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 Page 1 of 30

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

| Incident ID | NAPP2222355993 |
|----------------|----------------|
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

NV

)

Accepted - 05/19/2023

| Responsible Party Dugan Production Corp. | OGRID 006515 |
|--|---|
| Contact Name Kevin Smaka | Contact Telephone 505-325-1821 x1049 |
| Contact email Kevin.Smaka@duganproduction.com | Incident # (assigned by OCD) nAPP2222355993 |
| Contact mailing address PO Box 420 Farmington NM 87499 | |

Location of Release Source

Latitude <u>36.1649284</u>

Longitude <u>-107.6724319</u> (NAD 83 in decimal degrees to 5 decimal places)

| Site Name Satchmo Com #1 | Site Type Gas Well |
|--|-----------------------------------|
| Date Release Discovered unknown - historic | API# (if applicable) 30-045-34429 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|----------|
| N | 3 | 22N | 8W | San Juan |

Surface Owner: State Federal Tribal Private (Name: _____

Nature and Volume of Release

| Material | (s) Released (Select all that apply and attach calculations or specific | justification for the volumes provided below) |
|------------------|--|---|
| Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| Produced Water | Volume Released (bbls) unknown | Volume Recovered (bbls) 0 |
| | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | Yes No |
| Condensate | Volume Released (bbls) | Volume Recovered (bbls) |
| 🗌 Natural Gas | Volume Released (Mcf) | Volume Recovered (Mcf) |
| Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |
| Cause of Release | | |

Historic accumulation of saltwater leaks

| Received by OCD: 8/11/20. | 22 3:46:07 PMate of New Mexico | | In a dont ID | Page 2 of 30 |
|--|--|----------------------------|------------------------------|------------------------------|
| Page 2 | Oil Conservation Division | | District RP | NAPP2222355993 |
| | | | Facility ID | |
| | | | Application ID | |
| | | | | |
| Was this a major | If YES, for what reason(s) does the response | nsible party consider | this a major release? | |
| 19.15.29.7(A) NMAC? | Historical leaking and u | inknown quan | tity - NMOCD | NOR qualifies |
| | this as a major release, | , per NMOCD | Permitting s | ite. |
| Yes No | | | | |
| | | | | |
| L. L | | | | |
| If YES, was immediate n | otice given to the OCD? By whom? To whether the other states and the other states are stated as the other states and the other states are states as the other states are states as the other states are states as the other states are states are states as the other states are st | hom? When and by | what means (phone, e | email, etc)? |
| No - opera | ator notified by OCD insp | ector of hi | storical nat | ure of leak |
| attached t | to C-141 | otified 5/13 | /22, samples | taken and are |
| | .0 0 141. | | | |
| | Initial R | esponse | | |
| | | | | 1 1 |
| I ne responsible | party must undertake the following actions immediate | ly unless they could creat | e a safety hazard that would | d result in injury |
| | | | | |
| \square The source of the rele | ease has been stopped. | | | |
| The impacted area has ∇ | as been secured to protect human health and | the environment. | | |
| Released materials ha | ave been contained via the use of berms or o | dikes, absorbent pad | s, or other containmen | nt devices. |
| \square All free liquids and r | ecoverable materials have been removed an | d managed appropria | ately. | |
| If all the actions describe | d above have not been undertaken explain | why. | | |
| | a abore nave <u>nov</u> been andertaken, explain | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Per 19.15.29.8 B. (4) NM | 1AC the responsible party may commence r | emediation immedia | ately after discovery o | f a release. If remediation |
| has begun, please attach | a narrative of actions to date. If remedial nt area (see 19.15.29.11(Λ)(5)(a) NMAC) 1 | efforts have been su | ccessfully completed | or if the release occurred |
| | In area (see 19.15.29.11(A)(5)(a) (WAC), | | | |
| I hereby certify that the info | required to report and/or file certain release not | best of my knowledge | and understand that pur | suant to OCD rules and |
| public health or the environment | ment. The acceptance of a C-141 report by the C | DCD does not relieve the | he operator of liability sl | hould their operations have |
| failed to adequately investig | gate and remediate contamination that pose a three C_{1} | eat to groundwater, sur | face water, human health | h or the environment. In |
| and/or regulations. | a C-141 report does not relieve the operator of | responsibility for com | pliance with any other fe | ederal, state, or local laws |
| | | | | |
| Printed Name: <u>Kevin Sr</u> | naka | Title: <u>Regulatory</u> | Engineer | |
| Signature: Band | 5 Smiller | Date: August 1 | 0. 2022 | |
| | | | | |
| email: <u>Kevin.Smaka@d</u> | uganproduction.com | Telephone: <u>505</u> | -325-1821 x1049 | |
| | | | | |
| | | | | |
| OCD Only | | | | |
| Received by: Jocely | n Harimon | Date: 08/11/2 | 022 | |
| | | | | |

