

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>Nice No 1</u> API #: <u>30-045-26499</u> U/L or Qtr/Qtr <u>P</u> Sec <u>7</u> T <u>30N</u> R <u>14W</u>		
County <u>San Juan</u> Latitude <u>36.82378</u> Longitude <u>108.34379</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>77 ±</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	(20 points)
	50 feet or more, but less than 100 feet	(10 points) 0
	100 feet or more	( 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	(20 points)
	No	( 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	(20 points)
	200 feet or more, but less than 1000 feet	(10 points) 10
	1000 feet or more	( 0 points)
<b>Ranking Score (Total Points)</b>		10

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.

RCVD JUN21'07  
OIL CONS. DIV.  
DIST. 3

Additional Comments.
12' x 12' x 3'± deep unlined production pit, center located at approximately 81 Feet South 25° East of wellhead
Use backhoe to remove impacted soils to 6 feet. Submit 5-point composite sidewall sample and
pit center sample for laboratory testing.

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: June 20, 2007

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


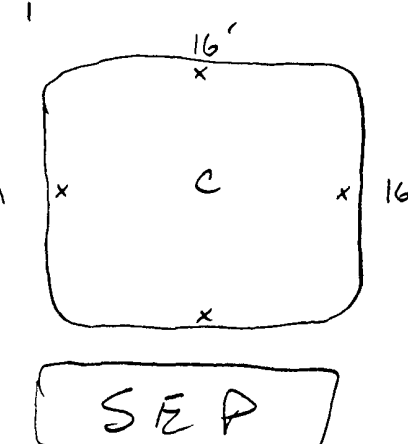
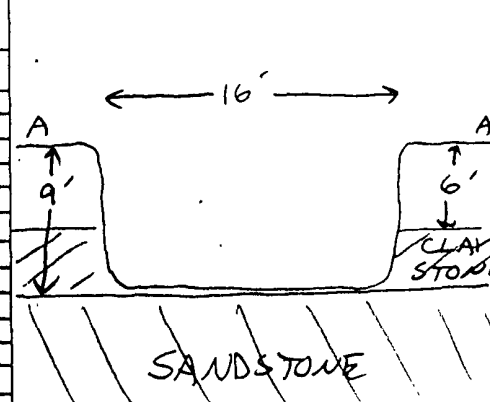
Signature [Signature]

Date.

