

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: West Bisti #1 SWD API #: 30-045-33828 U/L or Qtr/Qtr G Sec 35 T 26N R 13W
County: San Juan Latitude 36 44509 Longitude 108 18584 NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian

RCVD MAR 19 '08

Pit

Type Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume 4000 bbl

Below-grade tank

Volume: bbl Type of fluid:
Construction material:
Double-walled, with leak detection? Yes ☐ If not, explain why not.

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	(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

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 drilling/reserve pit at the West Bisti #1 SWD closure. The pits dimensions are approx. 10' x 50' x 70' and its center is approximately ⁵ 35' of wellhead.
Haul free water off pit and dispose of at Dugan Production's Sanchez O'Brien #1 SWD disposal well (1-28-08 to 2-7-08) Move in centrifuge and spin water out of cuttings (2-20-08 to 2-26-08) 1,000 bbls of water hauled to disposal well and cuttings put in bottom of pit. Take fence down, cut liner off at mudline and haul to Waste Management for disposal (3-8-08). Backfill pit and recontour pad to original topography.

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 March 14, 2008 *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,
District #3
Printed Name/Title Signature D. B. Bell Date MAY 30 2008