

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"/>		
Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input checked="" 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	Below-grade tank 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)
Ranking Score (Total Points)		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.

Additional Comments:
12' x 12' x 3'± deep unlined production pit, center located at approximately 250 Feet North 14° East of wellhead
Use backhoe to remove impacted soils to dense bedrock sandstone at 10 feet. Submit 4-point composite sidewall sample and one point pit center samples 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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		
Date: <u>June 20, 2007</u>		
Printed Name/Title <u>Jeffrey C Blagg, agent</u>	Signature <u>Jeffrey C. Blagg</u>	
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, District #3	Signature <u>Brian P. Smith</u>	Date: <u>JUL 24 2007</u>

CLIENT: <u>DUGAN</u>	BLAGG ENGINEERING, INC. P.O. BOX 87, BLOOMFIELD, NM 87413 (505) 632-1199	LOCATION NO: _____ COCR NO: <u>2752</u>																																								
FIELD REPORT: PIT CLOSURE VERIFICATION		PAGE No: <u>1</u> of <u>1</u>																																								
LOCATION: NAME: <u>NICE</u> WELL #: <u>1</u> TYPE: <u>PIPELINE</u> QUAD/UNIT: <u>P</u> SEC: <u>7</u> TWP: <u>30N</u> RNG: <u>14W</u> PM: <u>NM</u> CNTY: <u>SJ</u> ST: <u>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>10</u> FT. DEEP. CUBIC YARDAGE: <u>75 ±</u>																																										
DISPOSAL FACILITY: <u>ON SITE</u> REMEDIATION METHOD: <u>LI</u>																																										
LAND USE: <u>RANGE - BLM</u> LEASE: <u>NM-16765</u> FORMATION: <u>DK</u>																																										
FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY <u>250</u> FT. <u>N14E</u> FROM WELLHEAD.																																										
DEPTH TO GROUNDWATER: <u>>100</u> NEAREST WATER SOURCE: <u>>1000</u> NEAREST SURFACE WATER: <u>>200</u>																																										
NMOCD RANKING SCORE: <u>10</u> NMOCD TPH CLOSURE STD: <u>1000</u> PPM																																										
SOIL AND EXCAVATION DESCRIPTION:																																										
SOIL TYPE: <u>SAND / SILTY SAND</u> / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER <u>6'-10' CLAYSTONE</u> SOIL COLOR: <u>0'-6'</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</u> NO EXPLANATION: <u>IN REMOVED SOILS</u> HC ODOR DETECTED: <u>YES</u> NO EXPLANATION: <u>MINOR</u> SAMPLE TYPE: <u>GRAB / COMPOSITE</u> - # OF PTS. _____ ADDITIONAL COMMENTS: <u>12' x 12' x 3' UNLINED PIT. USE BACKHOE TO REMOVE IMPACTED SOILS.</u>																																										
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>SCALE</p> <p>0 FT</p> <p>N</p> </div> <div style="width: 40%; text-align: center;"> <p>FIELD 418.1 CALCULATIONS</p> <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> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> </div> <div style="width: 25%;"> <p>PIT PERIMETER</p> </div> <div style="width: 40%;"> <p>PIT PROFILE</p> </div> </div>			SAMP. TIME	SAMP. ID	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. (ppm)																																
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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified Nonhalogenated Volatile Organics Total Petroleum Hydrocarbons

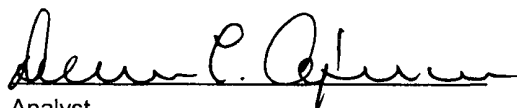
Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Pipeline 4-Point @ 9'	Date Reported:	06-07-07
Laboratory Number:	41799	Date Sampled:	06-05-07
Chain of Custody No:	2752	Date Received:	06-06-07
Sample Matrix:	Soil	Date Extracted:	06-06-07
Preservative:	Cool	Date Analyzed:	06-07-07
Condition:	Cool & Intact	Analysis Requested:	8015 TPH

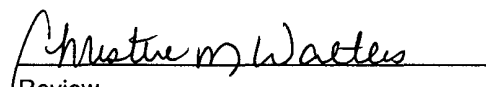
Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	21.2	0.2
Diesel Range (C10 - C28)	529	0.1
Total Petroleum Hydrocarbons	550	0.2

