

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

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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: kfagrelus@duganproduction.com
Address: P. O. Box 420, Farmington, NM 87499-0420
Facility or well name Bonanza #90 API #: 30-045-33067 U/L or Qtr/Qtr D Sec 26 T 23N R 11W
County: San Juan Latitude 36 2025 Longitude 107 97944 NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐
Workover ☒ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume 20 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes ☐ 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)
100 feet or more	(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	(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)
1000 feet or more	(0 points) 10

Ranking Score (Total Points)	10
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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

The workover pit at the Bonanza #90 closure Water was removed, pit liner taken up & disposed of at Waste Management Transfer Station. The pits dimensions
are approx 6' deep x 4' wide x 12' length and its center is approx. N 15' of wellhead. 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.
Pit closure date 8/10/07

RCVD AUG 20 '07
OIL CONS. DIV.
DIST. 3

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 16, 2007 *NOTE: NMOCD GUIDELINES WILL BE MODIFIED ONLY AS NECESSARY TO COMPLY WITH BLM STIPULATIONS

Printed Name/Title Kurt Fagrelus, Vice-President, Exploration Signature Kurt Fagrelus

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,**
Printed Name/Title District #3

Signature [Signature]

DATE AUG 30 2007