

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	NAPP2223445319
District RP	
Facility ID	
Application ID	

Release Notification

Accepted - 05/19/2023

Responsible Party

NV

Responsible Party Dugan Production Corp.	OGRID 006515
Contact Name Kevin Smaka	Contact Telephone 505-325-1821 x1049
Contact email Kevin.Smaka@duganproduction.com	Incident # (assigned by OCD) nAPP2223445319
Contact mailing address PO Box 420, Farmington, NM 87499	

Location of Release Source

Latitude 36.165741 Longitude -107.6824188
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Satchmo Com #2	Site Type Gas Well
Date Release Discovered unknown - historic	API# (if applicable) 30-045-34425

Unit Letter	Section	Township	Range	County
J	4	22N	8W	San Juan

Surface Owner: State Federal Tribal Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

<input type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) unknown	Volume Recovered (bbls) 0
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

Historic accumulation of saltwater leaks

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Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? 	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

<input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.
If all the actions described above have <u>not</u> been undertaken, explain why:
Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.
Printed Name: <u>Kevin Smaka</u> Title: <u>Regulatory Engineer</u> Signature: <u></u> Date: <u>August 22, 2022</u> email: <u>Kevin.Smaka@duganproduction.com</u> Telephone: <u>505-325-1821 x1049</u>
<u>OCD Only</u> Received by: <u>Jocelyn Harimon</u> Date: <u>08/22/2022</u>

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Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	200 (ft bgs)
Did this release impact groundwater or surface water?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the release impact areas not on an exploration, development, production, or storage site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: *Each of the following items must be included in the report.*

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- Field data
- Data table of soil contaminant concentration data
- Depth to water determination
- Determination of water sources and significant watercourses within 1/2-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
- Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

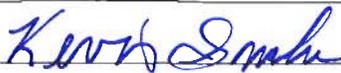
Received by O.C.D. - 8/22/2022 1:36:36 PM

Released to Imaging: 5/19/2023 9:47:58 AM

State of New Mexico
Oil Conservation Division

Incident ID	NAPP2223445319
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I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Kevin Smaka Title: Regulatory Engineer
 Signature:  Date: August 22, 2022
 email: Kevin.Smaka@duganproduction.com Telephone: 505-325-1821 x1049

OCD Only

Received by: Jocelyn Harimon Date: 08/22/2022

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Remediation Plan

Remediation Plan Checklist: *Each of the following items must be included in the plan.*

- Detailed description of proposed remediation technique
- Scaled sitemap with GPS coordinates showing delineation points
- Estimated volume of material to be remediated
- Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC
- Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required)

Deferral Requests Only: *Each of the following items must be confirmed as part of any request for deferral of remediation.*

- Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction.
- Extents of contamination must be fully delineated.
- Contamination does not cause an imminent risk to human health, the environment, or groundwater.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Kevin.Smaka Title: Regulatory Engineer
 Signature:  Date: August 22, 2022
 email: Kevin.Smaka@duganproduction.com Telephone: 505-325-1821 x1049

OCD Only

Received by: Jocelyn Harimon Date: 08/22/2022

Approved Approved with Attached Conditions of Approval Denied Deferral Approved

Signature: _____ Date: _____

Incident ID	
District RP	
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Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: *Each of the following items must be included in the closure report.*

- A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- Description of remediation activities

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: _____ Title: _____
 Signature: _____ Date: _____
 email: _____ Telephone: _____

OCD Only

Received by: _____ Date: _____

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: _____ Date: _____

Printed Name: _____ Title: _____

Satchmo Com #2

Site Characterization and Remediation Plan

30-045-34425

J-04-22N-08W

1550 FSL 1350 FEL

Site and Field Data

Dugan Production was informed by NMOCD of a potential historical spill located off the well pad of the Satchmo Com #1. The inspector noted bare spots off of location and requested Dugan further investigate and remediate if needed.

Dugan collected soil samples of the area and tested for Chlorides, BTEX and TPH. Lab results indicated high concentrations of chlorides. While investigating the site it noted salts had ponded in the area, created a crust and damaged the vegetation in the spill area. Based on these findings Dugan felt it best to report a spill of unknown volume.

After determining a spill had occurred Dugan conducted a site evaluation. Dugan found that groundwater for this spill site is found around 200 feet below surface. A hydrogeologic report for a nearby well was used in making this determination. A copy of the report will be included with this document.

