District I
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

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

Form C-144
June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

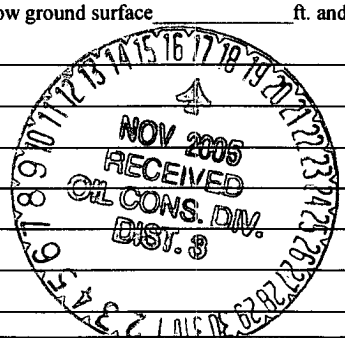
Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Dugan Production Corp Telephone: (505)325-1821 e-mail address:
Address: P.O. Box 420, Farmington, New Mexico 87401
Facility or well name: Dorsey 1 API #: 30-045-29909 U/L or Qtr/Qtr E Sec 26 T 22N R 8W
County: San Juan Latitude 36.11308 Longitude 107.65794 NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**		
Type: Drilling ☐ Production ☒ Disposal ☐ Workover ☐ Emergency ☐ Lined ☐ Unlined ☒ Liner type: Synthetic ☐ Thickness ____mil Clay ☐ Pit Volume 60 ± bbl	Volume: ____bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes ☐ If not, explain why not.		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)	0
	Ranking Score (Total Points)		0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☒ offsite ☐ If offsite, name of facility_____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface_____ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:
9' x 9' x 4'± deep unlined production pit., center located 33 feet South 18° West of wellhead.
Collect 5 point composite of pit with backhoe from base to 3 feet below base for laboratory testing.
See attached field sampling report and laboratory test reports.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**
Date: Nov 15, 2005
Printed Name/Title Jeff Blagg, Agent Signature Jeff Blagg

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: DEPUTY OIL & GAS INSPECTOR, DIST. #3
Printed Name/Title_____ Signature Denny Foust Date: NOV 17 2005

00-043 - C710 I 36.11308 x 107.65174

CLIENT: DUGAN

BLAGG ENGINEERING, INC.
P.O. BOX 87, BLOOMFIELD, NM 87413
(505) 632-1199

LOCATION NO:
COCR NO: 14584

FIELD REPORT: PIT CLOSURE VERIFICATION

PAGE No: 1 of 1

LOCATION: NAME: DORSEY WELL #: 1 TYPE: SEP
QUAD/UNIT: E SEC: 26 TWP: 22N RNG: 8W PM: NM CNTY: SJ ST: NM
QTR/FOOTAGE: 1720 FNL x 790 FWL CONTRACTOR: DPC

DATE STARTED: 11-2-05
DATE FINISHED: 11-2-05
ENVIRONMENTAL SPECIALIST: JCB

EXCAVATION APPROX. NA FT. x NA FT. x NA FT. DEEP. CUBIC YARDAGE: 0
DISPOSAL FACILITY: NA REMEDIATION METHOD: CLOSE AS IS
LAND USE: RANGE - BLM LEASE: NM 90472 FORMATION: CHACRA

FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY 33 FT. S 18 W FROM WELLHEAD.
DEPTH TO GROUNDWATER: >100 NEAREST WATER SOURCE: >1000 NEAREST SURFACE WATER: >1000
NMOCD RANKING SCORE: 0 NMOCD TPH CLOSURE STD: 5000 PPM

OVM CALIB. READ. = 52.2 ppm
OVM CALIB. GAS = 100 ppm RF = 0.52
TIME: 1355 am/pm DATE: 11-2-05

SOIL AND EXCAVATION DESCRIPTION:

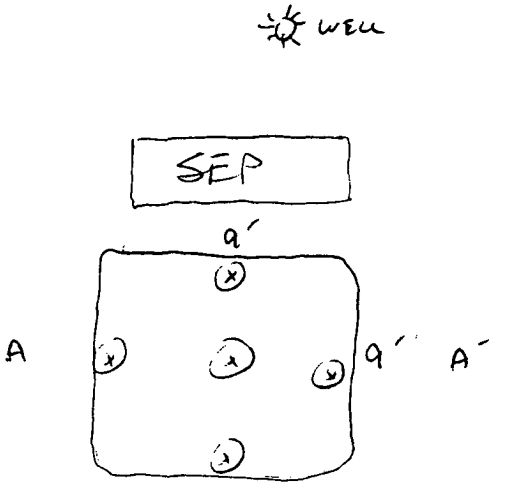
SOIL TYPE: SAND / SILTY SAND / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER SLTY clayey Sand
SOIL COLOR: DARK BROWN
COHESION (ALL OTHERS): NON COHESIVE / (SLIGHTLY COHESIVE) COHESIVE / HIGHLY COHESIVE
CONSISTENCY (NON COHESIVE SOILS): LOOSE / (FIRM) / DENSE / VERY DENSE
PLASTICITY (CLAYS): NON PLASTIC / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC
DENSITY (COHESIVE CLAYS & SILTS): SOFT / (FIRM) / STIFF / VERY STIFF / HARD
MOISTURE: DRY / (SLIGHTLY MOIST) / MOIST / WET / SATURATED / SUPER SATURATED
DISCOLORATION/STAINING OBSERVED: YES / (NO) EXPLANATION -
HC ODOR DETECTED: YES / (NO) EXPLANATION -
SAMPLE TYPE: GRAB / (COMPOSITE) # OF PTS. 5
ADDITIONAL COMMENTS: 9'x9'x4' Deep Earthen Pit. Use Backhoe to Dig into Pit for Samples

FIELD 418.1 CALCULATIONS

SAMP. TIME	SAMP. ID	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. (ppm)

SCALE 0 FT

PIT PERIMETER



OVM READING

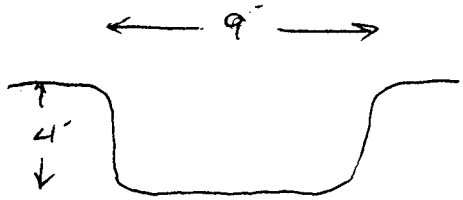
SAMPLE ID	FIELD HEADSPACE (ppm)
1 @	
2 @	
3 @	
4 @	
5 @	
5-Point Composite @ 7'	0.0

LAB SAMPLES

SAMPLE ID	ANALYSIS	TIME
5-Point	~~TPH/BTEX~~ Cl-	1300

P.D. = PIT DEPRESSION; B.G. = BELOW GRADE; B = BELOW
T.H. = TEST HOLE; ~ = APPROX.; T.B. = TANK BOTTOM

PIT PROFILE



TRAVEL NOTES: CALLOUT: ONSITE: 11/2/05

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Dorsey 1	Date Reported:	11-08-05
Laboratory Number:	34903	Date Sampled:	11-02-05
Chain of Custody No:	14584	Date Received:	11-03-05
Sample Matrix:	Soil	Date Extracted:	11-07-05
Preservative:	Cool	Date Analyzed:	11-08-05
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**0.4**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**0.4**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Various Pit Closures 5 - Point Composite.**

Christine M Walker
Analyst

Mary Bruce
Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Dorsey 1	Date Reported:	11-08-05
Laboratory Number:	34903	Date Sampled:	11-02-05
Chain of Custody:	14584	Date Received:	11-03-05
Sample Matrix:	Soil	Date Analyzed:	11-08-05
Preservative:	Cool	Date Extracted:	11-07-05
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**1.8**
Toluene	**79.9**	**1.7**
Ethylbenzene	**24.8**	**1.5**
p,m-Xylene	**208**	**2.2**
o-Xylene	**34.9**	**1.0**
Total BTEX	**348**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**97.0 %**
	1,4-difluorobenzene	**97.0 %**
	Bromochlorobenzene	**97.0 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Various Pit Closures 5 - Point Composite.**

Christine M Walters
Analyst

Mary Bruce
Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Dorsey 1	Date Reported:	11-09-05
Lab ID#:	34903	Date Sampled:	11-02-05
Sample Matrix:	Soil	Date Received:	11-03-05
Preservative:	Cool	Date Extracted:	11-07-05
Condition:	Cool and Intact	Date Analyzed:	11-08-05
		Chain of Custody:	14584

Parameter	Concentration (mg/L)
Total Chloride	**92.0**

Reference: Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Various Pit Closures 5 - Point Composite.**

Mary Bruce
Analyst

Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865