Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Monday, February 13, 2012 8:22 AM
To: 'Kurt Fagrelius'
Cc: Powell, Brandon, EMNRD
Subject: RE: Revised Closure Plan Dugan's McDougall #2 Permanent Pit
Attachments: 2012 2-13 McDougall #2 PP CP approval.pdf

Kurt,

Please see the attached… it is a copy of your closure plan approval(s). I have attached a copy of the complete packet sent to Santa Fe for consideration. The issue regarding the landfarming of soils on-site will have to resolved with the appropriate OCD District office, since the landfarming was approved by the District office. If you have any questions regarding this matter, please do not hesitate to contact me.

Brad

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
E-mail: brad.a.jones@state.nm.us
Office: (505) 476-3487
Fax: (505) 476-3462

From: Kurt Fagrelius [mailto:kfagrelius@duganproduction.com]
Sent: Thursday, February 09, 2012 4:51 PM
To: Jones, Brad A., EMNRD
Subject: Revised Closure Plan Dugan's McDougall #2 Permanent Pit

Mr. Brad Jones, attached you will find a revised closure plan for Dugan Production Corp.'s McDougall #2 "Permanent Pit". If you have any questions or require additional information, please contact me.

Kurt Fagrelius
Dugan Production Corp.
505.325.1821 office
505.320.8248 cell
505.327.4613 fax

Jones, Brad A., EMNRD

From: Kurt Fagrelius [kfagrelius@duganproduction.com]
Sent: Thursday, February 09, 2012 4:51 PM
To: Jones, Brad A., EMNRD
Subject: Revised Closure Plan Dugan's McDougall #2 Permanent Pit
Attachments: McDougal Closure Plan Revised.pdf

Mr. Brad Jones, attached you will find a revised closure plan for Dugan Production Corp.'s McDougall #2 "Permanent Pit". If you have any questions or require additional information, please contact me.

Kurt Fagrelius
Dugan Production Corp.
505.325.1821 office
505.320.8248 cell
505.327.4613 fax

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
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☒ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Dugan Production Corp. OGRID #: 006515
Address: 709 East Murray Drive
Facility or well name: McDougall #2
API Number: 30-045-28619 OCD Permit Number:
U/L or Qtr/Qtr I Section 9 Township 23N Range 10W County: San Juan
Center of Proposed Design: Latitude 36.23956 N Longitude 107.89488 W NAD: ☐1927 ☒1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☒ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☒ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: 370 bbl Dimensions: L 14 x W 14 x D 8

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☒ Alternate. Please specify 4'=3' Hog Wire + One Strand Barbed Wire.

7.

Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☒ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☒ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

18.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Kurt Fagrelius Title: VP-Land and Exploration

Signature: Kurt Fagrelius Date: February 8, 2012

e-mail address: kfagrelius@duganproduction.com Telephone: 505-325-1821

20.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: [signature] **Approval Date:** 2/13/12

Title: Environmental Engineer **OCD Permit Number:**

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:**

22.
Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: Disposal Facility Permit Number:

Disposal Facility Name: Disposal Facility Permit Number:

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:
☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)
On-site Closure Location: Latitude Longitude NAD: ☐1927 ☐ 1983

25.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Title:

Signature: Date:

e-mail address: Telephone:

McDougall #2 Permanent Pit Closure Report–Methods, Procedures and Protocols

1. Comply with deadlines for closure of a permanent pit established by the State of New Mexico, Energy Minerals and Natural Resources Department 19.15.17.13 NMAC, or an earlier date if required by the NMOCD in the case of imminent danger to fresh water, public health or the environment.