Received by OCD: 8/11/2022 3:46:07 PM Page 3 Oil Conservation Division

| | Page 3 of 3 |
|----------------|----------------|
| Incident ID | NAPP2222355993 |
| District RP | |
| Facility ID | |
| Application ID | |

Site Assessment/Characterization

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

| What is the shallowest depth to groundwater beneath the area affected by the release? | _220(ft bgs) |
|---|--------------|
| Did this release impact groundwater or surface water? | 🗌 Yes 🕅 No |
| Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse? | 🗌 Yes 🕅 No |
| Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)? | 🗌 Yes 🔀 No |
| Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church? | 🗌 Yes 🔀 No |
| Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes? | 🗌 Yes 🕅 No |
| Are the lateral extents of the release within 1000 feet of any other fresh water well or spring? | 🗌 Yes 🕅 No |
| Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field? | 🗌 Yes 🕅 No |
| Are the lateral extents of the release within 300 feet of a wetland? | 🗌 Yes 🕅 No |
| Are the lateral extents of the release overlying a subsurface mine? | 🗌 Yes 🔀 No |
| Are the lateral extents of the release overlying an unstable area such as karst geology? | 🗌 Yes 🔀 No |
| Are the lateral extents of the release within a 100-year floodplain? | 🗌 Yes 🔀 No |
| Did the release impact areas not on an exploration, development, production, or storage site? | 🖾 Yes 🗌 No |

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

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

Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.

Field data

Data table of soil contaminant concentration data

- Depth to water determination
- Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- \mathbf{X} Topographic/Aerial maps
- Laboratory data including chain of custody

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

| Received by OCD: 8/11/ | 2022 3:46:07 PMate of New Mexico | | | Page 4 of 30 |
|--|---|--|--|---|
| D 1 | Oil Concernation Division | Oil Concernation Division | | NAPP2222355993 |
| Page 4 | On Conservation Division | | District RP | |
| | | | Facility ID | |
| | | | Application ID | |
| I hereby certify that the in regulations all operators a public health or the enviro failed to adequately invest addition, OCD acceptance and/or regulations. Printed Name: <u>Kevin</u> Signature: <u></u> email: <u>Kevin.Smaka@</u> | formation given above is true and complete to the re required to report and/or file certain release not inment. The acceptance of a C-141 report by the igate and remediate contamination that pose a thr of a C-141 report does not relieve the operator of Smaka | e best of my knowledge a tifications and perform co OCD does not relieve the reat to groundwater, surfa f responsibility for compl | nd understand that pursu prrective actions for relea e operator of liability sho ce water, human health iance with any other fed Engineer 2022 5-1821 x1049 | ant to OCD rules and ases which may endanger build their operations have or the environment. In leral, state, or local laws |
| OCD Only Received by: Jocel | yn Harimon | Date:08/ | 11/2022 | |

Received by OCD: 8/11/2022 3:46:07 RMate of New MexicoPage 5Oil Conservation Division

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|----------------|----------------|----|
| Incident ID | NAPP2222355993 | |
| District RP | | |
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Remediation Plan

