NMAC

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal

☒ On-site Closure Method (only for temporary pits and closed-loop systems)

☒ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☒ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☒ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☒ Yes ☐ No
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (or liquids, drilling fluids and drill cuttings)
- ☐ 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

Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only: (19.15.17.13.D NMAC) *Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: _____

Disposal Facility Permit Number: _____

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☒ Soil Cover Design - 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

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): Kurt Fagrelus

Title: Vice President, Exploration

Signature: Kurt Fagrelus

Date: 7-15-08

e-mail address: kfagrelus@duganproduction.com

Telephone: 505-325-1821 (O), 505-320-8248 (C)

OCD Approval: ☒ Permit Application (including closure plan) ☒ Closure Plan (only)

OCD Representative Signature: B. D. Kelly

Approval Date: 9-29-08

Title: Enviro/Spec

Compliance Officer
OCD Permit Number: _____

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

☒ Closure Completion Date: 10-3-2011

Closure Method:

- ☐ Waste Excavation and Removal ☒ On-Site Closure Method ☐ Alternative Closure Method
- ☐ If different from approved plan, please explain.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice
- ☐ Proof of Deed Notice (if applicable)
- ☒ Plot Plan
- ☒ Confirmation Sampling Analytical Results
- ☒ Waste Material Sampling Analytical Results
- ☒ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☒ Site Reclamation (Photo Documentation)

On-site Closure Location. Latitude 36.25162° N Longitude 107.89490° W NAD: ☐ 1927 ☒ 1983

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): Kurt Fagrelus

Title: Vice President, Exploration

Signature: Kurt Fagrelus

Date: 12-1-2011

e-mail address: kfagrelus@duganproduction.com

Telephone: 505-325-1821

**Dugan Production Corp.
Closure Report**

Lease Name: Squaw Valley Com #91
API No.: 30-045-34577

In accordance with Rule 10.15.17.13 NMAC the following information describes the closure of the temporary pit referenced above. All proper documentation concerning closure activities is included with the C-144. The temporary pit for this location was an approved design under Rule 19.15.17. **The closure plan for the temporary pit was submitted on 7-15-2008 and approved on 9-29-2008.**

1. Comply with siting criteria for temporary pits established by the State of New Mexico, Energy Minerals and Natural Resources Department 19.15.17.10 NMAC.

See approved permit dated 9-29-2008.

2. Provide the NMOCD district office at least 72-hours notice but no greater than 1-week prior to any closure operations. Notice will include operator name, well name and number, API number, and location (unit letter, section, township and range).

See email notification dated 9-29-2011.

3. Provide the surface owner notice of the operator's proposal of an on-site closure method. Proof of notice will be attached to the permit application. Also, proof of closure notice will be provided by certified mail to surface owner after closure. Proof of notice will be attached to final closure report.

Navajo Allotted surface, certified notification not applicable as per BLM/OCD MOU.

4. Remove all liquid from pit and reclaim, re-use or dispose of at an NMOCD approved facility. Upon completion of drilling operations, drilling mud will be vacuumed from pit and transported to the next reserve pit for re-use at another drilling location. After the remaining mud settles, the free water that shakes out and any free water left over from completion operations will be hauled to the Dugan Production operated Sanchez O'Brien #1 SWD located 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 6, Township 24 North, Range 9 West NMPM, San Juan County, New Mexico. The disposal facility was permitted by the NMOCD with Administrative Order SWD-694.

Drilling rig was released 6-23-2011 and drilling mud was transferred to the Hoss Com #95 for re-use (6-23-2011) Remaining free water was transferred to the Sanchez O'Brien SWD #1 salt water disposal well. Remaining

5. Remove all fluids from temporary pit within 30-days and close within 6-months following release of drilling rig.

Free water was removed within 30-days and temporary pit was closed (10-3-2011).

6. Air dry pit contents and stabilize or solidify to a load bearing capacity sufficient to support the temporary pit's final cover.

Pit contents were allowed to dry prior to temporary pit closure.

7. Collect a five point, composite sample of the pit contents to demonstrate that Benzene, BTEX, the GRO and DRO combined fraction, TPH, and chlorides (depth to groundwater from bottom of pit is greater than 100-feet), do not exceed the standards as specified in 19.15.17.9.B or the background concentration, whichever is greater.

A five point composite sample was taken of remaining cuttings in temporary pit and was tested in accordance with Subsection B of 19.15.17.13 (B)(1)(b)(ii). Depth from bottom of pit to top of ground-water is greater than 100-feet. Sample results are attached.