Existing On June 16, 2008	Permit Applc. Submittal or Modification Request	File Closure Plan By	Stop Use By	Close By
Temporary Pit - Unlined	Not Permtd under 19.15.17	7/16/2008	Upon drlg rig release	9/16/2008
Permanent Pit - Unlined or Lined	Not permitted or Registered with NMOCD	7/16/2008	6-16-2008	12/16/2008
Permanent Pit – Unlined	Permitted or Registered with NMOCD	12-16-2008	6-16-2010	6-16-2011
BGT-Aprvd. Design	Not Permtd under 19.15.17 Applc. by 9-16-2008	12/16/2008	fail integrity replc w/apprvd design	
BGT-Not Aprvd Design Nor Retrofit to Comply w/19.15.17	Not Permtd under 19.15.17 Mod. Rqust by 9-16-2008	12/16/2008	6/16/2013	6-16-2013
BGT-Not Aprvd Design Nor Retrofit to comply w/19.15.17	NA	12/16/2008	6/16/2013	6/16/2013
Permanent Pit-Design and Constr Does not comply w/19.15.17 permitted and lined	Mod. Rqust by 12-16-2008 Comply w/in 18-mos of aprvl	12/16/2008 submit w/mod request	fail integrity replc w/apprvd design	60-days after cessation
Permanent Pit-Design and Constr Does not comply w/19.15.17 Registered and Lined	Permit Applc by 12-16-2008 Comply w/in 18-mos of aprvl	12/16/2008 submit w/permit Applc		60-days after cessation
Permanent Pit	Permitted under 19.15.17	60-Days prior to close		
Temporary Pit	Permitted under 19.15.17	Prior to closure	Upon drlg rig release	6-mos after rig release
BGT	Permitted under 19.15.17	12/16/2013 or prior to closure	failed integrity replc w/apprvd design	60-days after cessation

2. The McDougall #2 permanent pit is an approved design registered under rule 50, but was not permitted under rule 19.15.17. The permanent pit is not in use; it was taken out of commission on 9/24/2007 but has not been closed yet. This report serves as the closure plan and final closure report for the pit after closure is completed.

3. Provide the NMOCD district office at least 72-hours notice but no greater than 1 week prior to any closure operations. Notice will include operator name, well name and number, API number, and location (unit letter, section, township and range).

4. Provide the Environmental Bureau in the NMOCD Santa Fe office a closure plan with this notice. Upon approval of this closure plan, provide the Environmental Bureau in the NMOCD Santa Fe office a proposed schedule for closure at least 60-days prior to closing the permanent pit.

McDougall #2 Permanent Pit Closure Schedule

# of Days	Following approval of Closure Plan by the NMOCD in Santa Fe, New Mexico
10-days	Collect composite sample as described below (10).
30-days	Notiofy NMOCD of testing results as described below ((11).
40-days	If a release has occurred comply with rules as described below (12).
60-days	If a release has not occurred backfill pit as described below in (13, 14 and 15).
	Re-seed as described below (16).
	Notify NMOCD of closure as described below (17 and 18).

5. Proof of closure notice will be provided by certified mail to surface owner prior to closing the permanent pit. Proof of notice will be attached to final closure report.

6. Remove all liquid from the permanent pit prior to closure and dispose of at the Dugan Production operated Sanchez O'Brien #1 SWD (permit SWD-694) located 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 6, Township 24 North, Range 9 West.

7. All solids from the permanent pit will be excavated, hauled to and disposed of at either the Envirotech facility (permit #NM-01-0011) located in Section 6, Township 26 North, Range 10 West or the IEI facility (permit NM-01-0010B) located in Section 2, Township 29 North, Range 12 West.

8. Remove pit liner system, if applicable and dispose of in a NMOCD approved facility (Waste Management's Crouch Mesa facility).

9. On site equipment associated with the permanent pit will be removed unless it is needed for some other purpose.

10. Collect at a minimum, a five point, composite sample; also, collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyze for Benzene, BTEX, TPH and chlorides to demonstrate that Benzene, BTEX, TPH and chlorides do not exceed the standards as specified in 19.15.17.13.C or the background chloride concentration, whichever is greater.

Components	Test Method	Limit (mg/kg)	Results (mg/kg)
Benzene	EPA SW-846 8021B or 8260B	0.2	
BTEX	EPA SW-846 8021B or 8260B	50	
TPH	EPA SW-846 418.1	100	
Chlorides	EPA 300.1	250 or Background	

11. The NMOCD will be notified of the testing results on form C-141.

12. If it is determined that a release has occurred, rules 19.15.29 NMAC and 19.15.30 NMAC will be complied with as required.

