

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

Form C-144  
June 16, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.  
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

**Pit, Closed-Loop System, Below-Grade Tank, or  
Proposed Alternative Method Permit or Closure Plan Application**

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method  
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

**Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request**

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: Dugan Production Corp. OGRID #: 006515  
Address: 709 East Murray Drive, Farmington, New Mexico 87401  
Facility or well name: Hoss Com #97  
API Number: 30-045-34534 OCD Permit Number: RCVD JUL 15 '08  
U/L or Qtr/Qtr E Section 12 Township 23N Range 11W County: San Juan  
Center of Proposed Design: Latitude 36.24233 North Longitude 107.96223 West NAD: ☐ 1927 ☒ 1983  
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment  
OIL CONS. DIV.  
DIST. 3

<input checked="" type="checkbox"/> <b>Pit:</b> Subsection F or G of 19.15.17.11 NMAC Temporary: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Permanent <input type="checkbox"/> Emergency <input type="checkbox"/> Cavitation <input checked="" type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness <u>20</u> mil <input checked="" type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other _____ <input checked="" type="checkbox"/> String-Reinforced Seams: <input type="checkbox"/> Welded <input checked="" type="checkbox"/> Factory <input type="checkbox"/> Other _____ Volume: <u>600</u> bbl Dimensions: L <u>76'</u> x W <u>13'</u> x D <u>8'</u>	<input type="checkbox"/> <b>Closed-loop System:</b> Subsection H of 19.15.17.11 NMAC <input type="checkbox"/> Drying Pad <input type="checkbox"/> Tanks <input type="checkbox"/> Haul-off Bins <input type="checkbox"/> Other _____ <input type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness _____ mil <input type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other _____ Seams: <input type="checkbox"/> Welded <input type="checkbox"/> Factory <input type="checkbox"/> Other _____ Volume: _____ bbl _____ yd <sup>3</sup> Dimensions: Length _____ x Width _____
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<input type="checkbox"/> <b>Below-grade tank:</b> Subsection I of 19.15.17.11 NMAC Volume: _____ bbl Type of fluid: _____ Tank Construction material: _____ <input type="checkbox"/> Secondary containment with leak detection <input type="checkbox"/> Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off <input type="checkbox"/> Visible sidewalls and liner <input type="checkbox"/> Visible sidewalls only <input type="checkbox"/> Other _____ Liner type: Thickness _____ mil <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other _____	<input type="checkbox"/> <b>Fencing:</b> Subsection D of 19.15.17.11 NMAC <input type="checkbox"/> Chain link, six feet in height, two strands of barbed wire at top <input type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet <input type="checkbox"/> <b>Netting:</b> Subsection E of 19.15.17.11 NMAC <input type="checkbox"/> Screen <input type="checkbox"/> Netting <input type="checkbox"/> Other _____ <input type="checkbox"/> Monthly inspections <input type="checkbox"/> <b>Signs:</b> Subsection C of 19.15.17.11 NMAC <input checked="" type="checkbox"/> 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers <input type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC
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<input type="checkbox"/> <b>Alternative Method:</b> Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	<b>Administrative Approvals and Exceptions:</b> Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. <b>Please check a box if one or more of the following is requested, if not leave blank:</b> <input checked="" type="checkbox"/> Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval. <input type="checkbox"/> Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
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<b>Siting Criteria (regarding permitting):</b> 19.15. .0 NMAC <i>Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.</i>	
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
*Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.15 NMAC  
☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.15 NMAC  
☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC  
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☒ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number: 30-045- or Permit Number:

**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC

*Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.15 NMAC  
☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC  
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number:

**Permanent Pits Permit Application Checklist** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.15 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

**Proposed Closure:** 19.15.17.13 NMAC

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal

☒ On-site Closure Method (only for temporary pits and closed-loop systems)

☒ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

**Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

**Instructions:** Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☒ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☒ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☒ Yes ☐ No

☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

**Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (or liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only:** (19.15.17.13.D NMAC) *Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: \_\_\_\_\_

Disposal Facility Permit Number: \_\_\_\_\_

**On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☒ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Kurt Fagrelus

Title: Vice President, Exploration

Signature: Kurt Fagrelus

Date: 7-12-08

e-mail address: kfagrelus@duganproduction.com

Telephone: 505-325-1821 (O), 505-320-8248 (C)

**OCD Approval:** ☒ Permit Application (including closure plan) ☒ Closure Plan (only)

OCD Representative Signature: Bob Bell

Approval Date: 8-4-08

Title: Enviro/spec

OCD Permit Number: \_\_\_\_\_

**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

☒ Closure Completion Date: 2-26-2009

**Closure Method:**

- ☐ Waste Excavation and Removal ☒ On-Site Closure Method ☐ Alternative Closure Method
- ☐ If different from approved plan, please explain.

