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

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes \(\square\) No \(\square\) Type of action: Registration of a pit or below-grade tank \(\square\) Closure of a pit or below-grade tank \(\square\)		
Operator: Dugan Production Corp. Telephone: (505)325-1821 e-mail address. kfagrelius@duganproduction com		
Address. P. O. Box 420, Farmington, NM 87499-0420		
Facility or well name: Neoprene #1 SWD API #: 30-045-22295 U/L or Qtr/Qtr M Sec 17 T 25N R 10W		
County. San Juan Latitude 36.3968 Longitude 107.92476 NAD: 1927 ⋈ 1983 ☐ Surface Owner Federal ⋈ State ☐ Private ☐ Indian ☐		
PCUD JAN 11 'OR		
<u>Pit</u>	Below-grade tank	OIL CONS. DIV.
Type. Drilling ☑ Production ☐ Disposal ☐	Volumebbl Type of fluid:	
Workover ☐ Emergency ☐	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 500 bbl		
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)
anger man ere rande er ground maner,	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	
	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)
	1000 feet or more	(0 points) 10
	Ranking Score (Total Points)	10
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 Neoprene #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. 10' deep x 10' wide x 60' length with an average 3' slope and its center is approx. W45' 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		
Pit closed 12/20/07		
1 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 31, 2007 *NOTE NMOCD GUIDELINES WILL BE MODIFIED ONLY AS NECESSARY TO COMPLY WITH BLM STIPULATIONS		
Printed Name/Title Kurt Fagrelius, Vice-President, Exploration Signature Kurt Fagrelius		
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, Printed Name/Title District #3	Signature Brandon Found	JAN 1 4 2008