JUL 24 2007

30-045-26499

36.82378 x 108.34379

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>2752</u>																																
<b>FIELD REPORT: PIT CLOSURE VERIFICATION</b>		PAGE No: <u>1</u> of <u>1</u>																																
LOCATION: NAME: <u>NICE</u> WELL #: <u>1</u> TYPE: <u>SEP</u> QUAD/UNIT: <u>P SEC: 7 TWP: 30N RNG: 14W PM: NM CNTY: SJ ST: NM</u> QTR/FOOTAGE: <u>990 FSL x 890 FEL</u> CONTRACTOR: <u>MJO</u>		DATE STARTED: <u>6-5-07</u> DATE FINISHED: <u>6-5-07</u> ENVIRONMENTAL SPECIALIST: <u>JCB</u>																																
EXCAVATION APPROX. <u>16</u> FT. x <u>16</u> FT. x <u>9</u> FT. DEEP. CUBIC YARDAGE: <u>50±</u> DISPOSAL FACILITY: <u>ONSITE</u> REMEDIATION METHOD: <u>L.F.</u> LAND USE: <u>RANGE - BLM</u> LEASE: <u>NM-16765</u> FORMATION: <u>DK</u>																																		
<b>FIELD NOTES &amp; REMARKS:</b> PIT LOCATED APPROXIMATELY <u>36</u> FT. <u>N25E</u> FROM WELLHEAD. DEPTH TO GROUNDWATER: <u>&gt;100</u> NEAREST WATER SOURCE: <u>&gt;1000</u> NEAREST SURFACE WATER: <u>&gt;200</u> NMOCD RANKING SCORE: <u>10</u> NMOCD TPH CLOSURE STD: <u>1000</u> PPM																																		
<b>SOIL AND EXCAVATION DESCRIPTION:</b> SOIL TYPE: <u>SAND / SILTY SAND / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER</u> <u>BEDROCK CLAYSTONE @ 6'</u> SOIL COLOR: <u>0'-6'</u> <u>SANDSTONE @ 9'</u> COHESION (ALL OTHERS): <u>NON COHESIVE / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE</u> CONSISTENCY (NON COHESIVE SOILS): <u>LOOSE / FIRM / DENSE / VERY DENSE</u> PLASTICITY (CLAYS): <u>NON PLASTIC / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC</u> DENSITY (COHESIVE CLAYS & SILTS): <u>SOFT / FIRM / STIFF / VERY STIFF / HARD</u> MOISTURE: <u>DRY / SLIGHTLY MOIST / MOIST / WET / SATURATED / SUPER SATURATED</u> DISCOLORATION/STAINING OBSERVED: <u>(YES) NO</u> EXPLANATION: <u>IN REMOVED SOILS</u> HC ODOR DETECTED: <u>(YES) NO</u> EXPLANATION: <u>MINOR</u> SAMPLE TYPE: <u>GRAB / COMPOSITE - # OF PTS.</u> ADDITIONAL COMMENTS: <u>15' x 15' x 4' ± UNLINED PIT. USE BACHOE TO REMOVE IMPACTS TO DENSE SANDSTONE @ 9'</u>																																		
FIELD 418.1 CALCULATIONS																																		
SCALE  0 10 FT	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>SAMP. TIME</th> <th>SAMP. ID</th> <th>LAB NO.</th> <th>WEIGHT (g)</th> <th>mL FREON</th> <th>DILUTION</th> <th>READING</th> <th>CALC. (ppm)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		SAMP. TIME	SAMP. ID	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. (ppm)																								
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## 2705

san juan reproduction 578-129

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

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

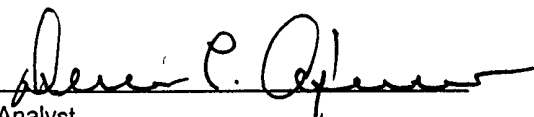
Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Prod. Pit	Date Reported:	05-29-07
Laboratory Number:	41641	Date Sampled:	05-24-07
Chain of Custody No:	2705	Date Received:	05-25-07
Sample Matrix:	Soil	Date Extracted:	05-25-07
Preservative:	Cool	Date Analyzed:	05-29-07
Condition:	Cool & Intact	Analysis Requested:	8015 TPH

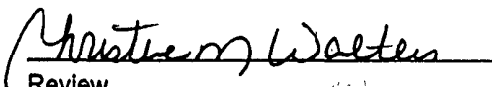
Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	0.3	0.2
Diesel Range (C10 - C28)	19.9	0.1
Total Petroleum Hydrocarbons	20.2	0.2

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: Nice #1 5 Point @ 6'

  
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:	05-29-07 QA/QC	Date Reported:	05-29-07
Laboratory Number:	41641	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	05-29-07
Condition:	N/A	Analysis Requested:	TPH

	Test Date	Cal RE	Cal RE	% Difference	Accept Range
Gasoline Range C5 - C10	05-07-07	9.9960E+002	1.0000E+003	0.04%	0 - 15%
Diesel Range C10 - C28	05-07-07	9.9960E+002	1.0000E+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

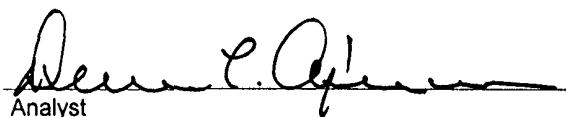
Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept Range
Gasoline Range C5 - C10	0.3	0.3	0.0%	0 - 30%
Diesel Range C10 - C28	19.9	19.8	0.5%	0 - 30%