**Closure Report Attachment Checklist:** *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice
- ☐ Proof of Deed Notice (if applicable)
- ☒ Plot Plan
- ☒ Confirmation Sampling Analytical Results
- ☒ Waste Material Sampling Analytical Results
- ☒ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36.24226° N Longitude 107.96222 NAD: ☐ 1927 ☒ 1983

**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Kurt Fagrelus

Title: Vice President, Exploration

Signature: Kurt Fagrelus

Date: 4-7-2009

e-mail address: kfagrelus@duganproduction.com

Telephone: 505-325-1821

**Dugan Production Corp.  
Closure Report**

Lease Name: Hoss Com #97  
API No.: 30-045-34534

In accordance with Rule 10.15.17.13 NMAC the following information describes the closure of the temporary pit referenced above. All proper documentation concerning closure activities is included with the C-144. The temporary pit for this location was an approved design under Rule 19.15.17. **The closure plan for the temporary pit was submitted on 7-12-2008 and approved on 8-4-2008.**

1. Comply with siting criteria for temporary pits established by the State of New Mexico, Energy Minerals and Natural Resources Department 19.15.17.10 NMAC.

**See approved permit dated 8-4-2008.**

2. Provide the NMOCD district office at least 72-hours notice but no greater than 1-week prior to any closure operations. Notice will include operator name, well name and number, API number, and location (unit letter, section, township and range).

**See email notification dated 2-18-2009.**

3. Provide the surface owner notice of the operator's proposal of an on-site closure method. Proof of notice will be attached to the permit application. Also, proof of closure notice will be provided by certified mail to surface owner after closure. Proof of notice will be attached to final closure report.

**Federal Surface, certified notification not applicable as per BLM/OCD MOU, however, proof of notification is attached.**

4. Remove all liquid from pit and reclaim, re-use or dispose of at an NMOCD approved facility. Upon completion of drilling operations, drilling mud will be vacuumed from pit and transported to the next reserve pit for re-use at another drilling location. After the remaining mud settles, the free water that shakes out and any free water left over from completion operations will be hauled to the Dugan Production operated Sanchez O'Brien #1 SWD located 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 6, Township 24 North, Range 9 West NMPM, San Juan County, New Mexico. The disposal facility was permitted by the NMOCD with Administrative Order SWD-694.

**Drilling rig was released (9-5-2008) and drilling mud was transferred to the Hoss Com #90-S for re-use (9-6-2008). Remaining free water was transferred to the Sanchez O'Brien SWD #1 salt water disposal well.**

5. Remove all fluids from temporary pit within 30-days and close within 6-months following release of drilling rig.

**Free water was removed within 30-days and temporary pit was closed (2-20-2009).**

6. Air dry pit contents and stabilize or solidify to a load bearing capacity sufficient to support the temporary pit's final cover.

**Pit contents were allowed to dry prior to temporary pit closure.**

7. Collect a five point, composite sample of the pit contents to demonstrate that Benzene, BTEX, the GRO and DRO combined fraction, TPH, and chlorides (depth to groundwater from bottom of pit is greater than 100-feet), do not exceed the standards as specified in 19.15.17.9.B or the background concentration, whichever is greater.

**A five point composite sample was taken of remaining cuttings in temporary pit and was tested in accordance with Subsection B of 19.15.17.13 (B)(1)(b)(ii). Depth from bottom of pit to top of ground-water is greater than 100-feet. Sample results are attached.**

Components	Test Method	Limit (mg/kg)	*Results (mg/kg)
Benzene	EPA SW-846 8021B or 8260B	0.2	< 0.0009
BTEX	EPA SW-846 8021B or 8260B	50	0.0079
TPH	EPA SW-846 418.1	2500	445
GRO/DRO	EPA SW-846 8015M	500	6.2
Chlorides	EPA 300.1	1000 / 500	230

8. Other methods if the standards in 19.15.17.9.B can not be met will include: The pit contents may be mixed to a ratio not to exceed 3:1, un-contaminated soil or other material to pit contents. A second five point, composite sample of the contents after treatment or stabilization will be taken to demonstrate that the contents do not exceed the standards. If the second soil analyses do not satisfy the closure standards, the operator will close the temporary pit using the waste excavation and removal method.

**Not applicable, testing standards of 19.15-17.9 were met.**

9. Cut pit liner off at the mud line (solids level); remove liner and apron and transport to a NMOCD approved facility for disposal.

