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: MF No. 1 API #: 30-045-24636 U/L or Qtr/Qtr L Sec 18 T 24N R 9W
County: San Juan Latitude 36.31184 Longitude 107.83692 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 71 ± bbl	Volume: ____bbl Type of fluid: ____ Construction material: ____ Double-walled, with leak detection? Yes ☐ If not, explain why not. ____

RCVD DEC14'06
OIL CONS. DIV.
DIST. 3

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:

10' x 10' x 4'± deep unlined production pit, center located at approximately 36 feet North 66° West of wellhead.

Use backhoe to excavate impacted soils, final dimensions approximately 24' x 48' x 12' deep (200± yards). Submit 5-point composite sample from excavation walls and base for laboratory testing. Firm bedrock sandstone beginning at 9 feet below surface. Landfarm soils on-site. Sample landfarm soils on 10/30/06 (10-point composite) and submit for laboratory testing. Landfarm soils tested below closure standards. Propose to replace landfarm soils back into pit excavation and close site as is.

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: December 11, 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:
Printed Name/Title DEPUTY OIL & GAS INSPECTOR, DIST. #3 Signature Brandon Powell Date: DEC 14 2006

CLIENT: DUGAN

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

LOCATION NO: _____
COCR NO: 1641

FIELD REPORT: PIT CLOSURE VERIFICATION

PAGE No: 1 of 1

LOCATION: NAME: MF WELL #: 1 TYPE: SEP
QUAD/UNIT: L SEC: 18 TWP: 24N RNG: 9W PM: NM CNTY: SJ ST: NM
QTR/FOOTAGE: 1820 FSL x 690 FWL CONTRACTOR: DPC - TAYLOR

DATE STARTED: 10-4-06
DATE FINISHED: 10-30-06
ENVIRONMENTAL SPECIALIST: JCB

EXCAVATION APPROX. 24 FT. x 48± FT. x 12 FT. DEEP. CUBIC YARDAGE: 200 ±
DISPOSAL FACILITY: ON-SITE REMEDIATION METHOD: EXCAVATE - LF
LAND USE: RANGE - BLM LEASE: NM 16760 FORMATION: GAL

FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY 36 FT. N66W FROM WELLHEAD.
DEPTH TO GROUNDWATER: >100 NEAREST WATER SOURCE: >1000 NEAREST SURFACE WATER: >1000'
NMOCD RANKING SCORE: 0 NMOCD TPH CLOSURE STD: 5000 PPM

OVM CALIB. READ. = 53.3 ppm
OVM CALIB. GAS = 100 ppm RF = 0.52
TIME: 0625 am/pm DATE: 10/4

SOIL AND EXCAVATION DESCRIPTION:

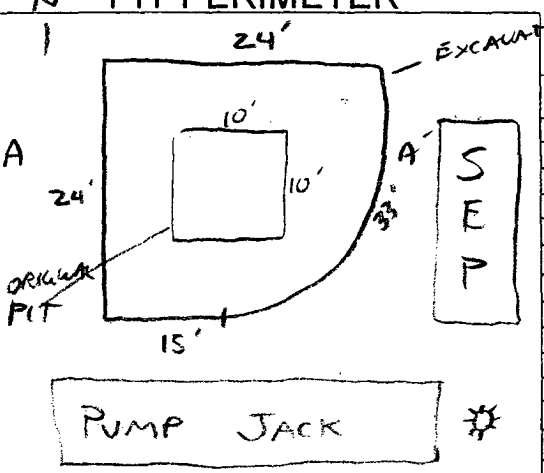
SOIL TYPE: SAND / SILTY SAND / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER BEDROCK SANDSTONE @ 9'
SOIL COLOR: DARK TAN
COHESION (ALL OTHERS): NON COHESIVE / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE
CONSISTENCY (NON COHESIVE SOILS): LOOSE / FIRM / DENSE / VERY DENSE
PLASTICITY (CLAYS): NON PLASTIC / 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 - _____
HC ODOR DETECTED: YES / NO EXPLANATION - MINOR
SAMPLE TYPE: GRAB / COMPOSITE # OF PTS. 5
ADDITIONAL COMMENTS: 10'x10'x4' UNLINED PIT - HEAVY OIL STAINS ON SIDES & BASE - DIRECT CREW TO REMEDIATE (EXCAVATE), & LF ON SITE.

