

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. Francis 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

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	NAPP2130052167
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party	Dugan Production Corp.	OGRID	006515
Contact Name	Kevin Smaka	Contact Telephone	505-325-1821 x1049
Contact email	kevin.smaka@duganproduction.com	Incident # (assigned by OCD)	nAPP2130052167
Contact mailing address	PO Box 420, Farmington, NM 87499-0420		

Location of Release Source

Latitude 36.7544 Longitude -108.41839
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	Bonnie & Ed #1	Site Type	oil well
Date Release Discovered	9/13/21	API# (if applicable)	30-045-25120

Unit Letter	Section	Township	Range	County
J	4	29N	15W	San Juan

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

<input type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input checked="" type="checkbox"/> Other (describe) elevated chlorides	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

Elevated chlorides in environmental reports on BGT closure

Form C-1 4i

Page 2

State of New Mexico
Oil Conservation Division

Incident ID	NAPP2130052167
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.8(A) NMAC?

☐ Yes ☒ No

If YES, for what reason(s) does the responsible party consider this a major release?

If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

- ☒ The source of the release has been stopped.
- ☒ The impacted area has been secured to protect human health and the environment.
- ☒ Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
- ☒ All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Kevin Smaka

Title: Regulatory Engineer

Signature: 

Date: November 18, 2021 11-18-21

email: kevin.smaka@duganproduction.com

Telephone: 505-325-1821

OCD Only

Received by: Ramona Marcus

Date: 12/2/2021

Form C-141

State of New Mexico
Oil Conservation Division

Page 3

Incident ID	
District RP	
Facility ID	
Application ID	

Site Assessment/Characterization*This information must be provided to the appropriate district office no later than 90 days after the release discovery date.*

What is the shallowest depth to groundwater beneath the area affected by the release?	_____ (ft bgs)
Did this release impact groundwater or surface water?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did the release impact areas not on an exploration, development, production, or storage site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: *Each of the following items must be included in the report.*

- ☐ Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- ☐ Field data
- ☐ Data table of soil contaminant concentration data
- ☐ Depth to water determination
- ☐ Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
- ☐ Boring or excavation logs
- ☐ Photographs including date and GIS information
- ☐ Topographic/Aerial maps
- ☐ Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

Form C-141

State of New Mexico
Oil Conservation Division

Page 4

Incident ID	
District RP	
Facility ID	
Application ID	

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: _____ Title: _____

Signature: _____ Date: _____

email: _____ Telephone: _____

OCD Only

Received by: _____ Date: _____

Form C-141

State of New Mexico
Oil Conservation Division

Page 5

Incident ID	
District RP	
Facility ID	
Application ID	

Remediation Plan

Remediation Plan Checklist: *Each of the following items must be included in the plan.*

- ☐ Detailed description of proposed remediation technique
- ☐ Scaled site map with GPS coordinates showing delineation points
- ☐ Estimated volume of material to be remediated
- ☐ Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC
- ☐ Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required)

Deferral Requests Only: *Each of the following items must be confirmed as part of any request for deferral of remediation.*

- ☐ Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction.
- ☐ Extents of contamination must be fully delineated.
- ☐ Contamination does not cause an imminent risk to human health, the environment, or groundwater.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: _____ Title: _____

Signature: _____ Date: _____

email: _____ Telephone: _____

OCD Only

Received by: _____ Date: _____

☐ Approved ☐ Approved with Attached Conditions of Approval ☐ Denied ☐ Deferral Approved

Signature: _____ Date: _____

Form C-141

State of New Mexico

Page 6

Oil Conservation Division

Incident ID	NAPP2130052167
District RP	
Facility ID	
Application ID	

Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: Each of the following items must be included in the closure report.

- ☒ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☒ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☒ Laboratory analyses of final sampling (Note: appropriate OCD District office must be notified 2 days prior to final sampling)
- ☒ Description of remediation activities

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Kevin SmakaTitle: Regulatory EngineerSignature: Date: 12/1/2112-1-21email: kev.in.smaka@duganproduction.comTelephone: 505-325-1821

OCD Only

Received by: Ramona MarcusDate: 12/2/2021

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: _____ Date: _____

Printed Name: _____

Title: _____

Tyra Feil

From: Kevin Smaka
Sent: Tuesday, November 9, 2021 3:13 PM
To: Smith, Cory, EMNRD; aadeloye@blm.gov
Cc: Marty Foutz; Carlos Ramos; rjoyner@blm.gov; Tyra Feil
Subject: Notice of Sampling

Dugan will be collecting samples from 2 well sites this upcoming Monday 11/15/2021 at 8:00 AM.

The wells are as follows:

Bonnie and Ed (Fee lease)
30-045-25120
J-04-29N-15W
2090 FSL 1650 FEL

Frazzle SWD #1 (Federal Lease)
30-045-33865
C-30-24N-10W
795 FNL 2180 FWL

We will start sampling at the Bonnie and Ed.

Kevin Smaka P.E.
Regulatory Engineer
Dugan Production Corp.
505-486-6207

Bonnie and Ed #1

30-045-25120

J-04-29N-15W

2090 FSL 1650 FEL

Pit Spill Closure Report

Dugan closed a BGT located at the Bonnie and Ed wellsite. Notifications were sent to the surface owner as well as the Division. Samples were collected and indicated no hydrocarbons were under the pit but some chlorides were present. After consulting the current pit rule and it was determined by Dugan staff that closure could proceed. The hole was backfilled and closure paperwork was submitted to the division. After review by the division Dugan was notified that it did not meet closure standards. OCD notified Dugan the incident would be treated as a spill moving forward and Dugan would need to meet the spill rules standards.

After receiving this notice a Dugan crew returned to the Bonnie and Ed pad on 10/14/2021. The BGT was excavated. The crew checked for any signs of hydrocarbons on the walls and base of the hole. Nothing was found. In order to treat the Chlorides 50 lbs of gypsum were poured in the hole bottom and fresh water was sprayed to help facilitate the chemical reaction. Soil samples were collected on 10/18/2021. Soil samples indicated some trace hydrocarbons were encountered but well below regulated limits. Sampling results also indicated the chlorides had been successfully treated and remediated.

Upon further review by the divisions it was noted that Dugan did not have prior approval to treat the chlorides using gypsum. The division determined it was in the best interest of all involved to sample again and have a division representative present.

On Monday, 11/15/21 @ 8:00 AM, Dugan personnel returned to collect samples. Nelson Velez with OCD was present to witness the sampling. 5 point grab samples were collected from the bottom and the face of each side wall. The hole was estimated to be 6 feet deep and holes 1 foot deep were dug and samples collected from a depth of 7 feet.