13. If the sampling results demonstrate that a release has not occurred, or that any release does not exceed the concentrations specified above or background concentrations, the pit will be backfilled with compacted, non-waste containing, earthen material.

14. Stockpiled sub-surface soil will be used to backfill pit and re-contour (to a final or intermediate cover that blends with the surrounding topography). A minimum of four feet of compacted, non-waste containing, earthen material will be used as backfill.

15. Stockpiled surface soil will be used as a cover over the backfilled pit and disturbed area no longer needed for production operations. The soil cover will include either the background thickness of top soil or one foot of suitable material to establish vegetation at the site whichever is greater.

16. The area will be re-seeded as per BLM guidelines. Re-seeding will be repeated until 70% of the native natural cover is achieved and maintained for two successive growing seasons. The first growing season after the pit is closed the disturbed area will be re-seeded. The seeding method will be to drill on contour whenever possible. ***Disturbed areas will be seeded the first growing season after the pit is closed. Seeding will be accomplished by drilling on contour whenever possible or by other division approved methods. BLM stipulated seed mixes will be used on all Federal lands and OCD approved seed mixes (administratively approved if required) will be used on all State or private lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two consecutive growing seasons. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. Seeding or planting will be continued until successful vegetative growth occurs.***

17. The NMOCD will be notified within 60-days of closure of the permanent pit. The closure report will be filed on form C-144 and will include the following:
    a. Proof of Closure Notice (surface owner and division)
    b. Confirmation Sampling Analytical Results (if applicable)
    c. Disposal Facility Name and Permit Number
    d. Soil Backfilling and Cover Installation
    e. Re-vegetation Application Rates and Seeding Technique
    f. Site Reclamation (Photo Documentation)

18. The NMOCD will be notified once successful re-vegetation has been achieved. ***The Aztec District office of the OCD will be notified after each re-seeding operation and after successful re-vegetation has been achieved.***

dugan production corp.

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

February 8, 2012

RECEIVED OCD
2012 FEB -9 A 11:25

Re: "Closure Plan" for the McDougall #2 "Permanent Pit".

Dear Brad Jones,

Enclosed you will find the closure plan for the McDougall #2 permanent pit that we spoke on the phone about today (Wednesday, February 08, 2012).

The permanent pit on the McDougall #2 is an approved designed registered under rule 50 but not permitted under rule 19.15.17. The permanent pit is not in use; it was taken out of commission on 9/24/2007 but has not been closed yet.

Contaminated soil from the permanent pit was land-farmed on location. Paperwork from the state and BLM is attached.

As soon as this closure plan is approved by your office, Dugan Production will begin closure operations on the subject pit.

If you have any questions or require additional information, please contact me.

Sincerely,

Kurt Fagrelius
VP-Land and Exploration

709 E. MURRAY DR. • P. O. BOX 420 • FARMINGTON, N.M. 87499-0420 • PHONE: (505) 325-1821 • FAX# (505) 327-4613

McDougall #2

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31,1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM 51005

6. If Indian, Allotted or Tribe Name:

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

7. If Unit or CA, Agreement Designation:

2. Name of Operator: Dugan Production Corp.

8. Well Name and No.: McDougall #2

3. Address and Telephone No.: P.O. Box 420 , Farmington, NM 87499 (505) 325 - 1821

9. API Well No.: 30 045 28619

Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL & 790' FEL
Sec. 9, T23N, R10W, NMPM

10. Field and Pool, or Exploratory Area: South Bisti Gallup

11. County or Parish, State: San Juan, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans	
	[ ] Recompletion	[ ] New Construction	
[ ] Subsequent Report	[ ] Plugging Back	[ ] Non-Routine Fracturing	
	[ ] Casing Repair	[ ] Water Shut-Off	
[ ] Final Abandonment Notice	[ ] Altering Casing	[ ] Conversion to Injection	
	[X] Other Landfarm	[ ] Dispose Water	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Dugan Production Corp. requests BLM approval for landfarm activity.