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

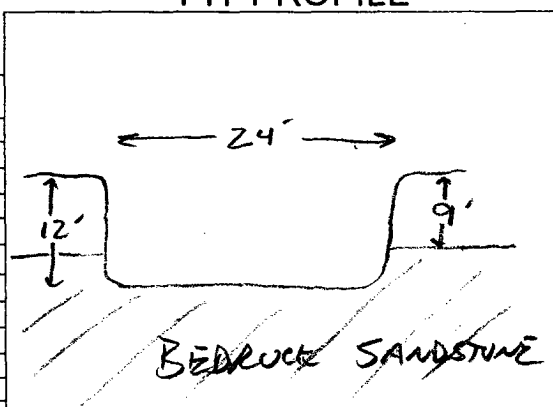
SAMPLE ID	FIELD HEADSPACE (ppm)
1 @	
2 @	
3 @	
4 @	
5 @	
5-pt @ 12'	11

LAB SAMPLES

SAMPLE ID	ANALYSIS	TIME
5-pt	T/B/CL	0940

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: 10/4/06

CLIENT: DUGAN

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

LOCATION NO: _____
C.O.C. NO: 1641

FIELD REPORT: LANDFARM/COMPOST PILE CLOSURE VERIFICATION

LOCATION: NAME: MF WELL #: 1 PITS: SEP
QUAD/UNIT: L SEC: 18 TWP: 24N RNG: 9W PM: NM CNTY: SJ ST: NM
QTR/FOOTAGE: 1820 FSL x 690 FWL CONTRACTOR: DPC - TAYLOR

DATE STARTED: 10-4-06
DATE FINISHED: 10-30-06
ENVIRONMENTAL SPECIALIST: JCB

SOIL REMEDIATION:
REMEDIATION SYSTEM: LANDFARM APPROX. CUBIC YARDAGE: 200±
LAND USE: RANGE - BLM LIFT DEPTH (ft): 0.5

FIELD NOTES & REMARKS: NMOCD RANKING SCORE: 0 NMOCD TPH CLOSURE STD: 5000 PPM
DEPTH TO GROUNDWATER: >100 NEAREST WATER SOURCE: >1000 NEAREST SURFACE WATER: >1000

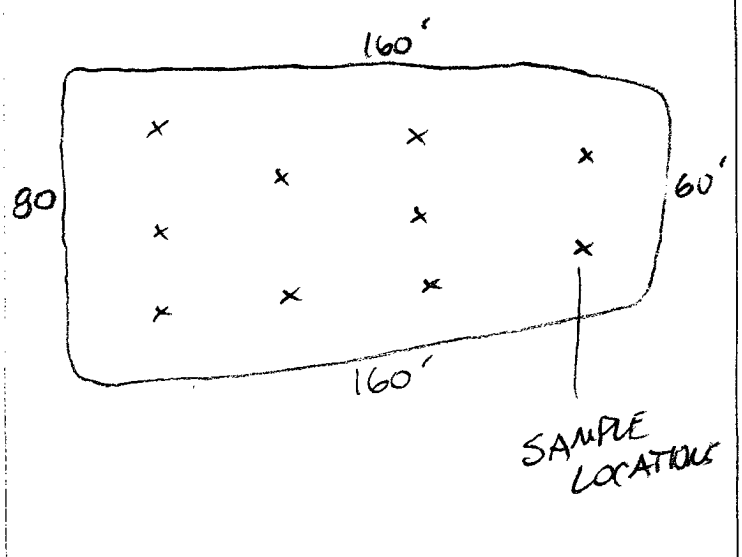
SOIL TYPE: (SAND / SILTY SAND) / SILT / SILTY CLAY / CLAY / GRAVEL / (OTHER) BROKEN SANDSTONE
SOIL COLOR:
COHESION (ALL OTHERS): NON COHESIVE / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE
CONSISTENCY (NON COHESIVE SOILS): LOOSE / FIRM / DENSE / VERY DENSE
PLASTICITY (CLAYS): NON PLASTIC / SLIGHTLY 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 - PATCHES ACROSS L.F.
HC ODOR DETECTED: (YES) / NO EXPLANATION - MODERATE
SAMPLING DEPTHS (LANDFARMS): 4 (INCHES)
SAMPLE TYPE: GRAB / (COMPOSITE) - # OF PTS. 10
ADDITIONAL COMMENTS:

FIELD 418.1 CALCULATIONS

SAMP. TIME	SAMPLE I.D.	LAB No:	WEIGHT (g)	mL. FREON	DILUTION	READING	CALC. ppm

N ↑

SKETCH/SAMPLE LOCATIONS



OVM CALIB. READ. 53.8 ppm
OVM CALIB. GAS = 100 ppm; RF = 0.52
TIME: 1000 (am) pm DATE: 10/30

OVM RESULTS

SAMPLE ID	FIELD HEADSPACE PID (ppm)
10-POINT	147

LAB SAMPLES

SAMPLE ID	ANALYSIS	TIME	RESULTS
10-POINT	TPH	0955	2720
	BTEX	"	3.12
	BENZ	"	.106
	CL⁻	"	202

SCALE
0 FT

TRAVEL NOTES: CALLOUT: _____ ONSITE: 10/30/06

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:	MF #1 - SEP	Date Reported:	11-03-06
Laboratory Number:	38985	Date Sampled:	10-30-06
Chain of Custody No:	1641	Date Received:	10-31-06
Sample Matrix:	Soil	Date Extracted:	11-01-06
Preservative:	Cool	Date Analyzed:	11-02-06
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**2.3**	**0.1**
Total Petroleum Hydrocarbons	**2.3**	**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: **Pit Closures 5-Point Comp @ 12'.**

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:	MF #1 - SEP	Date Reported:	11-03-06
Laboratory Number:	38985	Date Sampled:	10-30-06
Chain of Custody:	1641	Date Received:	10-31-06
Sample Matrix:	Soil	Date Analyzed:	11-02-06
Preservative:	Cool	Date Extracted:	11-01-06
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**1.8**
Toluene	**7.0**	**1.7**
Ethylbenzene	**1.6**	**1.5**
p,m-Xylene	**4.6**	**2.2**
o-Xylene	**ND**	**1.0**
Total BTEX	**13.2**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**99.0 %**
	1,4-difluorobenzene	**99.0 %**
	Bromochlorobenzene	**99.0 %**

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: **Pit Closures 5- Point Comp @ 12'.**

Analyst

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	MF #1 - SEP	Date Reported:	11-02-06
Lab ID#:	38985	Date Sampled:	10-30-06
Sample Matrix:	Soil	Date Received:	10-31-06
Preservative:	Cool	Date Analyzed:	11-02-06
Condition:	Cool and Intact	Chain of Custody:	1641

Parameter	Concentration (mg/Kg)
Total Chloride	**256**

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

Comments: **Pit Closures 5-Point Comp @ 12'.**

Analyst

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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:	MF #1 - LF	Date Reported:	11-03-06
Laboratory Number:	38986	Date Sampled:	10-30-06
Chain of Custody No:	1641	Date Received:	10-31-06
Sample Matrix:	Soil	Date Extracted:	11-01-06
Preservative:	Cool	Date Analyzed:	11-02-06
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**250**	**0.2**
Diesel Range (C10 - C28)	**2,470**	**0.1**
Total Petroleum Hydrocarbons	**2,720**	**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: **Pit Closures 10-Point Comp.**

Analyst

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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:	MF #1 - LF	Date Reported:	11-03-06
Laboratory Number:	38986	Date Sampled:	10-30-06
Chain of Custody:	1641	Date Received:	10-31-06
Sample Matrix:	Soil	Date Analyzed:	11-02-06
Preservative:	Cool	Date Extracted:	11-01-06
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**106**	**1.8**
Toluene	**321**	**1.7**
Ethylbenzene	**878**	**1.5**
p,m-Xylene	**1,420**	**2.2**
o-Xylene	**400**	**1.0**
Total BTEX	**3,120**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**99.0 %**
	1,4-difluorobenzene	**99.0 %**
	Bromochlorobenzene	**99.0 %**

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: **Pit Closures 10-Point Comp.**

Analyst

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	MF #1 - LF	Date Reported:	11-02-06
Lab ID#:	38986	Date Sampled:	10-30-06
Sample Matrix:	Soil	Date Received:	10-31-06
Preservative:	Cool	Date Analyzed:	11-02-06
Condition:	Cool and Intact	Chain of Custody:	1641

Parameter	Concentration (mg/Kg)
Total Chloride	**202**

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

Comments: **Pit Closures 10-Point Comp**

Analyst

Review

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