

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>Navajo 10-22-7 No. 1</u> API #: <u>30-043-20346</u> U/L or Qtr/Qtr <u>N</u> Sec <u>10</u> T <u>22N</u> R <u>7W</u>		
County: <u>Sandoval</u> Latitude <u>36.14955</u> Longitude <u>107.56523</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input checked="" 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. _____	RCVD DEC 14 2006 OIL CONS. DIV. DIST. 3
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 (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 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 (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 pit, center located at approximately 96 Feet North 49° East of wellhead
Use backhoe to dig into pit and sample. Submit 5-point composite sample from pit walls and base
for laboratory testing.

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: December 11, 2006

Printed Name/Title Jeffrey C Blagg, Agent

Signature Jeffrey C. Blagg


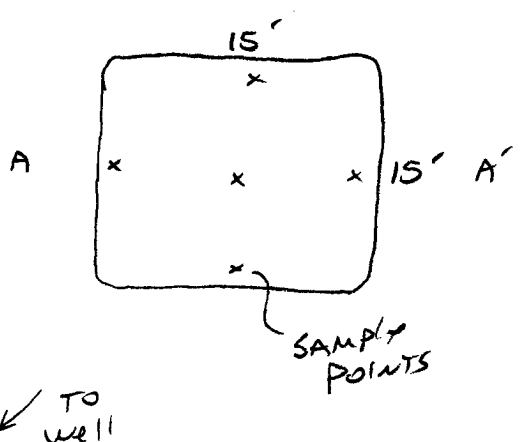
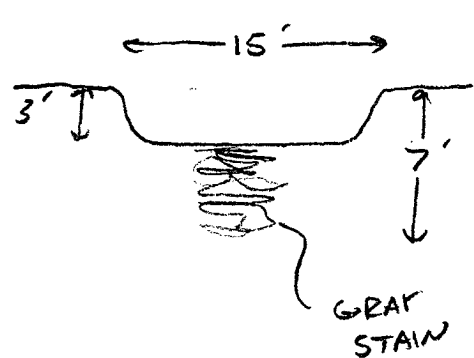
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with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

Approval:

Printed Name/Title DEPUTY OIL & GAS INSPECTOR, DIST. #3

Signature [Signature]

Date: DEC 14 2006

CLIENT: <u>DUGAN</u>	BLAGG ENGINEERING, INC. P.O. BOX 87, BLOOMFIELD, NM 87413 (505) 632-1199	LOCATION NO: _____ COCR NO: <u>14726</u>																																								
FIELD REPORT: PIT CLOSURE VERIFICATION		PAGE No: <u>1</u> of <u>1</u>																																								
LOCATION: NAME: <u>NAVATO 10-22-7</u> WELL #: <u>1</u> TYPE: <u>SEP</u> QUAD/UNIT: <u>N</u> SEC: <u>10</u> TWP: <u>22N</u> RNG: <u>7W</u> PM: <u>NM</u> CNTY: <u>SN</u> ST: <u>NM</u> QTR/FOOTAGE: <u>1180FSL x 1790 FWL</u> CONTRACTOR: <u>SIERRA - HAROLD</u>		DATE STARTED: <u>11-13-06</u> DATE FINISHED: <u>11-13-06</u> ENVIRONMENTAL SPECIALIST: <u>JCB</u>																																								
EXCAVATION APPROX. <u>NA</u> FT. x <u>NA</u> FT. x <u>NA</u> FT. DEEP. CUBIC YARDAGE: <u>0</u>																																										
DISPOSAL FACILITY: <u>NA</u> REMEDIATION METHOD: <u>CLOSE AS IS</u>																																										
LAND USE: <u>RANGE</u> LEASE: <u>N00-C-14-20-5594</u> FORMATION: <u>CHACRA</u>																																										
FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY <u>96</u> FT. <u>N49E</u> FROM WELLHEAD. DEPTH TO GROUNDWATER: <u>>100</u> NEAREST WATER SOURCE: <u>>1000</u> NEAREST SURFACE WATER: <u>>1000</u> NMOCD RANKING SCORE: <u>0</u> NMOCD TPH CLOSURE STD: <u>5000</u> PPM																																										
SOIL AND EXCAVATION DESCRIPTION: SOIL TYPE: SAND <u>(SILTY SAND)</u> SILT / SILTY CLAY / CLAY / GRAVEL / OTHER _____ SOIL COLOR: <u>TAN</u> COHESION (ALL OTHERS): NON COHESIVE <u>(SLIGHTLY COHESIVE)</u> COHESIVE / HIGHLY COHESIVE CONSISTENCY (NON COHESIVE SOILS): LOOSE <u>(FIRM)</u> 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 <u>(SLIGHTLY MOIST)</u> MOIST / WET / SATURATED / SUPER SATURATED DISCOLORATION/STAINING OBSERVED: <u>YES</u> / NO EXPLANATION - <u>3'-7' ONLY IN center</u> HC ODOR DETECTED: YES <u>(NO)</u> EXPLANATION - _____ SAMPLE TYPE: GRAB <u>(COMPOSITE)</u> # OF PTS. <u>5</u> ADDITIONAL COMMENTS: <u>15'x15'x3'± Deep Unlined Pit</u> <u>GRAB from 3'-7' IN center only.</u> <u>USE BACKHOE TO DIG INTO PIT & SAMPLE.</u>		OVM CALIB. READ. = <u>53.1</u> ppm OVM CALIB. GAS = <u>100</u> ppm RF = 0.52 TIME: <u>0630</u> am/pm DATE: <u>11/13</u>																																								
FIELD 418.1 CALCULATIONS																																										
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P.D. = PIT DEPRESSION; B.G. = BELOW GRADE; B = BELOW T.H. = TEST HOLE; ~ = APPROX.; T.B. = TANK BOTTOM																																										
TRAVEL NOTES: CALLOUT: _____ ONSITE: <u>11/13/06</u>																																										