Dugan then generated maps and drew buffers on the maps to ensure the spill location is not within proximity of certain areas. The areas specified in NMAC 19.15.29 have been included as a reference:

(4) If a release occurs within the following areas, the responsible party must treat the release as if it occurred less than 50 feet to ground water in Table I of 19.15.29.12 NMAC:

- (a) within
 - (i) 300 feet of any continuously flowing watercourse or any other significant watercourse, or
 - (ii) 200 feet of any lakebed, sinkhole or playa lake (measured from the ordinary high-water mark);
- (b) within 300 feet from an occupied permanent residence, school, hospital, institution or church;
- (c) within
 - (i) 500 feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or
 - (ii) 1000 feet of any fresh water well or spring;
- (d) within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to Section 3-27-3 NMSA 1978 as amended, unless the municipality specifically approves;
- (e) within 300 feet of a wetland;
- (f) within the area overlying a subsurface mine;
- (g) within an unstable area; or

(h) within a 100-year floodplain.

After reviewing the needed maps and other data Dugan has determined the spill did not occur in one of the sensitives areas listed above. Dugan has included maps as evidence that supports this position. The nearest water course is a stock pond approximately 800 feet away. There are no homes or dwelling within 300 feet of the spill area. There are no wells or springs within 1000 feet of the spill. The spill did not occur within municipal boundaries. The spill is not near any wetlands, on top of a mine or lying in a flood plain.

Based on information above Dugan will base closure on the following portion of table 1 of NMAC 19.15.29:

>100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

Remediation Plan

Dugan proposes the following steps to remediate this spill:

1. Break up the flocculated/crust of soil that has formed on the surface. Dugan proposes the soil be ripped to achieve this.
2. Apply 1000 lbs of gypsum to the ripped soil.
3. Soak the ripped soils with fresh water. This will be done using a water truck and a hose. Special care will be taken to prevent run off from spreading to unaffected soils, as needed. The soaking treatment will be done 3 times.
4. After these steps Dugan will collect soils samples and have them analyzed in the lab. If lab results are satisfactory Dugan will reseed the spill area with a seed mix reflective of local vegetation.
5. Dugan will monitor the area until adequate regrowth has taken place.
6. If lab results fail to meet these standards Dugan will apply 500 more pounds of gypsum and soak the spill site again.

In total Dugan is expecting to treat 2000 cubic feet of soil. In addition Dugan expects to have this work completed by November 10th, 2022.

Sampling Plan

In this case Dugan requests permission to sample every 500 square feet with a 5 point composite sample. The spill is approximately 4500 square feet. We propose gathering 9 samples. A map is included showing the proposed locations.

Mary Rose Com #2 Hydrogeologic Data

The Mary Rose Com #2 temporary pit is located on Navajo Allotted land on the Chaco Slope area in San Juan County, New Mexico. The region is characterized by broad, gentle, arid mesas bordered by "badlands topography" on surface shale that is dissected by numerous, small, deep cutting arroyos and larger, south-westerly trending valleys drained by large washes (Escavada Wash). There is only minimal if any vegetative cover on the "badlands" areas and sparse grass, sage and isolated stands of pinon and juniper on the mesa tops.

A records search of the NM Office of the State Engineer –iWATERS database was conducted on a three square mile area centered on the Mary Rose Com #2 location (Exhibit 2). No water wells were located in the area. The results of the search are shown on Exhibit 1.

The main source of stock water in the region is encountered in valley-fill deposits in existing arroyos at shallow depths of approximately 15 – 50 feet below the surface and stock tanks constructed on surface shale at the confluences and upper reaches of arroyos. The temporary pit is not located in an arroyo; Escavada Wash is 400-feet northwest, the nearest stock tank is 8,700-feet to the northwest and there is a spring 3,000-feet to the northwest (Exhibit 2).

The Kirtland Shale ranges from the surface down to approximately 245-feet and is comprised of an upper shale member, middle sandstone member (Farmington Ss.) and a lower shale member. The middle sandstone interval is either absent or not developed in the area. There are no reservoir rocks in the section and the Kirtland is not expected to contain groundwater. The Kirtland shale (surface) is breached down to a depth of 60-feet ¼-mile to the northwest.

The Fruitland Coal and Pictured Cliffs Sandstone from 575-725 feet contain groundwater and natural gas. The water quality is very poor (>10,000 ppm TDS). Water that is recovered with natural gas production is disposed of in nearby salt water disposal wells (analysis of this water is available upon request from Dugan Production)

Based on electric open hole logs, the iWATERS database, literature reviewed, depth to ground water ranges from 15 – 20 feet below the surface in major arroyos and along Escavada Wash. Moving away from the wash, ground water depth drops rapidly to greater than 220-feet below the surface. At the location of the subject temporary pit, lesser amounts of poor quality ground water might be found at depths of approximately 590-770 feet in the Fruitland Coal and Pictured Cliffs Sandstone interval.