**Pit liner was removed 2-20-2009 and disposed of at the Crouch Mesa Waste Management facility on 4-2-2009 (see attached invoice).**

10. Stockpiled sub-surface soil will be used to backfill pit and re-contour well pad (to a final or intermediate cover that blends with the surrounding topography). A minimum of four-feet of compacted, non-waste containing, earthen material will be used as backfill.

**Stockpiled sub-surface soil was used to backfill temporary pit and re-contour well pad. A minimum of four-feet of compacted, non-waste containing, earthen material was used to backfill pit.**

11. Stockpiled surface soil will be used as a cover over the backfilled pit and disturbed areas of the well pad no longer needed for production operations. The soil cover will include either the background thickness of top soil or one foot of suitable material to establish vegetation at the site whichever is greater.

**Stockpiled surface soil was used to cover backfilled temporary pit and disturbed areas of the well pad no longer needed for production operations. The soil cover included the greater of either the background thickness or one foot of suitable material necessary to establish vegetation. The location was re-contoured to approximate the original topography of the site and diversions were constructed to protect soil cover and minimize erosion.**

12. The area will be re-seeded as per BLM guidelines. Re-seeding will be repeated until 70% of the native natural cover is achieved and maintained for two successive growing seasons. The first growing season after the pit is closed the disturbed area will be re-seeded. The seeding method will be to drill on contour whenever possible.

**The area was re-seeded according to BLM/OCD guidelines in May of 2009. The BLM less than 10" seed mix was drilled in at a rate of 2.5# per acre. Re-seeding will be repeated if needed until 70% of the native natural cover is achieved. Re-seeding will be done according to BLM guidelines as specified by BLM/OCD memorandum of understanding.**

13. The NMOCD will be notified once successful re-vegetation has been achieved.

**Re-seeding will be done according to BLM guidelines as specified by BLM/OCD memorandum of understanding.**

14. A steel marker will be set at the center of the on-site burial following onsite-pit closure (see application for administrative approval). The marker will be (24" X 24") and will have the operator name, lease name, well number, location (UL, Sec., Twp. and Rge.) and that it designates an "on-site burial location" lettering welded on the

top side with a 4" threaded collar welded to the bottom side. The marker will be set at ground level and attached to a 4" diameter pipe that is cemented in a hole three feet deep. When the well is abandoned, a steel riser that is 4" in diameter, extending 4' above the ground will be welded to the pipe anchored in cement below the surface. The riser will have lettering welded on side showing operator name, well number, location (UL, Sec., Twp., and Rge.) and that it designates an on-site burial location.

**A flat steel marker (24" X 24") with the lettering "on-site burial location" was set at ground-level in the center of the burial site. The marker is welded to a 4" pipe that is cemented in a 3-foot deep hole and is shown in the attached photographs (administrative approval was received). When the well is P&A'd, the steel plate will be removed and a riser that is 4" in diameter, extending 4' above the ground will be welded to the pipe anchored in cement below the surface. The riser will have lettering welded on the side showing operator name, well number, location (UL, Sec., Twp., and Rge.) and that it designates an on-site burial location.**

15. Closure Report will be submitted within 60-days of completion of temporary pit closure. Closure report will include the following:
- 1) Proof of Closure Notice.
  - 2) Proof of Deed Notice (if applicable).
  - 3) Plot Plan.
  - 4) Confirmation Sampling Analytical Results.
  - 5) Waste Material Sampling Analytical Results.
  - 6) Disposal Facility Name and Permit Number.
  - 7) Soil Backfilling and Cover Installation.
  - 8) Re-vegetation Application Rates and Seeding Technique.

**All items listed above if applicable are attached and submitted on this date.**

16. A deed notice identifying the exact location of the on-site burial will be filed with the County clerk in the county where the on-site burial occurs.

**Federal Surface, deed notice identifying exact location of on-site burial is not applicable according to BLM/OCD MOU.**

## Kurt Fagrellius

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**From:** Kurt Fagrellius  
**Sent:** Friday, December 12, 2008 4:32 PM  
**To:** brandon.powell@state.nm.us; Mark\_Kelly@nm.blm.gov  
**Subject:** Close Temporary Pits

Dear Mr. Powell and Mr. Kelly: with this e-mail I am notifying you of Dugan Production Corp's. plans to close the temporary pits on the Hoss Com #97, Hoss Com #90-S, Hoss Com #93 and Hoss Com #94 on Tuesday December 16, 2008 beginning at approximately 8 AM. If weather conditions or some other unforeseen problem comes up that prevents us from doing this work, I will contact you as soon as possible.

