

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, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

- Type of action: Below grade tank registration
 Permit of a pit or proposed alternative method
 Closure of a pit, below-grade tank, or proposed alternative method
 Modification to an existing permit/or 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 this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Dugan Production Corp. OGRID #: 006515
Address: PO Box 420, Farmington, NM 87499-0420
Facility or well name: Hoss 1
API Number: 30-045-29376 OCD Permit Number: BGT 2
U/L or Qtr/Qtr H _____ Section 11 Township 23N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.2419167 Longitude -107.9656219_NAD83 2310' FNL & 340' FEL
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 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: 25 bbl Type of fluid: 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.

5.
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 _____

6.
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.
Variations 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 acceptable 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
 NA

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. **(Does not apply to below grade tanks)**

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

Yes No

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)**

- 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)**

- FEMA map

Yes No

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).

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

Yes No

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;

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

Yes No

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, 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.

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

Yes No

Within 200 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 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Temporary Pit Non-low chloride drilling fluid</u>	
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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Permanent Pit or Multi-Well Fluid Management Pit</u>	
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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No

10.
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 19.15.17.9 NMAC
- Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 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 (Please complete Boxes 14 through 18, if applicable) - 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: _____ or Permit Number: _____

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 documents are attached.

- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- 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 19.15.17.9 NMAC 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

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

12. **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 19.15.17.9 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 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

13. **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 Fluid Management Pit
 Alternative
- Proposed Closure Method: Waste Excavation and Removal
 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

14. **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 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 source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	<input type="checkbox"/> Yes <input type="checkbox"/> No

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

16.
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 E of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - 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 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 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 H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)

OCD Representative Signature: Joel Stone Approval Date: 02/25/2026

Title: Senior Environmental Scientist OCD Permit Number: ycon2509450093

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. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: 2/12/2026

20.
Closure Method:
 Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)
 If different from approved plan, please explain.

21.
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 (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 36.2419167 Longitude -107.9656219 NAD: 1927 83

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.

Name (Print): Eileen Yates Title: Environmental Health and Safety Manager

Signature: Eileen Yates Date: February 12, 2026

e-mail address: Eileen.Yates@duganproduction.com Telephone: 505-787-9832

Dugan Production Corp.

Hoss 1

BGT 2 Closure Report

API# 30-045-29376

H-11-23N-11W

2310 FNL 340 FEL

Surface Owner: Federal

Dugan Production Corp. has successfully closed the BGT 2 located at the Hoss 1 well location. The closure procedures executed by Dugan were outlined in the Below Grade Tank Closure Plan, which received approval from the New Mexico Oil Conservation Division (NM OCD) on April 4th, 2025 and was found depth to groundwater at this site is more than 50 feet below the base of the BGT.

Tier I Closure Criteria for Soils Impacted by a Release		
Constituent ¹	Method	Limit
Chloride	EPA 300.0 or SM4500 C1 B	10,000 mg/kg
TPH	EPA SW-846 Method 8015M	2,500 mg/kg
GRO-DRO	EPA SW-846 Method 8021B or 8015M	1,000 mg/kg
BTEX ³	EPA SW-846 Method 8021B or 8260B	50 mg/kg
Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

¹ - Constituent concentrations are in milligrams per kilogram (mg/kg).

² - Total Petroleum Hydrocarbons (TPH). Gasoline Range Organics (GRO). Diesel Range Organics (DRO). Mother Oil/Lube Oil Range Organics (MRO).

³ - Benzene, Toluene, Ethylbenzene, and Total Xylenes (BTEX).

As Directed by NMAC 19.15.17, and NM OCD approved, the following closing procedures have been accomplished for the closure of the below grade tank identified on the associated C-144.

- Dugan notified via email the BLM and the New Mexico Oil Conservation Division (NM OCD) of the closure within 72 hours of the BGT closure.
- The contents and the steel pit were removed on April 7th, 2025. The soil samples were collected April 8th, 2025, using a five-point composite sample to include any obvious stained, wet soils, or evidence of contamination. Soil samples were collected at a depth of 10' below grade surface. Soil samples were taken to Envirotech in Farmington, NM and analyzed for chlorides, benzene, toluene, ethyl benzene, xylene and total petroleum hydrocarbons.