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


Analyst


Review

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:	Pipeline C @ 10'	Date Reported:	06-07-07
Laboratory Number:	41800	Date Sampled:	06-05-07
Chain of Custody No:	2752	Date Received:	06-06-07
Sample Matrix:	Soil	Date Extracted:	06-06-07
Preservative:	Cool	Date Analyzed:	06-07-07
Condition:	Cool & Intact	Analysis Requested:	8015 TPH

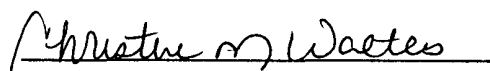
Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	1.3	0.2
Diesel Range (C10 - C28)	113	0.1
Total Petroleum Hydrocarbons	114	0.2

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


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:	06-07-07 QA/QC	Date Reported:	06-07-07
Laboratory Number:	41797	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	06-07-07
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF	C-Cal RF	% Difference	Accept Range
Gasoline Range C5 - C10	05-07-07	1.0036E+003	1.0040E+003	0.04%	0 - 15%
Diesel Range C10 - C28	05-07-07	1.0020E+003	1.0024E+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

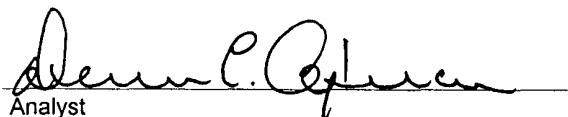
Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept Range
Gasoline Range C5 - C10	1.0	1.0	0.0%	0 - 30%
Diesel Range C10 - C28	199	198	0.6%	0 - 30%

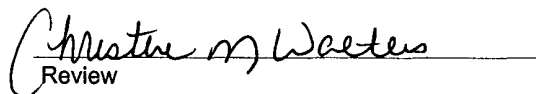
Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
Gasoline Range C5 - C10	1.0	250	250	99.8%	75 - 125%
Diesel Range C10 - C28	199	250	448	99.8%	75 - 125%

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 41797 - 41806


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Pipeline 4-Point @ 9'	Date Reported:	06-07-07
Laboratory Number:	41799	Date Sampled:	06-05-07
Chain of Custody:	2752	Date Received:	06-06-07
Sample Matrix:	Soil	Date Analyzed:	06-07-07
Preservative:	Cool	Date Extracted:	06-06-07
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	ND	1.8
Toluene	14.1	1.7
Ethylbenzene	15.3	1.5
p,m-Xylene	72.1	2.2
o-Xylene	19.9	1.0
Total BTEX	121	

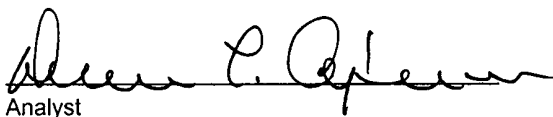
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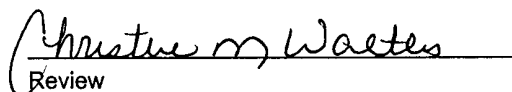
Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	99.0 %
	1,4-difluorobenzene	99.0 %
	Bromochlorobenzene	99.0 %

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: Nice #1


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Pipeline C @ 10'	Date Reported:	06-07-07
Laboratory Number:	41800	Date Sampled:	06-05-07
Chain of Custody:	2752	Date Received:	06-06-07
Sample Matrix:	Soil	Date Analyzed:	06-07-07
Preservative:	Cool	Date Extracted:	06-06-07
Condition:	Cool & Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	ND	1.8
Toluene	6.1	1.7
Ethylbenzene	1.6	1.5
p,m-Xylene	11.1	2.2
o-Xylene	4.2	1.0
Total BTEX	23.0	

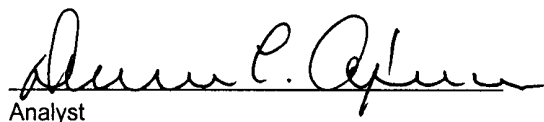
ND - Parameter not detected at the stated detection limit.