Sampling results were returned from the lab on 11/17/21. Lab results indicate all results fall below the strictest standards of Table 1 in the spill rule. Pending OCD review Dugan views this as successfully remediated. Once OCD has approved the closure report, Dugan will backfill the hole and proceed with P&A rehabilitation activities.

Dugan noted we do not have a hydrogeologic report to submit with this closure. We have reviewed our records and have found documents alluding to one being in place. As such we wish to have this closure standards be done according to the strictest standards in table 1 (less than 50 feet to groundwater).

Also we do not have a traditional spill site map included because no spill occurred.

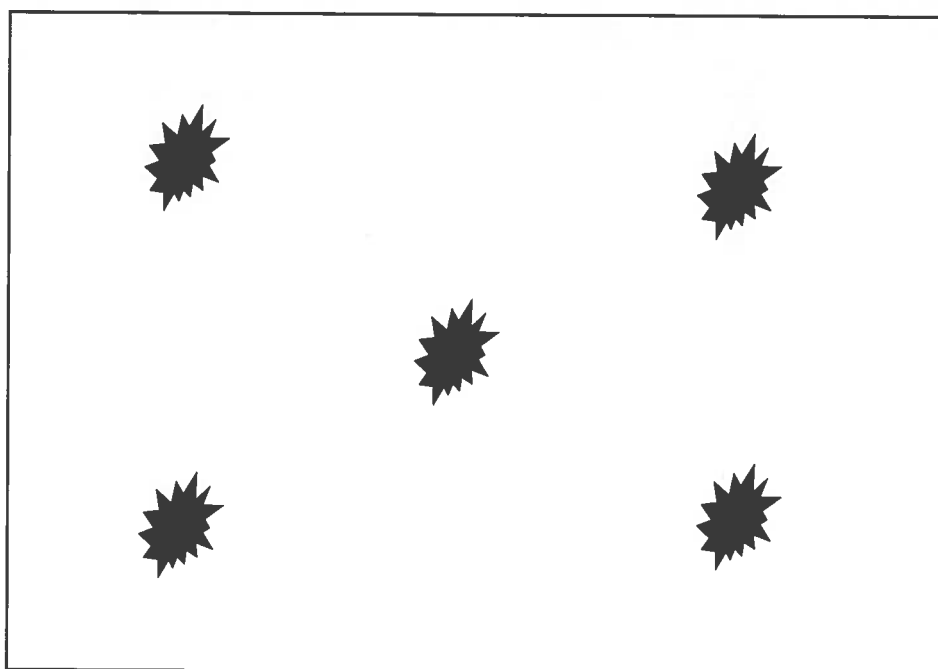
Furthermore we wish to note when studying aerial imagery, topography and the iWaters database it appears there are no mines, floodplains, domestic water wells, continuous watercourses, wet lands, etc. existing within the buffers set forth in the spill rule. Maps and results from the iWaters database have been included as required by the rule.

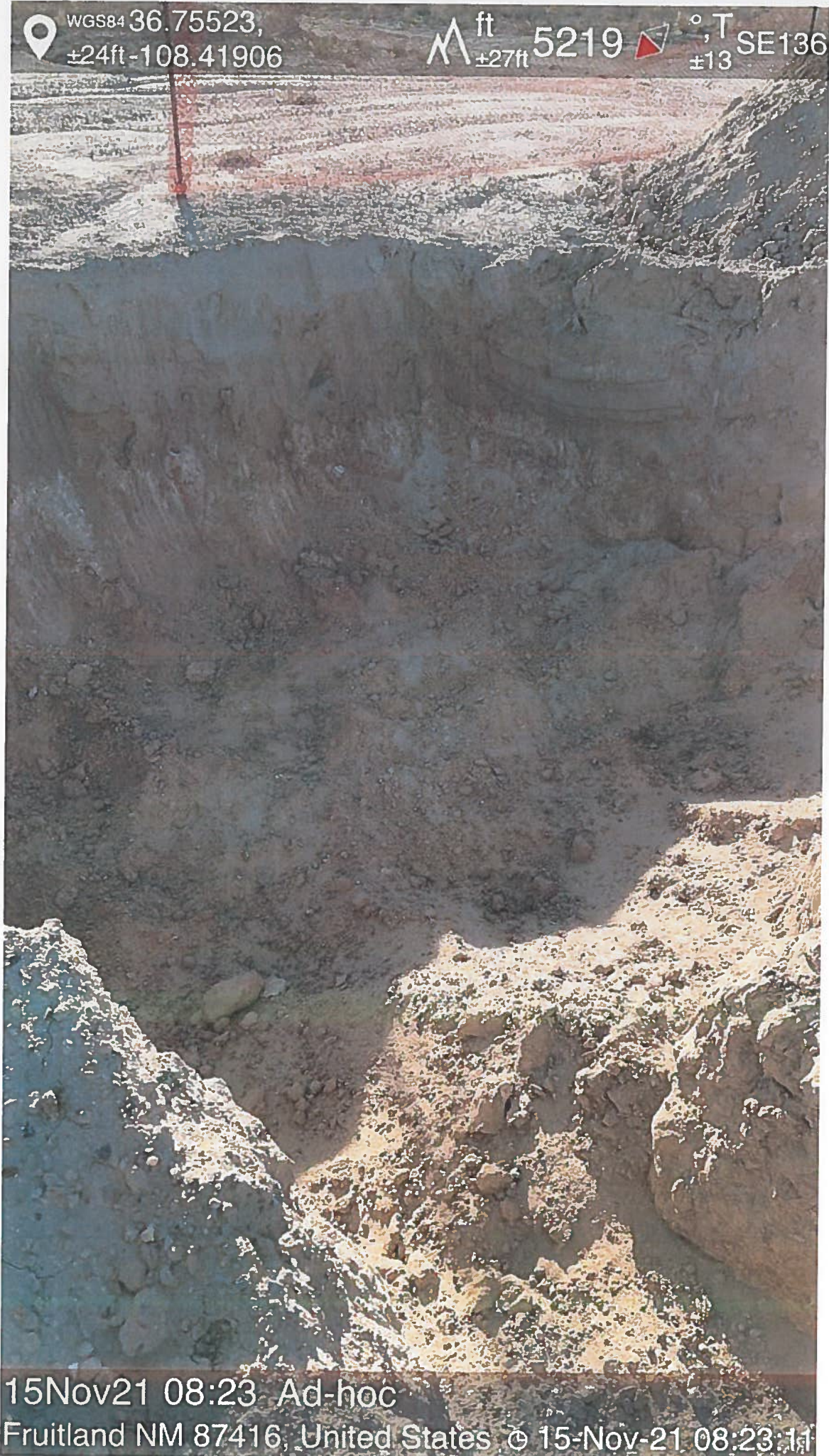
As noted above we do not have an accurate depth to groundwater on file. We are basing closure on the <50 feet to groundwater in table 1.