- The laboratory analytical results for the composite soil samples did not detect any benzene, ethyl benzene, xylene, chloride or TPH.
- The below-grade tank vault area was backfilled with uncontaminated soil following the removal of the tank. The reclamation efforts conducted by Dugan included stabilizing the site, contouring the land to align with the natural topography, and re-vegetating the area to ensure seamless integration with the surrounding undisturbed environment. These measures were implemented to promote long-term environmental stability and restore the site to its natural condition.
- Dugan complied with the seeding requirements found in NMAC 19.15.17.13.H.(5).
- This report has been completed to comply with the closure report required by the 19.15.17 NMAC Rule.

The table below provides a summary of the soil sample laboratory analysis. The full laboratory analytical report is included with this document and can be found in **Appendix B**.

Analyte	Result
Volatile Organics by EPA 8021B	mg/kg
Benzene	ND
Ethylbenzene	ND
Toluene	ND
o-Xylene	ND
p,m-Xylene	ND
Total Xylenes	ND
Nonhalogenated Organics by EPA 8015D - GRO	
Gasoline Range Organics (C6-C10)	ND
Nonhalogenated Organics by EPA 8015D - DRO/ORO	
Diesel Range Organics (C10-C28)	ND
Oil Range Organics (C28-C36)	ND
Anions by EPA 300.0/9056A	
Chloride	ND

** ND – Not Detected

Reclamation

Dugan has restored the impacted surface area to the condition that existed prior to the below-grade tank installation. Restoration of the Site includes the replacement of soil to the relative positions and contoured to the topography of the area. The topsoil cover includes a top layer, which is suitable material to establish vegetation at the Site. The disturbed area was reseeded with a uniformed vegetative cover. Seed mixtures are included in **Appendix C**. Reclamation photos are included in **Appendix D**.

Below is a list of disposal facilities.

Solid waste will be hauled to Envirotech:

Envirotech: Permit #NM01-0011

Liquid waste would have been hauled to Dugan's SOB SWD facility:

Dugan's Sanchez O'Brien SWD #1 (Permit # SWD-694)

Please see **Appendix D** for Site Photos.

Appendix A: Notification

BGT Closure Notification

From: [Kevin Smaka](#)
To: "leighp.barr@state.nm.us"; aadelove@blm.gov
Cc: [Tyra Feil](#); [James McDaniel](#); [Mario Ulibarri](#); [Matthew Wilcox](#)
Subject: BGT Closure Notification Hoss 1
Date: Friday, April 4, 2025 11:12:00 AM
Attachments: [image001.png](#)

Dugan will be closing the BGTs located at Dugans' Hoss #1 well site this coming Tuesday, 4/8/2025, at 10:00 AM. As part of closure Dugan will be collecting soil samples. There are 2 BGTs being closed at this site.

Here is the sites information:

30-045-29376 HOSS #001 [18998]

General Well Information


Operator:	[6515] DUGAN PRODUCTION CORP
Status:	Plugged, Site Released
Well Type:	Oil
Work Type:	New
Surface Location:	H-11-23N-11W 2310 FNL 340 FEL
Lat/Long:	36.2419167,-107.9656219 NAD83
GL Elevation:	6450
KB Elevation:	
DF Elevation:	

Kevin Smaka P.E.
 Regulatory Engineer
 505-486-6207

Appendix B: Lab Results


Figure A: Soil Sample Laboratory Results

Report to:
James McDaniel



5796 U.S. Hwy 64
Farmington, NM 87401

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




envirotech

Practical Solutions for a Better Tomorrow

Analytical Report

JAKD Solutions LLC

Project Name: Hess 1

Work Order: E504064

Job Number: 25022-0001

Received: 4/8/2025

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
4/14/25

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.

Appendix B: Lab Results

Date Reported: 4/14/25

James McDaniel
1686 Bloomfield Blvd
Farmington, NM 87401



Project Name: Hess 1
Workorder: E504064
Date Received: 4/8/2025 2:35:00PM

James McDaniel,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 4/8/2025 2:35:00PM, under the Project Name: Hess 1.