| Remediation Plan Checklist: Each of the following items must b | e included in the plan. |
|--|--|
| Detailed description of proposed remediation technique Scaled sitemap with GPS coordinates showing delineation poin Estimated volume of material to be remediated Closure criteria is to Table 1 specifications subject to 19.15.29. Proposed schedule for remediation (note if remediation plan tin | ts 12(C)(4) NMAC heline is more than 90 days OCD approval is required) |
| Deferral Requests Only: Fach of the following items must be con | afirmed as part of any request for deferral of remediation |
| Contamination must be in areas immediately under or around p deconstruction. Extents of contamination must be fully delineated. | roduction equipment where remediation could cause a major facility |
| Contamination does not cause an imminent risk to human healt | n, the environment, or groundwater. |
| | |
| I hereby certify that the information given above is true and comple- rules and regulations all operators are required to report and/or file which may endanger public health or the environment. The accepta liability should their operations have failed to adequately investigat surface water, human health or the environment. In addition, OCD responsibility for compliance with any other federal, state, or local | te to the best of my knowledge and understand that pursuant to OCD certain release notifications and perform corrective actions for releases unce of a C-141 report by the OCD does not relieve the operator of e and remediate contamination that pose a threat to groundwater, acceptance of a C-141 report does not relieve the operator of laws and/or regulations. |
| Printed Name: <u>Kevin.Smaka</u> | Title: <u>Regulatory Engineer</u> |
| Signature: Klob Smln | Date: <u>August 10, 2022</u> |
| email: <u>Kevin.Smaka@duganproduction.com</u> | Telephone: <u>505-325-1821 x1049</u> |
| OCD Only | |
| | |
| Received by: Jocelyn Harimon | Date:08/11/2022 |
| Approved Approved with Attached Conditions of | Approval Denied Deferral Approved |
| Signature: | Date: |

| Incident ID | |
|----------------|--|
| District RP | |
| Facility ID | |
| Application ID | |

Daga 6 of 20

Closure

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

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

 A scaled site and sampling diagram as described in 19.15.29.11 NMAC

 Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)

 Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)

 Description of remediation activities

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

 Signature:
 Date:

 email:
 Telephone:

 email:
 Date:

 OCD Only
 Date:

 Received by:
 Date:

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

 Closure Approved by:
 Date:

 Printed Name:
 Date:

Satchmo Com #1

Site Characterization and Remediation Plan

30-045-34429 N-03-22N-08W 1250 FSL 1600 FWL

Site and Field Data

Dugan Production was informed by NMOCD of a potential historical spill located off the well pad of the Satchmo Com #1. The inspector noted bare spots off of location and requested Dugan further investigate and remediate if needed.

Dugan collected soil samples of the area and tested for Chlorides, BTEX and TPH. Lab results indicated high concentrations of chlorides. While investigating the site it noted salts had ponded in the area, created a crust and damaged the vegetation in the spill area. Based on these findings Dugan felt it best to report a spill of unknown volume.

After determining a spill had occurred Dugan conducted a site evaluation. Dugan found that groundwater for this spill site is found around 200 feet below surface. A hydrogeologic report for a nearby well was used in making this determination. A copy of the report will be included with this document.

Dugan then generated maps and drew buffers on the maps to ensure the spill location is not within proximity of certain areas. The areas specified in NMAC 19.15.29 have been included as a reference:

(4) If a release occurs within the following areas, the responsible party must treat the release as if it occurred less than 50 feet to ground water in Table I of 19.15.29.12 NMAC:

| | (a) | witinin | |
|--------------------------------|-------------|----------|--|
| | | (i) | 300 feet of any continuously flowing watercourse or any other |
| significant watercourse, or | | | |
| | | (ii) | 200 feet of any lakebed, sinkhole or playa lake (measured from the |
| ordinary high-water mark); | | | |
| | (b) | within 3 | 300 feet from an occupied permanent residence, school, hospital, |
| institution or church; | | | |
| | (c) | within | |
| | | (i) | 500 feet of a spring or a private, domestic fresh water well used by |
| less than five households for | domestic (| or stock | watering purposes, or |
| | | (ii) | 1000 feet of any fresh water well or spring; |
| | (d) | within i | ncorporated municipal boundaries or within a defined municipal |
| fresh water well field covered | l under a r | nunicipa | al ordinance adopted pursuant to Section 3-27-3 NMSA 1978 as |

amended, unless the municipality specifically approves;

- (e) within 300 feet of a wetland;
- (f) within the area overlying a subsurface mine;
- (g) within an unstable area; or

(h) within a 100-year floodplain.

After reviewing the needed maps and other data Dugan has determined the spill did not occur in one of the sensitives areas listed above. Dugan has included maps as evidence that supports this position. The nearest water course is a stock pond approximately 800 feet away. There are no homes or dwelling within 300 feet of the spill area. There are no wells or springs within 1000 feet of the spill. The spill did not occur within municipal boundaries. The spill is not near any wetlands, on top of a mine or lying in a flood plain.