Components	Test Method	Limit (mg/kg)	*Results (mg/kg)
Benzene	EPA SW-846 8021B or 8260B	0.2	<0.050
BTEX	EPA SW-846 8021B or 8260B	50	<0.150
TPH	EPA SW-846 418.1	2500	<100
GRO/DRO	EPA SW-846 8015M	500	12.3
Chlorides	EPA 300.1	1000 / 500	720

8. Other methods if the standards in 19.15.17.9.B can not be met will include: The pit contents may be mixed to a ratio not to exceed 3:1, un-contaminated soil or other material to pit contents. A second five point, composite sample of the contents after treatment or stabilization will be taken to demonstrate that the contents do not exceed the standards. If the second soil analyses do not satisfy the closure standards, the operator will close the temporary pit using the waste excavation and removal method.

Not applicable, testing standards of 19.15-17.9 were met.

9. Cut pit liner off at the mud line (solids level); remove liner and apron and transport to a NMOCD approved facility for disposal.

Pit liner was removed 10-3-2011 and disposed of at the Crouch Mesa Waste Management facility on 10-3-2011.

10. Stockpiled sub-surface soil will be used to backfill pit and re-contour well pad (to a final or intermediate cover that blends with the surrounding topography). A minimum of four-feet of compacted, non-waste containing, earthen material will be used as backfill.

Stockpiled sub-surface soil was used to backfill temporary pit and re-contour well pad. A minimum of four-feet of compacted, non-waste containing, earthen material was used to backfill pit.

11. Stockpiled surface soil will be used as a cover over the backfilled pit and disturbed areas of the well pad no longer needed for production operations. The soil cover will include either the background thickness of top soil or one foot of suitable material to establish vegetation at the site whichever is greater.

Stockpiled surface soil was used to cover backfilled temporary pit and disturbed areas of the well pad no longer needed for production operations. The soil cover included the greater of either the background thickness or one foot of suitable material necessary to establish vegetation. The location was re-contoured to approximate the original topography of the site and diversions were constructed to protect soil cover and minimize erosion.

12. The area will be re-seeded as per BLM guidelines. Re-seeding will be repeated until 70% of the native natural cover is achieved and maintained for two successive growing seasons. The first growing season after the pit is closed the disturbed area will be re-seeded. The seeding method will be to drill on contour whenever possible.

Re-seeding will be done according to BLM guidelines as specified by BLM/OCD memorandum of understanding.

13. The NMOCD will be notified once successful re-vegetation has been achieved.

Re-seeding will be done according to BLM guidelines as specified by BLM/OCD memorandum of understanding.

14. A steel marker will be set at the center of the on-site burial following onsite-pit closure (see application for administrative approval). The marker will be (24" X 24") and will have the operator name, lease name, well number, location (UL, Sec., Twp. and Rge.) and that it designates an "on-site burial location" lettering welded on the top side with a 4" threaded collar welded to the bottom side. The marker will be set at ground level and attached to a 4" diameter pipe that is cemented in a hole three feet deep. When the well is abandoned, a steel riser that is 4" in diameter, extending 4'

above the ground will be welded to the pipe anchored in cement below the surface. The riser will have lettering welded on side showing operator name, well number, location (UL, Sec., Twp., and Rge.) and that it designates an on-site burial location.

A flat steel marker (24" X 24") with the lettering "on-site burial location" was set at ground-level in the center of the burial site. The marker is welded to a 4" pipe that is cemented in a 3-foot deep hole and is shown in the attached photographs (administrative approval was received). When the well is P&A'd, the steel plate will be removed and a riser that is 4" in diameter, extending 4' above the ground will be welded to the pipe anchored in cement below the surface. The riser will have lettering welded on the side showing operator name, well number, location (UL, Sec., Twp., and Rge.) and that it designates an on-site burial location.

15. Closure Report will be submitted within 60-days of completion of temporary pit closure. Closure report will include the following:
- 1) Proof of Closure Notice.
 - 2) Proof of Deed Notice (if applicable).
 - 3) Plot Plan.
 - 4) Confirmation Sampling Analytical Results.
 - 5) Waste Material Sampling Analytical Results.
 - 6) Disposal Facility Name and Permit Number.
 - 7) Soil Backfilling and Cover Installation.
 - 8) Re-vegetation Application Rates and Seeding Technique.

All items listed above if applicable are attached and submitted on this date.

