

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

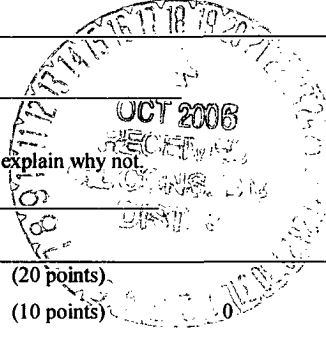
Form C-144
June 1, 2004

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: <u>Dugan Production Corp</u> Telephone: <u>(505)325-1821</u> e-mail address: _____ | | |
| Address: <u>P.O. Box 420, Farmington, New Mexico 87401</u> | | |
| Facility or well name: <u>July Jubilee No. 2</u> API #: <u>30-045-25123</u> U/L or Qtr/Qtr <u>D</u> Sec <u>29</u> T <u>24N</u> R <u>9W</u> | | |
| County: <u>San Juan</u> Latitude <u>36.29008</u> Longitude <u>107.81866</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/> | | |
| Pit Type: Drilling <input type="checkbox"/> Production <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input checked="" type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/> Pit Volume <u>120 ±</u> bbl | Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> 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 (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points) | |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) | Yes (20 points) No (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 (20 points) 200 feet or more, but less than 1000 feet (10 points) 0 1000 feet or more (0 points) | |
| 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 you 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: |
| 15' x 15' x 3'± deep unlined production separator pit, center located at approximately 33 feet South 17° East of wellhead. |
| Use backhoe to dig into pit and sample. Submit 5-point composite sample to laboratory for testing. |
| Bedrock sandstone below pit base. |
| |
| |

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: October 17, 2006

Printed Name/Title Jeffrey C Blagg, Agent

Signature Jeffrey C. 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. IV

Printed Name/Title _____

Signature Brandon L. M.

Date: OCT 18 2006

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

LOCATION NO: _____

COCR NO: 14709**FIELD REPORT: PIT CLOSURE VERIFICATION**PAGE No: 1 of 1LOCATION: NAME: JULY JUBILEE WELL #: 2 TYPE: SEPDATE STARTED: 10-4-06QUAD/UNIT: D SEC: 29 TWP: 24N RNG: 9W PM: NM CNTY: SJ ST: NMDATE FINISHED: 10-4-06QTR/FOOTAGE: 790 FNL x 790 FWL CONTRACTOR: DPC - TAYLORENVIRONMENTAL SPECIALIST: JCBEXCAVATION APPROX. NA FT. x NA FT. x NA FT. DEEP. CUBIC YARDAGE: 0DISPOSAL FACILITY: NA REMEDIATION METHOD: CLOSE AS ISLAND USE: RANGE - BLM LEASE: NM 24661 FORMATION: GALFIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY 33 FT. SITE FROM WELLHEAD.DEPTH TO GROUNDWATER: >100 NEAREST WATER SOURCE: >1000 NEAREST SURFACE WATER: >1000NMOC D RANKING SCORE: 0 NMOC D TPH CLOSURE STD: 5000 PPM**SOIL AND EXCAVATION DESCRIPTION:**
 OVM CALIB. READ. = 53.3 ppm
 OVM CALIB. GAS = 100 ppm RF = 0.52
 TIME: 0625 am/pm DATE: 10-4-06
SOIL TYPE: SAND / SILTY SAND / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER BEDROCK SS @ 6'

SOIL COLOR: _____

COHESION (ALL OTHERS): NON COHESIVE / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVECONSISTENCY (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 SATURATEDDISCOLORATION/STAINING OBSERVED YES / NO EXPLANATION - GRAY 3'-6'HC ODOR DETECTED: YES / NO EXPLANATION - V. MINOR

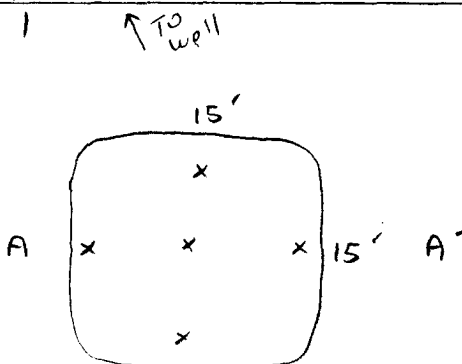
SAMPLE TYPE: GRAB / COMPOSITE - # OF PTS. _____

ADDITIONAL COMMENTS: 15 x 15 x 3' ± UNLINED PIT. USE BACKHOE TO DIG INTO PIT & SAMPLE**SCALE**

0 1 FT

FIELD 418.1 CALCULATIONS

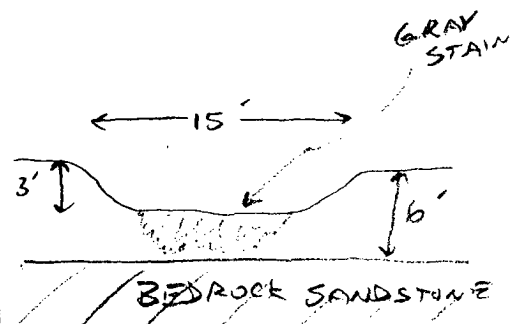
| SAMP. TIME | SAMP. ID | LAB NO. | WEIGHT (g) | mL FREON | DILUTION | READING | CALC. (ppm) |
|------------|----------|---------|------------|----------|----------|---------|-------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

