

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>Sapp C No. 3</u> API #: <u>30-039-23048</u> U/L or Qtr/Qtr <u>O</u> Sec <u>5</u> T <u>23N</u> R <u>7W</u>  |  |   |
| County: <u>Rio Arriba</u> Latitude <u>36.25151</u> Longitude <u>107.59435</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 type="checkbox"/>  |  |   |
| RCVD SEP 19 '07<br>OIL CONS. DIV.<br>DIST. 3   |  |   |
| <b>Pit</b><br>Type: Drilling <input type="checkbox"/> Production <input checked="" type="checkbox"/> Disposal <input type="checkbox"/><br>Workover <input type="checkbox"/> Emergency <input type="checkbox"/><br>Lined <input type="checkbox"/> Unlined <input checked="" type="checkbox"/><br>Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/><br>Pit Volume <u>34 ±</u> bbl | <b>Below-grade tank</b><br>Volume: _____ bbl Type of fluid: _____<br>Construction material: _____<br>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<br>50 feet or more, but less than 100 feet<br>100 feet or more   | (20 points)<br>(10 points) 0<br>( 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<br>No  | (20 points)<br>( 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<br>200 feet or more, but less than 1000 feet<br>1000 feet or more   | (20 points)<br>(10 points) 0<br>( 0 points) |
| <b>Ranking Score (Total Points)</b>  |  | 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:   |
| Very Small 8' x 8' x 3'± deep unlined production tank pit, center located at approximately 84 Feet South 65° West of wellhead. |
| Use backhoe to collect sample for lab 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: September 17, 2007

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,  
District #3


Printed Name/Title \_\_\_\_\_

Signature [Signature]

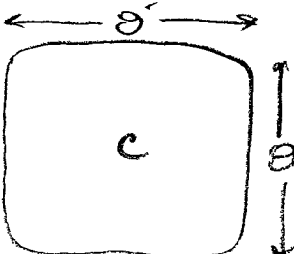
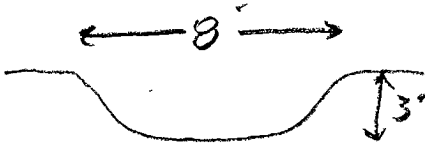
SEP 21 2007

|   |   |  |
|---|---|--|
| CLIENT: <u>DUGAN</u>  | <b>BLAGG ENGINEERING, INC.</b><br><b>P.O. BOX 87, BLOOMFIELD, NM 87413</b><br><b>(505) 632-1199</b> | LOCATION NO: _____<br>COCR NO: <u>2016</u>   |
| <b>FIELD REPORT: PIT CLOSURE VERIFICATION</b>   |   | PAGE No: <u>1</u> of <u>1</u>  |
| LOCATION: NAME: <u>SAPP C</u> WELL #: <u>3</u> TYPE: <u>TANK</u><br>QUAD/UNIT: <u>0</u> SEC: <u>5</u> TWP: <u>23N</u> RNG: <u>7W</u> PM: <u>NM</u> CNTY: <u>RA</u> ST: <u>NM</u><br>QTR/FOOTAGE: <u>890 FSL x 1930 FEL</u> CONTRACTOR: <u>SIFERRA</u>   |   | DATE STARTED: <u>7-18-07</u><br>DATE FINISHED: <u>7-18-07</u><br>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 - BLM</u> LEASE: <u>SF - 080230</u> FORMATION: <u>GAL</u>  |   |  |
| FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY <u>84</u> FT. <u>SW</u> FROM WELLHEAD  |   |  |
| DEPTH TO GROUNDWATER: <u>&gt;100</u> NEAREST WATER SOURCE: <u>&gt;1000</u> NEAREST SURFACE WATER: <u>&gt;1000</u>   |   |  |
| NMOCD RANKING SCORE: <u>0</u> NMOCD TPH CLOSURE STD: <u>5000</u> PPM  |   |  |
| SOIL AND EXCAVATION DESCRIPTION:  |   | OVM CALIB. READ. = <u>53.7</u> ppm<br>OVM CALIB. GAS = <u>100</u> ppm RF = 0.52<br>TIME: <u>0845</u> am/pm DATE: <u>7-18</u> |
| SOIL TYPE: <u>SAND / SILTY SAND / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER</u><br>SOIL COLOR: <u>TAN</u><br>COHESION (ALL OTHERS): <u>NON COHESIVE</u> SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE<br>CONSISTENCY (NON COHESIVE SOILS): <u>LOOSE</u> FIRM / DENSE / VERY DENSE<br>PLASTICITY (CLAYS): <u>NON PLASTIC</u> / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC<br>DENSITY (COHESIVE CLAYS & SILTS): <u>SOFT</u> / FIRM / STIFF / VERY STIFF / HARD<br>MOISTURE: <u>DRY</u> / SLIGHTLY MOIST / MOIST / WET / SATURATED / SUPER SATURATED<br>DISCOLORATION/STAINING OBSERVED: <u>YES</u> NO EXPLANATION: <u>U. like to 5'</u><br>HC ODOR DETECTED: <u>YES</u> NO EXPLANATION: <u>U. like</u><br>SAMPLE TYPE: <u>GRAB</u> / COMPOSITE - # OF PTS. _____<br>ADDITIONAL COMMENTS: <u>SMALL, 8'x8'x3' unlined Pit. Use Backhoe to sample.</u> |   |  |