14. I hereby certify that the foregoing is true and correct

Signed: Tyra M. Teel for Terry Rowell Title: Construction Foreman Date: 1/31/2008

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instruction on Reverse Side**

RECEIVED

NOV 09 2007

Bureau of Land Management
Farmington Field Office

McDougall 2

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31,1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: See Attached

6. If Indian, Allotted or Tribe Name:

1. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

7. If Unit or CA, Agreement Designation:

2. Name of Operator: Dugan Production Corp.

8. Well Name and No.: See Attached

3. Address and Telephone No.: P.O. Box 420 , Farmington, NM 87499 (505) 325 - 1821

9. API Well No.: See Attached

Location of Well (Footage, Sec., T., R., M., or Survey Description): See Attached

10. Field and Pool, or Exploratory Area: See Attached

11. County or Parish, State: San Juan, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☒ Notice of Intent	☐ Abandonment		☐ Change of Plans
	☐ Recompletion		☐ New Construction
☐ Subsequent Report	☐ Plugging Back		☐ Non-Routine Fracturing
	☐ Casing Repair		☐ Water Shut-Off
☐ Final Abandonment Notice	☐ Altering Casing		☐ Conversion to Injection
	☒ Other	Landfarm permitting	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

As per requested by the BLM, Dugan Production Corp. is submitting sundry for landfarms to be permitted. Well list is attached.

14. I hereby certify that the foregoing is true and correct

Signed Paul Sikora Title _____ Date 11/9/07

(This space for Federal or State office use)