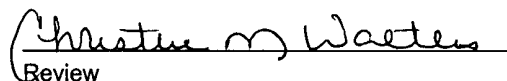
Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	99.0 %
	1,4-difluorobenzene	99.0 %
	Bromochlorobenzene	99.0 %

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: Nice #1


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	06-07-BTEX QA/QC	Date Reported:	06-07-07
Laboratory Number:	41797	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	06-07-07
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	2.4080E+007	2.4108E+007	0.2%	ND	0.2
Toluene	2.3677E+007	2.3725E+007	0.2%	ND	0.2
Ethylbenzene	1.9973E+007	2.0013E+007	0.2%	ND	0.2
p,m-Xylene	4.1999E+007	4.2084E+007	0.2%	ND	0.2
o-Xylene	1.8290E+007	1.8327E+007	0.2%	ND	0.1

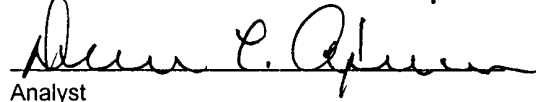
Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff	Accept Range	Detect Limit
Benzene	5.0	5.0	0.0%	0 - 30%	1.8
Toluene	11.1	11.0	0.9%	0 - 30%	1.7
Ethylbenzene	8.5	8.5	0.0%	0 - 30%	1.5
p,m-Xylene	31.2	31.1	0.3%	0 - 30%	2.2
o-Xylene	13.6	13.5	0.7%	0 - 30%	1.0

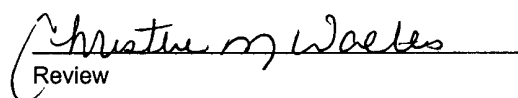
Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	5.0	50.0	54.9	99.8%	39 - 150
Toluene	11.1	50.0	61.1	100.0%	46 - 148
Ethylbenzene	8.5	50.0	58.5	100.0%	32 - 160
p,m-Xylene	31.2	100	131	99.8%	46 - 148
o-Xylene	13.6	50.0	63.5	99.8%	46 - 148

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 41797 - 41806


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Pipeline 4-Point @ 9'	Date Reported:	06-07-07
Lab ID#:	41799	Date Sampled:	06-05-07
Sample Matrix:	Soil	Date Received:	06-06-07
Preservative:	Cool	Date Analyzed:	06-07-07
Condition:	Cool and Intact	Chain of Custody:	2752

Parameter

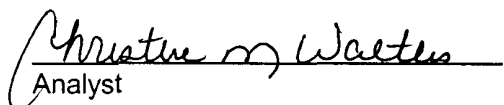
Concentration (mg/Kg)

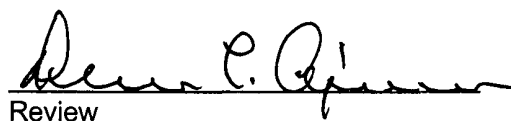
Total Chloride

100

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

Comments: Nice #1


Analyst


Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

Chloride

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Pipeline C @ 10'	Date Reported:	06-07-07
Lab ID#:	41800	Date Sampled:	06-05-07
Sample Matrix:	Soil	Date Received:	06-06-07
Preservative:	Cool	Date Analyzed:	06-07-07
Condition:	Cool and Intact	Chain of Custody:	2752

Parameter


Concentration (mg/Kg)

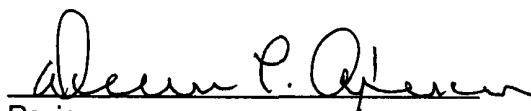
Total Chloride

42.0

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

Comments: Nice #1


Analyst


Review

CHAIN OF CUSTODY RECORD

2752

Client / Project Name BLAGG / DUGAN			Project Location NICE #1		ANALYSIS / PARAMETERS								
Sampler: JEFF BLAGG			Client No. 94034-010		No. of Containers	TPH 8015	BTEX 8021	CL ⁻				Remarks	
Sample No./ Identification	Sample Date	Sample Time	Lab Number	Sample Matrix									
SEP-4 POINT comp.	6/5/07	0830	41797	SOIL	1	X	X	X					
SEP- C @ 9'	"	0835	41798	"	1	X	X	X					
PIPELINE 4- POINT @ 9'	"	0845	41799	"	1	X	X	X					
PIPELINE C @ 10'	"	0850	41800	"	1	X	X	X					
Relinquished by: (Signature) <i>Jeff Blagg</i>			Date 6/6/07	Time 0641	Received by: (Signature) <i>James C. Cepuran</i>			Date 6/6/07	Time 0641				
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	X		
										Cool - Ice/Blue Ice	X		