Table I Closure Criteria for Soils Impacted by a Release			
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤ 50 feet	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

Sampling Diagram

The bottom and 4 faces of the BGT hole had 5 point grab samples. The below diagram indicates the pattern used for collection.



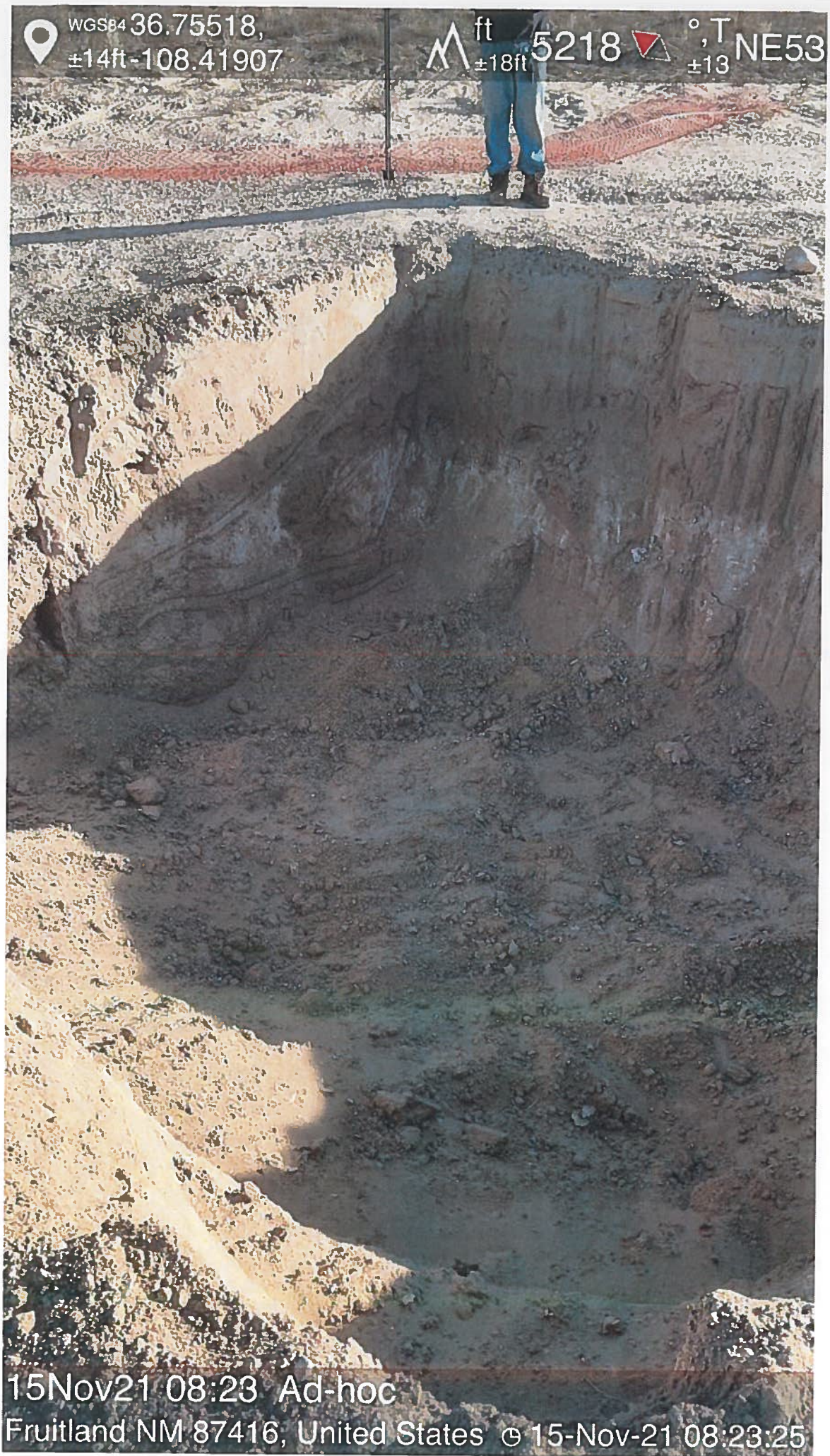


WGS84 36.75523,
±24ft -108.41906

ft
±27ft 5219

°T
±13 SE136

15Nov21 08:23 Ad-hoc
Fruitland NM 87416, United States © 15-Nov-21 08:23:11



Sample Summary

Dugan Production Corp.	Project Name:	Bonnie + Ed	Reported:
PO Box 420	Project Number:	06094-0177	
Farmington NM, 87499	Project Manager:	Kevin Smaka	11/17/21 15:23

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Bonnie B	E111112-01A	Soil	11/15/21	11/15/21	Glass Jar, 4 oz.
Bonnie N	E111112-02A	Soil	11/15/21	11/15/21	Glass Jar, 4 oz.
Bonnie S	E111112-03A	Soil	11/15/21	11/15/21	Glass Jar, 4 oz.
Bonnie E	E111112-04A	Soil	11/15/21	11/15/21	Glass Jar, 4 oz.
Bonnie W	E111112-05A	Soil	11/15/21	11/15/21	Glass Jar, 4 oz.



Sample Data

Dugan Production Corp.
PO Box 420
Farmington NM, 87499

Project Name: Bonnie + Ed
Project Number: 06094-0177
Project Manager: Kevin Smaka

Reported:
11/17/2021 3:23:06PM

Bonnie B

E111112-01

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B						
	mg/kg	mg/kg	Analyst: IY		Batch: 2147002	
Benzene	ND	0.0250	1	11/16/21	11/16/21	
Ethylbenzene	ND	0.0250	1	11/16/21	11/16/21	
Toluene	ND	0.0250	1	11/16/21	11/16/21	
o-Xylene	ND	0.0250	1	11/16/21	11/16/21	
p,m-Xylene	ND	0.0500	1	11/16/21	11/16/21	
Total Xylenes	ND	0.0250	1	11/16/21	11/16/21	
Surrogate: 4-Bromochlorobenzene-PID	95.8 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg	Analyst: IY		Batch: 2147002	
Gasoline Range Organics (C6-C10)	ND	20.0	1	11/16/21	11/16/21	
Surrogate: 1-Chloro-4-fluorobenzene-FID	104 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg	Analyst: JL		Batch: 2147010	
Diesel Range Organics (C10-C28)	ND	25.0	1	11/16/21	11/16/21	
Oil Range Organics (C28-C36)	ND	50.0	1	11/16/21	11/16/21	
Surrogate: n-Nonane	130 %	50-200		11/16/21	11/16/21	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg	Analyst: IY		Batch: 2147009	
Chloride	ND	20.0	1	11/16/21	11/16/21	