Approved by Erin Shiley Title Environmental Prot. Spec Date 11/19/07

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

OPERATOR COPY

Dugan. Pg 1

Submitted w sundry 14/09/07

Operator Name	Well Name	Well #	Lease #	API	CTY	TWN	RNG	SEC	LAT.	LONG.	Major Contaminant(s)	Quantity of contaminated soil (CY)	Date Landfarm initiated
Dugan	Absolute	1	NM-17009	30-043-20864	Sandoval	23	6	23	36.21616	107.4398	hyrdocarbon	176 cy	5/3/2006
Dugan	Anabel	1	NM-42424	30-045-24907	San Juan	25	8	33	36.36278	107.67924	hydrocarbon	15 cy	10/5/2007
Dugan	Anabel B	1	NM-42421	30-045-26527	San Juan	25	8	27	36.36977	107.67105	hydrocarbon	80 cy	11/1/2007
Dugan	Anabel C	1	NM-42425	30-045-25452	San Juan	25	8	34	36.3523	107.67501	hydrocarbon	80 cy	11/7/2007
Dugan	April Surprise	5	NM-4958	30-045-25947	San Juan	23	9	7	36.24701	107.82675	hydrocarbon	50 cy	1/28/2007
Dugan	April Surprise	7	NM-4958	30-045-29293	San Juan	24	9	31	36.27502	107.82561	hyrdocarbon	50cy	2/6/2007
Dugan	Ben Com	90	NM-96799	30-045-33347	San Juan	23	10	18	36.22277	107.9325	hydrocarbon	1500 cy	4/1/2007
Dugan	Big 8	1	NM-25440	30-045-21996	San Juan	24	9	8	36.32579	107.81776	hyrdocarbon	750 cy	9/15/2006
Dugan	Big 8	1E	NM-25440	30-045-25221	San Juan	24	9	8	36.32404	107.80915	hyrdocarbon	1632 cy	9/24/2006
Dugan	Big Yazzie	1	NOG-0502-1715	30-045-33149	San Juan	23	9	6	36.26138	107.82722	hyrdocarbon	500 cy	4/10/2007
Dugan	Blanco Wash	4	NOOC-1420-0603-1405	30-045-22938	San Juan	24	9	2	36.34859	107.95153	hyrdocarbon	96 cy	5/7/2007
Dugan	Blanco Wash	5	NOOC-1420-0603-1402	30-045-22937	San Juan	24	9	1	36.34042	107.74486	hyrdocarbon	104 cy	5/16/2007
Dugan	Bonnie & Ed	1	FEE - PRIVATE	30-045-25120	San Juan	29	15	4	36.75464	108.41839	hyrdocarbon	1287 cy	1/15/2006
Dugan	Bronze Medal	1	NOOC-1420-7307	30-045-26435	San Juan	23	10	3	36.26175	107.88846	hydrocarbon	50 cy	6/12/2007
Dugan	Buddy	1	NM-23738	30-039-23032	Rio Arriba	23	6	15	36.21997	107.44834	hyrdocarbon	720 cy	8/1/2006
Dugan	Carpenter	1E	NM-0206994	30-045-23613	San Juan	30	14	25	36.78732	108.26375	hyrdocarbon	50 cy	3/10/2006
Dugan	Celsius	2	NM-23231	30-039-23287	Rio Arriba	23	6	14	36.22741	107.44421	hyrdocarbon	240 cy	7/5/2006
Dugan	Chaco	3	NM-2337	30-045-22472	San Juan	24	9	1	36.34601	107.74394	hyrdocarbon	104 cy	7/14/2006
Dugan	Champ	9	NM-42059	30-045-29287	San Juan	23	10	1	36.25096	107.84501	hydrocarbon	80 cy	12/5/2006
Dugan	December Dream	1	NM-19816	30-045-25862	San Juan	23	9	7	36.2459	107.83264	hydrocarbon	160 cy	6/8/2006
Dugan	Dome Tesoro	23 1	NOOC-1420-5360	30-043-20506	Sandoval	22	7	23	36.12191	107.55093	hyrdocarbon	80 cy	5/25/2007
Dugan	Fahrenheit	1	NM-24458	30-039-23321	Rio Arriba	23	6	11	36.23427	107.44435	hyrdocarbon	135 cy	8/19/2006
Dugan	Fairway	1	NM-23470	30-045-26182	San Juan	23	10	1	36.2506	107.8539	hydrocarbon	80 cy	7/23/2006
Dugan	Faith	5	NM-33040	30-045-26346	San Juan	27	13	19	36.563	108.26758	hyrdocarbon	900 cy	10/12/2006
Dugan	Federal B	1	SF-078214	30-045-09138	San Juan	30	13	28	36.77951	108.21088	hyrdocarbon	50 cy	9/1/2007
Dugan	Guiness	90	NOG-9601-1298	30-045-29490	San Juan	26	13	13	36.48592	108.17045	hyrdocarbon		4/28/2007
Dugan	Ivy League	1	NM-45208	30-045-26530	San Juan	24	9	17	36.31888	107.80627	hyrdocarbon	2592 cy	1/19/2007
Dugan	Lake Placid	1	NOOC-1420-7311	30-045-26628	San Juan	23	10	4	36.25489	107.89304	hydrocarbon	60 cy	7/18/2007
Dugan	Louie Louie	1	NOG-8505-1062	30-045-26769	San Juan	23	9	8	36.24061	107.8182	hyrdocarbon	5 cy	4/19/2007
Dugan	Luna	2	LG-9801	30-045-28522	San Juan	23	9	16	36.23229	107.78719	hyrdocarbon	10 cy	2/11/2006
Dugan	Luna	3	LG-9801	30-045-29215	San Juan	23	9	16	36.23237	107.79659	hyrdocarbon	4 cy	2/20/2006
Dugan	Marathon	1	NOOC-1420-7308	30-045-26436	San Juan	23	10	4	36.26132	107.89362	hydrocarbon	80 cy	6/21/2007
Dugan	March On	1	LG-5685	30-045-26997	San Juan	24	9	32	36.27319	107.81396	hyrdocarbon	100 cy	2/2/2006
Dugan	Mary Anne	3	NM-10089	30-045-25050	San Juan	24	9	9	36.32614	107.80022	hydrocarbon	700 cy	3/28/2006
Dugan	McDougall	2	NM-51005	30-045-28619	San Juan	23	10	9	36.23956	107.89488	hydrocarbon	80 cy	2/15/2007
Dugan	Montreal	1	NOOC-1420-7309	30-045-26627	San Juan	23	10	4	36.26205	107.90189	hydrocarbon	100 cy	6/30/2007
Dugan	Muddy Mudda	1	NM-36474	30-045-25919	San Juan	30	14	14	36.30492	107.79936	hyrdocarbon	6720 cy	10/21/2006
Dugan	Nice	1	NM-16765	30-045-26499	San Juan	30	14	7	36.82378	108.34379	hyrdocarbon	5616 cy	4/24/2006
Dugan	Nice	2	NM-70299	30-045-27025	San Juan	30	14	4	36.84821	108.31006	hyrdocarbon	70 cy	3/5/2007
Dugan	Olson	1	NM-42740	30-045-26516	San Juan	23	10	11	36.23965	107.85847	hydrocarbon	80 cy	12/14/2006
Dugan	Olympic	1	NM-23744	30-045-26007	San Juan	23	10	3	36.2541	107.87613	hydrocarbon	600 cy	8/10/2006

