District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144 Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office. For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit Relow Grade Tank or

Type of action: Below grade tank registration Permit of a pit of a prit of a castisting permitted or non-permitted prit, below-grade tank, or proposed alternative method	Proposed Alternative Method Permit or Closure Plan Application	
Modification to an existing permittor registration Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request Please be advised that approval of his 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. OGRID #:006515	Type of action: Below grade tank registration Permit of a pit or proposed alternative method	
Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request 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. Decident	☐ Modification to an existing permit/or registration	
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.	or proposed alternative method	
Departure Depa	Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request	
Operator: Dugan Production Corp.		
Address: PO Box 420, Farmington, NM 87499-0420 Facility or well name: Platero Navajo Com # 002 API Number: 30-045-05827 OCD Permit Number: U/L or Qtr/Qtr M		
Facility or well name: Platero Navajo Com # 002 API Number: 30-045-05827 OCD Permit Number: UL or Qtr/Qtr M Section 13 Township 26N Range 11W County: San Juan Center of Proposed Design: Latitude 36.4834137 Longitude 107.9617462 NAD83 920 FSL & 790 FWL Surface Owner: Sederal State Private Tribal Trust or Indian Allotment Pit: Subsection F, G or J of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D String-Reinforced Liner Seams: Subsection 1 of 19.15.17.11 NMAC Volume: 60 bbl Type of fluid: Produced Water Tank Construction material: Steel Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner type: Unlined HDPE PVC Other		
API Number: 30-045-05827 OCD Permit Number:		
U/L or Qtr/Qtr M		
Center of Proposed Design: Latitude 36.4834137 Longitude 107.9617462 NAD83 920' FSL & 790' FWL Surface Owner: Federal State Private Tribal Trust or Indian Allotment Pit: Subsection F, G or J of 19.15.17.11 NMAC		
Surface Owner: Sederal State Private Tribal Trust or Indian Allotment Surface Owner: Federal State Private Tribal Trust or Indian Allotment		
2.	Center of Proposed Design: Latitude <u>36.4834137</u> Longitude <u>-107.9617462</u> NAD83 920' FSL & 790' FWL	
Pit: Subsection F, G or J of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D 3. Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: 60 bbl Type of fluid: Produced Water Tank Construction material: Steel Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner type: Unlined HDPE PVC Other Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	Surface Owner: Federal State Tribal Trust or Indian Allotment	
Temporary: Drilling Workover Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D 3. Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: 60 bbl Type of fluid: Produced Water Tank Construction material: Steel Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner type: Unlined HDPE PVC Other 4. Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	2.	
Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D String-Reinforced Liner Seams: Welded Factory Other Tank Construction material: Steel Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner type: Unlined HDPE PVC Other String-Reinforced HDPE PVC	Pit: Subsection F, G or J of 19.15.17.11 NMAC	
Lined Unlined Liner type: Thickness	Temporary: Drilling Workover	
String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D Sams: Welded Factory Other Volume: bbl Dimensions: L x W x D		
Liner Seams:	☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other	
3. Selow-grade tank: Subsection I of 19.15.17.11 NMAC Volume:		
Selow-grade tank: Subsection I of 19.15.17.11 NMAC Volume:	Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D	
Volume:	3.	
Tank Construction material: Steel Secondary containment with leak detection	Below-grade tank: Subsection I of 19.15.17.11 NMAC	
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off Visible sidewalls and liner Visible sidewalls only Other Liner type: Unlined	Volume:60bbl Type of fluid: Produced Water	
□ Visible sidewalls and liner ☑ Visible sidewalls only □ Other Liner type: Unlined □ HDPE □ PVC □ Other 4. Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. 5.	Tank Construction material: Steel	
Liner type: Unlined	☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	
4. Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. 5.	☐ Visible sidewalls and liner ☑ Visible sidewalls only ☐ Other	
Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. 5.	Liner type: Unlined	
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. 5.	4.	
5.	Alternative Method:	
	Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)		
	Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)		
Four foot height, four strands of barbed wire evenly spaced between one and four feet		

