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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe

Form C-144 June 1, 2004

Oil Conservation Division

1220 South St. Francis Dr. office Santa Fe, NM 87505

| 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:  | (505)325-1821 e-mail address: kfagi                               | relius@duganproduction com |
| Address: P.O. Box 420, Farmington, NM 87499-0420  |   |                            |
| Facility or well name: Gold Medal #94S API #. 30-045-34230 U/L or Qtr/Qtr D Sec 34 T 24N R 10W  |   |                            |
| County San Juan Latitude 36.27400 Longitude 107.88848 NAD: 1927 🛛 1983 🗌 Surface Owner Federal 🖾 State 🗍 Private 🗍 Indian 🗎   |   |                            |
| RCUD JAN 11 '08   |   |                            |
| <u>Pit</u>  | Below-grade tank  | OIL CONS. DIV.             |
| <u>Type.</u> Drilling ☑ Production ☐ Disposal ☐   | Volume:bbl Type of fluid  |                            |
| Workover ☐ Emergency ☐  | Construction material DIST. 3                                     |                            |
| Lined 🛮 Unlined 🗌   | Double-walled, with leak detection? Yes  If not, explain why not. |                            |
| Liner type: Synthetic ☑ Thickness <u>12</u> mil Clay □  |   |                            |
| Pit Volume <u>500</u> bbl   |   |                            |
| Depth to ground water (vertical distance from bottom of pit to seasonal   | Less than 50 feet   | (20 points)                |
| high water elevation of ground water.)  | 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  | Yes   | (20 points)                |
| water source, or less than 1000 feet from all other water sources.)   | No  | ( 0 points) 0              |
|   | 1 200 5   |                            |
| Distance to surface water (horizontal distance to all wetlands, playas,   | Less than 200 feet  | (20 points)                |
| irrigation canals, ditches, and perennial and ephemeral watercourses.)  | 200 feet or more, but less than 1000 feet                         | (10 points)                |
|   | 1000 feet or more   | ( 0 points) 10             |
|   | 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   |   |                            |
| 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 drilling/reserve pit at the Gold Medal #94S closure. The pit liner cut off at the mudline and disposed of at the Waste Management Landfill substation. The pits dimensions  |   |                            |
| are approx 10' deep x 10' wide x 60' length with an average 3' slope and its center is approx W15' of wellhead. See attached. 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 closed 12/20/07   |   |                            |
| TREMOSCH 12/20/01   |   |                            |
|   |   |                            |
|   |   |                            |
| 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 31, 2007 *NOTE: NMOCD GUIDELINES WILL BE MODIFIED ONLY AS NECESSARY TO COMPLY WITH BLM STIPULATIONS  Printed Name/Title Kurt Fagrelius, Vice-President, Exploration Signature Nur + Fagrelius, Vice-President, Exploration   |   |                            |
| ,   |   |                            |
| 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. |   |                            |
| Deputy Oil & Gas Inspector,   |   |                            |
| Approval.  Printed Name/Title  District #3  | Signature Brandon Donall  | Date: JAN 1 4 2008         |
| i i i i i i i i i i i i i i i i i i i   | signature v jampier viewell                                       | Date.                      |