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

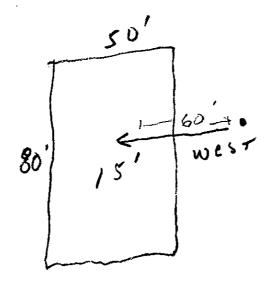
Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144 June 1, 2004

Santa Fe, NM 87505

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: mstbbrown@duganproduction.com  Address: P.O. Box 420, Farmington, NM 87499-0420		
Facility or well name: Sponge Bob #1 SWD API #: 30-045-33927 U/L or Qtr/Qtr K Sec 36 T 30N R 14W  County: San Juan Latitude 36.76912 Longitude 108,2634 NAD: 1927 \(\times\) 1983 \(\times\) Surface Owner Federal \(\times\) State \(\times\) Private \(\times\) Indian \(\times\)		
RCVD APR10'07		
<u>Pit</u>	Below-grade tank  OH COMC DIE	
Type: Drilling Production Disposal D	Volume:bbl Type of fluid:	OIL CONS. DIV.
Workover	Construction material: DIST. 3	
Lined 🖾 Unlined 🗌	Double-walled, with leak detection? Yes  If not, explain why not.	
Liner type: Synthetic ☑ Thickness <u>12</u> mil Clay ☐		
Pit Volume <u>10700</u> bb1		
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet	(20 points)
high water elevation of ground water.)	50 feet or more, but less than 100 feet	(10 points)
·	100 feet or more	( 0 points) 0
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)
ingation catalo, citores, and perennal and epitemeral watercourses.	1000 feet or more	( 0 points) 10
		10
	Ranking Score (Total Points)	
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 surfaceft. and attach sample results. (5)		
Attach soil sample results and a diagram of sample locations and excavations.		
The drilling/reserve pit at the Sponge Bob #1 SWD closure. The pit liner cut off at the mudline and disposed of at the Waste Management Landfill substation. The pits dimensions		
are approx. 15' deep x 50' wide x 80' length with an average 3' slope and its center is approx. W 60' of wellhead. See attached. 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.		
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: April 9, 2007		
Printed Name/Title Mark Brown, Drilling Foreman Signature That Jeil for Wark Brown		
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 agruit Oil & GAS INSPECTOR, DIST. 20	Signature Branghan Fell	Date: APR 1 0 2007



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