☐ Alternate. Please specify_

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
Screen Netting Other	
☐ Monthly inspections (If netting or screening is not physically feasible)	
7.	
Signs: Subsection C of 19.15.17.11 NMAC	
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
☑ Signed in compliance with 19.15.16.8 NMAC	
8	
Variances 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:	
Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.	
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
9. 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 acceptance of the compliance for each siting criteria below in the application.	otable source
material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.	
General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - □ NM Office of the State Engineer - iWATERS database search; □ USGS; □ Data obtained from nearby wells	Yes No
	∐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	☐ Yes ☐ No
adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks)	
- Written confirmation or verification from the municipality; Written approval obtained from the municipality	
Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. (Does not apply to below grade tanks)	□ Vas □ Na
 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. (Does not apply to below grade tanks)	☐ Yes ☐ No
- FEMA map	
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured	
from the ordinary high-water mark).	☐ Yes ⊠ No
- Topographic map; Visual inspection (certification) of the proposed site	
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;.	☐ Yes ⊠ No
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole,	Vac D M.
or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	Yes No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.	☐ Yes ☐ No
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock	
within 200 norizontal feet of a spring of a private, domestic fresh water well used by fess than five households for domestic of stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any 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 spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa	
lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 Naturations: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docattached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19. and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number:	O NMAC 15.17.9 NMAC
11. Multi-Well Fluid Management Pit 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 dot attached. Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC A List of wells with approved application for permit to drill associated with the pit. Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 and 19.15.17.13 NMAC Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC	

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 attached.	documents are
☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 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 H ₂ S, 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 Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.	
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well F Alternative Proposed Closure Method: Waste Excavation and Removal	luid Management Pit
Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems)	
☐ In-place Burial ☐ On-site Trench Burial ☐ Alternative Closure Method	
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be closure plan. Please indicate, by a check mark in the box, that the documents are attached.	attached to the
 ☐ 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 C of 19.15.17.13 NMAC 	
 ☑ Disposal Facility Name and Permit Number (for 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 H of 19.15.17.13 NMAC ☑ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC 	
15. 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 sould provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. In 19.15.17.10 NMAC for guidance.	
Ground water is less than 25 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 25-50 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 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 100 feet of a continuously flowing watercourse, or 200 feet of any other significant 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 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, 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
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 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	□ Vas □ Na
Within a 100-year floodplain FEMA map	☐ Yes ☐ No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan 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 E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.13 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements 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 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 H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	.11 NMAC 15.17.11 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 bel Name (Print): Eileen Yates Title: Environmental, Health, and Safety Manager Signature: These July 22, 2025 e-mail address: Eileen Yates@duganproduction.com Telephone: 505-787-9832	ief.
18. OCD Approval: ☐ Permit Application (including closure plan) ☑ Closure Plan (only) ☐ OCD Conditions (see attachment) OCD Representative Signature: ☐ OCD Representative Signature: ☐ OCD Permit Number: ☐ OCD Permit	2025
19. Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed. Closure Completion Date:	
20. Closure Method: Waste Excavation and Removal □ On-Site Closure Method □ Alternative Closure Method □ Waste Removal (Closed-le □ If different from approved plan, please explain.	oop systems only)
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please in mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure for private land only) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) 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 NAD: 1927	

22		
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.		
bellet. I also certify that the closure comp	s with all applicable closure requirements and conditions specified in the approved closure plan.	
Name (Print):	Title:	
- ·······		
Signature:	Date:	
		_
e-mail address:	Telenhone	
e-mail address:	Telephone:	

Below Grade Tank Closure Plan

Dugan Production Corp.

Platero Navajo Com # 002

BGT #1

30-045-05932

M-13-26N-11W

920 FSL 790 FWL

Surface Owner: Federal

As directed by NMAC 19.15.17 the following plan/procedure has been prepared for closure of the below grade tank identified on the associated C-144.

- 1. Dugan shall notify the surface owner by certified mail return receipt requested, unless the surface owner is a government agency in which case Dugan will notify via email (BLM), that Dugan plans closure operations at least 72 hours, but not more than one week, prior to any closure operation. Notice shall include well name, API number and location. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance with this requirement. A copy of the email sent to NMSLO will be included.
- 2. Dugan shall notify the OCD at least 72 hours, but not more than one week, prior to any closure operation. The notice shall include the operator's name and the location to be closed by unit letter, section, township and range. If the closure is associated with a particular well, then the notice shall also include the well's name, number and API number. Dugan must close out a below-grade tank within 60-days of cessation of operation.
- 3. Dugan shall close the below-grade tank by first removing all contents and, if applicable, synthetic liners and transferring those materials to a division approved facility. In this case Dugan will haul solid waste to Envirotech (Permit # NM-01-0011). Liquid waste will be hauled to Dugan's Sanchez O'Brien SWD #1 (Permit # SWD-694). The pit liner will be disposed of at Waste Management's Crouch Mesa facility. The tank will be hauled to Dugan's yard. If the tank is in good condition, it will be placed in Dugan's inventory until its placed back in service. If the tank is in poor condition, it will be sold for scrap.
- 4. Dugan shall test the soils beneath the below-grade tank as follows:

