

Page 1 of 28
Received by OCD: 12/6/2023 9:15:40 AM
Released to Imaging: 12/7/2023 1:26:40 PM

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

BGT1

- 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: Monte Carlo Com #1

API Number: 30-045-25866 OCD Permit Number: _____

U/L or Qtr/Qtr K Section 7 Township 30N Range 14W County: San Juan

Center of Proposed Design: Latitude 36.82517 Longitude -108.35393 NAD83

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: _____ bbl Type of fluid: Produced Water

Tank Construction material: _____

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: Thickness _____ 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 4'=3' Hog wire + Top Rail

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

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

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 Yes No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division Yes No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map Yes No

Within a 100-year floodplain.

- FEMA map Yes No

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~~ *(td/vf)* OCD Conditions (see attachment)

OCD Representative Signature: Victoria Venegas Approval Date: 12/07/2023

Title: Environmental Specialist OCD Permit Number: BGT1

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: _____

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)

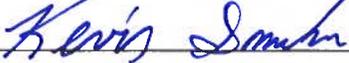
On-site Closure Location: Latitude _____ Longitude _____ NAD: 1927 1983

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): Kevin Smaka Title: Regulatory Engineer

Signature:  Date: 12.6.23

e-mail address: Kevin.Smaka@duganproduction.com Telephone: 505-325-1821 x1049

Wagner Rod Kanel
certified letter
electronic rr
9/18/23

9489 0090 0027 6269 5630 09

Get the free Informed Delivery® feature to receive automated notifications on your packages

[Learn More](#)

banner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action)

Tracking Number:

Remove X

9489009000276269563009

Copy Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item arrived at the FARMINGTON, NM 87499 post office at 3:47 am on October 27, 2023 and is ready for pickup. Your item may be picked up at GRAND JUNCTION, 241 N 4TH ST, GRAND JUNCTION, CO 815019998, M-F 0900-1715; SAT 1000-1330.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Available for Pickup

Available for Pickup

GRAND JUNCTION
241 N 4TH ST
GRAND JUNCTION CO 81501-9998
M-F 0900-1715; SAT 1000-1330
October 27, 2023, 3:47 am

Arrived at Post Office

FARMINGTON, NM 87401
October 27, 2023, 3:46 am

Arrived at USPS Origin Facility

ALBUQUERQUE, NM 87101
October 26, 2023, 1:35 am

In Transit to Next Facility

October 25, 2023

Arrived at USPS Regional Destination Facility

COLORADO SPRINGS CO
DISTRIBUTION CENTER
October 23, 2023, 8:49 pm

Unclaimed/Being Returned to Sender

GRAND JUNCTION, CO 81501
October 20, 2023, 12:35 pm

Recipient Available)

GRAND JUNCTION, CO 81501
October 5, 2023, 12:19 pm

Reminder to pick up your item before November 10, 2023

GRAND JUNCTION, CO 81502
September 27, 2023

Available for Pickup

GRAND JUNCTION
241 N 4TH ST
GRAND JUNCTION CO 81501-9998
M-F 0900-1715; SAT 1000-1330
September 22, 2023, 11:49 am

Departed USPS Regional Facility

GRAND JUNCTION CO
DISTRIBUTION CENTER
September 22, 2023, 4:05 am

Arrived at USPS Regional Destination Facility

GRAND JUNCTION CO
DISTRIBUTION CENTER
September 21, 2023, 6:27 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101
September 19, 2023, 7:55 am

Arrived at USPS Origin Facility

ALBUQUERQUE, NM 87101
September 18, 2023, 10:03 pm

Accepted at USPS Origin Facility

FARMINGTON, NM 87401
September 18, 2023, 8:48 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean?

(<https://faq.usps.com/s/article/Where-is-my-package>)

Text & Email Updates



Kevin Smaka

From: Kevin Smaka
Sent: Friday, September 15, 2023 2:08 PM
To: 'Barr, Leigh, EMNRD'; 'Adeloye, Abiodun A'
Cc: Tyra Feil; Carlos Ramos; Dalvin Harrison
Subject: BGT Closure Sampling

Dugan will be closing 2 BGTs and collecting soil samples this coming Wednesday, 9/20/23 @ 10:00 AM. We will be collecting samples from Dugan's Monte Carlo #1 wellsite and Dugan's Carpenter #1E well site.