Based on information above Dugan will base closure on the following portion of table 1 of NMAC 19.15.29:

| | | • | |
|-----------|---------------|--------------------------|--------------|
| >100 feet | Chloride*** | EPA 300.0 or SM4500 Cl B | 20,000 mg/kg |
| | TPH | EPA SW-846 Method | 2,500 mg/kg |
| | (GRO+DRO+MRO) | 8015M | |
| | GRO+DRO | EPA SW-846 Method | 1,000 mg/kg |
| | | 8015M | |
| | BTEX | EPA SW-846 Method 8021B | 50 mg/kg |
| | | or 8260B | |
| | Benzene | EPA SW-846 Method 8021B | 10 mg/kg |
| | | or 8260B | |

Remediation Plan

Dugan proposes the following steps to remediate this spill:

- 1. Break up the flocculated/crust of soil that has formed on the surface. Dugan proposes the soil be ripped to achieve this.
- 2. Apply 1000 lbs of gypsum to the ripped soil.
- Soak the ripped soils with fresh water. This will be done using a water truck and a hose. Special care will be taken to prevent run off from spreading to unaffected soils, as needed. The soaking treatment will be done 3 times.
- 4. After these steps Dugan will collect soils samples and have them analyzed in the lab. If lab results are satisfactory Dugan will reseed the spill area with a seed mix reflective of local vegetation.
- 5. Dugan will monitor the area until adequate regrowth has taken place.
- 6. If lab results fail to meet these standards Dugan will apply 500 more pounds of gypsum and soak the spill site again.

In total Dugan is expecting to treat 2000 cubic feet of soil. Dugan expects to have this work completed by November 10th, 2022.

Sampling Plan

In this case Dugan requests permission to sample every 500 square feet with 5 point composite samples. The spill is approximately 4500 square feet. We propose gathering 9 samples. A map is included showing the proposed locations.

Mary Rose Com #2 Hydrogeologic Data

The Mary Rose Com #2 temporary pit is located on Navajo Allotted land on the Chaco Slope area in San Juan County, New Mexico. The region is characterized by broad, gentle, arid mesas bordered by "badlands topography" on surface shale that is dissected by numerous, small, deep cutting arroyos and larger, south-westerly trending valleys drained by large washes (Escavada Wash). There is only minimal if any vegetative cover on the "badlands" areas and sparse grass, sage and isolated stands of pinon and juniper on the mesa tops.

A records search of the NM Office of the State Engineer –iWATERS database was conducted on a three square mile area centered on the Mary Rose Com #2 location (Exhibit 2). No water wells were located in the area. The results of the search are shown on Exhibit 1.

The main source of stock water in the region is encountered in valley-fill deposits in existing arroyos at shallow depths of approximately 15 - 50 feet below the surface and stock tanks constructed on surface shale at the confluences and upper reaches of arroyos. The temporary pit is not located in an arroyo; Escavada Wash is 400-feet northwest, the nearest stock tank is 8,700-feet to the northwest and there is a spring 3,000-feet to the northwest (Exhibit 2).

The Kirtland Shale ranges from the surface down to approximately 245-feet and is comprised of an upper shale member, middle sandstone member (Farmington Ss.) and a lower shale member. The middle sandstone interval is either absent or not developed in the area. There are no reservoir rocks in the section and the Kirtland is not expected to contain groundwater. The Kirtland shale (surface) is breeched down to a depth of 60-feet ¼-mile to the northwest.

The Fruitland Coal and Pictured Cliffs Sandstone from 575-725 feet contain groundwater and natural gas. The water quality is very poor (>10,000 ppm TDS). Water that is recovered with natural gas production is disposed of in nearby salt water disposal wells (analysis of this water is available upon request from Dugan Production)

Based on electric open hole logs, the iWATERS database, literature reviewed, depth to ground water ranges from 15-20 feet below the surface in major arroyos and along Escavada Wash. Moving away from the wash, ground water depth drops rapidly to greater than 220-feet below the surface. At the location of the subject temporary pit, lesser amounts of poor quality ground water might be found at depths of approximately 590-770 feet in the Fruitland Coal and Pictured Cliffs Sandstone interval.

This Hydrogeologic Report was prepared by Mr. Kurt Fagrelius, Geologist for Dugan Production. Mr. Fagrelius has been employed as a geologist for Dugan for the past 32-years, received a MS in Geology from NMIMT in Socorro, NM and a BS in Geology from FLC in Durango, CO.