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified Nonhalogenated Volatile Organics Total Petroleum Hydrocarbons

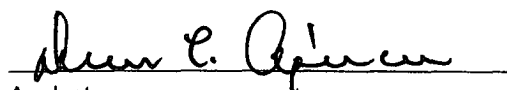
Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Navajo 10-22-7 #1	Date Reported:	11-25-06
Laboratory Number:	39221	Date Sampled:	11-13-06
Chain of Custody No:	14726	Date Received:	11-17-06
Sample Matrix:	Soil	Date Extracted:	11-21-06
Preservative:	Cool	Date Analyzed:	11-25-06
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

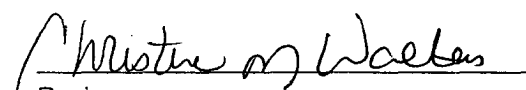
Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	ND	0.2
Diesel Range (C10 - C28)	ND	0.1
Total Petroleum Hydrocarbons	ND	0.2

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: **Pit Closures 5-Point Composite**


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Navajo 10-22-7 #1	Date Reported:	11-25-06
Laboratory Number:	39221	Date Sampled:	11-13-06
Chain of Custody:	14726	Date Received:	11-17-06
Sample Matrix:	Soil	Date Analyzed:	11-25-06
Preservative:	Cool	Date Extracted:	11-21-06
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	ND	1.8
Toluene	ND	1.7
Ethylbenzene	12.4	1.5
p,m-Xylene	57.1	2.2
o-Xylene	19.2	1.0
Total BTEX	88.7	

ND - Parameter not detected at the stated detection limit.


Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	99.0 %
	1,4-difluorobenzene	99.0 %
	Bromochlorobenzene	99.0 %

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: Pit Closures 5-Point Composite


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Navajo 10-22-7 #1	Date Reported:	11-25-06
Lab ID#:	39221	Date Sampled:	11-13-06
Sample Matrix:	Soil	Date Received:	11-17-06
Preservative:	Cool	Date Analyzed:	11-22-06
Condition:	Cool and Intact	Chain of Custody:	14726

Parameter

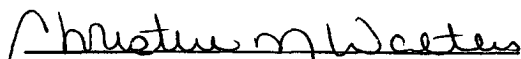
Concentration (mg/Kg)

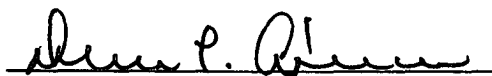
Total Chloride

752

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

Comments: Pit Closures 5-Point Composite


Analyst


Review