Sample Data

Dugan Production Corp.
PO Box 420
Farmington NM, 87499

Project Name: Bonnie + Ed
Project Number: 06094-0177
Project Manager: Kevin Smaka

Reported:
11/17/2021 3:23:06PM

Bonnie N

E111112-02

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B						
	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Benzene	ND	0.0250	1	11/16/21	11/16/21	
Ethylbenzene	ND	0.0250	1	11/16/21	11/16/21	
Toluene	ND	0.0250	1	11/16/21	11/16/21	
o-Xylene	ND	0.0250	1	11/16/21	11/16/21	
p,m-Xylene	ND	0.0500	1	11/16/21	11/16/21	
Total Xylenes	ND	0.0250	1	11/16/21	11/16/21	
Surrogate: 4-bromochlorobenzene-PID	96.4 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Gasoline Range Organics (C6-C10)	ND	20.0	1	11/16/21	11/16/21	
Surrogate: 1-Chloro-4-fluorobenzene-FID	104 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg		Analyst: JL		Batch: 2147010
Diesel Range Organics (C10-C28)	ND	25.0	1	11/16/21	11/16/21	
Oil Range Organics (C28-C36)	ND	50.0	1	11/16/21	11/16/21	
Surrogate: n-Nonane	108 %	50-200		11/16/21	11/16/21	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg		Analyst: IY		Batch: 2147009
Chloride	301	20.0	1	11/16/21	11/16/21	



Sample Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Bonnie + Ed Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 11/17/2021 3:23:06PM
--	---	-----------------------------------

Bonnie S

E111112-03

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Benzene	ND	0.0250	1	11/16/21	11/16/21	
Ethylbenzene	ND	0.0250	1	11/16/21	11/16/21	
Toluene	ND	0.0250	1	11/16/21	11/16/21	
o-Xylene	ND	0.0250	1	11/16/21	11/16/21	
p,m-Xylene	ND	0.0500	1	11/16/21	11/16/21	
Total Xylenes	ND	0.0250	1	11/16/21	11/16/21	
Surrogate: 4-Bromochlorobenzene-PID	96.4 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - GRO	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Gasoline Range Organics (C6-C10)	ND	20.0	1	11/16/21	11/16/21	
Surrogate: 1-Chloro-4-fluorobenzene-FID	104 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO	mg/kg	mg/kg		Analyst: JL		Batch: 2147010
Diesel Range Organics (C10-C28)	ND	25.0	1	11/16/21	11/16/21	
Oil Range Organics (C28-C36)	ND	50.0	1	11/16/21	11/16/21	
Surrogate: n-Nonane	114 %	50-200		11/16/21	11/16/21	
Anions by EPA 300.0/9056A	mg/kg	mg/kg		Analyst: IY		Batch: 2147009
Chloride	260	20.0	1	11/16/21	11/16/21	



Sample Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Bonnie + Ed Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 11/17/2021 3:23:06PM
--	---	-----------------------------------

Bonnie E

E111112-04

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Benzene	ND	0.0250	1	11/16/21	11/16/21	
Ethylbenzene	ND	0.0250	1	11/16/21	11/16/21	
Toluene	ND	0.0250	1	11/16/21	11/16/21	
o-Xylene	ND	0.0250	1	11/16/21	11/16/21	
p,m-Xylene	ND	0.0500	1	11/16/21	11/16/21	
Total Xylenes	ND	0.0250	1	11/16/21	11/16/21	
Surrogate: 4-Bromochlorobenzene-PID	96.5 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - GRO	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Gasoline Range Organics (C6-C10)	ND	20.0	1	11/16/21	11/16/21	
Surrogate: 1-Chloro-4-fluorobenzene-FID	103 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO	mg/kg	mg/kg		Analyst: JL		Batch: 2147010
Diesel Range Organics (C10-C28)	ND	25.0	1	11/16/21	11/16/21	
Oil Range Organics (C28-C36)	ND	50.0	1	11/16/21	11/16/21	
Surrogate: n-Nonane	107 %	50-200		11/16/21	11/16/21	
Anions by EPA 300.0/9056A	mg/kg	mg/kg		Analyst: IY		Batch: 2147009
Chloride	104	20.0	1	11/16/21	11/16/21	



Sample Data

Dugan Production Corp.
PO Box 420
Farmington NM, 87499

Project Name: Bonnie + Ed
Project Number: 06094-0177
Project Manager: Kevin Smaka

Reported:
11/17/2021 3:23:06PM

Bonnie W

E111112-05

Anal y te	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B						
	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Benzene	ND	0.0250	1	11/16/21	11/16/21	
Ethylbenzene	ND	0.0250	1	11/16/21	11/16/21	
Toluene	ND	0.0250	1	11/16/21	11/16/21	
o-Xylene	ND	0.0250	1	11/16/21	11/16/21	
p,m-Xylene	ND	0.0500	1	11/16/21	11/16/21	
Total Xylenes	ND	0.0250	1	11/16/21	11/16/21	
Surrogate: 4-Bromochlorobenzene-PID	96.8 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg		Analyst: IY		Batch: 2147002
Gasoline Range Organics (C6-C10)	ND	20.0	1	11/16/21	11/16/21	
Surrogate: 1-Chloro-4-fluorobenzene-FID	104 %	70-130		11/16/21	11/16/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg		Analyst: JL		Batch: 2147010
Diesel Range Organics (C10-C28)	ND	25.0	1	11/16/21	11/16/21	
Oil Range Organics (C28-C36)	ND	50.0	1	11/16/21	11/16/21	
Surrogate: n-Nonane	117 %	50-200		11/16/21	11/16/21	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg		Analyst: IY		Batch: 2147009
Chloride	252	20.0	1	11/16/21	11/16/21	



QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Bonnie + Ed Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 11/17/2021 3:23:06PM
--	---	-----------------------------------

Volatile Organics by EPA 8021B

Analyst: IY

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2147002-BLK1)

Prepared: 11/15/21 Analyzed: 11/17/21

Benzene	ND	0.0250							
Ethylbenzene	ND	0.0250							
Toluene	ND	0.0250							
o-Xylene	ND	0.0250							
p,m-Xylene	ND	0.0500							
Total Xylenes	ND	0.0250							