- (a) At a minimum, a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination shall be taken under the liner or the below-grade tank and that sample shall be analyzed for the constituents listed in Table I of 19.15.17.13 NMAC.
- (b) If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and Dugan must receive approval before proceeding with closure.
- (c) If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then Dugan can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.
- 5. Once Dugan has closed the below-grade tank, Dugan shall reclaim the below-grade tank location and all areas associated with the below-grade tank including associated access roads to a safe and stable condition that blends with the surrounding undisturbed area. Dugan shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Paragraph (2) of Subsection H of 19.15.17.13 NMAC, recontour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography and re-vegetate according to Paragraph (5) in Subsection H of 19.15.17.13 NMAC. This BGT is located at a plugged well site. The site will be contoured and constructed to prevent erosion and run off. Dugan will comply with subsection H of 19.15.17.13 NMAC.
- 6. Areas reasonably needed for production operations or for subsequent drilling operations shall be compacted, covered, paved, or otherwise stabilized and maintained in such a way as to minimize dust and erosion to the extent practicable
- 7. Dugan will install a soil cover that shall consist of the background thickness of topsoil or one foot of suitable material, whichever is greater. The soil cover shall be constructed to the site's existing grade and all practical efforts shall be made to prevent ponding of water and erosion of the soil cover material.
- 8. Dugan will comply with the seeding requirements found in NMAC 19.15.17.13.H.(5) and notify the division when reclamation and re-vegetation are complete.
- 9. Within 60 days of closure completion Dugan will submit a closure report with form C-144 and will include the following:
 - a. Proof of closure notice given to NMOCD and the surface owner
 - b. Sampling analytical reports; information required by 19.15.17 NMAC
 - c. Disposal facility name and permit numbers
 - d. Details on backfilling, capping, covering and, where applicable, seeding application rates and seeding technique
 - e. Photo documentation of sampling and site reclamation

Depth to Groundwater

To estimate groundwater depth in the vicinity of the Below Grade Tank (BGT), Dugan utilized the iWaters database. No groundwater data was available for wells specifically located within Section 13, Township 26 North, Range 11 West (S-13, T-26N, R-11W). To broaden the dataset, the query was expanded to include all sections within T-26N, R-11W, resulting in the identification of two water wells. The average depth to groundwater for these wells was determined to be approximately 182 feet.

Additionally, Dugan consulted the New Mexico Office of the State Engineer (OSE) Points of Diversion (POD) Locations Online Mapping Tool. This search identified a water well located approximately 2.5 miles from the BGT site, with a reported depth to groundwater of 200 feet.

Dugan also consulted the USGS database and found a nearby water well. Depth to water was measured at 332.05 feet in October of 1986. The elevation of the site is approximately 6004 feet and Blackrock Federal B # 001 has an elevation of 6120 feet. So based on that information we can deduce the depth to ground water is greater than 100 feet below surface.

Based on the data collected, and with OCD's agreement on the matter, Dugan <u>estimates</u> the depth to groundwater at this site is more than 100 feet below the base of the BGT.

Distance to Watercourse

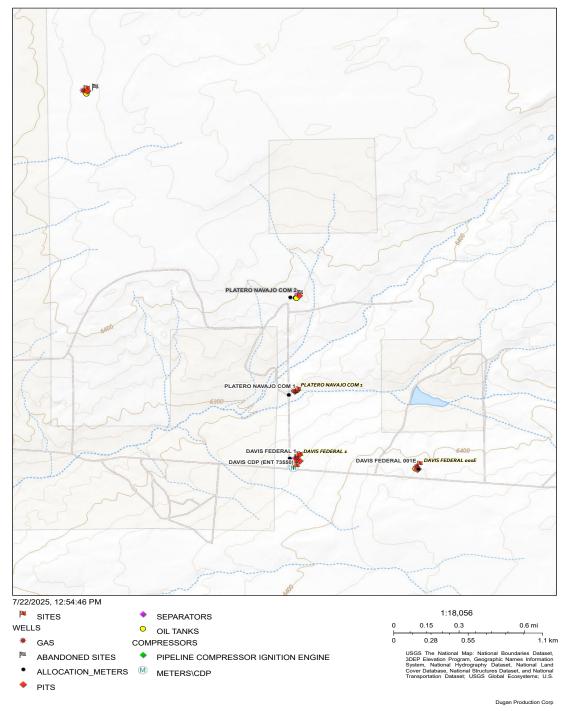
The below-grade tank is not within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland, playa lake, or an ephemeral / intermittent watercourse. The nearest significant watercourse is an ephemeral / intermittent watercourse measured at 274.6 feet from the below-grade tank.