16. A deed notice identifying the exact location of the on-site burial will be filed with the County clerk in the county where the on-site burial occurs.

Navajo Allotted surface, deed notice identifying exact location of on-site burial is not applicable according to BLM/OCD MOU.

Dugan Production Corp.
709 East Murray Drive
Farmington, NM 87401

to Name:
Location:
Drilling Operator:
Date:

Squaw Valley Com #91

W. White Smith Drilling Co

Drilled Date:

6-17-11

to
Moved Off

6-24-11

to Remove Liquids by:
Days from rig release)

to Close Pit by:
Days from rig release)

Check or Daily Inspections during Drilling / workover operations, weekly after rig is moved off.

Date	Signature	Freeboard (> 2-ft.)		Tears or Holes		Oil		Trash		Remarks
		Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	
6-17	<i>John</i>	-	5'	-	-	-	-	-	-	HAD 3 Load mud 2 Load with 1/4" when Spud Drilled 12' 4" - 135' Completed 8' 8" @ 12.7'
6-20	<i>John</i>	-	3'	-	-	-	-	-	-	Add 1 Load with 5" x 5" mesh Total 5 Loads Fluid in P.T.
6-21	<i>John</i>	-	3'	-	-	-	-	-	-	
6-22	<i>John</i>	-	2 1/2'	-	-	-	-	-	-	Added 2 Loads 5' 10" on Cat A bit 50 lbs in Cat A
6-23	<i>John</i>	-	3'	-	-	-	-	-	-	TD: Mud up Run 5' 2"
6-23	<i>John</i>	-	2'	-	-	-	-	-	-	After Cementing
6-23	<i>John</i>	-	2 1/2'	-	-	-	-	-	-	Transferred 1 Load To Hess Com #95

Kurt Fagrelius

From: Kurt Fagrelius
Sent: Thursday, September 29, 2011 4:19 PM
To: 'Powell, Brandon, EMNRD'; Spencer, Bertha; 'Mark_Kelly@nm.blm.gov'; 'lucas_vargo@blm.gov'; Kurt Fagrelius
Subject: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011
Attachments: 72-Hr Notice to Close Temp Drlg Pits 10-3-2011.xls
September 29, 2011

Mr. Brandon Powell, Ms. Bertha Spencer, Mr. Mark Kelly and Mr. Lucas Vargo:

Dugan Production Corp. is hereby giving notice that Dugan will be closing the following drilling reserve pits (Temporary Pits):

- 1) Marathon Com #90 – Navajo Allotted Surface
- 2) Squaw Valley Com #91 – Navajo Allotted Surface

Site specific and cuttings analysis information for each drilling reserve pit is included in the enclosed attachment.

Depending on prevailing weather conditions; the pits will be closed on Monday, October 3, 2011

If you have any questions or require additional information, please contact me.

Kurt Fagrelius

Kurt Fagrelius
Dugan Production Corp.
505.325.1821 office
505.320.8248 cell
505.327.4613 fax

10/4/2011

Dugan Production Corp. Temporary Pits to be Closed on October 3, 2011

Lease Name	Marathon Com #90	Squaw Valley Com #91
API Number	30-045-34570	30-045-24577
Surface Owner - Notice Sent	Navajo Allotted	Navajo Allotted
Location - UL, Sec., Twp, Rge	A-4-23N-10W	P-4-23N-10W
Latitude	36.25958 N	36.25162 N
Longitude	107.89687 W	107.89490 W
Benzene (<0.2 mg/kg)	<0.050 mg/kg	<0.050 mg/kg
Betex (<50 mg/kg)	0.167- mg/kg	<0.150- mg/kg
TPH - Analytic Mthd-418.1 (<2500 mg/kg)	307- mg/kg	<100- mg/kg
GRO + DRO - Analytic Mthd-8015 (<200 mg/kg)	61.6-mg/kg	12.3- mg/kg
Chlorides (<1000 mg/kg)	160- mg/kg	720- mg/kg
Thresholds as per "Pit Rule" 19.15.17 NMAC are highlighted in red.		

Kurt Fagrelius

From: Spencer, Bertha [Bertha.Spencer@bia.gov]
Sent: Thursday, September 29, 2011 4:30 PM
To: Bond, Dale A
Cc: Kurt Fagrelius
Subject: FW: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011
Attachments: 72-Hr Notice to Close Temp Drlg Pits 10-3-2011.xls

Mr. Bond,

I'm forwarding you this email, because Dugan stated it Navajo Allotted Surface.