- Stone, W.J., Lyford, F.P., Frenzel, P.F., Mizell, N.H., and Padgett, E.T., 1983, Hydrogeology and water resources of San Juan Basin, New Mexico: New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.
- Brown, D.R., and Stone, W.J., 1979, Hydrogeology of Aztec quadrangle, San Juan County, New Mexico: New Mexico Bureau of Mines and Mineral Resources Hydrogeologic Sheet 1.
- Levings, G.W., Craigg, S.D., Dam, W.L. Kernodle, J.M., and Thorn, C.R., 1990, Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan Structural Basin, New Mexico, Colorado, Arizona and Utah: U.S. Geological Survey, Atlas HA-720-A, Sheet 1 and 2.
- Thorn, C.R., Levings, G.W., Craigg, S.D., Dam, W.L., and Kernodle, J.M., 1990, Hydrogeology of the Ojo Alamo Sandstone in the San Juan Structural Basin, New Mexico, Colorado, Arizona and Utah: U.S. Geological Survey, Atlas HA-720-B, Sheet 1 and 2.







Received by OCD: 8/11/2022 3:46:07 PM

OSE POD Locations Map



8/8/2022, 4:02:18 PM

OSE District Boundary

SiteBoundaries

| | | 1:9,0 | 28 |
|---|-------------|-------|----------------------------------|
| 0 | 0.05 | 0.1 | 0.2 mi |
| ⊢ | | -+ | - ', ', ', ', , , , , |
| 0 | 0.1 | 0.2 | 0.4 km |
| | | | |

Esri, HERE, GeoTechnologies, Inc., Esri, HERE, Garmin, GeoTechnologies, Inc., U.S. Department of Energy Office of Legacy Management, Maxar

National Flood Hazard Layer FIRMette



Legend



Received by OCD: 8/11/2022 3:46:07 PM

Active Mines in New Mexico



8/8/2022, 3:57:48 PM



Esri, HERE, Garmin, Earthstar Geographics

EMNRD MMD GIS Coordinator





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:

Satchmo #1

| Work Order: | E206042 |
|-------------|------------|
| Job Number: | 06094-0177 |

Received: 6/7/2022

Revision: 1

Report Reviewed By:

Walter Hinchman Laboratory Director 6/10/22

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

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Date Reported: 6/10/22

Kevin Smaka PO Box 420 Farmington, NM 87499

Project Name: Satchmo #1 Workorder: E206042 Date Received: 6/7/2022 3:30:00PM

Kevin Smaka,

C

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 6/7/2022 3:30:00PM, under the Project Name: Satchmo #1.

The analytical test results summarized in this report with the Project Name: Satchmo #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 reguarding 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

Field Offices:

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

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

Envirotech Web Address: www.envirotech-inc.com

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| Sample Summary | | | | | | | | |
|------------------------|---------------|------------------|-------------|----------|------------------|--|--|--|
| Dugan Production Corp. | | Project Name: | Satchmo #1 | | Reported: | | | |
| PO Box 420 | | Project Number: | 06094-0177 | | Reporteur | | | |
| Farmington NM, 87499 | | Project Manager: | Kevin Smaka | | 06/10/22 09:12 | | | |
| Client Sample ID | Lab Sample ID | Matrix | Sampled | Received | Container | | | |
| Satchmo #1 - 1 | E206042-01A | Soil | 06/07/22 | 06/07/22 | Glass Jar, 4 oz. | | | |
| Satchmo #1 - 2 | E206042-02A | Soil | 06/07/22 | 06/07/22 | Glass Jar, 4 oz. | | | |
| | | | | | | | | |



| | | L | | | | |
|---------------------------|------------------|-----------|----------|----------|----------|---------------------|
| Dugan Production Corp. | Project Name: | Satchm | o #1 | | 27 | |
| PO Box 420 | Project Number: | 06094- | 0177 | | | Reported: |
| Farmington NM, 87499 | Project Manager: | Kevin S | Smaka | | | 6/10/2022 9:12:08AM |
| | Satch | mo #1 - 1 | | | | |
| | E20 | 6042-01 | | | | |
| | | Reporting | | | | |
| Analyte | Result | Limit | Dilution | Prepared | Analyzed | Notes |
| Anions by EPA 300.0/9056A | mg/kg | mg/kg | Analyst | KL | | Batch: 2224023 |
| Chloride | 453 | 20.0 | 1 | 06/07/22 | 06/08/22 | |

