

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

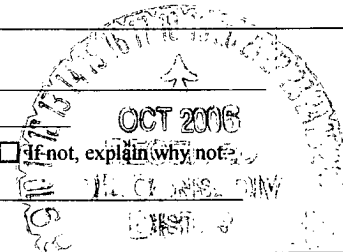
Form C-144  
June 1, 2004

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>July Jubilee No. 2</u> API #: <u>30-045-25123</u> U/L or Qtr/Qtr <u>D</u> Sec <u>29</u> T <u>24N</u> R <u>9W</u>		
County: <u>San Juan</u> Latitude <u>36.29008</u> Longitude <u>107.81866</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
<b>Pit</b> Type: Drilling <input type="checkbox"/> Production <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input checked="" type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/> Pit Volume <u>51 ±</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ 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 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) 0 (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) 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 (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:
12' x 12' x 2'± deep unlined production pit, center located at approximately 87 feet South 69° West of wellhead.
Use backhoe to dig into pit and sample. Submit 5-point composite sample to laboratory for testing.
Bedrock sandstone below pit base.

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: October 17, 2006

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, DIST. IV

Printed Name/Title

Signature Brandon Powell

Date: OCT 18 2006

CLIENT: <u>DUGAN</u>	<b>BLAGG ENGINEERING, INC.</b> <b>P.O. BOX 87, BLOOMFIELD, NM 87413</b> <b>(505) 632-1199</b>	LOCATION NO: _____ COCR NO: <u>14709</u>																																																																																											
<b>FIELD REPORT: PIT CLOSURE VERIFICATION</b>		PAGE No: <u>1</u> of <u>1</u>																																																																																											
LOCATION: NAME: <u>JULY JUBILEE</u> WELL #: <u>2</u> TYPE: <u>PROD</u> QUAD/UNIT: <u>D</u> SEC: <u>29</u> TWP: <u>24N</u> RNG: <u>9W</u> PM: <u>NM</u> CNTY: <u>SJ</u> ST: <u>NM</u> QTR/FOOTAGE: <u>790 FNL x 790 FWL</u> CONTRACTOR: <u>JPC-TAYLOR</u>		DATE STARTED: <u>10-4-06</u> DATE FINISHED: <u>10-4-06</u> 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>NM 24661</u> FORMATION: <u>GAL</u>																																																																																													
<b>FIELD NOTES &amp; REMARKS:</b> PIT LOCATED APPROXIMATELY <u>87</u> FT. <u>569W</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																																																																																													
<b>SOIL AND EXCAVATION DESCRIPTION:</b>		OVM CALIB. READ. = <u>53.3</u> ppm OVM CALIB. GAS = <u>100</u> ppm RF = 0.52 TIME: <u>0625</u> am/pm DATE: <u>10/4/06</u>																																																																																											
SOIL TYPE: <u>SAND / SILTY SAND</u> / <u>SILT / SILTY CLAY</u> / <u>CLAY</u> / <u>GRAVEL</u> / <u>OTHER</u> <u>BEDROCK SANDSTONE @ 5'</u> SOIL COLOR: <u>TAN</u> COHESION (ALL OTHERS): <u>NON COHESIVE</u> / <u>SLIGHTLY COHESIVE</u> / <u>COHESIVE</u> / <u>HIGHLY COHESIVE</u> CONSISTENCY (NON COHESIVE SOILS): <u>LOOSE</u> / <u>FIRM</u> / <u>DENSE</u> / <u>VERY DENSE</u> PLASTICITY (CLAYS): <u>NON PLASTIC</u> / <u>SLIGHTLY PLASTIC</u> / <u>COHESIVE</u> / <u>MEDIUM PLASTIC</u> / <u>HIGHLY PLASTIC</u> DENSITY (COHESIVE CLAYS & SILTS): <u>SOFT</u> / <u>FIRM</u> / <u>STIFF</u> / <u>VERY STIFF</u> / <u>HARD</u> MOISTURE: <u>DRY</u> / <u>SLIGHTLY MOIST</u> / <u>MOIST</u> / <u>WET</u> / <u>SATURATED</u> / <u>SUPER SATURATED</u> DISCOLORATION/STAINING OBSERVED: YES / <u>NO</u> EXPLANATION - _____ HC ODOR DETECTED: YES / <u>NO</u> EXPLANATION - _____ SAMPLE TYPE: GRAB / <u>COMPOSITE</u> # OF PTS. <u>5</u> ADDITIONAL COMMENTS: <u>12' x 12' x 2' ± Deep Unlined Pit. USE BACKHOE TO DIG INTO PIT &amp; SAMPLE.</u>																																																																																													
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P.D. = PIT DEPRESSION; B.G. = BELOW GRADE; B = BELOW T.H. = TEST HOLE; ~ = APPROX.; T.B. = TANK BOTTOM																																																																																													
TRAVEL NOTES: CALLOUT: _____ ONSITE: <u>10/4/06</u>																																																																																													