This Hydrogeologic Report was prepared by Mr. Kurt Fagrelus, Geologist for Dugan Production. Mr. Fagrelus has been employed as a geologist for Dugan for the past 32-years, received a MS in Geology from NMIMT in Socorro, NM and a BS in Geology from FLC in Durango, CO.

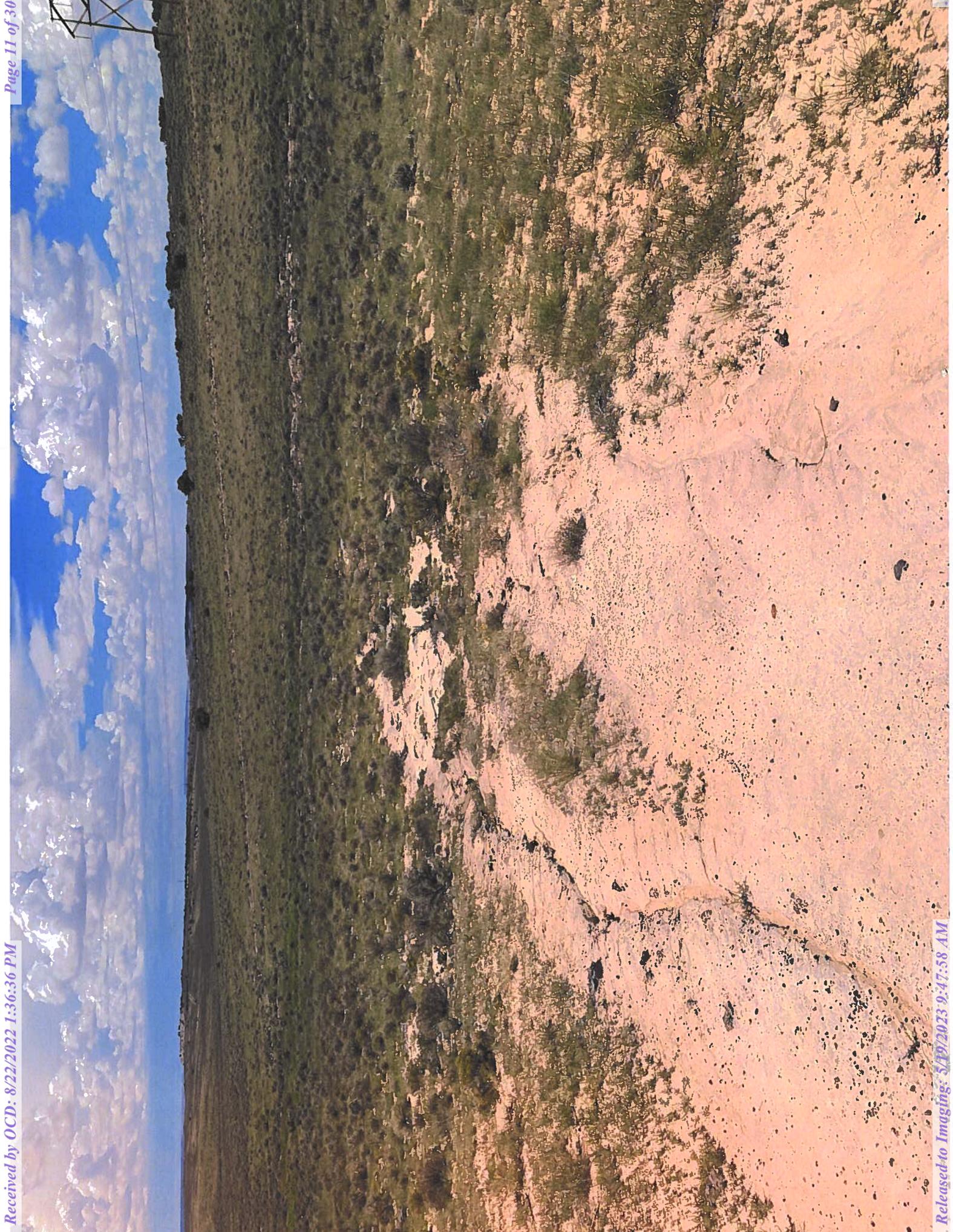
Stone, W.J., Lyford, F.P., Frenzel, P.F., Mizell, N.H., and Padgett, E.T., 1983, Hydrogeology and water resources of San Juan Basin, New Mexico: New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