Here are the sites information:

Monte Carlo #1
30-045-25866
K-07-30N-14W
1450 FSL 1450 FWL

Carpenter Com #1E
30-045-23613
F-25-30N-14W
1850 FNL 1480 FWL

The Monte Carlo #1 is a fee lease and a certified letter has been mailed to the land owner of our planned closure. A copy of that notice will be included in the closure report when the C-144 is filed.

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

Dugan Production Corp.

Monte Carlo Com #1

BGT Closure Report

API# 30-045-25866

K-07-30N-14W

1450 FSL 1450 FWL

Dugan Production Corp. has closed the BGT located at the Monte Carlo com #1 well location. Dugan commenced closure activities on 9/20/2023 by removing the steel pit and sampling soils below the BGT, including wet or stained soils. Soil samples were collected at a depth of 8' below grade surface. Soil samples were taken to a local lab and analyzed for chlorides, benzene, toluene, ethyl benzene, xylene and total petroleum hydrocarbons.

Prior to commencing these activities notice was provided to the landowner as well as the OCD of our intent to close the pit. Proof of the notice has been included with this report.

A copy of the lab results has been included with this report. A tabulation of the results is found here:

Location	BTEX (mg/kg)	TPH (mg/kg)	Chlorides (mg/kg)
Monte Carlo Com #1	0	0	1880

Based on the information found in hydrogeologic reports for nearby wells, the depth to ground water is greater than 100 feet to the base of the BGT. This means that the standard of closure for chlorides is 20,000 mg/mg. As such these results meet the standard for closure under NMAC 19.15.29 and 19.15.17.

When making the depth to groundwater determination, Dugan consulted the hydrogeologic report found in the BGT closure plan on file with the NMOCD. The data found there indicates groundwater is greater than 200 feet from surface.

In addition Dugan collected data from the USGS and found the following data from a well located .6 miles from the BGT:

USGS 364907108205101 T30N.R14W.S18.214A 23-4 Replacement Well

San Juan County, New Mexico
Latitude 36°49'07.52", Longitude 108°20'53.32" NAD83
Land-surface elevation 5,532.54 feet above NAVD88
The depth of the well is 1,029.5 feet below land surface.
The depth of the hole is 1,142.0 feet below land surface.
This well is completed in the Colorado Plateaus aquifers (N300COPLTS) national aquifer.
This well is completed in the Pictured Cliffs Sandstone (211PCCF) local aquifer.

Date	Time	Water-level date-time accuracy	Parameter code	Water level, feet below land surface
2023-03-13	18:03 UTC	m	72019	482.56
2023-03-02	22:14 UTC	m	72019	481.83
2016-07-26	21:00 UTC	m	72019	407.18
2016-06-15	18:30 UTC	m	72019	404.31

In addition to the data provided here a map has been generated with the location if the referenced well identified as DGW reference well.

Once approved for closure Dugan will backfill the hole with non-contaminated fill material. The topping material will be of sufficient quality to allow for adequate regrowth.

The location will be seeded with a mix compatible and appropriate for the local vegetative community in the surrounding area.

Due to the lateness in the growing season the location will be seeded, in the Spring of 2023, and monitored for reclamation purposes. The seed will be disced and drilled with a drill seeder. Once successful reclamation has occurred Dugan will provide photo evidence to the division.

The following table is the seed menu we will use to formulate the seed mix:

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

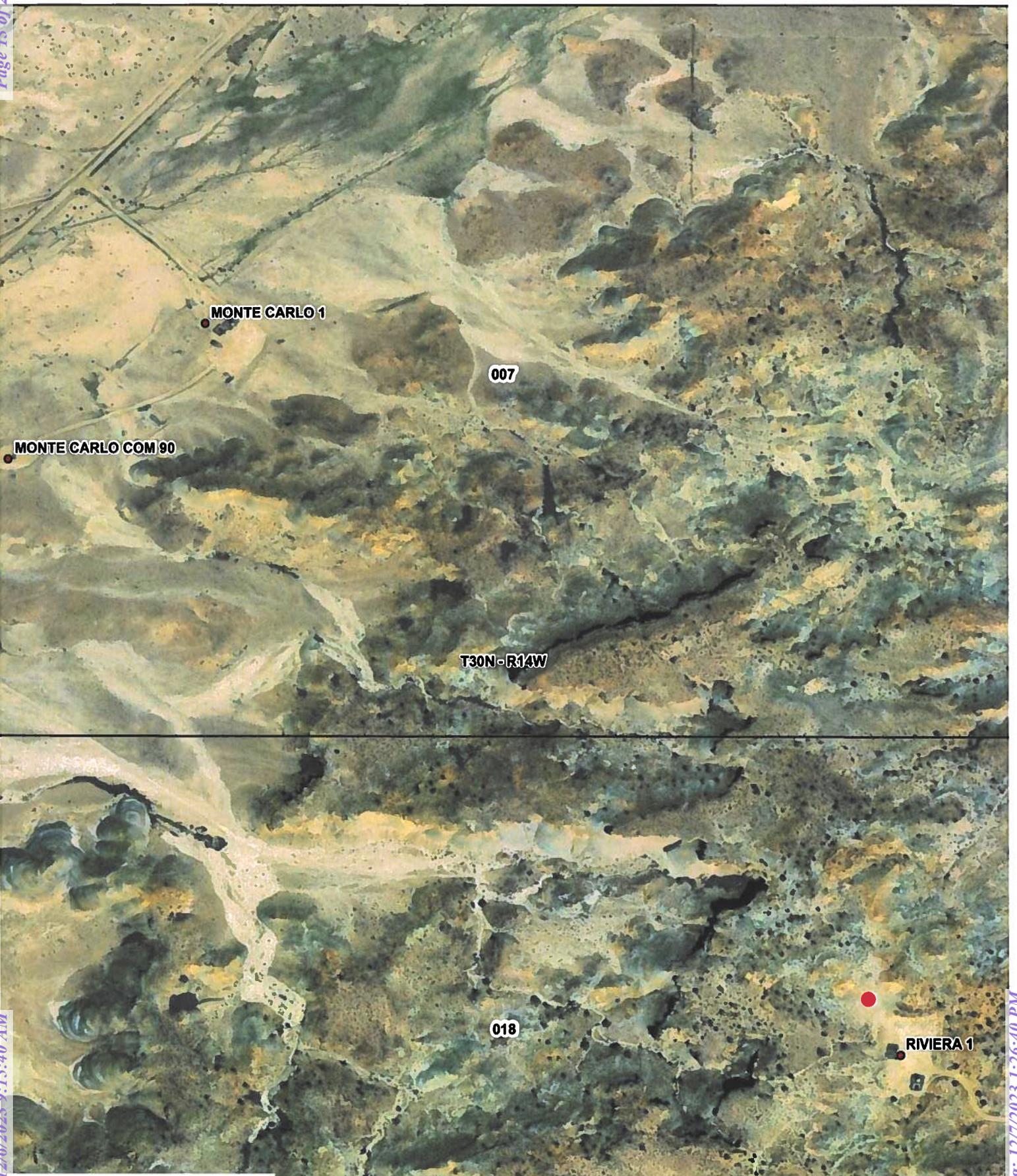
Common Name	Scientific Names	Variety	Season	Form	PLS lbs/acre*
Plant two of the following:					
Fourwing saltbush	<i>Atriplex canescens</i>	VNS	Cool	Shrub	2.0
Antelope bitterbrush	<i>Purshia tridentata</i>	VNS	Cool	Shrub	2.0
Winterfat	<i>Krascheninnikovia lanata</i>	VNS	Cool	Shrub	2.0
And three of the 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

Solid waste would have been hauled to either Envirotech or IEI land farm facilities:

Envirotech: Permit #NM01-0011 and IEI: Permit # NM01-0010B

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

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



Legend

- DPC_Gas_Wells
- DGW Reference Well





20Sep23 13:13 Ad-hoc
Farmington NM 87401, United States © 20-Sep-23 13:13:35



20Sep23 13:13 Ad-hoc
Farmington NM 87401, United States © 20-Sep-23 13:13:54

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: BGT Closure

Work Order: E309158

Job Number: 06094-0177

Received: 9/21/2023

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
9/26/23

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.



Date Reported: 9/26/23

Kevin Smaka
PO Box 420
Farmington, NM 87499

Project Name: BGT Closure
Workorder: E309158
Date Received: 9/21/2023 2:34:00PM

Kevin Smaka,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 9/21/2023 2:34:00PM, under the Project Name: BGT Closure.