If you have any questions or require additional information, please contact me.

Sincerely, Kurt Fagrellius

1/21/2010



**Kurt Fagrellius**

**From:** Kurt Fagrellius  
**Sent:** Wednesday, December 17, 2008 9:32 AM  
**To:** brandon.powell@state.nm.us; Mark\_Kelly@nm.blm.gov  
**Subject:** FW: Close Temporary Pits

Dear Sirs: Inclement weather has spoiled plans to close the Hoss 97, 90-S, 93 and 94 tomorrow (12-18-2008). Latest storm dropped 4-5 inches total depth is 6-8". Will have to let pits dry out before scheduling a date to close. Hope to close sometime in the 1<sup>st</sup> or 2<sup>nd</sup> week of January 2009, weather permitting. The due date for closure on these pits is Hoss Com #97 - 1/3/09, Hoss Com #90S - 1/10/09, Hoss Com #94 - 1/17/09 and Hoss Com #93 - 1/24/09. With this e-mail I am asking for an extension of time to enable us to dry the pits out again (30-60 days). The soil analysis are all below the allowed threshold.

If you have any questions or require additional information, please contact me.

Sincerely, Kurt Fagrellius

**From:** Kurt Fagrellius  
**Sent:** Monday, December 15, 2008 1:32 PM  
**To:** 'brandon.powell@state.nm.us'; 'Mark\_Kelly@nm.blm.gov'  
**Subject:** FW: Close Temporary Pits

Dear Sirs: Due to the storm that went through the area over the weekend, Dugan is canceling plans to close the Hoss 97, 90-S, 93 and #94 until Thursday December 18, 2008. Again this is dependent on weather conditions. If we are unable to close on Thursday, will notify both of you and re-schedule for sometime after the first of January 2009.

If you have any questions or require additional information, please contact me.

Sincerely, Kurt Fagrellius

**From:** Kurt Fagrellius  
**Sent:** Friday, December 12, 2008 4:32 PM  
**To:** 'brandon.powell@state.nm.us'; 'Mark\_Kelly@nm.blm.gov'  
**Subject:** Close Temporary Pits

Dear Mr. Powell and Mr. Kelly: with this e-mail I am notifying you of Dugan Production Corp's plans to close the temporary pits on the Hoss Com #97, Hoss Com #90-S, Hoss Com #93 and Hoss Com #94 on Tuesday December 16, 2008 beginning at approximately 8 AM. If weather conditions or some other unforeseen problem comes up that prevents us from doing this work, I will contact you as soon as possible.

If you have any questions or require additional information, please contact me.

Sincerely, Kurt Fagrellius

1/21/2010

**Kurt Fagrellius**

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**From:** Kurt Fagrellius  
**Sent:** Wednesday, February 18, 2009 7:39 AM  
**To:** brandon.powell@state.nm.us; Mark\_Kelly@nm.blm.gov  
**Subject:** Drilling Reserve Pit Closures

Dear Sirs: on Friday February 20, 2009 Dugan Production Corp. will close the Drilling Reserve Pits for the Hoss Com #97, #90-S, #93 and #94. If you have any questions or require additional information, please contact me. Sincerely, Kurt Fagrellius

|

1/21/2010

dugan production corp.

Mr. Dave Mankiewicz  
Assistant Field Manager  
Bureau of Land Management  
1235 La Plata Highway  
Farmington, New Mexico 87401

April 6, 2009

RE: Certification Notice of On-Site Closure of Temporary Pit for the Hoss Com #97

Return Receipt Certification Number

7005 1820 0001 6168 7369

Dear Mr. Mankiewicz:

In accordance with the New Mexico Oil Conservation Division "Pit Rule" (19.15.17 NMAC), the Bureau of Land Management is hereby being notified that the "Temporary Pit" (drilling reserve pit for the Hoss Com #97, located on Federal surface) was closed "On-Site" in accordance with 19.15.17 NMAC.

If you have any questions or require additional information on this matter, please contact me.