| SCALE<br><br>0 10 FT | FIELD 418.1 CALCULATIONS   |            |            |          |            |          |             |         |             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|------------|------------|----------|------------|----------|-------------|---------|-------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>SAMP. TIME</th> <th>SAMP. ID</th> <th>LAB NO.</th> <th>WEIGHT (g)</th> <th>mL FREON</th> <th>DILUTION</th> <th>READING</th> <th>CALC. (ppm)</th> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table> | SAMP. TIME | SAMP. ID   | LAB NO.  | WEIGHT (g) | mL FREON | DILUTION    | READING | CALC. (ppm) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| SAMP. TIME  | SAMP. ID   | LAB NO.    | WEIGHT (g) | mL FREON | DILUTION   | READING  | CALC. (ppm) |         |             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |            |            |          |            |          |             |         |             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |            |            |          |            |          |             |         |             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|   |  |            |            |          |            |          |             |         |             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |            |            |          |            |          |             |         |             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

| PIT PERIMETER<br> | OVM READING<br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>SAMPLE ID</th> <th>FIELD HEADSPACE (ppm)</th> </tr> <tr><td>1 @</td><td> </td></tr> <tr><td>2 @</td><td> </td></tr> <tr><td>3 @</td><td> </td></tr> <tr><td>4 @</td><td> </td></tr> <tr><td>5 @</td><td> </td></tr> <tr><td>C @ 7'</td><td>3.6</td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table> | SAMPLE ID | FIELD HEADSPACE (ppm) | 1 @ |  | 2 @ |  | 3 @ |  | 4 @ |  | 5 @ |  | C @ 7' | 3.6 |  |  |  |  |  |  |  |  | PIT PROFILE<br> |
|--|---|-----------|-----------------------|-----|--|-----|--|-----|--|-----|--|-----|--|--------|-----|--|--|--|--|--|--|--|--|--|
| SAMPLE ID  | FIELD HEADSPACE (ppm)   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
| 1 @  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
| 2 @  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
| 3 @  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
| 4 @  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
| 5 @  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
| C @ 7'   | 3.6   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
|  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
|  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
|  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |
|  |   |           |                       |     |  |     |  |     |  |     |  |     |  |        |     |  |  |  |  |  |  |  |  |  |

| LAB SAMPLES<br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>SAMPLE ID</th> <th>ANALYSIS</th> <th>TIME</th> </tr> <tr> <td>C @ 7'</td> <td>TAH</td> <td>1033</td> </tr> <tr> <td> </td> <td>RTX</td> <td> </td> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table> | SAMPLE ID | ANALYSIS | TIME | C @ 7' | TAH | 1033 |  | RTX |  |  |  |  |  |  |  |  |  |  |  |  |  | c = sample<br>P.D. = PIT DEPRESSION; B.G. = BELOW GRADE; B = BELOW<br>T.H. = TEST HOLE, ~ = APPROX.; T.B. = TANK BOTTOM |
|---|-----------|----------|------|--------|-----|------|--|-----|--|--|--|--|--|--|--|--|--|--|--|--|--|---|
| SAMPLE ID   | ANALYSIS  | TIME     |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
| C @ 7'  | TAH       | 1033     |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   | RTX       |          |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   |           |          |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   |           |          |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   |           |          |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   |           |          |      |        |     |      |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |   |