The analytical test results summarized in this report with the Project Name: BGT Closure 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
Carpenter	5
Monte Carlo	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

Sample Summary

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: BGT Closure Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 09/26/23 14:20
--	---	-----------------------------

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Carpenter	E309158-01A	Soil	09/20/23	09/21/23	Glass Jar, 2 oz.
Monte Carlo	E309158-02A	Soil	09/20/23	09/21/23	Glass Jar, 2 oz.

Sample Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: BGT Closure Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 9/26/2023 2:20:54PM
--	---	----------------------------------

Monte Carlo
E309158-02

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B						
	mg/kg	mg/kg		Analyst: IY		Batch: 2338111
Benzene	ND	0.0250	1	09/22/23	09/25/23	
Ethylbenzene	ND	0.0250	1	09/22/23	09/25/23	
Toluene	ND	0.0250	1	09/22/23	09/25/23	
o-Xylene	ND	0.0250	1	09/22/23	09/25/23	
p,m-Xylene	ND	0.0500	1	09/22/23	09/25/23	
Total Xylenes	ND	0.0250	1	09/22/23	09/25/23	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>						
		94.4 %	70-130	09/22/23	09/25/23	
Nonhalogenated Organics by EPA 8015D - GRO						
	mg/kg	mg/kg		Analyst: IY		Batch: 2338111
Gasoline Range Organics (C6-C10)	ND	20.0	1	09/22/23	09/25/23	
<i>Surrogate: 1-Chloro-4-fluorobenzene-FID</i>						
		95.2 %	70-130	09/22/23	09/25/23	
Nonhalogenated Organics by EPA 8015D - DRO/ORO						
	mg/kg	mg/kg		Analyst: JL		Batch: 2338102
Diesel Range Organics (C10-C28)	ND	25.0	1	09/22/23	09/23/23	
Oil Range Organics (C28-C36)	ND	50.0	1	09/22/23	09/23/23	
<i>Surrogate: n-Nonane</i>						
		93.9 %	50-200	09/22/23	09/23/23	
Anions by EPA 300.0/9056A						
	mg/kg	mg/kg		Analyst: BA		Batch: 2339003
Chloride	1880	20.0	1	09/25/23	09/25/23	

QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: BGT Closure Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 9/26/2023 2:20:54PM
--	---	----------------------------------

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 (2338111-BLK1)

Prepared: 09/22/23 Analyzed: 09/26/23

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	7.56		8.00		94.5	70-130			

LCS (2338111-BS1)

Prepared: 09/22/23 Analyzed: 09/26/23

Benzene	4.26	0.0250	5.00		85.2	70-130			
Ethylbenzene	4.18	0.0250	5.00		83.6	70-130			
Toluene	4.23	0.0250	5.00		84.7	70-130			
o-Xylene	4.25	0.0250	5.00		85.0	70-130			
p,m-Xylene	8.55	0.0500	10.0		85.5	70-130			
Total Xylenes	12.8	0.0250	15.0		85.3	70-130			
Surrogate: 4-Bromochlorobenzene-PID	7.58		8.00		94.8	70-130			

Matrix Spike (2338111-MS1)

Source: E309162-22

Prepared: 09/22/23 Analyzed: 09/26/23

Benzene	4.62	0.0250	5.00	ND	92.5	54-133			
Ethylbenzene	4.53	0.0250	5.00	ND	90.6	61-133			
Toluene	4.59	0.0250	5.00	ND	91.8	61-130			
o-Xylene	4.58	0.0250	5.00	ND	91.6	63-131			
p,m-Xylene	9.25	0.0500	10.0	ND	92.5	63-131			
Total Xylenes	13.8	0.0250	15.0	ND	92.2	63-131			
Surrogate: 4-Bromochlorobenzene-PID	7.60		8.00		95.0	70-130			

Matrix Spike Dup (2338111-MSD1)