Sincerely,

Sincerely,

Kurt Fegelin

Kurt Fagrelius



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY		OFFICIAL USE											
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <div style="border: 1px solid black; padding: 2px; display: inline-block;"> </div> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee </p> <p>B. Received by (Printed Name)  <div style="border: 1px solid black; padding: 2px; display: inline-block;"> </div> </p> <p>C. Date of Delivery  <div style="border: 1px solid black; padding: 2px; display: inline-block;"> </div> </p>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Postage</td> <td style="width: 50%;">\$</td> </tr> <tr> <td>Certified Fee</td> <td></td> </tr> <tr> <td>Receipt Fee (if not required)</td> <td></td> </tr> <tr> <td>Delivery Fee (if not required)</td> <td></td> </tr> <tr> <td>Postage &amp; Fees</td> <td>\$</td> </tr> </table>		Postage	\$	Certified Fee		Receipt Fee (if not required)		Delivery Fee (if not required)		Postage & Fees	\$
Postage	\$														
Certified Fee															
Receipt Fee (if not required)															
Delivery Fee (if not required)															
Postage & Fees	\$														
<p>1. Article Addressed to:</p> <p><i>Dave Mankiewicz - AFM  Bureau of Land Management  1235 La Plata Highway  Farmington, NM 87401</i></p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  If YES, enter delivery address below:</p>		<p>Postmark Here  <div style="border: 1px solid black; padding: 2px; display: inline-block;"> </div> </p>											
<p>2. Article Number  (Transfer from service label)</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail    <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered    <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail    <input type="checkbox"/> C.O.D.</p>		<p>Postage &amp; Fees</p> <p><i>Dave Mankiewicz - AFM  Apt. No.;  Box No. 1235 La Plata Hwy  Farmington, NM 87401</i></p> <p>Postage &amp; Fees</p>											
<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>		<p>5. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>		<p>See Reverse for Instructions</p> <p>Form 3800, June 2002</p> <p>VE: (505) 325-1821 • FAX# (505) 327-4613</p>											

Dugan Production Corp.  
709 East Murray Drive  
Farmington, NM 87401

Well Name: *Hoss com # 97*

Location: //

Drilling Operator: wayne smith drilling

Rig # : 1

Spud Date. 9-2-08

Date :

Rig Moved Off 9-8-08

Date to Remove Liquids by:

(30-days from rig release)

Date to Close Pit by:

(180-days from rig release)

Log Book of Daily inspections during Drilling / workover operations, weekly after rig is moved off.

[illegible]



**envirotech**  
Analytical Laboratory

**Chloride**

Client:	Dugan Prod	Project #:	06094-0003
Sample ID:	Hoss Com 97	Date Reported:	12-10-08
Lab ID#:	48446	Date Sampled:	12-08-08
Sample Matrix:	Soil	Date Received:	12-08-08
Preservative:	Cool	Date Analyzed:	12-11-08
Condition:	Intact	Chain of Custody:	5892

**Parameter**

**Concentration (mg/Kg)**

**Total Chloride**

**230**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.  
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Hoss Com.**

Analyst

*Vincent B...*

Review

*Christopher M. Walters*



EPA METHOD 418.1  
TOTAL PETROLEUM  
HYDROCARBONS

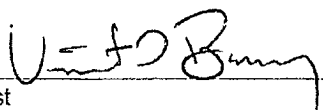
Client:	Dugan Prod	Project #:	06094-0003
Sample ID:	Hoss Com 97	Date Reported:	12-15-08
Laboratory Number:	48446	Date Sampled:	12-08-08
Chain of Custody No:	5892	Date Received:	12-08-08
Sample Matrix:	Soil	Date Extracted:	12-10-08
Preservative:	Cool	Date Analyzed:	12-10-08
Condition:	Intact	Analysis Needed:	TPH-418.1

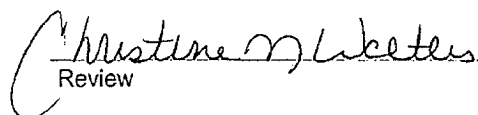
Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	445	5.0

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **Hoss Com.**

  
Analyst

  
Review



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

Client:	Dugan Prod	Project #:	06094-0003
Sample ID:	Hoss Com 97	Date Reported:	12-16-08
Laboratory Number:	48446	Date Sampled:	12-08-08
Chain of Custody No:	5892	Date Received:	12-08-08
Sample Matrix:	Soil	Date Extracted:	12-11-08
Preservative:	Cool	Date Analyzed:	12-12-08
Condition:	Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	ND	0.2
Diesel Range (C10 - C28)	6.2	0.1
Total Petroleum Hydrocarbons	6.2	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: **Hoss Com**

Analyst

Review



EPA METHOD 8021  
AROMATIC VOLATILE ORGANICS

Client:	Dugan Prod.	Project #:	06094-0003
Sample ID:	Hoss Com 97	Date Reported:	12-16-08
Laboratory Number:	48446	Date Sampled:	12-08-08
Chain of Custody:	5892	Date Received:	12-08-08
Sample Matrix:	Soil	Date Analyzed:	12-12-08
Preservative:	Cool	Date Extracted:	12-11-08
Condition:	Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	ND	0.9
Toluene	2.9	1.0
Ethylbenzene	1.1	1.0
p,m-Xylene	1.2	1.2
o-Xylene	2.7	0.9
Total BTEX	7.9	