Sample Data



Received by OCD: 8/11/2022 3:46:07 PM

| Sample Data | | | | | | |
|---------------------------|------------------|-----------|----------|--|----------|---------------------|
| Dugan Production Corp. | Project Name: | Satchm | 10 #1 | | | |
| PO Box 420 | Project Number: | 06094- | 0177 | | | Reported: |
| Farmington NM, 87499 | Project Manager: | Kevin | Smaka | | | 6/10/2022 9:12:08AM |
| | Satchr | no #1 - 2 | | 1997 - C. 1997 - | | |
| | E200 | Reporting | | | | |
| Analyte | Result | Limit | Dilution | Prepared | Analyzed | Notes |
| Anions by EPA 300.0/9056A | mg/kg | mg/kg | Analyst | : KL | | Batch: 2224023 |
| Chloride | 1050 | 20.0 | 1 | 06/07/22 | 06/08/22 | |



Sample Data

| Dugan Production Corp. PO Box 420 | Project Name: Project Number: | Satchn 06094- | no #1 0177 | | | Reported: |
|--------------------------------------|----------------------------------|------------------|---------------|----------|----------|---------------------|
| Farmington NM, 87499 | Project Manager: | Kevin | Smaka | | | 6/10/2022 9:12:08AM |
| Satchmo # 1 - 3 E206042-03 | | | | | | |
| | | Reporting | | | | |
| Analyte | Result | Limit | Dilution | Prepared | Analyzed | Notes |
| Anions by EPA 300.0/9056A | mg/kg | mg/kg | Analyst: | KL | | Batch: 2224023 |
| Chloride | 136 | 20.0 | 1 | 06/07/22 | 06/08/22 | |



| | | QC S | Summa | ry Dat | a | | | | |
|--|-----------------|--|-------------------------|------------------------------------|----------|--------------------|-------------|-------------------|---|
| Dugan Production Corp. PO Box 420 Farmington NM, 87499 | | Project Name: Project Number Project Manager | Sa : 06 r: Ko | tchmo #1 094-0177 evin Smaka | | | | | Reported: 6/10/2022 9:12:08AM |
| | | Anions | by EPA 3 | 00.0/9056A | 4 | | | | Analyst: KL |
| Analyte | Result mg/kg | Reporting Limit mg/kg | Spike Level mg/kg | Source Result mg/kg | Rec % | Rec Limits % | RPD % | RPD Limit % | Notes |
| Blank (2224023-BLK1) | | | | | | | Prepared: 0 | 6/07/22 | Analyzed: 06/08/22 |
| Chloride | ND | 20.0 | | | | | | | |
| LCS (2224023-BS1) | | | | | | | Prepared: 0 | 6/07/22 | Analyzed: 06/08/22 |
| Chloride | 247 | 20.0 | 250 | | 99.0 | 90-110 | | | |
| Matrix Spike (2224023-MS1) | | | | Source: | E206041- | 01 | Prepared: 0 | 6/07/22 | Analyzed: 06/08/22 |
| Chloride | 956 | 20.0 | 250 | 718 | 95.5 | 80-120 | | | |
| Matrix Spike Dup (2224023-MSD1) | | | | Source: | E206041- | 01 | Prepared: 0 | 6/07/22 | Analyzed: 06/09/22 |
| Chloride | 969 | 20.0 | 250 | 718 | 100 | 80-120 | 1.25 | 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.



.

| Dugan Production Corp. | Project Name: | Satchmo #1 | |
|------------------------|------------------|-------------|----------------|
| PO Box 420 | Project Number: | 06094-0177 | Reported: |
| Farmington NM, 87499 | Project Manager: | Kevin Smaka | 06/10/22 09:12 |

| ND | Analyte NOT DETECTED at or a | 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.

.