Dugan Pg 2

Submitted w Sundry - 11/09/07

Operator Name	Well Name	Well #	Lease #	API	CTY	TWN	RNG	SEC	LAT.	LONG.	Major Contaminant(s)	Quantity of contaminated soil (CY)	Date Landfarm initiated
Dugan	Pac Ten	1	NM-45207	30-045-25917	San Juan	24	9	7	36.32376	107.8233	hyrdocarbon	5000 cy	1/10/2007
Dugan	Par	1	NM-86485	30-045-28968	San Juan	23	10	11	36.24661	107.85806	hydrocarbon	80 cy	3/23/2007
Dugan	Pinon	1E	NM-6899	30-045-24186	San Juan	30	14	13	36.81188	108.26568	hyrdocarbon	2400 cy	2/24/2007
Dugan	Rodeo Rosie	1	NM-15654	30-045-25398	San Juan	24	10	22	36.30458	107.87643	hydrocarbon	100 cy	4/6/2006
Dugan	Seoul	88	NOOC-1420-7312	30-045-26630	San Juan	23	10	9	36.24764	107.89231	hydrocarbon	120 cy	7/27/2007
Dugan	Silver Medal	1	NM-21741	30-045-26034	San Juan	24	10	27	36.27914	107.88979	hydrocarbon	50 cy	6/17/2006
Dugan	Slickhorn Gulch	2	NM-25427	30-039-22948	Rio Arriba	24	7	8	36.32358	107.60428	hyrdocarbon		8/28/2006
Dugan	Squaw Valley	1	NOOC-1420-7310	30-045-26629	San Juan	23	10	4	36.25484	107.90232	hydrocarbon	50 cy	7/9/2007
Dugan	St Louis	12	NOOC-1420-7313	30-045-26631	San Juan	23	10	9	36.24759	107.90205	hydrocarbon	120 cy	8/5/2007
Dugan	St Moritz	1	NM-78060	30-045-28584	San Juan	24	10	26	36.27959	107.87157	hydrocarbon	100 cy	3/14/2007
Dugan	State	1	B-11240	30-039-05254	Rio Arriba	24	7	32	36.2726	107.60471	hyrdocarbon	50 cy	1/6/2006
[illegible]gan	Target	1	NM-43442	30-045-28537	San Juan	24	10	20	36.30061	107.92061	hyrdocarbon	7500 cy	12/23/2006
[illegible]gan	Waw (P&A'd)	1	NM-0553184	30-045-20652	San Juan	27	13	32	36.52864	108.24744	hydrocarbon	50 cy	3/19/2006
Dugan	WBU	142	SF-078091	30-045-05651	San Juan	26	13	28	36.45372	108.23068	hyrdocarbon	50 cy	8/14/2007
Dugan	WBU (P&A'd)	131	SF-078091	30-045-13403	San Juan	26	13	28	36.45794	108.2197	hyrdocarbon	14,107 cy	8/23/2007
Dugan	Wits End	3	LH-1896	30-045-26330	San Juan	23	10	2	36.25284	107.8672	hydrocarbon	80 cy	3/1/2006
Dugan	Witty	2	NM-16762	30-045-25981	San Juan	23	10	12	36.24421	107.84415	hydrocarbon	80 cy	4/15/2006

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: Dugan Production Corp Telephone: (505)325-1821 e-mail address:
Address: P.O. Box 420, Farmington, New Mexico 87401
Facility or well name: McDougall No. 2 API #: 30-045-28619 U/L or Qtr/Qtr I Sec 9 T 23N R 10W
County: San Juan Latitude 36.23956 Longitude 107.89488 NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank		
Type: Drilling ☐ Production ☒ Disposal ☐ Workover ☐ Emergency ☐ Lined ☐ Unlined ☒ Liner type: Synthetic ☐ Thickness ____mil Clay ☐ Pit Volume 77 ± bbl	Volume: ____bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ 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 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)	0
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 points)	0
	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 your 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:
12' x 12' x 3'± deep unlined production pit, center located at approximately 108 Feet South 86° East of wellhead.
Use backhoe to collect 5-point composite sample at 7 foot depth for lab testing.
Excavate to 14' x 14' x 8' and landfarm on-site.