Kurt:

On Navajo Allotted Oil & Gas Lease or Navajo Allotted Surface, please notify Mr. Bond at FIMO office. Mr. Bond is the new Director of FIMO.

From: Kurt Fagrelius [mailto:kfagrelius@duganproduction.com]
Sent: Thursday, September 29, 2011 4:19 PM
To: Powell, Brandon, EMNRD; Spencer, Bertha; Mark_Kelly@nm.blm.gov; Vargo, Lucas D; Kurt Fagrelius
Subject: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011

September 29, 2011

Mr. Brandon Powell, Ms. Bertha Spencer, Mr. Mark Kelly and Mr. Lucas Vargo:

Dugan Production Corp. is hereby giving notice that Dugan will be closing the following drilling reserve pits (Temporary Pits).

- 1) Marathon Com #90 – Navajo Allotted Surface
- 2) Squaw Valley Com #91 – Navajo Allotted Surface

Site specific and cuttings analysis information for each drilling reserve pit is included in the enclosed attachment.

Depending on prevailing weather conditions, the pits will be closed on Monday, October 3, 2011

If you have any questions or require additional information, please contact me:

10/4/2011

Kurt Fagrelius

Kurt Fagrelius
Dugan Production Corp.
505.325.1821 office
505 320.8248 cell
505.327.4613 fax

10/4/2011

Kurt Fagrelius

From: Kelly, Mark C [mkelly@blm.gov]
To: Kurt Fagrelius
Sent: Friday, September 30, 2011 6:08 AM
Subject: Read: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011

Your message

To: mkelly@blm.gov
Subject:

was read on 9/30/2011 6:08 AM.

Kurt Fagrelius

From: Kurt Fagrelius
To: Kurt Fagrelius
Sent: Thursday, September 29, 2011 4:20 PM
Subject: Read: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011

Your message

To: 'Powell, Brandon, EMNRD'; Spencer, Bertha; 'Mark_Kelly@nm.blm.gov'; 'lucas_vargo@blm.gov'; Kurt Fagrelius
Subject: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011
Sent: 9/29/2011 4:19 PM

was read on 9/29/2011 4:20 PM.

Kurt Fagrelius

From: postmaster@duganproduction.com
Sent: Thursday, September 29, 2011 4:19 PM
To: Kurt Fagrelius
Subject: Delivery Status Notification (Relay)

Attachments: ATT14467.txt; 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011



ATT14467.txt (400 B) 72-Hour Notice to
close Tempor...

This is an automatically generated Delivery Status Notification.

Your message has been successfully relayed to the following recipients, but the requested delivery status notifications may not be generated by the destination.

Bertha.Spencer@bia.gov

Kurt Fagrelus

From: postmaster@duganproduction.com
Sent: Thursday, September 29, 2011 4:19 PM
To: Kurt Fagrelus
Subject: Delivery Status Notification (Relay)

Attachments: ATT14457.txt; 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011



ATT14457.txt (413 B) 72-Hour Notice to
close Tempor...

This is an automatically generated Delivery Status Notification.

Your message has been successfully relayed to the following recipients, but the requested delivery status notifications may not be generated by the destination.

Brandon.Powell@state.nm.us

Kurt Fagrelius

From: System Administrator
To: Kurt Fagrelius
Sent: Thursday, September 29, 2011 4:19 PM
Subject: Delivered: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011

Your message

To: 'Powell, Brandon, EMNRD'; Spencer, Bertha; 'Mark_Kelly@nm.blm.gov'; 'lucas_vargo@blm.gov'; Kurt Fagrelius
Subject: 72-Hour Notice to close Temporary Drilling Pits on October 3, 2011
Sent: 9/29/2011 4:19 PM

was delivered to the following recipient(s):

Kurt Fagrelius on 9/29/2011 4:19 PM

Squaw Valley #1



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

August 19, 2011

KURT FAGRELIUS

DUGAN PRODUCTION

P. O. BOX 420

FARMINGTON, NM 87499

RE: PIT CLOSURES

Enclosed are the results of analyses for samples received by the laboratory on 08/12/11 11:30.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Hope Moreno

Inorganic Technical Director

Analytical Results For:

 DUGAN PRODUCTION
 KURT FAGRELIUS
 P. O. BOX 420
 FARMINGTON NM, 87499
 Fax To: (505) 327-4043

 Received: 08/12/2011
 Reported: 08/19/2011
 Project Name: PIT CLOSURES
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 08/10/2011
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: SQUAW VALLEY #91 (H101697-04)