List of Attachments

- A topographic map of the area surrounding the BGT that identifies all nearby water courses as directed in section 9 of the C-144. See Appendix A
- 2. The NMOSE iWaters database reports for domestic water wells near the facility. None were found in the section the BGT is located in. Two water wells were found in the expansion search which included data for all sections in T-26N, R-11W. The POD Locations Map also produced data for a well approximately 2.5 miles from the BGT with e reported depth to water of 200 feet. See Appendix B: Figures 1 through 4
- 3. A copy of the USGS water data depth to water 436.78 feet as of June 1988. **See Appendix C**
- 4. A map with the measured distance of 549.8 feet to the nearest ephemeral / intermittent watercourse. **See Appendix D**

Appendix A: Topography Map

Platero Navajo Com # 002 Topography Map



iWaters Data: Figure 1 - Section 13



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

No report data available.

Basin/County Search:

County: SJ

PLSS Search: Range: 11W Township: 26N Section: 13

* UTM location was derived from PLSS - see Help

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.

iWaters Data: Figure 2 - All Sections



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

in the POD suffix indicates the POD has

been replaced & no longer serves a water right file.)

POD

Number

SJ 01626

SJ 02734

(R=POD has replaced, O=orphaned, C=the file is closed)

SJ

SJ

SJ

Code

(quarters are smallest to largest)

basin County Q64 Q16 Q4 Sec Tws Range X 230607.0 4041673.0 * SWSE 16 26N 11W SE 35 26N 11W

233750.0 4036858.0 * •

255 200 55 165 110

Well

Average Depth to Water: 182 feet

Minimum Depth: 165 feet

(In feet)

Map Depth Water Column

Depth Water

Maximum Depth: 200 feet

Record Count: 2

Basin/County Search:

County: SJ

PLSS Search: Range: 11W Township: 26N Section: 1-36

* UTM location was derived from PLSS - see Help

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.

Figure 3: NMOSE POD MAP

Platero Navajo Com # 002 - OSE POD Location Map

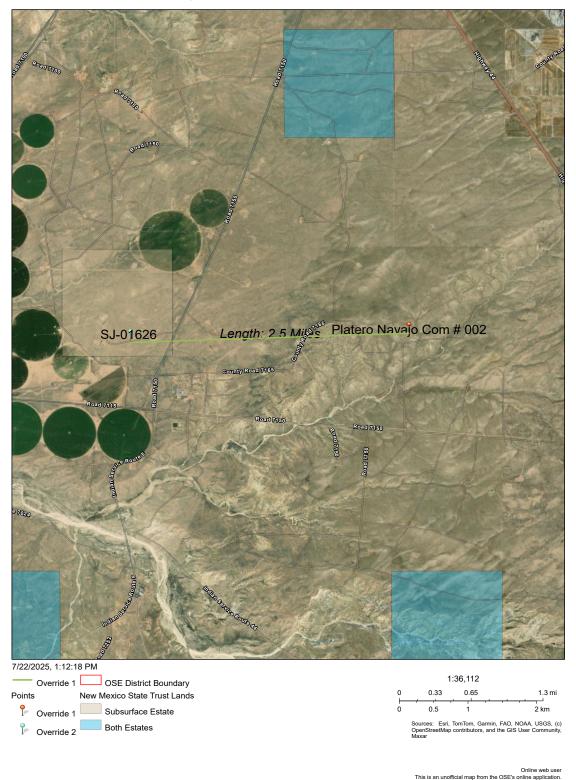
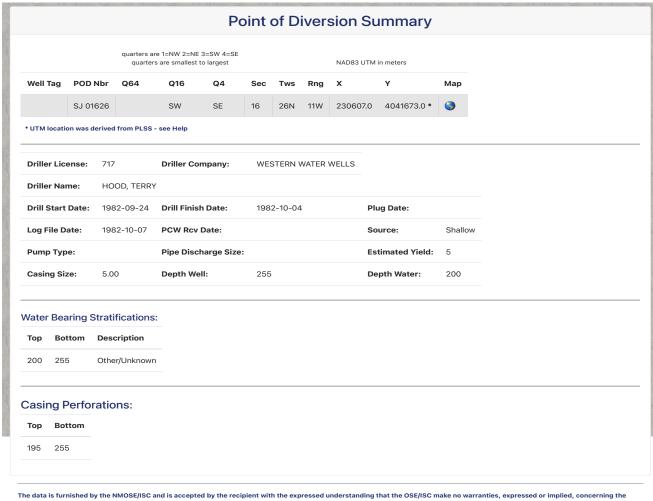