The analytical test results summarized in this report with the Project Name: Hess 1 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

Field Offices:

Southern New Mexico Area

Lynn Jarboe
Laboratory Technical Representative
Office: 505-421-LABS(5227)
Cell: 505-320-4759
ljjarboe@envirotech-inc.com

Michelle Gonzales
Client Representative
Office: 505-421-LABS(5227)
Cell: 505-947-8222
mgonzales@envirotech-inc.com

Envirotech Web Address: www.envirotech-inc.com

Appendix B: Lab Results

Table of Contents

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

Appendix B: Lab Results

Sample Summary

JAKD Solutions LLC 1686 Bloomfield Blvd Farmington NM, 87401	Project Name: Hess 1 Project Number: 25022-0001 Project Manager: James McDaniel	Reported: 04/14/25 09:02
--------------------------------------------------------------------	---------------------------------------------------------------------------------------	-----------------------------

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
BGT 1	E504064-01A	Soil	04/08/25	04/08/25	Glass Jar, 4 oz.
BGT 2	E504064-02A	Soil	04/08/25	04/08/25	Glass Jar, 4 oz.

Appendix B: Lab Results

Sample Data

JAKD Solutions LLC 1686 Bloomfield Blvd Farmington NM, 87401	Project Name: Hess 1 Project Number: 25022-0001 Project Manager: James McDaniel	Reported: 4/14/2025 9:02:56AM
--------------------------------------------------------------------	---------------------------------------------------------------------------------------	----------------------------------

BGT 2

E504064-02

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B						
	mg/kg	mg/kg		Analyst: SL		Batch: 2515048
Benzene	ND	0.0250	1	04/09/25	04/09/25	
Ethylbenzene	ND	0.0250	1	04/09/25	04/09/25	
Toluene	ND	0.0250	1	04/09/25	04/09/25	
o-Xylene	ND	0.0250	1	04/09/25	04/09/25	
p.m-Xylene	ND	0.0500	1	04/09/25	04/09/25	
Total Xylenes	ND	0.0250	1	04/09/25	04/09/25	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>						
		84.0 %	70-130	04/09/25	04/09/25	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg		Analyst: SL		Batch: 2515048
Gasoline Range Organics (C6-C10)	ND	20.0	1	04/09/25	04/09/25	
<i>Surrogate: 1-Chloro-4-fluorobenzene-FID</i>						
		91.1 %	70-130	04/09/25	04/09/25	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg		Analyst: KH		Batch: 2515064
Diesel Range Organics (C10-C28)	ND	25.0	1	04/10/25	04/10/25	
Oil Range Organics (C28-C36)	ND	50.0	1	04/10/25	04/10/25	
<i>Surrogate: n-Nonane</i>						
		104 %	61-141	04/10/25	04/10/25	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg		Analyst: JM		Batch: 2515056
Chloride	ND	20.0	1	04/09/25	04/09/25	

Appendix B: Lab Results

QC Summary Data

JAKD Solutions LLC 1686 Bloomfield Blvd Farmington NM, 87401	Project Name: Hess 1 Project Number: 25022-0001 Project Manager: James McDaniel	Reported: 4/14/2025 9:02:56AM
--------------------------------------------------------------------	---------------------------------------------------------------------------------------	----------------------------------

Volatile Organics by EPA 8021B

Analyst: SL

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

Blank (2515048-BLK1)

Prepared: 04/09/25 Analyzed: 04/09/25

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	6.60		8.00		82.4	70-130			

LCS (2515048-BS1)

Prepared: 04/09/25 Analyzed: 04/09/25

Benzene	4.40	0.0250	5.00		88.1	70-130			
Ethylbenzene	4.60	0.0250	5.00		92.0	70-130			
Toluene	4.63	0.0250	5.00		92.5	70-130			
o-Xylene	4.60	0.0250	5.00		92.0	70-130			
p,m-Xylene	9.39	0.0500	10.0		93.9	70-130			
Total Xylenes	14.0	0.0250	15.0		93.2	70-130			
Surrogate: 4-Bromochlorobenzene-PID	6.55		8.00		81.8	70-130			

Matrix Spike (2515048-MS1)

Source: E504060-04

Prepared: 04/09/25 Analyzed: 04/09/25

Benzene	4.95	0.0250	5.00	ND	99.1	70-130			
Ethylbenzene	5.18	0.0250	5.00	ND	104	70-130			
Toluene	5.19	0.0250	5.00	ND	104	70-130			
o-Xylene	5.14	0.0250	5.00	ND	103	70-130			
p,m-Xylene	10.5	0.0500	10.0	ND	105	70-130			
Total Xylenes	15.7	0.0250	15.0	ND	104	70-130			
Surrogate: 4-Bromochlorobenzene-PID	6.58		8.00		82.3	70-130			