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

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

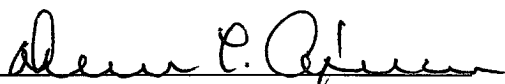
Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	July Jubilee #2 - Prod	Date Reported:	10-11-06
Laboratory Number:	38756	Date Sampled:	10-04-06
Chain of Custody No:	14709	Date Received:	10-06-06
Sample Matrix:	Soil	Date Extracted:	10-09-06
Preservative:	Cool	Date Analyzed:	10-10-06
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

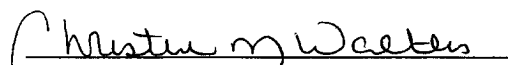
Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	3.4	0.2
Diesel Range (C10 - C28)	646	0.1
Total Petroleum Hydrocarbons	649	0.2

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: **Various Pit Closures 5-Point @ 5'**

  
Analyst

  
Review

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	July Jubilee #2 - Prod	Date Reported:	10-10-06
Laboratory Number:	38756	Date Sampled:	10-04-06
Chain of Custody:	14709	Date Received:	10-06-06
Sample Matrix:	Soil	Date Analyzed:	10-10-06
Preservative:	Cool	Date Extracted:	10-09-06
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	ND	1.8
Toluene	65.3	1.7
Ethylbenzene	118	1.5
p,m-Xylene	422	2.2
o-Xylene	97.6	1.0
Total BTEX	703	

ND - Parameter not detected at the stated detection limit.

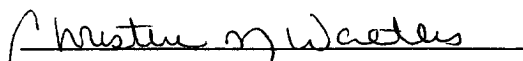
Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	98.0 %
	1,4-difluorobenzene	98.0 %
	Bromochlorobenzene	98.0 %

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: Various Pit Closures 5-Point @ 5'

  
Analyst

  
Review

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	July Jubilee #2 - Prod	Date Reported:	10-10-06
Lab ID#:	38756	Date Sampled:	10-04-06
Sample Matrix:	Soil	Date Received:	10-06-06
Preservative:	Cool	Date Analyzed:	10-10-06
Condition:	Cool and Intact	Chain of Custody:	14709

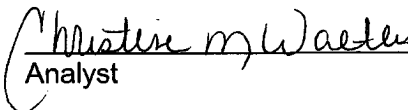
Parameter	Concentration (mg/Kg)
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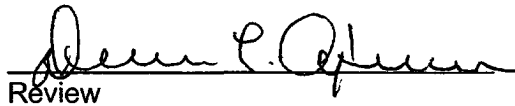
Total Chloride

78.0

Reference: Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: Various Pit Closures 5-Point @ 5'

  
Analyst

  
Review

# 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:	10-10-06 QA/QC	Date Reported:	10-11-06
Laboratory Number:	38750	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	10-10-06
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF	C-Cal RF	% Difference	Accept. Range
Gasoline Range C5 - C10	07-11-05	9.9698E+002	9.9798E+002	0.10%	0 - 15%
Diesel Range C10 - C28	07-11-05	1.0051E+003	1.0071E+003	0.20%	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

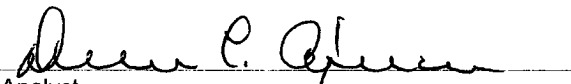
Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
Gasoline Range C5 - C10	2.1	2.1	0.0%	0 - 30%
Diesel Range C10 - C28	232	230	0.6%	0 - 30%