BTEX 8021B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	08/15/2011	ND	1.82	91.1	2.00	5.65		
Toluene*	0.050	0.050	08/15/2011	ND	1.74	87.0	2.00	6.04		
Ethylbenzene*	<0.050	0.050	08/15/2011	ND	1.77	88.3	2.00	6.91		
Total Xylenes*	<0.150	0.150	08/15/2011	ND	5.28	88.1	6.00	7.29		

Surrogate 4-Bromofluorobenzene (PIL) 103 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	720	16.0	08/12/2011	ND	448	112	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	<100	100	08/18/2011	ND	1060	97.2	1090	1.90	

TPH 8015M		mg/kg		Analyzed By: ab				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	08/14/2011	ND	201	101	200	0.248	
DRO >C10-C28	12.3	10.0	08/14/2011	ND	180	90.0	200	1.96	
Total TPH C6-C28	12.3	10.0	08/14/2011	ND	381	95.4	400	0.798	


Surrogate 1-Chlorooctane 110 % 70-130

Surrogate 1-Chlorooctadecane 136 % 70-130

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE Liability and Damages Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Hope Moreno, Inorganic Technical Director

Notes and Definitions

S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.

ND Analyte NOT DETECTED at or above the reporting limit

RPD Relative Percent Difference

** Samples not received at proper temperature of 6°C or below.

*** Insufficient time to reach temperature

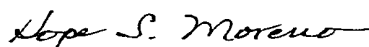
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C

 Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Hope Moreno, Inorganic Technical Director

Client: Dugan Prod.
Contact: Kurt Fegrelius
Address: 709 E. Murray Dr.
Farmington NM
Phone Number: 505-320-8240
FAX Number: _____

NOTES:

- 1) Ensure proper container packaging.
 - 2) Ship samples promptly following collection.
 - 3) Designate Sample Reject Disposition
- PO#

Table 1. — Matrix Type

1 = Surface Water, 2 = Ground Water
3 = Soil/Sediment, 4 = Rinsate, 5 = Oil
6 = Waste, 7 = Other (Specify) _____

FOR GAL USE ONLY

GAL JOB #

Project Name:

Samplers Signature:

FAX Number: _____ Project Name: _____
Ktagrelius@duzenproduction.com

Lab Name: Green Analytical Laboratories (970) 247-4220 FAX (970) 247-4227						Analyses Required								Comments											
Address: 75 Suttle Street, Durango, CO 81303																									
Sample ID	Collection		Miscellaneous			Preservative(s)																			
	Date	Time	Collected by: (Init.)	Matrix Type From Table I	No. of Containers	Sample Filtered ? Y/N	Unpreserved (Ice Only)	HNO ₃	HCL	H ₂ SO ₄	NAOH			Other (Specify)											
H101697													Pit closure	BTEX	TPH 6015	TPH 418.1	CL-								
1. Manciet #100	E-W-N	10 ⁵⁵ AM																							
2. Manciet #01	(9 ³⁰ AM																							
3. Manciet #90	}	3 ²⁰ PM																							
4. Quinn Valley #91	}	3 ⁵⁰ PM																							
50. Bette #1	}	1 ²⁰ PM																							
6.																									
7.																									
8.																									
9.																									
10.																									

Relinquished by: _____ Date: _____ Time: _____ Received by: _____ Date: _____ Time: _____

Relinquished by: Kurt Fenechus Date: 8-10-11 Time: 10:25 Received by: [Signature] Date: 8/10/11 Time: 10:25

* Sample Reject: ☐ Return ☐ Dispose ☐ Store (30 Days)

Jodi Benson 8/12/11
5c #26

District I
1625 N French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name SQUAW VALLEY COM		*Well Number 91
*GRID No 006515	*Operator Name DUGAN PRODUCTION CORPORATION		*Elevation 6636'

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	23N	10W		1150	SOUTH	660	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0 Acres - (S/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
--	-------------------------------	----------------------------------	------------------------

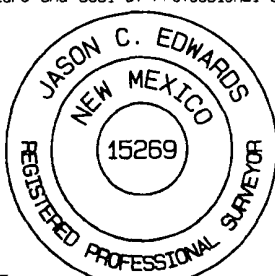
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 1318.68' LOT 4	5245.68'	LOT 3	LOT 2	LOT 1	1323.96'
1311.42'					1314.06'
<div><div>4</div><div>Dugan NO-C-14-20-7310</div><div>Dugan NO-C-14-20-7311</div><div>Center of Pit: 35-ft. S83°W.</div><div>LAT: 36.25162°N LONG: 107.89490°W DATUM: NAD1983</div><div>Temp. Pit</div><div>660'</div><div>1150'</div><div>5254.92'</div></div>					
2623.50'					2628.78'