RECEIVED
FEB 2008
OIL CONS. DIV. DIST. 3

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: January 14, 2008
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, District #3 Signature Date: FEB 12 2008

30-045-28614 36.25956 x 107.99488

CLIENT: DUGAN

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

LOCATION NO:
COCR NO: 3694

FIELD REPORT: PIT CLOSURE VERIFICATION

PAGE No: 1 of

LOCATION. NAME MCDOUGALL WELL #: 2 TYPE: PROD
QUAD/UNIT I SEC: 9 TWP: 23N RNG: 10W PM: NM CNTY: SJ ST: NM
QTR/FOOTAGE: 1980 FSL x 790 FEL CONTRACTOR: SIERRA

DATE STARTED 12/6/07
DATE FINISHED
ENVIRONMENTAL SPECIALIST JCB

EXCAVATION APPROX. 14 FT. x 14 FT. x 8 FT. DEEP. CUBIC YARDAGE: 42±
DISPOSAL FACILITY: ONSITE REMEDIATION METHOD: LF
LAND USE: RANGE - BLM LEASE: NM 5105 FORMATION: BISTI - GAL

FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY 108 FT. S86E FROM WELLHEAD
DEPTH TO GROUNDWATER >100 NEAREST WATER SOURCE >1000 NEAREST SURFACE WATER >1000
NMOCD RANKING SCORE: 0 NMOCD TPH CLOSURE STD. 5000 PPM

SOIL AND EXCAVATION DESCRIPTION:

OVM CALIB. READ. = 53.3 ppm
OVM CALIB. GAS = 100 ppm RF = 0.52
TIME. 0800 am/pm DATE 12/6

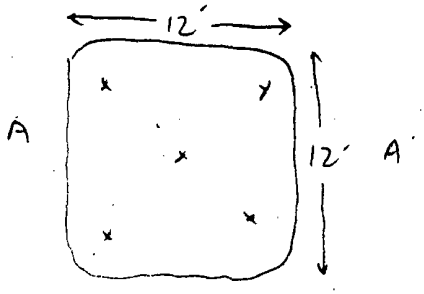
SOIL TYPE: SAND / (SILTY SAND) / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER
SOIL COLOR:
COHESION (ALL OTHERS): NON COHESIVE / (SLIGHTLY COHESIVE) / COHESIVE / HIGHLY COHESIVE
CONSISTENCY (NON COHESIVE SOILS): LOOSE / (FIRM) / DENSE / VERY DENSE
PLASTICITY (CLAYS): NON PLASTIC / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC
DENSITY (COHESIVE CLAYS & SILTS): SOFT / FIRM / STIFF / VERY STIFF / HARD
MOISTURE: DRY / (SLIGHTLY MOIST) / MOIST / WET / SATURATED / SUPER SATURATED
DISCOLORATION/STAINING OBSERVED: (YES) / NO EXPLANATION - TO 6' IN Center ONLY
HC ODOR DETECTED: (YES) / NO EXPLANATION - V. MINOR
SAMPLE TYPE: GRAB / COMPOSITE - # OF PTS.
ADDITIONAL COMMENTS: 12'x12'x3' UNLINED PIT. USE BACKHOE to dig into Pit & SAMPLE.