Surrogate: 4-Bromochlorobenzene-PID	7.66		8.00		95.7	70-130			
-------------------------------------	------	--	------	--	------	--------	--	--	--

LCS (2147002-BS1)

Prepared: 11/15/21 Analyzed: 11/17/21

Benzene	4.91	0.0250	5.00		98.2	70-130			
Ethylbenzene	4.90	0.0250	5.00		98.0	70-130			
Toluene	5.12	0.0250	5.00		102	70-130			
o-Xylene	4.83	0.0250	5.00		96.7	70-130			
p,m-Xylene	9.93	0.0500	10.0		99.3	70-130			
Total Xylenes	14.8	0.0250	15.0		98.4	70-130			

Surrogate: 4-Bromochlorobenzene-PID	7.65		8.00		95.6	70-130			
-------------------------------------	------	--	------	--	------	--------	--	--	--

LCS Dup (2147002-BSD1)

Prepared: 11/15/21 Analyzed: 11/17/21

Benzene	4.99	0.0250	5.00		99.7	70-130	1.54	20	
Ethylbenzene	5.00	0.0250	5.00		100	70-130	1.98	20	
Toluene	5.22	0.0250	5.00		104	70-130	1.92	20	
o-Xylene	4.92	0.0250	5.00		98.4	70-130	1.75	20	
p,m-Xylene	10.1	0.0500	10.0		101	70-130	1.71	20	
Total Xylenes	15.0	0.0250	15.0		100	70-130	1.72	20	

Surrogate: 4-Bromochlorobenzene-PID	7.54		8.00		94.3	70-130			
-------------------------------------	------	--	------	--	------	--------	--	--	--



QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Bonnie + Ed Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 11/17/2021 3:23:06PM
--	---	-----------------------------------

Nonhalogenated Organics by EPA 8015D - GRO

Analyst: IY

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2147002-BLK1)

Prepared: 11/15/21 Analyzed: 11/17/21

Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate 1-Chloro-4-fluorobenzene-FID	8.10		8.00		101	70-130			

LCS (2147002-BS2)

Prepared: 11/15/21 Analyzed: 11/17/21

Gasoline Range Organics (C6-C10)	48.3	20.0	50.0		96.5	70-130			
Surrogate 1-Chloro-4-fluorobenzene-FID	8.40		8.00		105	70-130			

LCS Dup (2147002-BSD2)

Prepared: 11/15/21 Analyzed: 11/17/21

Gasoline Range Organics (C6-C10)	49.2	20.0	50.0		98.5	70-130	2.02	20	
Surrogate 1-Chloro-4-fluorobenzene-FID	8.11		8.00		101	70-130			



QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Bonnie + Ed Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 11/17/2021 3:23:06PM
--	---	-----------------------------------

Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: JL

Analyst	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2147010-BLK1)

Prepared: 11/15/21 Analyzed: 11/15/21

Diesel Range Organics (C10-C28)	ND	25.0							
Oil Range Organics (C28-C36)	ND	50.0							
Surrogate: n-Nonane	60.7		50.0		121	50-200			

LCS (2147010-BS1)

Prepared: 11/15/21 Analyzed: 11/15/21

Diesel Range Organics (C10-C28)	552	25.0	500		110	38-132			
Surrogate: n-Nonane	58.4		50.0		117	50-200			

Matrix Spike (2147010-MS1)

Source: E111104-01

Prepared: 11/15/21 Analyzed: 11/15/21

Diesel Range Organics (C10-C28)	548	25.0	500	ND	110	38-132			
Surrogate: n-Nonane	59.9		50.0		120	50-200			

Matrix Spike Dup (2147010-MSD1)

Source: E111104-01

Prepared: 11/15/21 Analyzed: 11/15/21

Diesel Range Organics (C10-C28)	554	25.0	500	ND	111	38-132	1.22	20	
Surrogate: n-Nonane	60.4		50.0		121	50-200			



QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Bonnie + Ed Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 11/17/2021 3:23:06PM
--	---	-----------------------------------

Anions by EPA 300.0/9056A

Analyst: IY

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
Blank (2147009-BLK1)									
Chloride	ND	20.0							Prepared: 11/15/21 Analyzed: 11/16/21
LCS (2147009-BS1)									
Chloride	250	20.0	250		99.9	90-110			Prepared: 11/15/21 Analyzed: 11/16/21
Matrix Spike (2147009-MS1)									
Chloride	412	20.0	250	150	105	80-120			Source: E111103-01 Prepared: 11/15/21 Analyzed: 11/16/21
Matrix Spike Dup (2147009-MSD1)									
Chloride	407	20.0	250	150	103	80-120	1.25	20	Source: E111103-01 Prepared: 11/15/21 Analyzed: 11/16/21

QC Summary Report Comment:

Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values may differ slightly.



Definitions and Notes

Dugan Production Corp.
PO Box 420
Farmington NM, 87499

Project Name: Bonnie + Ed
Project Number: 06094-0177
Project Manager: Kevin Smaka

Reported:
11/17/21 15:23

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

RPD Relative Percent Difference

DNI Did Not Ignite

Note (1): Methods marked with ** are non-accredited methods.

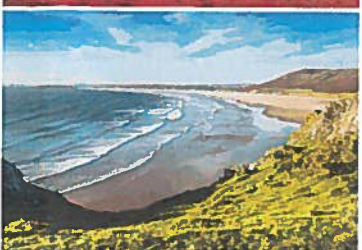
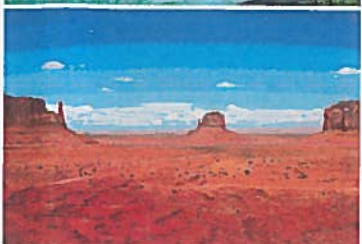
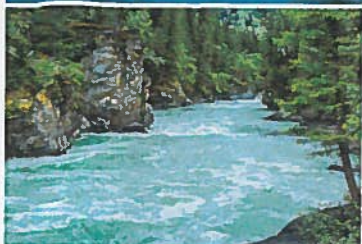
Note (2): Soil data is reported on an "as received" weight basis, unless reported otherwise.



Chain of Custody

Page 1 of 1

Report to:
Kevin Smaka



5796 U.S. Hwy 64
Farmington, NM 87401

Phone: (505) 632-1881
Envirotech-inc.com



envirotech

Practical Solutions for a Better Tomorrow

Analytical Report

Dugan Production Corp.