Source: E309162-22

Prepared: 09/22/23 Analyzed: 09/26/23

Benzene	4.28	0.0250	5.00	ND	85.5	54-133	7.78	20	
Ethylbenzene	4.20	0.0250	5.00	ND	84.0	61-133	7.56	20	
Toluene	4.26	0.0250	5.00	ND	85.2	61-130	7.46	20	
o-Xylene	4.26	0.0250	5.00	ND	85.2	63-131	7.24	20	
p,m-Xylene	8.58	0.0500	10.0	ND	85.8	63-131	7.52	20	
Total Xylenes	12.8	0.0250	15.0	ND	85.6	63-131	7.43	20	
Surrogate: 4-Bromochlorobenzene-PID	7.64		8.00		95.4	70-130			

QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: BGT Closure Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 9/26/2023 2:20:54PM
--	---	----------------------------------

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 (2338111-BLK1)

Prepared: 09/22/23 Analyzed: 09/26/23

Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.54		8.00		94.3			70-130	

LCS (2338111-BS2)

Prepared: 09/22/23 Analyzed: 09/26/23

Gasoline Range Organics (C6-C10)	43.5	20.0	50.0		86.9			70-130	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.50		8.00		93.8			70-130	

Matrix Spike (2338111-MS2)

Source: E309162-22

Prepared: 09/22/23 Analyzed: 09/26/23

Gasoline Range Organics (C6-C10)	44.7	20.0	50.0	ND	89.3			70-130	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.64		8.00		95.6			70-130	

Matrix Spike Dup (2338111-MSD2)

Source: E309162-22

Prepared: 09/22/23 Analyzed: 09/26/23

Gasoline Range Organics (C6-C10)	44.3	20.0	50.0	ND	88.6	70-130	0.844	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.56		8.00		94.3			70-130	

QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: BGT Closure Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 9/26/2023 2:20:54PM
--	---	----------------------------------

Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: JL

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
Blank (2338102-BLK1) Prepared: 09/22/23 Analyzed: 09/22/23									
Diesel Range Organics (C10-C28)	ND	25.0							
Oil Range Organics (C28-C36)	ND	50.0							
Surrogate: n-Nonane	50.0		50.0		100			50-200	
LCS (2338102-BS1) Prepared: 09/22/23 Analyzed: 09/23/23									
Diesel Range Organics (C10-C28)	255	25.0	250		102			38-132	
Surrogate: n-Nonane	52.6		50.0		105			50-200	
Matrix Spike (2338102-MS1) Source: E309162-25 Prepared: 09/22/23 Analyzed: 09/23/23									
Diesel Range Organics (C10-C28)	254	25.0	250	ND	102			38-132	
Surrogate: n-Nonane	52.6		50.0		105			50-200	
Matrix Spike Dup (2338102-MSD1) Source: E309162-25 Prepared: 09/22/23 Analyzed: 09/23/23									
Diesel Range Organics (C10-C28)	251	25.0	250	ND	100			38-132	1.46 20
Surrogate: n-Nonane	53.8		50.0		108			50-200	

QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: BGT Closure Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 9/26/2023 2:20:54PM
--	---	----------------------------------

Anions by EPA 300.0/9056A

Analyst: BA

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
Blank (2339003-BLK1)									
Chloride	ND	20.0							Prepared: 09/25/23 Analyzed: 09/25/23
LCS (2339003-BS1)									
Chloride	249	20.0	250		99.5	90-110			Prepared: 09/25/23 Analyzed: 09/25/23
Matrix Spike (2339003-MS1)									
Chloride	403	20.0	250	160	97.2	80-120			Source: E309118-01 Prepared: 09/25/23 Analyzed: 09/25/23
Matrix Spike Dup (2339003-MSD1)									
Chloride	427	20.0	250	160	107	80-120	5.91	20	Source: E309118-01 Prepared: 09/25/23 Analyzed: 09/25/23

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.	Project Name:	BGT Closure	
PO Box 420	Project Number:	06094-0177	Reported:
Farmington NM, 87499	Project Manager:	Kevin Smaka	09/26/23 14:20

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.



Envirotech Analytical Laboratory

Printed: 9/21/2023 3:08:54PM

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.	Date Received: 09/21/23 14:34	Work Order ID: E309158
Phone: 505-486-6207	Date Logged In: 09/21/23 15:07	Logged In By: Caitlin Mars
Email: kevin.smaka@duganproduction.com	Due Date: 09/28/23 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: Kevin Smaka

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

Comments/Resolution

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

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.

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 291661

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 291661
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	12/7/2023