• <u>District I</u> * 1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Avenue, 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

Form C-144

June 1, 2004

Oil Conservation Division 1220 South St. Francis Dr. Aco Santa Fe, NM 87505

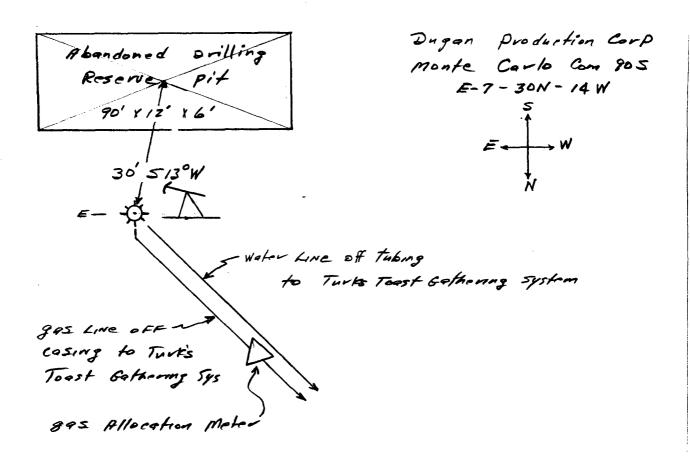
For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade				
Is pit or below-grade tank co	vered by a	a (general	plan"? Yes [⊠ gn [

Type of action: Registration of a pit of	r below-grade tank Colosure of a pit or below-	grade tank 🗵		
Operator: Dugan Production Corp. Telephone: (5	505)325-1821 e-mail@ddress: mar	tyfoutz@duganproduction.com		
Address: P.O. Box 420, Farmington, NM 87499-0420				
Facility or well name: Monte Carlo Com #90S API #: 30-045-3242	5 U/L or Qtr/Qtr E Sec 7 T 30N	R <u>14W</u>		
County: San Juan Latitude 36.82888 Longitude 108.355 NA	AD: 1927 🛮 1983 🔲 Surface Owner Federal 🗍	State Private Indian		
Pit	Below-grade tank			
Type: Drilling 🛮 Production 🗌 Disposal 🗌	Volume:bbl Type of fluid:			
Workover	Construction material:			
Lined 🛮 Unlined 🗌	Double-walled, with leak detection? Yes If not, explain why not.			
Liner type: Synthetic ☑ Thickness <u>6</u> mil Clay □				
Pit Volume <u>±875</u> bbl				
Depth to ground water (vertical distance from bottom of pit to seasonal high	Less than 50 feet	(20 points)		
water elevation of ground water.)	50 feet or more, but less than 100 feet	(10 points)		
•	100 feet or more	(0 points) 10		
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points)		
water source, or less than 1000 feet from all other water sources.)	No	(0 points) 0		
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)		
irrigation canals, ditches, and perennial and ephemeral watercourses.)	200 feet or more, but less than 1000 feet	(10 points)		
	1000 feet or more	(0 points) 20		
	Ranking Score (Total Points)	30		
If this is a pit closure: (1) attach a diagram of the facility showing the pit's	relationship to other equipment and tanks. (2) Inc	dicate disposal location: (check the onsite box if		
your are burying in place) onsite \(\square\) offsite \(\square\) If offsite, name of facility_		•		
remediation start date and end date. (4) Groundwater encountered: No 🖸 Y				
Attach soil sample results and a diagram of sample locations and excavation		and armon sample results. (5)		
Attach son sample results and a diagram of sample locations and excuration	3.			
Facility diagram, description of remedial action and alternative to NMOCD	middling and managed at a set of a land			
racinty diagram, description of remedian action and alternative to NWOCD	guidennes are presented on attached page.			
I hereby certify that the information above is true and complete to the best o been/will be constructed or closed according to NMOCD guidelines, Date:February 21, 2005 Printed Name/Title Marty Foutz, Production Foreman	a general permit , or an (attached) alternati	ve OCD-approved plan ⊠.		
Your certification and NMOCD approval of this application/closure does no otherwise endanger public health or the environment. Nor does it relieve the regulations.	ot relieve the operator of liability should the content of the operator of its responsibility for compliance with	nts of the pit or tank contaminate ground water or h any other federal, state, or local laws and/or		
Approval: DEPUTY OIL & GAS INSPECTOR, DIST. (78) Printed Name/Title	Signature Denift	EN PEB 2 3 2005		
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SUPPLEMENTAL INFORMATION NMOCD FORM C-144 DATED 2-21-05 DUGAN PRODUCTION CORP.'S MONTE CARLO COM #90s

1. Facility Diagram (not drawn to scale)



- 2. Remedial Action The reserve pit liner was intact and only fluids used to drill the well were placed in the pit. No salt zones were encountered. Completion fluids were stored and/or produced into a temporary steel tank. On 1-14-05, the reserve pit was fairly dry with spotty soft areas. The pit liner was cut at the mud line and the recovered liner disposed of at Waste Management's Crouch Mesa landfill. The pit area was covered with stockpiled top soil to a depth of at least 3'. The surface was contoured and will be seeded in early spring.
- 3. Alternative to NMOCD Guidelines The Monte Carlo Com #90S is located upon a fee lease, however the 320 acre spacing unit includes Federal Lease NM-16765 and until a general permit is prepared and approved, Dugan Production Corp. intends to follow NMOCD guidelines modified only as necessary to comply with stipulations imposed by the Bureau of Land Management.