1000 Rio Brazos Road, Aztec, NM 87410

District III

Form C-144 June 1, 2004

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

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank cover type of action: Registration of a pit or below	rered by a "general plan"? Yes INO	~					
Operator: DUGAN PRODUCTION CORP Telephone:	e-mail address:						
Address: PO BOX 420 FARMINGTON, NM 87499							
Facility or well name: NICKSON #001 API #: 30-045-05602 U/L or Qtr/Qtr N SEC 35 T 26							
County: SAN JUAN Surface Owner: Federal ✓ State □ Private □ Indian □ Latitude 36 26.2	293 N Longitude 107 39.150 W	NAD: 1927 ☑ 1983 □					
Pit Type: Drilling □ Production ☑ Disposal □ Workover □ Emergency □ Lined □ Unlined ☑ Liner Type: Synthetic □ Thickness mil Clay □ Pit Volume 77 bbl	Below-grade tank Volume: bbl Type of fluid: Construction Material: Double-walled, with leak detection? Yes If not, ex	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) <u>0</u> (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) <u>0</u>					
Distance to surface water: (Horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet to 1,000 feet Greater than 1,000 feet	(20 points) (10 points) <u>0</u> (0 points)					
	Ranking Score (TOTAL POINTS):	<u>0</u>					
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							
Additional Comments: Meter: 32643 Month of the control of the co							
I hereby certify that the information above is true and complete to the best of my k tank has been/will be constructed or closed according to NMOCD guidelines							
Date: 10/3/05 Printed Name/Title Mark Harvey for Williams Field Services Sig	nature MIZJUG, FOR WPS						
Your certification and NMOCD approval of this application/closure does not relieve the operator of liablility 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 Approval: Signa	ature Denytary	FEB 0 2 2006					

ADDENDUM TO OCD FORM C-144

API 30-045-05602 Operator: DUGAN PRODUCTION CORP Well Name: NICKSON #001 Meter: 32643 Sampling Diagram: **Facility Diagram:** X=Sample Collection Locations **Pit Dimensions Location of Pit Center** Pit ID 326431 Length 12 Ft. Latitude 36 26.303 N Width 12 Ft. Longitude 07 39.143 W Pit Type Depth 3 Ft. (NAD 1927) Separator Date Closure Started: 1/11/05 **Date Closure Completed:** 2/14/05 **Closure Method: Bedrock Encountered?** Pushed In **Cubic Yards Excavated:** Vertical Extent of Equipment Reached ? \Box **Description Of Closure Action:** The pit was assessed and sampled in accordance with NMOCD guidelines. Based on assessment findings, the pit was backfilled. Pit Closure Sampling: **BTEX** Sample ID Sample Head Benzene TPH Purpose Location Depth Date Space Total (mg/kg) DRO (mg/kg) (mg/kg) 105114FEB05 2/14/05 EX Confirm 0 0 Walls 8 105814FEB05 2/14/05 2 0 EX Confirm Flr 8 161102SEP04 9/2/04 ASSESS Flr



Pace Analytical Services, Inc.

9608 Loiret Blvd. Lenexa, KS 66219

Phone: 913.599.5665 Fax: 913.599.1759

Lab Project Number: 6092023

Client Project ID: N. Mex. Pit Program

Lab Sample No:

607913159

Project Sample Number: 6092023-017

Date Collected: 02/14/05 10:51

Client Sample ID: 105114FEB05

Matrix: Soil

Date Received: 02/18/05 09:05

Parameters	Results	Units	Report Limit	DF	Analyzed	Ву	CAS No.	Qual RegLmt
GC Semivolatiles								
Total Extractable Hydrocarbons	Prep/Method:	OA2 / OA2						
Mineral Spirits	ND	mg/kg	11.	1.1	02/23/05 06:48	RMN1		
Jet Fuel	ND	mg/kg	11.	1.1	02/23/05 06:48	RMN1		
Kerosene	ND	mg/kg	11.	1.1	02/23/05 06:48	RMN1		
Diesel Fuel	ND	mg/kg	11.	1.1	02/23/05 06:48	RMN1	68334-30-5	
Fuel 0il	ND	mg/kg	11.	1.1	02/23/05 06:48	RMN1	68334-30-5	
Motor Oil	ND	mg/kg	11.	1.1	02/23/05 06:48	RMN1		
n-Tetracosane (S)	99	x		1.0	02/23/05 06:48	RMN1	646-31-1	
p-Terphenyl (S)	96	X		1.0	02/23/05 06:48	RMN1	92-94-4	
Date Extracted	02/21/05				02/21/05			
Organics Prep								
Percent Moisture	Method: SM 2	540G						
Percent Moisture	9.0	×		1.0	02/21/05	ALJ1		

Date: 02/24/05

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REPORT OF LABORATORY ANALYSIS

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Pace Analytical Services, Inc.

Date Collected: 02/14/05 10:58

9608 Loiret Blvd. Lenexa, KS 66219

Phone: 913.599.5665 Fax: 913.599.1759

Lab Project Number: 6092023

Client Project ID: N. Mex. Pit Program

Citent Project 10:

Lab Sample No: 607913167 Project Sample Number: 6092023-018
Client Sample ID: 105814FEB05 Matrix: Soil

Matrix: Soil Date Received: 02/18/05 09:05

Parameters Results Units Report Limit DF Anal yzed CAS No. Qual RegLmt GC Semivolatiles Total Extractable Hydrocarbons Prep/Method: 0A2 / 0A2 Mineral Spirits ND mg/kg 11. 1.1 02/23/05 07:04 RMN1 Jet Fuel ND mg/kg 11. 1.1 02/23/05 07:04 RMN1 Kerosene ND mg/kg 11. 1.1 02/23/05 07:04 RMN1 Diesel Fuel ND mg/kg 11. 1.1 02/23/05 07:04 RMN1 68334-30-5 Fuel Oil ND mg/kg 11. 1.1 02/23/05 07:04 RMN1 68334-30-5 Motor 0il ND mg/kg 11. 1.1 02/23/05 07:04 RMN1 n-Tetracosane (S) 100 z 1.0 02/23/05 07:04 RMN1 646-31-1 p-Terphenyl (S) 95 * 1.0 02/23/05 07:04 RMN1 92-94-4 Date Extracted 02/21/05 02/21/05 Organics Prep Percent Moisture Method: SM 2540G Percent Moisture 9.2 1.0 02/21/05 ALJ1

Date: 02/24/05

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