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: Hoss Com

Analyst

Review



# CHAIN OF CUSTODY RECORD

5892

Client: <u>Dugan Rod</u>		Project Name / Location: <u>Hess Com</u>		ANALYSIS / PARAMETERS														
Client Address: <u>709 E. Murray Dr</u>		Sampler Name: <u>Hunt Fegins</u>																
Client Phone No.: <u>505-320-8248</u>		Client No.: <u>06094-0003</u>																
Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative (Hg, H <sub>2</sub> )	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE	Sample Cool	Sample Intact
Hess Com 90-5 12 <sup>00</sup>	10 Am		48445	Soil Aqueous	1-4oz		✓	✓							✓	✓	✓	✓
Hess Com 97 12 <sup>00</sup>	9 <sup>00</sup> Am		48446	Soil Aqueous			✓	✓							✓	✓	✓	✓
Hess Com 93 12 <sup>00</sup>	10 <sup>30</sup> Am		48447	Soil Aqueous			✓	✓							✓	✓	✓	✓
Hess Com 94 12 <sup>00</sup>	11 <sup>00</sup> Am		48448	Soil Aqueous			✓	✓							✓	✓	✓	✓
				Soil Sludge Aqueous														
				Soil Aqueous														
				Soil Sludge Aqueous														
				Soil Aqueous														
				Soil Sludge Aqueous														
				Soil Aqueous														
				Soil Sludge Aqueous														
				Soil Aqueous														
				Soil Sludge Aqueous														
Relinquished by: (Signature) <u>Hunt Fegins</u>	Date	Time	Received by: (Signature) <u>[Signature]</u>	Date	Time	Received by: (Signature) <u>[Signature]</u>	Date	Time	Received by: (Signature)	Date	Time	Received by: (Signature)	Date	Time	Received by: (Signature)	Date	Time	Received by: (Signature)
Relinquished by: (Signature)																		

**ENVIROTECH INC.**

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505-632-0615



**envirotech**  
Analytical Laboratory

**EPA METHOD 418.1  
TOTAL PETROLEUM  
HYDROCARBONS  
QUALITY ASSURANCE REPORT**

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	12-15-08
Laboratory Number:	12-11-TPH.QA/QC 48445	Date Sampled:	N/A
Sample Matrix:	Freon-113	Date Analyzed:	12-11-08
Preservative:	N/A	Date Extracted:	12-11-08
Condition:	N/A	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	12-03-08	12-11-08	1,590	1,520	4.4%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	19.1

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	954	763	20.0%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	954	2,000	2,480	84.0%	80 - 120%

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: QA/QC for Samples 48437 - 48441, 48445 - 48448 and 48456 - 48457.

Analyst

Review



EPA Method 8015 Modified  
Nonhalogenated Volatile Organics  
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	12-12-08 QA/QC	Date Reported:	12-16-08
Laboratory Number:	48422	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	12-12-08
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	9.9667E+002	9.9707E+002	0.04%	0 - 15%
Diesel Range C10 - C28	05-07-07	1.0028E+003	1.0032E+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	ND	ND	0.0%	0 - 30%
Diesel Range C10 - C28	ND	ND	0.0%	0 - 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
Gasoline Range C5 - C10	ND	250	246	98.4%	75 - 125%
Diesel Range C10 - C28	ND	250	248	99.2%	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 48422, 48423, 48435, 48445 - 48448, 48453, 48454.

Analyst

Review

Client:	N/A	Project #:	N/A
Sample ID:	12-12-BT QA/QC	Date Reported:	12-16-08
Laboratory Number:	48422	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	12-12-08
Condition:	N/A	Analysis:	BTEX

Calibration and Detection Limits (ug/L)	Cal RF	C-Cal RF	%Diff	Blank Conc	Detect Limit
		Accept Range 0 - 15%			
Benzene	1.3292E+006	1.3318E+006	0.2%	ND	0.1
Toluene	1.2791E+006	1.2817E+006	0.2%	ND	0.1
Ethylbenzene	1.1612E+006	1.1635E+006	0.2%	ND	0.1
p,m-Xylene	2.8132E+006	2.8189E+006	0.2%	ND	0.1
o-Xylene	1.1987E+006	1.2011E+006	0.2%	ND	0.1