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

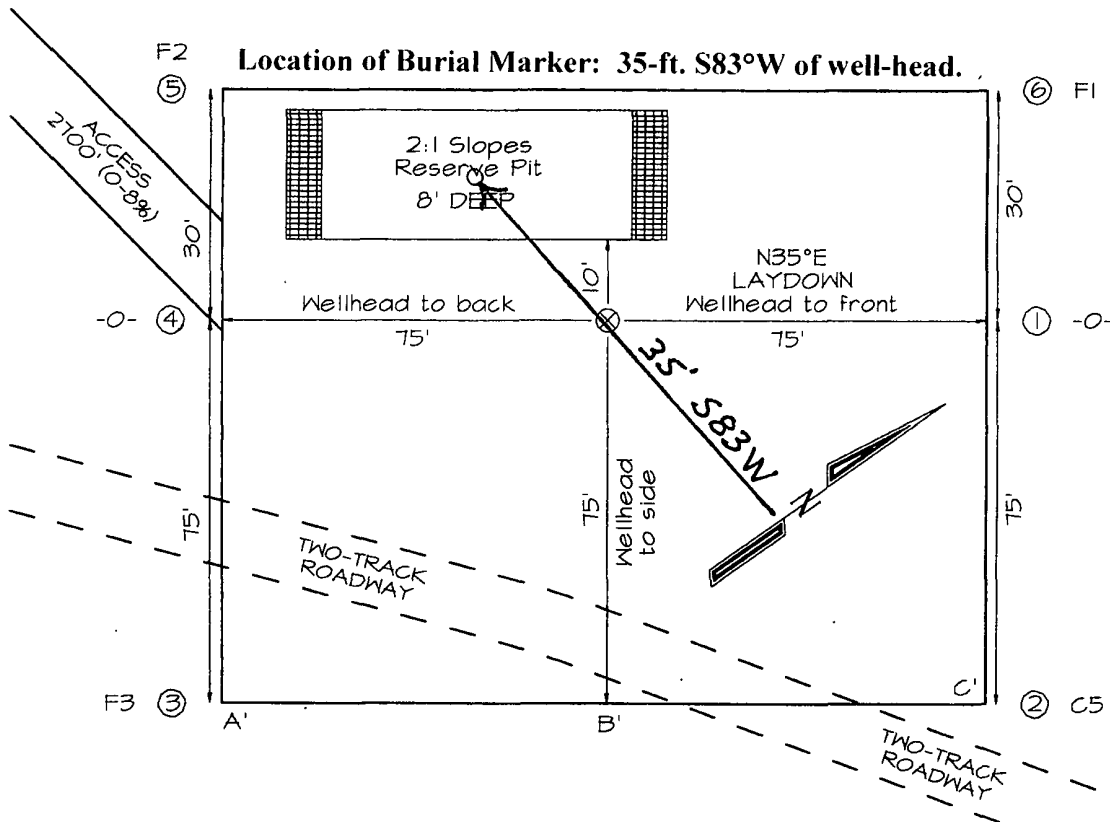
1/18/2008
Signature _____ Date
Kurt Fagrelus
Printed Name _____

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief
Survey Date: JANUARY 3, 2008
Signature and Seal of Professional Surveyor