Project Information

maging: 5/19/2023 9:51:50 AM

Chain of Custody

Page ____ of ____

| Client: Dusa Friduction | Bill To Lab Use Only | | | | | | | TAT EDA Drogen | | | | | | | |
|---|---|-------------|--------------------|---------|---------|--------|--------------|----------------|---------------------------------|--------------------|--------|-----------|------------------------|---------------|-------------|
| Project: Satchno # 1 | Attention: Dugar Production | ~ | Lab WO# Job Number | | | | | 10 | 10 20 20 Standard | | | EPAP | rogram | | |
| Address | Address: | | E2010042 | | | 12 | 2 01094-0177 | | | - | 10 20 | | Januaru | CVVA | SUVV. |
| City State Zip | City, State, Zip | [| | | | | Anal | ysis a | nd Metho | d | | | <u> </u> | | RCR |
| Phone: | Phone: | [| | | | | 1 | | | T | 1 | 1 | T | | - nen |
| Email | Email: | | 015 | 015 | | | | | | | | | | State | 1 |
| Beport due by: | | | oy 8(| oy 8(| 21 | 0 | 0 | 0.0 | | | | | NM CO | UT AZ | TX |
| Time | | | RO | RO I | V 80 | 826 | 601 | e 30 | | | | | | | |
| Sampled Date Sampled Matrix Containers Sampled | | Lab | 0/0 | 0/0 | EXP | Cby | tals | orid | | | | | | L | l |
| em | N | umber | ä | Ü | H | 8 | Me | 5 | | | | | | Remarks | |
| 12:30 6-7-22 5 1 Sc | | 1 | | | | | | 1 | | | | | | | |
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| | $m_{0} \neq 1$ | 2 | | | | | | | | | | | | | |
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| i Sa | no #1 3 | 51 | | 1 | | | | (| | | | | | | |
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| Additional Instructions: | | · . | | | | | 1 | | | | | | | | |
| | | | | | | | | | | | | | | | |
| (field sampler), attest to the validity and authenticity of this sar | I am aware that tampering with or intentionally mislabelling the sa | mala locat | tion | | ****** | I. | | | | | | | | | |
| ate or time of collection is considered fraud and may be ground | galaction. Sampled by: Maris Mit | a of i | uun, | | | D. | acked in | ice at a | ig thermai pre in ave temp a | servatu Dove () | in mus | the recei | ved on ice the day the | y are sampled | or receiver |
| telinquisifed by: (Signature) Date | ne Received by: (Signature) A Date | 1 1 | Tim | ne | | | | | | 1.0 | | 0.1 | c on subsequent days | | |
| KILE 10-7:22 | 30 Pm (Clever & 10/- | 7177 | 1 | 5: | 20 | 1 | locoli | | n inc. | Ga | | e Only | | | |
| elinquished by: (Signature) Date | ne Received by: (Signature) Date | 1100 | Tim | ne | | 21 | lecen | /ed o | in ice: | U, | N | | | | |
| | | | | | | Т | 1 | | 1 | · つ | | | 7.0 | | |
| elinquished by: (Signature) Date | ne Received by: (Signature) Date | | Tim | ne | | - - | * | | - 1 | 4 | | | | | |
| X | | | | | | | VGT | omp | 00 | | | | | | |
| ample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Otl | Cont | tainer Tv | pe: e - | - gla | SS. D - | nol | /nlac | tic a | L ambor | alar | 1 1 | 100 | | | |
| ote: Samples are discarded 30 days after results are repo | inless other arrangements are made. Hazardous samples v | will be ret | turned | to cl | ient o | r disn | osed | of at t | he client o | Bid22 | 0 Th | OA rong | rt for the applied | of the sha | |
| imples is applicable only to those samples received by the | pratory with this COC. The liability of the laboratory is limited | d to the a | amount | nt paid | d for a | in the | repo | rt. | enerri e | spens | | ie repu | reror the analysi | s or the abo | We |
| | | | | | | | | | | | | | | | |
| | | | | | 100 | - | | | | | 1 | | 800 | | 14 |