Matrix Spike Dup (2515048-MSD1)

Source: E504060-04

Prepared: 04/09/25 Analyzed: 04/09/25

Benzene	4.87	0.0250	5.00	ND	97.5	70-130	1.65	27	
Ethylbenzene	5.13	0.0250	5.00	ND	103	70-130	1.10	26	
Toluene	5.13	0.0250	5.00	ND	103	70-130	1.16	20	
o-Xylene	5.08	0.0250	5.00	ND	102	70-130	1.06	25	
p,m-Xylene	10.4	0.0500	10.0	ND	104	70-130	0.978	23	
Total Xylenes	15.5	0.0250	15.0	ND	103	70-130	1.01	26	
Surrogate: 4-Bromochlorobenzene-PID	6.52		8.00		81.6	70-130			

Appendix B: Lab Results

QC Summary Data

JAKD Solutions LLC 1686 Bloomfield Blvd Farmington NM, 87401	Project Name: Hess 1 Project Number: 25022-0001 Project Manager: James McDaniel	Reported: 4/14/2025 9:02:56AM
--------------------------------------------------------------------	---------------------------------------------------------------------------------------	----------------------------------

Nonhalogenated Organics by EPA 8015D - GRO

Analyst: SL

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

Blank (2515048-BLK1)

Prepared: 04/09/25 Analyzed: 04/09/25

Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.12		8.00		89.0	70-130			

LCS (2515048-BS2)

Prepared: 04/09/25 Analyzed: 04/09/25

Gasoline Range Organics (C6-C10)	43.3	20.0	50.0		86.5	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.25		8.00		90.7	70-130			

Matrix Spike (2515048-MS2)

Source: E504060-04

Prepared: 04/09/25 Analyzed: 04/09/25

Gasoline Range Organics (C6-C10)	42.6	20.0	50.0	ND	85.2	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.38		8.00		92.3	70-130			

Matrix Spike Dup (2515048-MSD2)

Source: E504060-04

Prepared: 04/09/25 Analyzed: 04/09/25

Gasoline Range Organics (C6-C10)	41.7	20.0	50.0	ND	83.4	70-130	2.08	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.45		8.00		93.1	70-130			

Appendix B: Lab Results

QC Summary Data

JAKD Solutions LLC 1686 Bloomfield Blvd Farmington NM, 87401	Project Name: Hess 1 Project Number: 25022-0001 Project Manager: James McDaniel	Reported: 4/14/2025 9:02:56AM
--------------------------------------------------------------------	---------------------------------------------------------------------------------------	----------------------------------

Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: KH

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

Blank (2515064-BLK1)

Prepared: 04/10/25 Analyzed: 04/10/25

Diesel Range Organics (C10-C28)	ND	25.0							
Oil Range Organics (C28-C36)	ND	50.0							
Surrogate: n-Nonane	50.0		50.0		100	61-141			

LCS (2515064-BS1)

Prepared: 04/10/25 Analyzed: 04/10/25

Diesel Range Organics (C10-C28)	265	25.0	250		106	66-144			
Surrogate: n-Nonane	52.0		50.0		104	61-141			

Matrix Spike (2515064-MS1)

Source: E504067-02

Prepared: 04/10/25 Analyzed: 04/11/25

Diesel Range Organics (C10-C28)	338	25.0	250	48.2	116	56-156			
Surrogate: n-Nonane	60.6		50.0		121	61-141			

Matrix Spike Dup (2515064-MSD1)

Source: E504067-02

Prepared: 04/10/25 Analyzed: 04/11/25

Diesel Range Organics (C10-C28)	345	25.0	250	48.2	119	56-156	1.96	20	
Surrogate: n-Nonane	60.7		50.0		121	61-141			

Appendix B: Lab Results

QC Summary Data

JAKD Solutions LLC 1686 Bloomfield Blvd Farmington NM, 87401	Project Name: Hess 1 Project Number: 25022-0001 Project Manager: James McDaniel	Reported: 4/14/2025 9:02:56AM
--------------------------------------------------------------------	---------------------------------------------------------------------------------------	----------------------------------