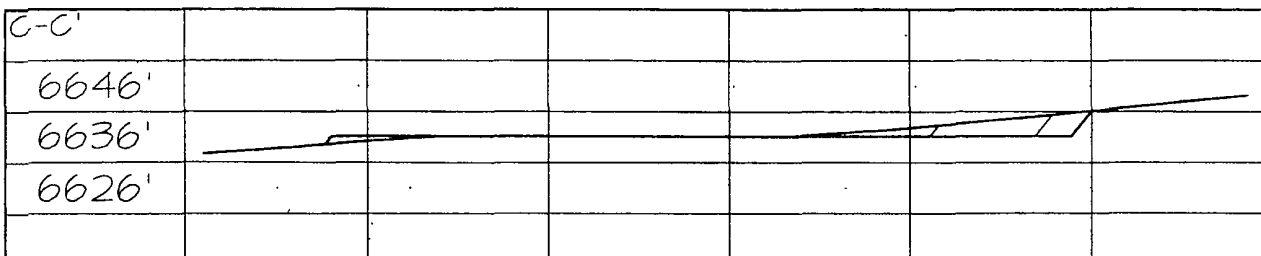
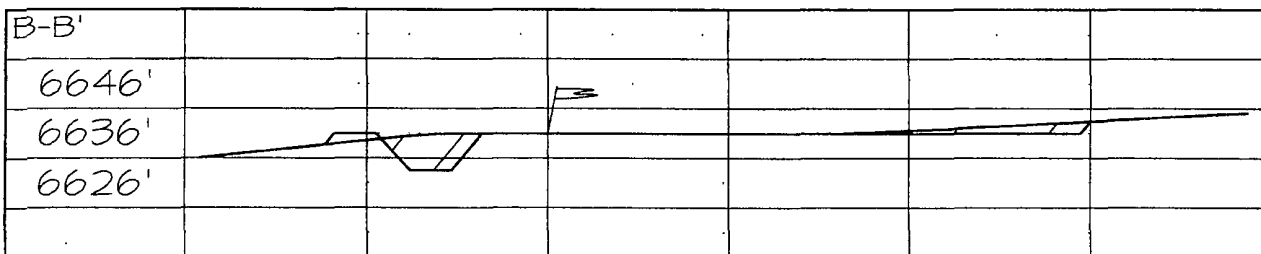
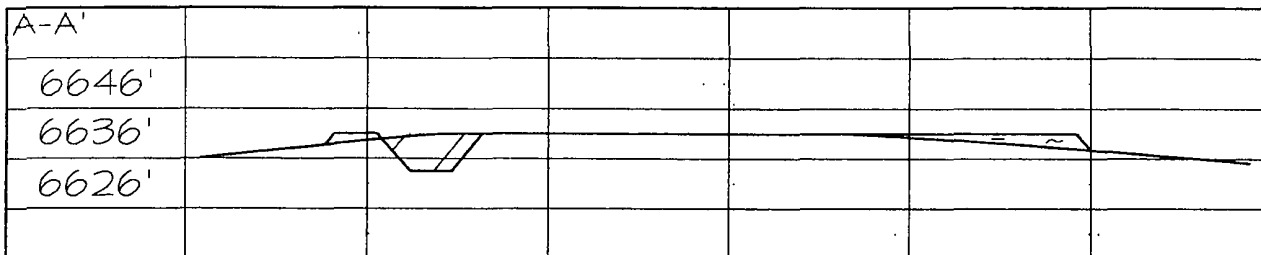
JASON C. EDWARDS
Certificate Number 15269

**DUGAN PRODUCTION CORPORATION SQUAW VALLEY COM #91
1150' FSL & 660' FEL, SECTION 4, T23N, R10W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6636'**



****SURFACE OWNER****
Navajo Allotted
Tribal Land

LATITUDE: 36.25162°N
LONGITUDE: 107.89490°W
DATUM: NAD1983



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised August 1, 2011

1. WELL API NO.
30-045-34577

2. Type of Lease
☐ STATE ☐ FEE ☒ FED/INDIAN

3. State Oil & Gas Lease No
Navajo Allotted Lease NOOC14207311

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19.15 17.13 K NMAC)

7. Type of Completion.

☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator
Dugan Production Corp.

9. OGRID
006515

10. Address of Operator
P O Box 420, Farmington, NM 87499-0420 (505)325-1821

11. Pool name or Wildcat
Basin Fruitland Coal

12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	P	4	23N	10W		1150	South	660	East	San Juan
BH:										

13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released 6/24/11	16. Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc.)
------------------	-----------------------	----------------------------------	---------------------------------------	---

18. Total Measured Depth of Well	19. Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run
----------------------------------	------------------------------	----------------------------------	--------------------------------------

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28. **PRODUCTION**

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod or Shut-in)	
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)	30. Test Witnessed By
--	-----------------------

31. List Attachments

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

33. If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude 36.25162 Longitude 107.89490 NAD 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature *Kurt Fagrelus* Printed Name Kurt Fagrelus Title Vice-President, Exploration Date 10/27/2011

E-mail Address kfagrelus@duganproduction.com

10211

Shipment # _____

Profile # 101364 NM
(Required)

#78 CR 3140 P.O. Box 1402

505/334-1121

White/GEN Yellow/LANDFILL Pink/TRANSPORTER Golden/GEN san juan reproduction 98-165



WM of NM - San Juan County
8 County Road 3140
Alfred, NM, 87510
Ph: (505) 334-1121