Project Name: Bonnie + Ed

Work Order: E111112

Job Number: 06094-0177

Received: 11/15/2021

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
11/17/21

Envirotech Inc. certifies the test results meet all requirements of TNI unless noted otherwise.
Statement of Data Authenticity: Envirotech Inc. attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech Inc.
Envirotech Inc. holds the Utah TNI certification NM00979 for data reported.
Envirotech Inc. holds the Texas TNI certification T104704557 for data reported.
Envirotech Inc. holds the NM SDWA certification for data reported. (Lab #NM00979)

Date Reported: 11/17/21

Kevin Smaka
PO Box 420
Farmington, NM 87499



Project Name: Bonnie + Ed
Workorder: E111112
Date Received: 11/15/2021 3:40:00PM

Kevin Smaka,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 11/15/2021 3:40:00PM, under the Project Name: Bonnie + Ed.

The analytical test results summarized in this report with the Project Name: Bonnie + Ed apply to the individual samples collected, identified and submitted bearing the project name on the enclosed chain-of-custody. Subcontracted sample analyses not conducted by Envirotech, Inc., are attached in full as issued by the subcontract laboratory.

Please review the Chain-of-Custody (COC) and Sample Receipt Checklist (SRC) for any issues regarding sample receipt temperature, containers, preservation etc. To best understand your test results, review the entire report summarizing your sample data and the associated quality control batch data.

All reported data in this analytical report were analyzed according to the referenced method(s) and are in compliance with the latest NELAC/TNI standards, unless otherwise noted. Samples or analytical quality control parameters not meeting specific QC criteria are qualified with a data flag. Data flag definitions are located in the Notes and Definitions section of this analytical report.

If you have any questions concerning this report, please feel free to contact Envirotech, Inc.

Respectfully,

Walter Hinchman
Laboratory Director
Office: 505-632-1881
Cell: 775-287-1762
whinchman@envirotech-inc.com

Raina Schwanz
Laboratory Administrator
Office: 505-632-1881
rainaschwanz@envirotech-inc.com

Alexa Michaels
Sample Custody Officer
Office: 505-632-1881
labadmin@envirotech-inc.com

Field Offices:

Southern New Mexico Area
Lynn Jarboe
Technical Representative/Client Services
Office: 505-421-LABS(5227)
Cell: 505-320-4759
ljjarboe@envirotech-inc.com

West Texas Midland/Odessa Area
Rayny Hagan
Technical Representative
Office: 505-421-LABS(5227)

Envirotech Web Address: www.envirotech-inc.com

Table of Contents

Title Page	1
Cover Page	2
Table of Contents	3
Sample Summary	4
Sample Data	5
Bonnie B	5
Bonnie N	6
Bonnie S	7
Bonnie E	8
Bonnie W	9
QC Summary Data	10
QC - Volatile Organics by EPA 8021B	10
QC - Nonhalogenated Organics by EPA 8015D - GRO	11
QC - Nonhalogenated Organics by EPA 8015D - DRO/ORO	12
QC - Anions by EPA 300.0/9056A	13
Definitions and Notes	14
Chain of Custody etc.	15

Envirotech Analytical Laboratory

Printed: 11/15/2021 4:08:15PM

Sample Receipt Checklist (SRC)

Instructions: Please take note of any NO checkmarks.

If we receive no response concerning these items within 24 hours of the date of this notice, all the samples will be analyzed as requested.

Client: Dugan Production Corp.
 Phone: (505) 325-1821
 Email: kevin.smaka@duganproduction.com

Date Received: 11/15/21 15:40
 Date Logged In: 11/15/21 16:04
 Due Date: 11/17/21 17:00 (2 day TAT)

Work Order ID: E111112
 Logged In By: Jessica Liesse

Chain of Custody (COC)

1. Does the sample ID match the COC? Yes
 2. Does the number of samples per sampling site location match the COC? Yes
 3. Were samples dropped off by client or carrier? Yes
 4. Was the COC complete, i.e., signatures, dates/times, requested analyses? Yes
 5. Were all samples received within holding time? Yes
- Note: Analysis, such as pH which should be conducted in the field, i.e., 15 minute hold time, are not included in this discussion.

Carrier: Kevin SmakaComments/ResolutionSample Turn Around Time (TAT)

6. Did the COC indicate standard TAT, or Expedited TAT? Yes

Sample Cooler

7. Was a sample cooler received? Yes
 8. If yes, was cooler received in good condition? Yes
 9. Was the sample(s) received intact, i.e., not broken? Yes
 10. Were custody/security seals present? No
 11. If yes, were custody/security seals intact? NA
 12. Was the sample received on ice? If yes, the recorded temp is 4°C, i.e., 6±2°C Yes
- Note: Thermal preservation is not required, if samples are received w/i 15 minutes of sampling
13. If no visible ice, record the temperature. Actual sample temperature: 4°C

Sample Container

14. Are aqueous VOC samples present? No
15. Are VOC samples collected in VOA Vials? NA
16. Is the head space less than 6-8 mm (pea sized or less)? NA
17. Was a trip blank (TB) included for VOC analyses? NA
18. Are non-VOC samples collected in the correct containers? Yes
19. Is the appropriate volume/weight or number of sample containers collected? Yes

Field Label

20. Were field sample labels filled out with the minimum information:
 - Sample ID? Yes
 - Date/Time Collected? Yes
 - Collectors name? Yes

Sample Preservation

21. Does the COC or field labels indicate the samples were preserved? No
22. Are sample(s) correctly preserved? NA
24. Is lab filtration required and/or requested for dissolved metals? No

Multiphase Sample Matrix

26. Does the sample have more than one phase, i.e., multiphase? No
27. If yes, does the COC specify which phase(s) is to be analyzed? NA

Subcontract Laboratory

28. Are samples required to get sent to a subcontract laboratory? No
29. Was a subcontract laboratory specified by the client and if so who? NA Subcontract Lab: NA

Client Instruction

Signature of client authorizing changes to the COC or sample disposition.

Date



envirotech Inc.



New Mexico Office of the State Engineer Water Column/Average Depth to Water

No records found.