PIT PERIMETER**OVM READING**

| SAMPLE ID | FIELD HEADSPACE (ppm) |
|-----------|-----------------------|
| 1 @ | |
| 2 @ | |
| 3 @ | |
| 4 @ | |
| 5 @ | |
| 5-PA 26' | <u>54</u> |
| | |
| | |
| | |

LAB SAMPLES

| SAMPLE ID | ANALYSIS | TIME |
|-----------|----------|------|
| 5-PA | TPH | 1500 |
| | BTE | |
| | CL- | |
| | | |
| | | |

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

TRAVEL NOTES:

CALLOUT: _____

ONSITE: 10/4/06

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified Nonhalogenated Volatile Organics Total Petroleum Hydrocarbons

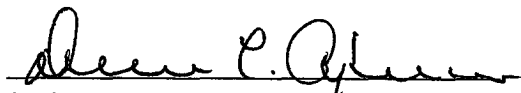
| | | | |
|----------------------|-----------------------|---------------------|-----------|
| Client: | Blagg / Dugan | Project #: | 94034-010 |
| Sample ID: | July Jubilee #2 - Sep | Date Reported: | 10-11-06 |
| Laboratory Number: | 38755 | Date Sampled: | 10-04-06 |
| Chain of Custody No: | 14709 | Date Received: | 10-06-06 |
| Sample Matrix: | Soil | Date Extracted: | 10-09-06 |
| Preservative: | Cool | Date Analyzed: | 10-10-06 |
| Condition: | Cool and Intact | Analysis Requested: | 8015 TPH |

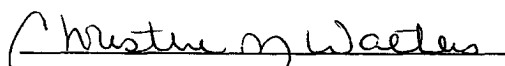
| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) |
|------------------------------|--------------------------|--------------------------|
| Gasoline Range (C5 - C10) | 340 | 0.2 |
| Diesel Range (C10 - C28) | 4,850 | 0.1 |
| Total Petroleum Hydrocarbons | 5,190 | 0.2 |

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 @ 6'**


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

| | | | |
|--------------------|-----------------------|---------------------|-----------|
| Client: | Blagg / Dugan | Project #: | 94034-010 |
| Sample ID: | July Jubilee #2 - Sep | Date Reported: | 10-10-06 |
| Laboratory Number: | 38755 | Date Sampled: | 10-04-06 |
| Chain of Custody: | 14709 | Date Received: | 10-06-06 |
| Sample Matrix: | Soil | Date Analyzed: | 10-10-06 |
| Preservative: | Cool | Date Extracted: | 10-09-06 |
| Condition: | Cool & Intact | Analysis Requested: | BTEX |

| Parameter | Concentration (ug/Kg) | Det. Limit (ug/Kg) |
|--------------|--------------------------|--------------------------|
| Benzene | ND | 1.8 |
| Toluene | 1,670 | 1.7 |
| Ethylbenzene | 179 | 1.5 |
| p,m-Xylene | 7,060 | 2.2 |
| o-Xylene | 1,810 | 1.0 |
| Total BTEX | 10,720 | |

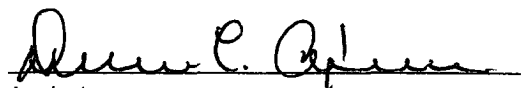
ND - Parameter not detected at the stated detection limit.

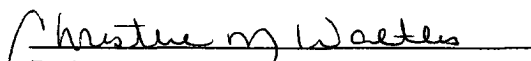
| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|---------------------|------------------|
| | Fluorobenzene | 98.0 % |
| | 1,4-difluorobenzene | 98.0 % |
| | Bromochlorobenzene | 98.0 % |

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 @ 6'


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

| | | | |
|----------------|-----------------------|-------------------|-----------|
| Client: | Blagg / Dugan | Project #: | 94034-010 |
| Sample ID: | July Jubilee #2 - Sep | Date Reported: | 10-10-06 |
| Lab ID#: | 38755 | Date Sampled: | 10-04-06 |
| Sample Matrix: | Soil | Date Received: | 10-06-06 |
| Preservative: | Cool | Date Analyzed: | 10-10-06 |
| Condition: | Cool and Intact | Chain of Custody: | 14709 |

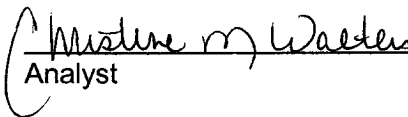
| Parameter | Concentration (mg/Kg) |
|-----------|-----------------------|
|-----------|-----------------------|

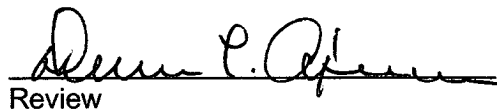
Total Chloride

314

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

Comments: Various Pit Closures 5-Point @ 6'


Analyst


Review