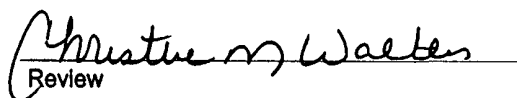
Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
Gasoline Range C5 - C10	0.3	250	250	99.9%	75 - 125%
Diesel Range C10 - C28	19.9	250	269	99.8%	75 - 125%

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 41641 - 41645

  
Analyst

  
Review

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Prod. Pit	Date Reported:	05-29-07
Laboratory Number:	41641	Date Sampled:	05-24-07
Chain of Custody:	2705	Date Received:	05-25-07
Sample Matrix:	Soil	Date Analyzed:	05-29-07
Preservative:	Cool	Date Extracted:	05-25-07
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	3.7	1.8
Toluene	2.8	1.7
Ethylbenzene	7.5	1.5
p,m-Xylene	5.3	2.2
o-Xylene	ND	1.0
Total BTEX	19.3	

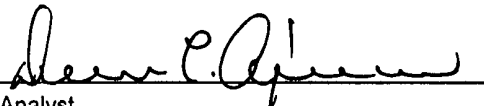
ND - Parameter not detected at the stated detection limit.

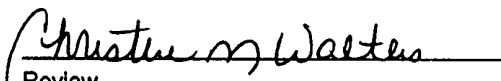
Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	97.0 %
	1,4-difluorobenzene	97.0 %
	Bromochlorobenzene	97.0 %

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: Nice #1 5 Point @ 6'

  
Analyst

  
Review

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	05-29-BTEX QA/QC	Date Reported:	05-29-07
Laboratory Number:	41641	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	05-29-07
Condition:	N/A	Analysis:	BTEX

Calibration and Detection Limits (ug/L)	Conc	Acceptance Range	%RSD	Blank Conc	Detect Limit
Benzene	9.4818E+006	9.5008E+006	0.2%	ND	0.2
Toluene	1.7432E+007	1.7467E+007	0.2%	ND	0.2
Ethylbenzene	1.6912E+007	1.6946E+007	0.2%	ND	0.2
p,m-Xylene	3.9488E+007	3.9567E+007	0.2%	ND	0.2
o-Xylene	1.7286E+007	1.7321E+007	0.2%	ND	0.1

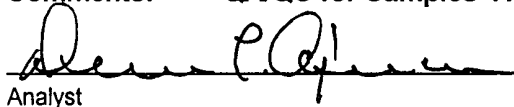
Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff	Accept Range	Detect Limit
Benzene	3.7	3.7	0.0%	0 - 30%	1.8
Toluene	2.8	2.7	3.6%	0 - 30%	1.7
Ethylbenzene	7.5	7.5	0.0%	0 - 30%	1.5
p,m-Xylene	5.3	5.2	1.9%	0 - 30%	2.2
o-Xylene	ND	ND	0.0%	0 - 30%	1.0

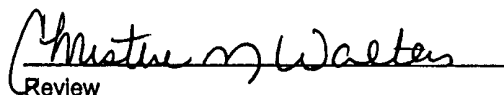
Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	Recovery	Accept Range
Benzene	3.7	50.0	53.6	99.8%	39 - 150
Toluene	2.8	50.0	52.7	99.8%	46 - 148
Ethylbenzene	7.5	50.0	57.4	99.8%	32 - 160
p,m-Xylene	5.3	100	105	99.9%	46 - 148
o-Xylene	ND	50.0	49.9	99.8%	46 - 148

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 41641 - 41644

  
Analyst

  
Review

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Prod. Pit	Date Reported:	05-29-07
Lab ID#:	41641	Date Sampled:	05-24-07
Sample Matrix:	Soil	Date Received:	05-25-07
Preservative:	Cool	Date Analyzed:	05-29-07
Condition:	Cool and Intact	Chain of Custody:	2705

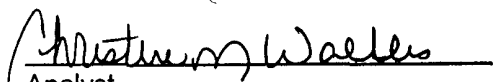
Parameter	Concentration (mg/Kg)
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Total Chloride

326

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

Comments: Nice #1 5 Point @ 6'

  
Analyst

  
Review