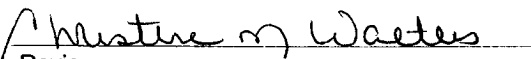
Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	2.1	250	251	99.7%	75 - 125%
Diesel Range C10 - C28	232	250	481	99.8%	75 - 125%

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 38750 - 38756, 38775 - 38777

  
Analyst

  
Review

# ENVIROTECH LABS

PRAGTICAL SOLUTIONS FOR A BETTER TOMORROW

## EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	10-10-BTEX QA/QC	Date Reported:	10-10-06
Laboratory Number:	38750	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	10-10-06
Condition:	N/A	Analysis:	BTEX

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff.	Blank Conc	Detect. Limit
		Accept. Range 0 - 15%			
Benzene	4.1469E+007	4.1552E+007	0.2%	ND	0.2
Toluene	7.6280E+007	7.6433E+007	0.2%	ND	0.2
Ethylbenzene	3.0846E+007	3.0908E+007	0.2%	ND	0.2
p,m-Xylene	1.3247E+008	1.3274E+008	0.2%	ND	0.2
o-Xylene	6.5238E+007	6.5369E+007	0.2%	ND	0.1

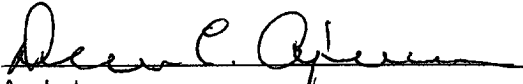
Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	ND	ND	0.0%	0 - 30%	1.8
Toluene	ND	ND	0.0%	0 - 30%	1.7
Ethylbenzene	14.4	14.4	0.0%	0 - 30%	1.5
p,m-Xylene	34.7	34.7	0.0%	0 - 30%	2.2
o-Xylene	20.6	20.6	0.0%	0 - 30%	1.0

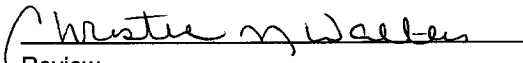
Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	ND	50.0	49.9	99.8%	39 - 150
Toluene	ND	50.0	49.9	99.8%	46 - 148
Ethylbenzene	14.4	50.0	64.3	99.8%	32 - 160
p,m-Xylene	34.7	100	134	99.7%	46 - 148
o-Xylene	20.6	50.0	70.5	99.9%	46 - 148

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 38750 - 38756, 38775 - 38777

  
Analyst

  
Review

# CHAIN OF CUSTODY RECORD

14709

Client / Project Name		Project Location		ANALYSIS / PARAMETERS									
Client No.		Sample Matrix		Containers		TPH		BTEX		CL-		Remarks	
Sample No./ Identification	Sample Date	Sample Time	Lab Number	No. of	TPH	BTEX	CL-						
MERRY MAY #1-PROD	10/4/06	1310	38750	1	X	X	X						5-Point @ 5'
MERRY MAY #1-SEP	"	1340	38751	1	X	X	X						4-Point @ 9'
MERRY MAY #1-SEP	"	1350	38752	1	X	X	X						C @ 9'
JUNE JOY #2-SEP	"	1420	38753	1	X	X	X						5-Point @ 7'
APRIL SURGE #2-PROD	"	1440	38754	1	X	X	X						5-Point @ 5'
APRIL SURGE #2-SEP	"	1500	38755	1	X	X	X						5-Point @ 6'
JUNE JOY #2-PROD	"	1520	38756	1	X	X	X						5-Point @ 5'
Relinquished by: (Signature)				Date	Time	Received by: (Signature)		Date	Time				
Relinquished by: (Signature)				10/4/06	0706	[Signature]		10/6/06	0706				
Relinquished by: (Signature)						Received by: (Signature)							
Relinquished by: (Signature)						Received by: (Signature)							

**ENVIROTECH INC.**

5796 U.S. Highway 64  
Farmington, New Mexico 87401  
(505) 632-0615

Sample Receipt		
Y	N	N/A
Received Intact	<input checked="" type="checkbox"/>	
Cool - Ice/Blue Ice	<input checked="" type="checkbox"/>	