Received by OCD: 8/11/2022 3:46:07 PM

| | E | nvirotech | Analytica | al Labora | tory | | Printed: 6/7/2022 | 4:05:21PM |
|-------------|---|-----------------------------|------------------|-------------------|------------------|----------------|-------------------|-----------|
| structions | Please take note of any NO checkmarks | Sample I | Receipt Che | cklist (SRC) | | | | |
| we receive | no response concerning these items within 24 hours of the | date of this notic | ce, all the samp | ples will be anal | lyzed as request | ed. | | |
| Client: | Dugan Production Corp. D | ate Received: | 06/07/22 15:3 | 0 | | Work Order ID: | E206042 | |
| Phone: | 505-486-6207 D | ate Logged In | 06/07/22 16:0 | 2 | | Logged In By: | Caitlin Christian | |
| Email: | kevin.smaka@duganproduction.com D | ue Date: | 06/10/22 17:0 | 0 (3 day TAT) | | Logged in Dy. | Callin Christian | |
| Chain of | Custody (COC) | | | | | | | |
| 1 Does th | as sample ID match the COC? | | Vec | | | | | |
| 2. Does th | the number of samples per sampling site location match | the COC | ICS Ver | | | | | |
| 3 Were sa | amples dropped off by client or carrier? | life coc | Yes | | | | | |
| 4 Weg the | a COC complete i e signaturas detes/times requests | d amalwaaa? | Yes | Carrier: M | lario Ulibarri | | | |
| +. was the | s core complete, i.e., signatures, dates/times, requested | u analyses? | Ies | | | | | |
| 5. Were al | Il samples received within holding time? Note: Analysis, such as pH which should be conducted in the i.e. 15 minute hold time, are not included in this disucssion. | e field, | Yes | | | Commen | ts/Resolution | |
| Sample T | Surn Around Time (TAT) | | | Г | | | | |
| 5. Did the | COC indicate standard TAT, or Expedited TAT? | | Yes | | | | | |
| Sample C | Cooler | | | | | | | |
| Was a s | sample cooler received? | | Ves | | | | | |
| If yes, y | was cooler received in good condition? | | Ves | | | | | |
| Was the | e sample(s) received intact i.e. not broken? | | 103 | | | | | |
| 0 Was uit | sample(s) received intact, i.e., not broken? | | Yes | | | | | |
| 0. were a | custody/security seals present? | | No | | | | | |
| 1. If yes, | , were custody/security seals intact? | | NA | | | | | |
| 12. Was the | e sample received on ice? If yes, the recorded temp is 4°C, i.e. Note: Thermal preservation is not required, if samples are re minutes of sampling | ., 6°±2°C eccived w/i 15 | Yes | | | | | |
| 13. If no v | visible ice, record the temperature. Actual sample ter | mperature: <u>4°C</u> | 2 | | | | | |
| Sample C | Container | | | | | | | |
| 14. Are ac | queous VOC samples present? | | No | | | | | |
| 5. Are V | OC samples collected in VOA Vials? | | NA | | | | | |
| 6. Is the | head space less than 6-8 mm (pea sized or less)? | | NA | | | | | |
| 7. Was a | trip blank (TB) included for VOC analyses? | | NA | | | | | |
| 8. Are no | on-VOC samples collected in the correct containers? | | Yes | | | | | |
| 9. Is the a | appropriate volume/weight or number of sample container | s collected? | Yes | | | | | |
| Field Lab | pel | | | | | | | |
| 20. Were t | field sample labels filled out with the minimum inform | nation: | | | | | | |
| Sa | ample ID? | | Yes | | | | | |
| D | ate/Time Collected? | | Yes | L | 1 | | | |
| C | ollectors name? | | Yes | | | | | |
| Sample P | reservation | | | | | | | |
| 1. Does t | the COC or field labels indicate the samples were press | erved? | No | | | | | |
| 2. Are sa | ample(s) correctly preserved? | | NA | | | | | |
| 24. Is lab | filteration required and/or requested for dissolved meta | als? | No | | | | | |
| Multipha | ise Sample Matrix | | | | | | | |
| 26. Does t | the sample have more than one phase, i.e., multiphase? | , | No | | | | | |
| 27. If yes, | , does the COC specify which phase(s) is to be analyze | d? | NA | | | | | |
| Subcontr | act Laboratory | | | | | | | |
| 28. Are sa | amples required to get sent to a subcontract laboratory? | 2 | No | | | | | |
| 0 Wasa | subcontract laboratory specified by the client and if so | who? | NA Sul | bcontract I ab | na | | | |

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





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

| Operator: | OGRID: |
|-----------------------|---|
| DUGAN PRODUCTION CORP | 6515 |
| PO Box 420 | Action Number: |
| Farmington, NM 87499 | 133355 |
| | Action Type: |
| | [C-141] Release Corrective Action (C-141) |

CONDITIONS

| CONDING | | |
|---------------|---|-------------------|
| Created By | Condition | Condition Date |
| nvelez | Accepted for the record. Incident on tribal land. | 5/19/2023 |

CONDITIONS

Page 30 of 30

Action 133355