Figure 4: NMOSE POD Summary



accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

7/22/25 1:05 PM MST Point of Diversion Summary

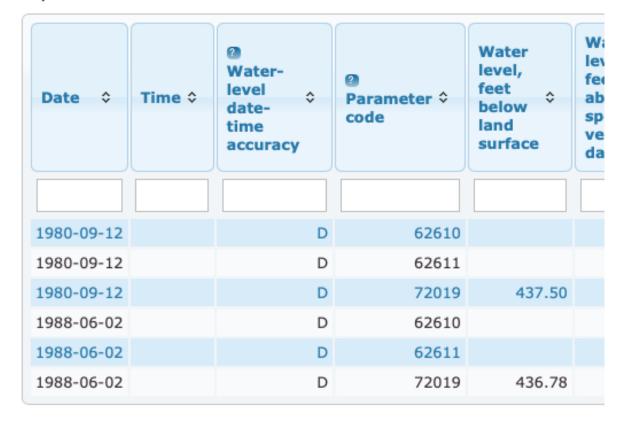
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Appendix C: USGS Water Data

USGS 362908107503101 26N.10W.13.4233

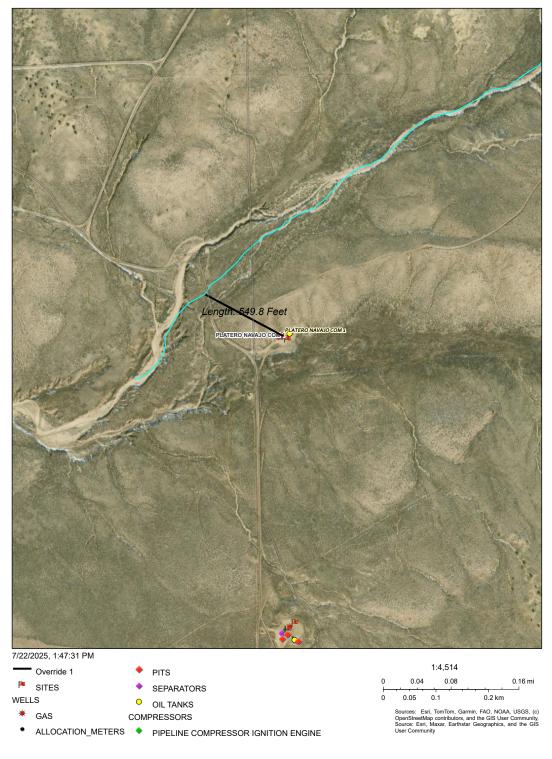
San Juan County, New Mexico
Latitude 36°29'08", Longitude 107°50'31" NAD27
Land-surface elevation 6,585.00 feet above NGVD29
The depth of the well is 1,350 feet below land surface.
The depth of the hole is 2,287 feet below land surface.
This well is completed in the Colorado Plateaus aquifers (N300COPLTS) national aquifer.

This well is completed in the Nacimiento Formation (125NCMN) aquifer.



Appendix D: Distance to Ephemeral / intermittent Watercourses

Platero Navajo Com # 002 Distance to Water Course



Dugan Production Corp

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 487631

CONDITIONS

Operator:	OGRID:
DUGAN PRODUCTION CORP	6515
PO Box 420	Action Number:
Farmington, NM 87499	487631
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Cre	eated By		Condition Date
jo	el.stone	None	7/25/2025