Anions by EPA 300.0/9056A

Analyst: JM

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

Blank (2515056-BLK1)				Prepared: 04/09/25 Analyzed: 04/09/25					
Chloride	ND	20.0							
LCS (2515056-BS1)				Prepared: 04/09/25 Analyzed: 04/09/25					
Chloride	253	20.0	250		101	90-110			
Matrix Spike (2515056-MS1)				Source: E504063-03		Prepared: 04/09/25 Analyzed: 04/09/25			
Chloride	592	20.0	250	345	99.1	80-120			
Matrix Spike Dup (2515056-MSD1)				Source: E504063-03		Prepared: 04/09/25 Analyzed: 04/09/25			
Chloride	577	20.0	250	345	93.1	80-120	2.57	20	

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.

Appendix B: Lab Results

Definitions and Notes

JAKD Solutions LLC	Project Name:	Hess 1	
1686 Bloomfield Blvd	Project Number:	25022-0001	Reported:
Farmington NM, 87401	Project Manager:	James McDaniel	04/14/25 09:02

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

RPD Relative Percent Difference

DNI Did Not Ignite

DNR Did not react with the addition of acid or base.

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

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

Appendix B: Lab Results

Envirotech Analytical Laboratory

Printed: 4/9/2025 11:23:12AM

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:	JAKD Solutions LLC	Date Received:	04/08/25 14:35	Work Order ID:	E504064
Phone:	(505) 860-1666	Date Logged In:	04/09/25 10:54	Logged In By:	Caitlin Mars
Email:	james@jakdsolutions.com	Due Date:	04/15/25 17:00 (5 day TAT)		

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

Carrier: James McDaniel

Note: Analysis, such as pH which should be conducted in the field, i.e. 15 minute hold time, are not included in this discussion.

Sample 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

Comments/Resolution

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



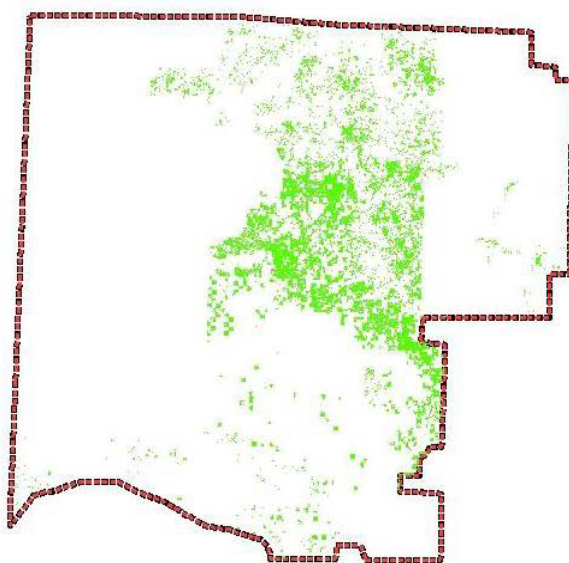
envirotech Inc.

Appendix C: Seed Mix

Remediation Seed Mixture

SAGEBRUSH COMMUNITY

The sagebrush/grass vegetation community comprises approximately 551,198 acres (approximately 39%) of the Farmington Field Office (FFO) Area (Map 1). This community is comprised primarily of Wyoming big sage with lesser amounts of basin big sage and minor areas of black sage. This plant community occupies vast areas of relatively open rolling hills to the south of Farmington and numerous mesas and canyon bottoms to the east and north. It is found on all aspects from about 5,000 to 7,200 feet but is most common on southerly and western aspects. Soils vary from clayey to fine sandy loam to loamy in texture with loamy sites being more pervasive. In general, the soils underlying this plant community are moderately deep (20 to 54 inches thick) and well drained. Typical soil series in the FFO area where the sagebrush/grass plant community is found include Penistaja, Buckle, Doak, Blancot and Orlie. The precipitation regime varies from 7 to 14 inches.



Map 1. Sagebrush/Grass plant community on BLM lands within the FFO area.

The sagebrush/grass vegetation community is a dominant component and is integral to a proper functioning watershed and ecosystem of the FFO area landscape. Maintaining proper hydrologic function of this plant community is essential to the ability of the plants to produce forage for livestock and wildlife, retention of soils on site and the minimization of the degradation of water quality due to the deposition of salts and sediment. Common species that can be expected to occur are Wyoming and basin big sagebrush, western wheatgrass, galleta, blue grama, Indian ricegrass and sand dropseed. Forbs are highly dependent upon precipitation; typical species are biscuit root, woolly plantain, astragalus spp., asters, daisies and borage spp.