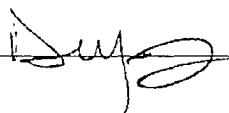
Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff	Accept Range	Detect Limit
Benzene	4.7	4.6	2.1%	0 - 30%	0.9
Toluene	19.5	19.4	0.5%	0 - 30%	1.0
Ethylbenzene	2.3	2.2	4.3%	0 - 30%	1.0
p,m-Xylene	23.4	22.2	5.1%	0 - 30%	1.2
o-Xylene	15.4	15.3	0.6%	0 - 30%	0.9

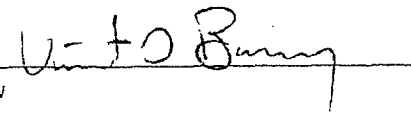
Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	4.7	50.0	52.7	96.3%	39 - 150
Toluene	19.5	50.0	68.2	98.1%	46 - 148
Ethylbenzene	2.3	50.0	50.3	96.2%	32 - 160
p,m-Xylene	23.4	100	118	95.9%	46 - 148
o-Xylene	15.4	50.0	67.8	104%	46 - 148

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 48422, 48423, 48435, 48445 - 48448, 48450, 48453, and 48454.

Analyst 

Review 



Waste Management  
10000 W. 10th Ave.  
Denver, CO 80202  
303.733.1000

Waste Management

Customer: 10000 W. 10th Ave. Denver, CO 80202  
Invoice Date: 04/02/2009  
Invoice Type: Bill of Materials  
Invoice Period: 03/01/09 - 03/31/09  
Invoice To: 10000 W. 10th Ave.  
Invoice From: 10000 W. 10th Ave.  
Route: 10000 W. 10th Ave.  
State Route Code: 10000 W. 10th Ave.  
Hauler: 10000 W. 10th Ave.  
Destination: 10000 W. 10th Ave.  
City: 10000 W. 10th Ave.  
Profile: 10000 W. 10th Ave.  
General: 10000 W. 10th Ave.

Time	Start	Stop	Location	Code	Unit	Weight
In	04/02/2009 10:11:35	04/02/2009 10:15:00	10000 W. 10th Ave.	10000 W. 10th Ave.	10000 W. 10th Ave.	10000 W. 10th Ave.
Out	04/02/2009 10:15:00	04/02/2009 10:15:00	10000 W. 10th Ave.	10000 W. 10th Ave.	10000 W. 10th Ave.	10000 W. 10th Ave.

Comments: 10000 W. 10th Ave.

Product	Unit	Qty	Unit Price	Total	Tax	Amount	Balance
10000 W. 10th Ave.	10000 W. 10th Ave.	1.000	1.000	1.000	1.000	1.000	1.000

Hoss Com # 97

Kurt F. Hoss  
Rogers Road  
Hoss Com # 97

Hoss Com # 97  
10000 W. 10th Ave.

Hoss Com # 97

Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>	<b>Form C-105</b> July 17, 2008
--	---	------------------------------------

<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>	1. WELL API NO. <b>30-045-34534</b> 2. Type of Lease <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No. <b>Federal Lease NM-96800</b>
---	---

4. Reason for filing:  <input type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)  <input checked="" type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)	5. Lease Name or Unit Agreement Name <b>Hoss Com</b> 6. Well Number: <b>97</b>
---	---

7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER									
8. Name of Operator <b>Dugan Production Corp.</b>					9. OGRID <b>006515</b>				
10. Address of Operator  <b>P. O. Box 420, Farmington, NM 87499-0420</b>					11. Pool name or Wildcat				

12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:										
BH:										

13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released <b>9/5/08</b>	16. Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc.)
18. Total Measured Depth of Well		19. Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run
22. Producing Interval(s), of this completion - Top, Bottom, Name				

<b>23. CASING RECORD (Report all strings set in well)</b>					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

<b>24. LINER RECORD</b>				<b>25. TUBING RECORD</b>			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED

<b>28. PRODUCTION</b>							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. or Shut-in)		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
29. Disposition of Gas (Sold, used for fuel, vented, etc.)						30. Test Witnessed By	

31. List Attachments							
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.							
33. If an on-site burial was used at the well, report the exact location of the on-site burial.							