|               |                |                        |
|---------------|----------------|------------------------|
| TRAVEL NOTES: | CALLOUT: _____ | ONSITE: <u>7/18/07</u> |
|---------------|----------------|------------------------|

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## EPA METHOD 8015 Modified Nonhalogenated Volatile Organics Total Petroleum Hydrocarbons

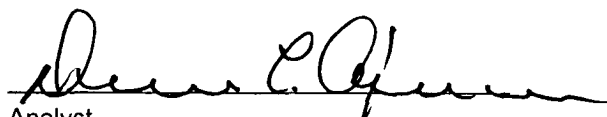
|                      |                |                     |           |
|----------------------|----------------|---------------------|-----------|
| Client:              | Blagg / Dugan  | Project #:          | 94034-010 |
| Sample ID:           | Sapp C #3 Tank | Date Reported:      | 07-25-07  |
| Laboratory Number:   | 42503          | Date Sampled:       | 07-18-07  |
| Chain of Custody No: | 2016           | Date Received:      | 07-20-07  |
| Sample Matrix:       | Soil           | Date Extracted:     | 07-23-07  |
| Preservative:        | Cool           | Date Analyzed:      | 07-25-07  |
| Condition:           | Cool & Intact  | Analysis Requested: | 8015 TPH  |

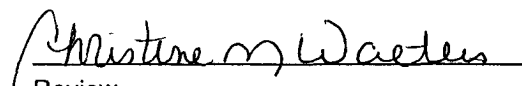
| Parameter                    | Concentration<br>(mg/Kg) | Det.<br>Limit<br>(mg/Kg) |
|------------------------------|--------------------------|--------------------------|
| Gasoline Range (C5 - C10)    | ND                       | 0.2                      |
| Diesel Range (C10 - C28)     | 32.3                     | 0.1                      |
| Total Petroleum Hydrocarbons | 32.3                     | 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 Sampling C @ 7'

  
Analyst

  
Review

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client: Blagg / Dugan  
Sample ID: Sapp C #3 Tank  
Laboratory Number: 42503  
Chain of Custody: 2016  
Sample Matrix: Soil  
Preservative: Cool  
Condition: Cool & Intact

Project #: 94034-010  
Date Reported: 07-25-07  
Date Sampled: 07-18-07  
Date Received: 07-20-07  
Date Analyzed: 07-25-07  
Date Extracted: 07-23-07  
Analysis Requested: BTEX

| Parameter    | Concentration<br>(ug/Kg) | Det.<br>Limit<br>(ug/Kg) |
|--------------|--------------------------|--------------------------|
| Benzene      | ND                       | 1.8                      |
| Toluene      | ND                       | 1.7                      |
| Ethylbenzene | ND                       | 1.5                      |
| p,m-Xylene   | 4.4                      | 2.2                      |
| o-Xylene     | 1.5                      | 1.0                      |
| Total BTEX   | 5.9                      |                          |

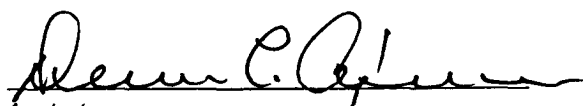
ND - Parameter not detected at the stated detection limit.

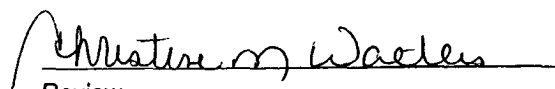
| Surrogate Recoveries: | Parameter           | Percent Recovery |
|-----------------------|---------------------|------------------|
|                       | Fluorobenzene       | 99.0 %           |
|                       | 1,4-difluorobenzene | 99.0 %           |
|                       | Bromochlorobenzene  | 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 Sampling C @ 7'

  
Analyst

  
Review