Original
Ticket # 10251

Customer Name: DUGAN PRODUCTION DUGAN PRODUCT Carrier: Ace Services Inc Services
Ticket Date: 10/03/2011 Vehicle# 2 Volume
Payment Type: Credit Account Container
Manual Ticket# Driver
Hauling Ticket# Check#
Route Billing # 0000010
State Waste Code Gen EPA ID
Manifest 19211
Destination Solid
PU
Profile 101364NM /Dugan Production Various Locations
Generator 153-DUGAN PRODUCTION VARIOUS Dugan Production Various Location

	Time	Scale	Operator	Inbound	Gross	9400 lb
In	10/03/2011 12:48:44	Inbound 301	gonzalez		Tare	8430 lb
Out	10/03/2011 13:04:58	Outbound 302	rickyq		Net	120 lb
					Tons	0.20

Comments:

Product	LD#	Qty	Unit	Rate	Tax	Amount	Origin
1 Spwaste Solid Dth-Ch	100	5.00	Yards				FARM
2 FUEL, D-Standard Fr	100		%				FARM
3 FUEL, D-Fuel Surchn	100		%				FARM

Manny Jarama
ACE
2
Dumbor
Don Vally 91
new for com 90

Total Tax
Total Ticket 102.51

Driver's Signature

403WM



10-3-11 S405 TICKET # 13913122 19211

SPECIAL WASTE SHIPMENT RECORD
WASTE MANAGEMENT OF NEW MEXICO, INC.
SAN JUAN COUNTY REGIONAL LANDFILL
PERMIT #SWM-052426, #SWM-052426SP
#78 CR 3140 P.O. Box 1402
Aztec, New Mexico 87410
505/334-1121

Shipment # _____
Profile # 101364 NM
(Required)

Acc Services #2

1. Generator's Work site name and address (physical site address of waste generation)		
2. Generator's name and address Dugan Production Corp. PO Box 420 Farmington, NM 87499		Generator's Telephone no. 505-325-1821
3. Authorized Agent name and address (if different from #2) Kurt Fagrelus VP Exploration PO Box 420 Farmington, NM 87499		Agent's Telephone no. 505-320-8248
4. Description materials 20 mills pit liner (CLEAN)	5. Container's No. Type	6. Total Quantity (tons) (yd3)
<i>Squaw Valley #91</i>	<i>Clean 20 mill</i>	<i>5</i>
<i>Marathon Com #90</i>	<i>Clean 20 mill</i>	<i>5</i>
7. Special handling instructions N/A <i>Both in San Juan County</i>		
8. GENERATOR or AUTHORIZED AGENT CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above and are classified, packed, marked and labeled, and are in all respects in proper condition for transport by highway in accordance with applicable international and government regulations. I hereby certify that the above named material does not contain free liquid as defined by 40CFR Part 258.28 and is not a hazardous waste as defined by 40CFR 261 or any applicable state law.		
Generator or Agent (Printed/typed name and title) Kurt Fagrelus VP Exploration	Generator or Agents Signature <i>Kurt Fagrelus</i>	Month/Day/Year 10/3/2011
9. Transporter 1 (Acknowledgement of receipt of materials)		
Printed/typed name & title, address, telephone no. Kurt Fagrelus VP Exploration PO Box 420 505-320-8248 Farmington, NM 87499	Driver Signature	Month/Day/Year 1/1
10. Transporter 2 (Acknowledgement of receipt of materials)		
Printed/typed name & title, address, telephone no. <i>ACE Services 505-334-1149</i> <i>114 E main, Aztec NM 87410</i>	Driver Signature <i>Samuel Vender</i>	Month/Day/Year 10/3/2011
11. Discrepancy indication space <i>#10 should be on #1</i>		
12. Waste disposal site Location co-ordinates (X, Y, Z) <i>Elev. 8891 N36°45.947 W108° 02.854</i>		
Received by name and title (Printed/typed) <i>Michelle Gonzales GATE ATT</i>	SJC Landfill Rep. Signature <i>Michelle Gonzales</i>	Month / Day / Year 10/3/11



DUGAN PRODUCTION CORP.

SQUAW VALLEY #91

NOOC14207311

API # 30-045-34577

1150' FSL, 600' FEL

SESE SEC. 04, T23N, R10W

LAT. 36.25162 LONG. 107.89490

SAN JUAN COUNTY, NM

FOR EMERGENCY CALL (505)325-1823