FIELD 418.1 CALCULATIONS

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

SCALE 0 FT

PIT PERIMETER



OVM READING

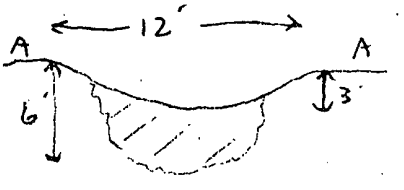
SAMPLE ID	FIELD HEADSPACE (ppm)
1 @	
2 @	
3 @	
4 @	
5 @	
5-PD07'	3.2

LAB SAMPLES

SAMPLE ID	ANALYSIS	TIME
5-PD	T/BTEX	1440

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

PIT PROFILE



TRAVEL NOTES: CALLOUT: ONSITE: 12/6/07

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:	McDougall #2 Prod	Date Reported:	12-12-07
Laboratory Number:	43829	Date Sampled:	12-06-07
Chain of Custody No:	3694	Date Received:	12-10-07
Sample Matrix:	Soil	Date Extracted:	12-11-07
Preservative:	Cool	Date Analyzed:	12-12-07
Condition:	Cool & Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**210**	**0.1**
Total Petroleum Hydrocarbons	**210**	**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: **Unlined Pit Closures.**

Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	McDougall #2 Prod	Date Reported:	12-12-07
Laboratory Number:	43829	Date Sampled:	12-06-07
Chain of Custody:	3694	Date Received:	12-10-07
Sample Matrix:	Soil	Date Analyzed:	12-12-07
Preservative:	Cool	Date Extracted:	12-11-07
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**0.9**
Toluene	**13.3**	**1.0**
Ethylbenzene	**2.6**	**1.0**
p,m-Xylene	**16.4**	**1.2**
o-Xylene	**4.9**	**0.9**
Total BTEX	**37.2**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**97.0 %**
	1,4-difluorobenzene	**97.0 %**
	Bromochlorobenzene	**97.0 %**

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: **Unlined Pit Closures.**

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client	N/A	Project #:	N/A
Sample ID:	12-12-BTEX QA/QC	Date Reported:	12-12-07
Laboratory Number:	43824	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	12-12-07
Condition:	N/A	Analysis:	BTEX

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff. Accept Range 0 - 15%	Blank Conc:	Detect. Limit
Benzene	7.9836E+007	7.9996E+007	0.2%	ND	0.1
Toluene	7.6005E+007	7.6157E+007	0.2%	ND	0.1
Ethylbenzene	6.2177E+007	6.2302E+007	0.2%	ND	0.1
p,m-Xylene	1.2027E+008	1.2052E+008	0.2%	ND	0.1
o-Xylene	5.7790E+007	5.7905E+007	0.2%	ND	0.1

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	217	216	0.2%	0 - 30%	0.9
Toluene	1,060	1,059	0.1%	0 - 30%	1.0
Ethylbenzene	874	872	0.2%	0 - 30%	1.0
p,m-Xylene	2,950	2,940	0.3%	0 - 30%	1.2
o-Xylene	1,070	1,066	0.4%	0 - 30%	0.9

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	217	50.0	266	99.8%	39 - 150
Toluene	1,060	50.0	1,090	98.2%	46 - 148
Ethylbenzene	874	50.0	922	99.8%	32 - 160
p,m-Xylene	2,950	100	3,040	99.6%	46 - 148
o-Xylene	1,070	50.0	1,110	99.1%	46 - 148

ND - Parameter not detected at the stated detection limit.

References. Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: **QA/QC for Samples 43824 - 43829.**

Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	12-12-07 QA/QC	Date Reported:	12-12-07
Laboratory Number:	43824	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	12-12-07
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	05-07-07	1.1927E+003	1.1932E+003	0.04%	0 - 15%
Diesel Range C10 - C28	05-07-07	1.0506E+003	1.0510E+003	0.04%	0 - 15%

Blank Conc. (mg/L - mg/Kg)	Concentration	Detection Limit
Gasoline Range C5 - C10	ND	0.2
Diesel Range C10 - C28	ND	0.1
Total Petroleum Hydrocarbons	ND	0.2

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
Gasoline Range C5 - C10	472	471	0.4%	0 - 30%
Diesel Range C10 - C28	3,510	3,490	0.6%	0 - 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	472	250	712	98.6%	75 - 125%
Diesel Range C10 - C28	3,510	250	3,740	99.5%	75 - 125%

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: **QA/QC for Samples 43824 - 43829.**

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