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 20 S. St. Francis Dr., Santa Fe, NM 87505

Approval:

Printed Name/Title

SEPUTY OIL & GAS INSPECTOR, DIST. 23

State of New Mexico **Energy Minerals and Natural Resources**

Oil Conservation Division

For drilling and production facilities, submit to appropriate NMOCD District Office. For downstream facilities, submit to Santa Fe office

Form C-144

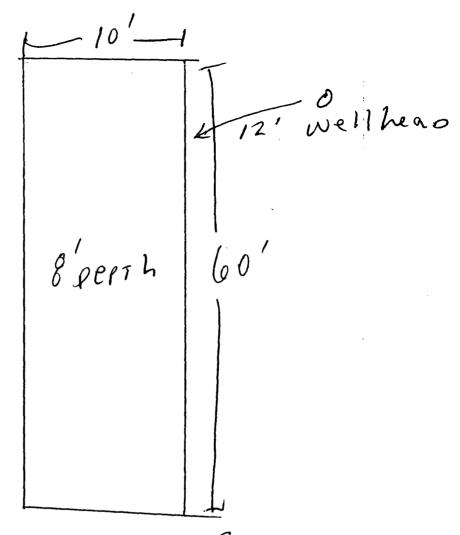
June 1, 2004

1220 South St. Francis Dr. Santa Fe, NM 87505

Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes \(\subseteq \text{No } \subseteq \) Type of action: Registration of a pit or below-grade tank \(\subseteq\) Closure of a pit or below-grade tank \(\subseteq\) Telephone: (505)325-1821 e-mail address: paulsikora@duganproduction.com Operator: Dugan Production Corp. Address: P. O. Box 420, Farmington, NM 87499-0420 Facility or well name: Patriot #94S API #: 30-045-32988 U/L or Qtr/Qtr D Sec 29 T 26N R 13W County: San Juan Latitude 36.46305 Longitude 108.24750 NAD: 1927 🛛 1983 🗌 Surface Owner Federal 🖾 State 🔲 Private 🗀 Indian 📋 Below-grade tank Pit Type: Drilling | Production | Disposal | bbl Type of fluid: Workover ☐ Emergency ☐ Construction material: Double-walled, with leak detection? Yes If not, explain why not. Lined Unlined Liner type: Synthetic
☐ Thickness 12 mil Clay ☐ Pit Volume 855 bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal 50 feet or more, but less than 100 feet (10 points) high water elevation of ground water.) 0 100 feet or more (0 points) 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.) 0 No (0 points) (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, Less than 200 feet irrigation canals, ditches, and perennial and ephemeral watercourses.) 200 feet or more, but less than 1000 feet (10 points) 0 1000 feet or more (0 points) 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 \(\square\) offsite \(\square\) 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. The drilling/reserve pit at the Patriot #94S closure. The pit liner cut off at the mudline and disposed of at the Waste Management Kirtland Landfill substation. The pits dimensions are 8' deep x 10' wide x 60' length with an average 3' slope and its center is N 12' 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: August 29, 2006 Printed Name/Title Mark Brown, Drillilng Foreman 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.

Signature Brandon Davel.

Reserve Pits & Direction From Nellhead



855 bbls Capacity