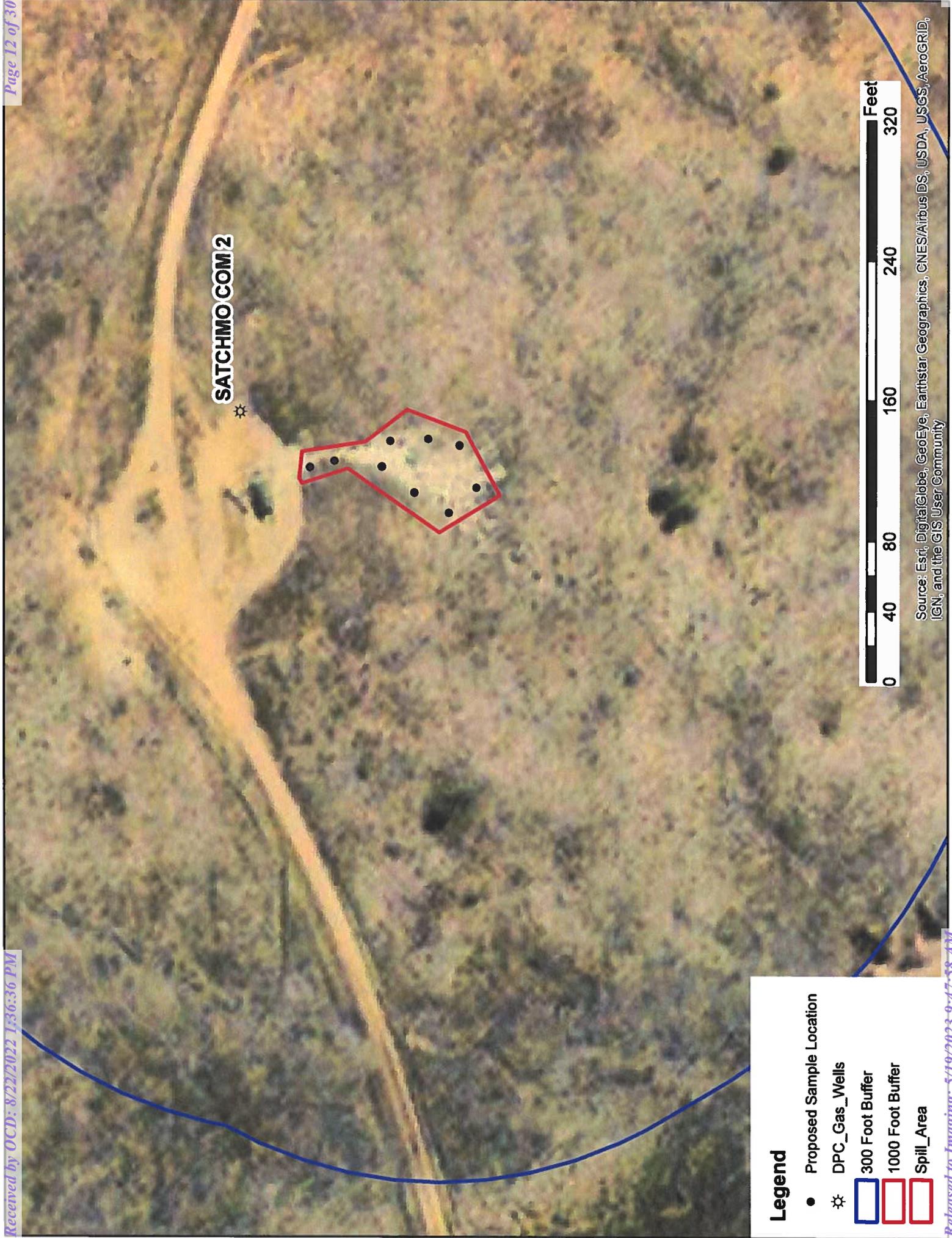
Brown, D.R., and Stone, W.J., 1979, Hydrogeology of Aztec quadrangle, San Juan County, New Mexico: New Mexico Bureau of Mines and Mineral Resources Hydrogeologic Sheet 1.

Levings, G.W., Craig, S.D., Dam, W.L. Kernodle, J.M., and Thorn, C.R., 1990, Hydrogeology of the San Jose, Nacimiento, and Animas Formations in the San Juan Structural Basin, New Mexico, Colorado, Arizona and Utah: U.S. Geological Survey, Atlas HA-720-A, Sheet 1 and 2.