Latitude <b>36.24226°N</b>	Longitude <b>107.96222°W</b>	NAD 1927 <b>1483</b>
----------------------------	------------------------------	----------------------

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature <i>Kurt Fagrellius</i>	Printed Name <b>Kurt Fagrellius</b> Title <b>Vice-President, Exploration</b> Date <b>4/6/09</b>	
E-mail Address <b>kfagrellius@duganproduction.com</b>		

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629		*Pool Name BASIN FRUITLAND COAL	
*Property Code		*Property Name HOSS COM			*Well Number 97
*OGRID No. 006515		*Operator Name DUGAN PRODUCTION CORPORATION			*Elevation 6464'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	23N	11W		2160	NORTH	660	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 320.0 Acres - (W/2)					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		

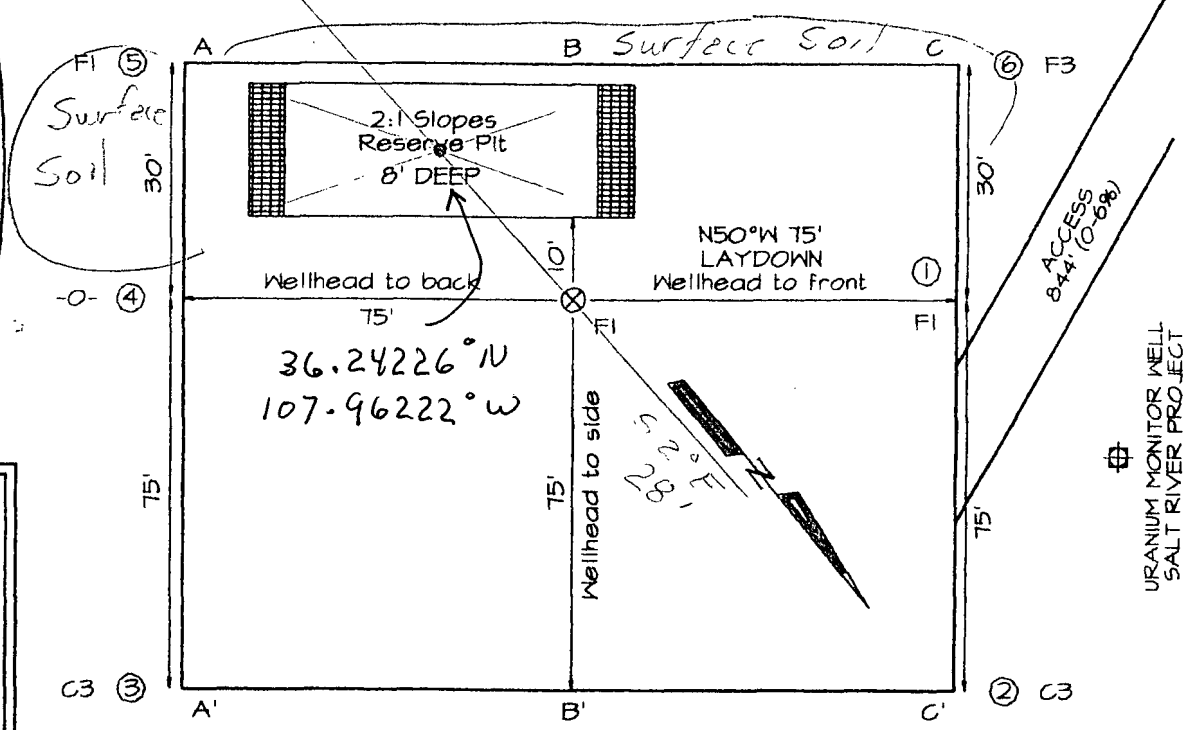
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Kurt Fagrelis</i> 06/17/2008 Signature Date</p> <p>Kurt Fagrelis Printed Name</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</p> <p>Date of Survey: MAY 28, 2008</p> <p>Signature and Seal of Professional Surveyor</p> <p> JASON C. EDWARDS Certificate Number 15269</p>

**DUG / PRODUCTION CORPORATION LOSS COM #97**  
**2160' FNL & 660' FWL, SECTION 12, T23N, R11W, NMPM**  
**SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6464'**

**LATITUDE: 36.24233° N**  
**LONGITUDE: 107.96223° W**  
 DATUM: NAD1983

**PLAT NOTE:**  
 \*SURFACE OWNER\*  
 Bureau of Land  
 Management



A-A'						
6475'						
6465'						
6455'						

B-B'						
6475'						
6465'						
6455'						

C-C'						
6475'						
6465'						
6455'						

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction



**DUGAN PRODUCTION CORP.**

**HOSS COM # 97**

**NM-80498**

**API # 30-045-34534**

**SW/4, NW/4, UNIT E**

**SEC. 12, T23N, R11W**

**LAT. 36° 14' 32" LONG. 107° 57' 44"**

**SAN JUAN COUNTY, NM**

**FOR EMERGENCY CALL (505)325 1821**