Basin/County Search:

Basin: San Juan

PLSS Search:

Section(s): 4

Township: 29N

Range: 14W

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

9/22/21 9:54 AM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

WATER COLUMN REPORT 11/26/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

POD Number	Tw	Rng	Sec	q	q	q	Zone	X	Y	Depth Well	Depth Water	Water (in feet) Column
SJ 00931	29N	15W	04	3	4					44	22	22

Record Count: 1

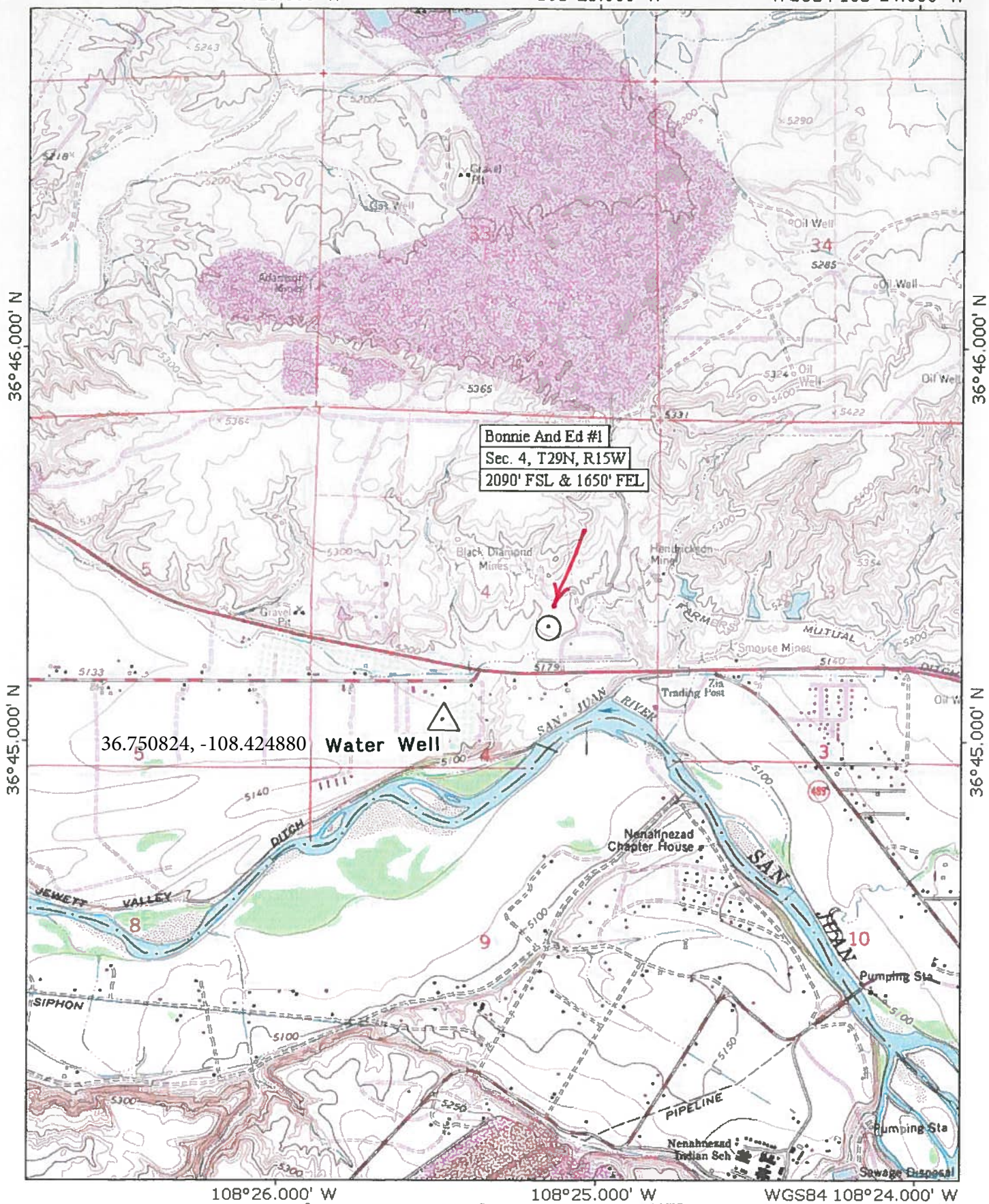
TOPO! map printed on 11/26/08 from "New Mexico.tpo" and "Untitled.tpg"

108°26.000' W

108°25.000' W

WGS84 108°24.000' W

EXHIBIT 2.