Appendix C: Seed Mix

Table 1. Reclamation Goal for Sagebrush/Grass Community

Functional Group	Percent (%) Foliar Cover	Common Species
Trees/Shrubs/Grasses/Forbs	≥35	Utah Juniper-Pinyon pine; big sagebrush, four-wing saltbush , antelope bitterbrush, alkali sacaton, Western wheatgrass, Indian ricegrass, galleta, sand dropseed, scarlet globemallow, woolly Indianwheat , fleabane, Penstemon spp., buckwheat, threadleaf groundsel
Invasive/undesirables 10% allowed toward meeting standard of 35%.	≤10	Plants that have the potential to become a dominant species on a site where its presence is a detriment to revegetation efforts or the native plant community. Examples of invasive species include cheatgrass, Russian thistle, kochia.

Table 2. Menu based seed mix for use in reclamation for sagebrush/grass community (minimum requirement) **

Common Name	Scientific Names	Variety	Season	Form	PLS lbs/acre*
Plant two of the following:					
Fourwing saltbush	<i>Atriplex canescens</i>	VNS	Cool	Shrub	2.0
Antelope bitterbrush	<i>Purshia tridentata</i>	VNS	Cool	Shrub	2.0
Winterfat	<i>Krascheninnikovia lanata</i>	VNS	Cool	Shrub	2.0
And three of the following:					
Indian ricegrass	<i>Achnatherum hymenoides</i>	Paloma or Rimrock	Cool	Bunch	4.0
Blue grama	<i>Bouteloua gracilis</i>	Alma or Hachita	Warm	Sod-forming	2.0
Galleta	<i>Pleuraphis jamesii</i>	Viva florets	Warm	Bunch/Sod-forming	3.0
Sand dropseed	<i>Sporobolus cryptandrus</i>	VNS	Warm	Bunch	0.5
Western wheatgrass	<i>Pascopyrum smithii</i>	Arriba	Cool	Sod-forming	4.0
And one of the following:					
Bottle brush squirreltail	<i>Elymus elymoides</i>	Tusas or VNS	Cool	Bunch	3.0
Siberian wheatgrass	<i>Agropyron fragile</i>	Vavilov	Cool	Bunch	3.0
And two of the following					
Small burnet	<i>Sanguisorba minor</i>	Delar	Cool	Forb	2.0
Rocky Mtn. bee plant	<i>Cleome serrulata</i>	Local collection or VNS	Cool	Forb	0.25
Blue flax	<i>Linum lewisii</i>	Apar	Cool	Forb	0.25

****Based on 60 pure live seeds (PLS) per square foot, drill seeded. Double this rate (120 PLS per square foot) if broadcast or hydroseeded.**Based on 60 pure live seeds (PLS) per square foot, drill seeded. Double this rate (120 PLS per square foot) if broadcast or hydroseeded.**

Appendix D: Site Photo

Photo 1: BGT before removal

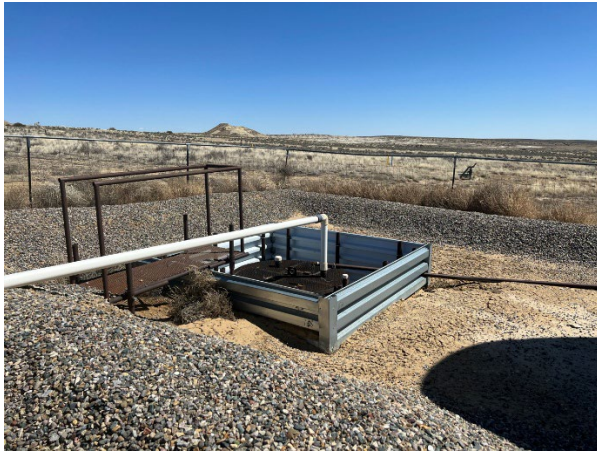


Photo 2: BGT after removal



Appendix D: Site Photo

Photo 3 – BGT after remediation



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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oecd/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 553734

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 553734
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
joel.stone	None	2/25/2026