TN
MN
11°

108°26.000' W

108°25.000' W

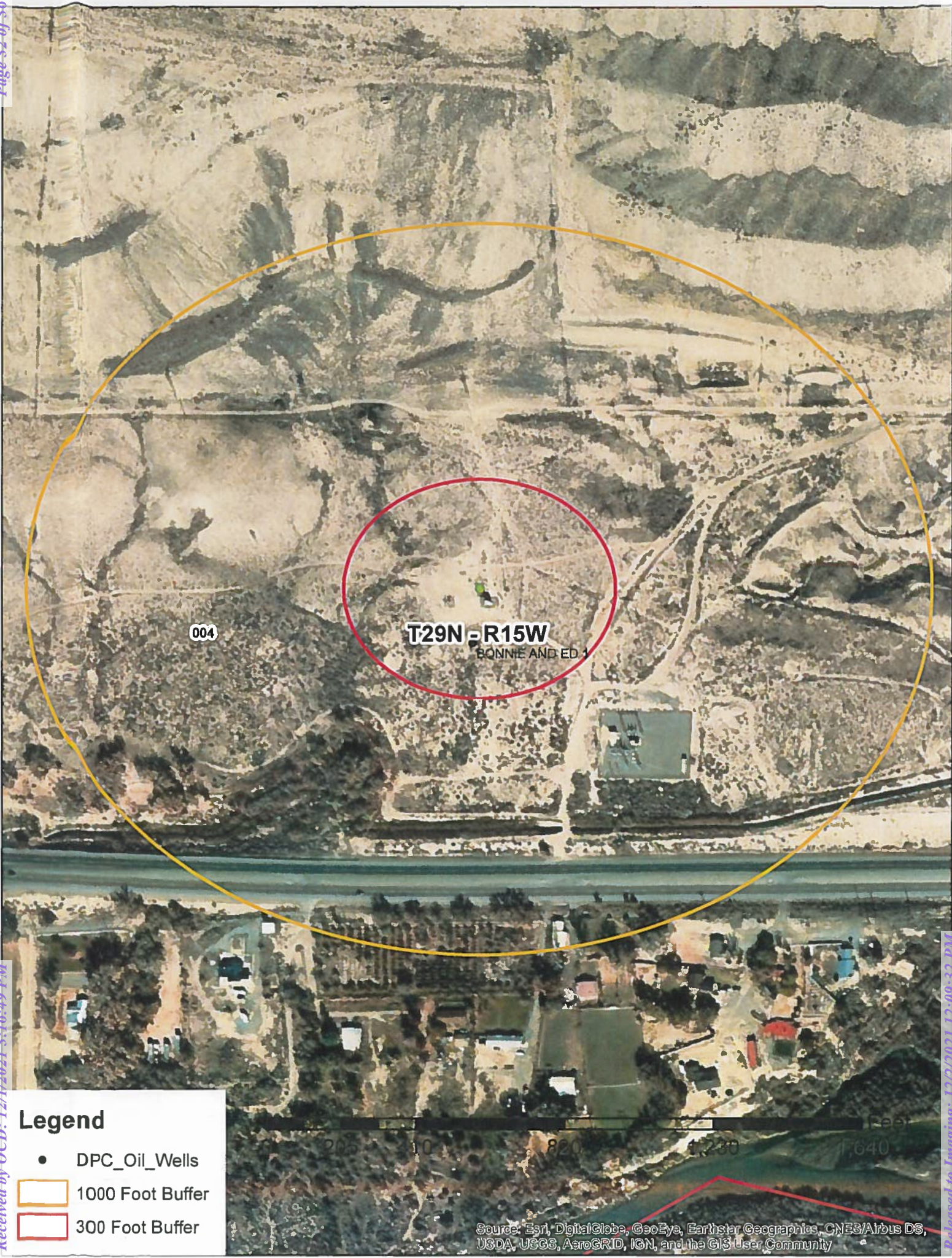
WGS84 108°24.000' W

0 5 10 MILE
0 1000 FEET 0 500 1000 METERS

Printed from TOPO! ©2001 National Geographic Holdings (www.topo.com)

EXHIBIT 3.







Legend

- Bonnie and Ed 1
- BGT Area

0 37.5 75 150 225 300 Feet

National Flood Hazard Layer FIRMette



108°25'27"W 36°45'33"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) <i>Zone A, V, AP</i>
		With BFE or Depth <i>Zone AE, AO, AH, VE, AR</i>
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone Y</i>
		Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>
		Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone X</i>
		Area with Flood Risk due to Levee <i>Zone D</i>
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard <i>Zone X</i>
		Effective LOMRs
		Area of Undetermined Flood Hazard <i>Zone</i>
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped



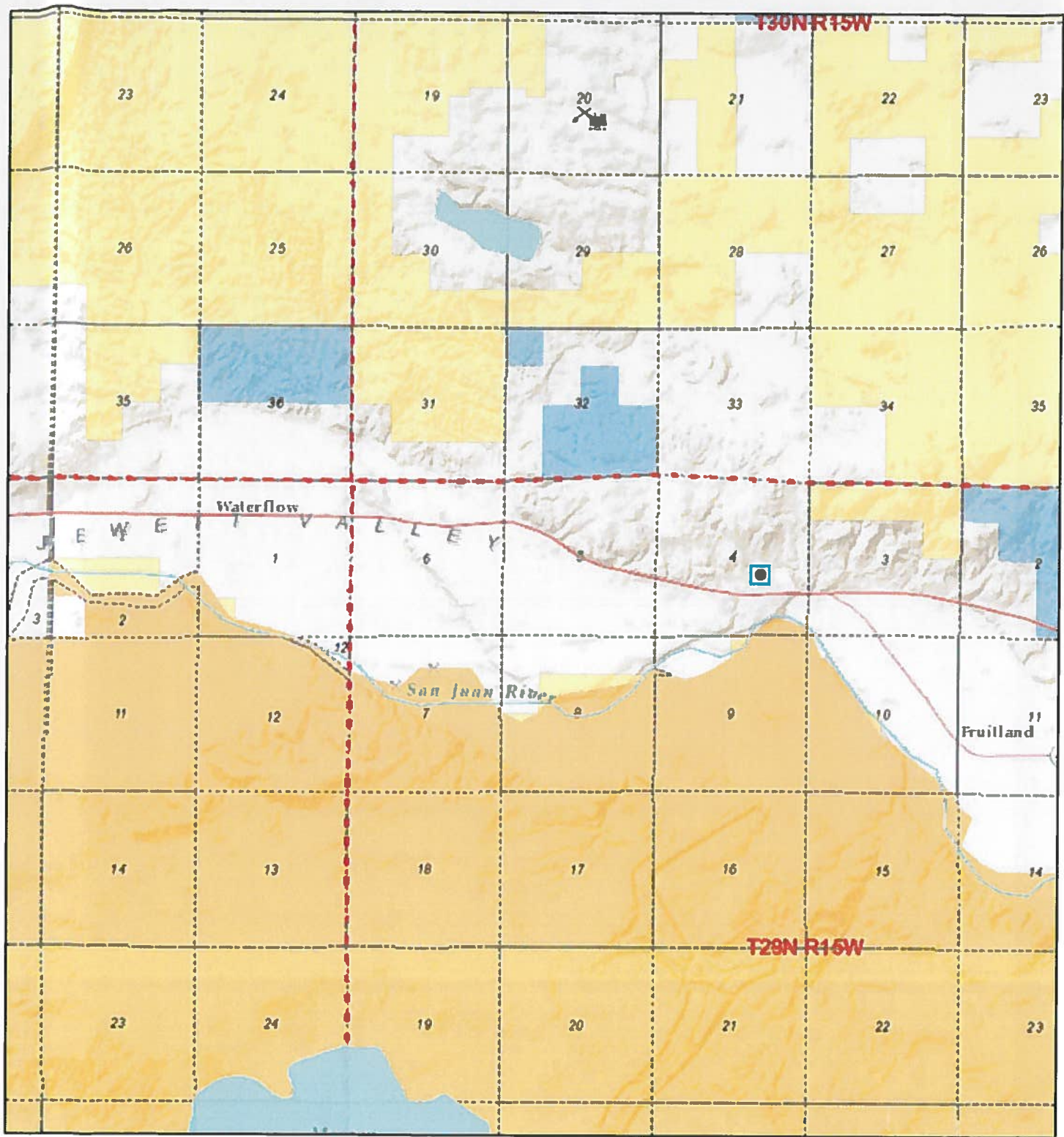
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **9/22/2021 at 11:51 AM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Active Mines in New Mexico



9/22/2021, 9:48:26 AM

- | | | |
|---------------------------|-----------------------|--------|
| Township / Range | Department of Energy | Tribal |
| Sections | National Park Service | |
| Land Ownership | | |
| Bureau of Land Management | State Game and Fish | |
| Bureau of Reclamation | State Land | |
| Department of Agriculture | State Parks | |
| Department of Defense | | |



U.S. Bureau of Land Management - New Mexico State Office, Sources: Esri, USGS, NOAA, Sources: Esri, Garmin, USGS, NPS

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 64594

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 64594
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	None	12/2/2021