Thorn, C.R., Levings, G.W., Craig, S.D., Dam, W.L., and Kernodle, J.M., 1990, Hydrogeology of the Ojo Alamo Sandstone in the San Juan Structural Basin, New Mexico, Colorado, Arizona and Utah: U.S. Geological Survey, Atlas HA-720-B, Sheet 1 and 2.



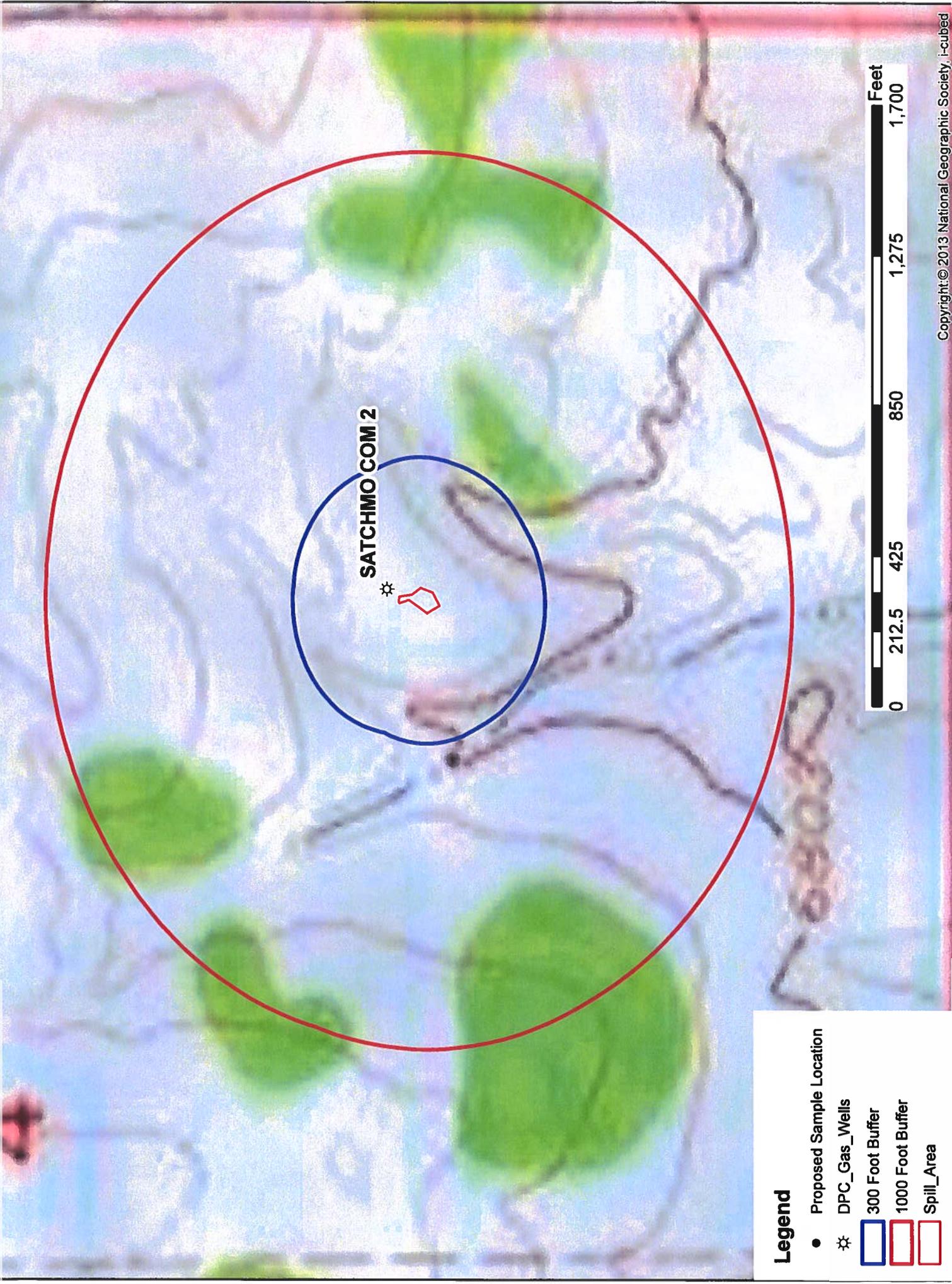




Legend

- Proposed Sample Location
- ☆ DPC_Gas_Wells
- 300 Foot Buffer
- 1000 Foot Buffer
- Spill_Area

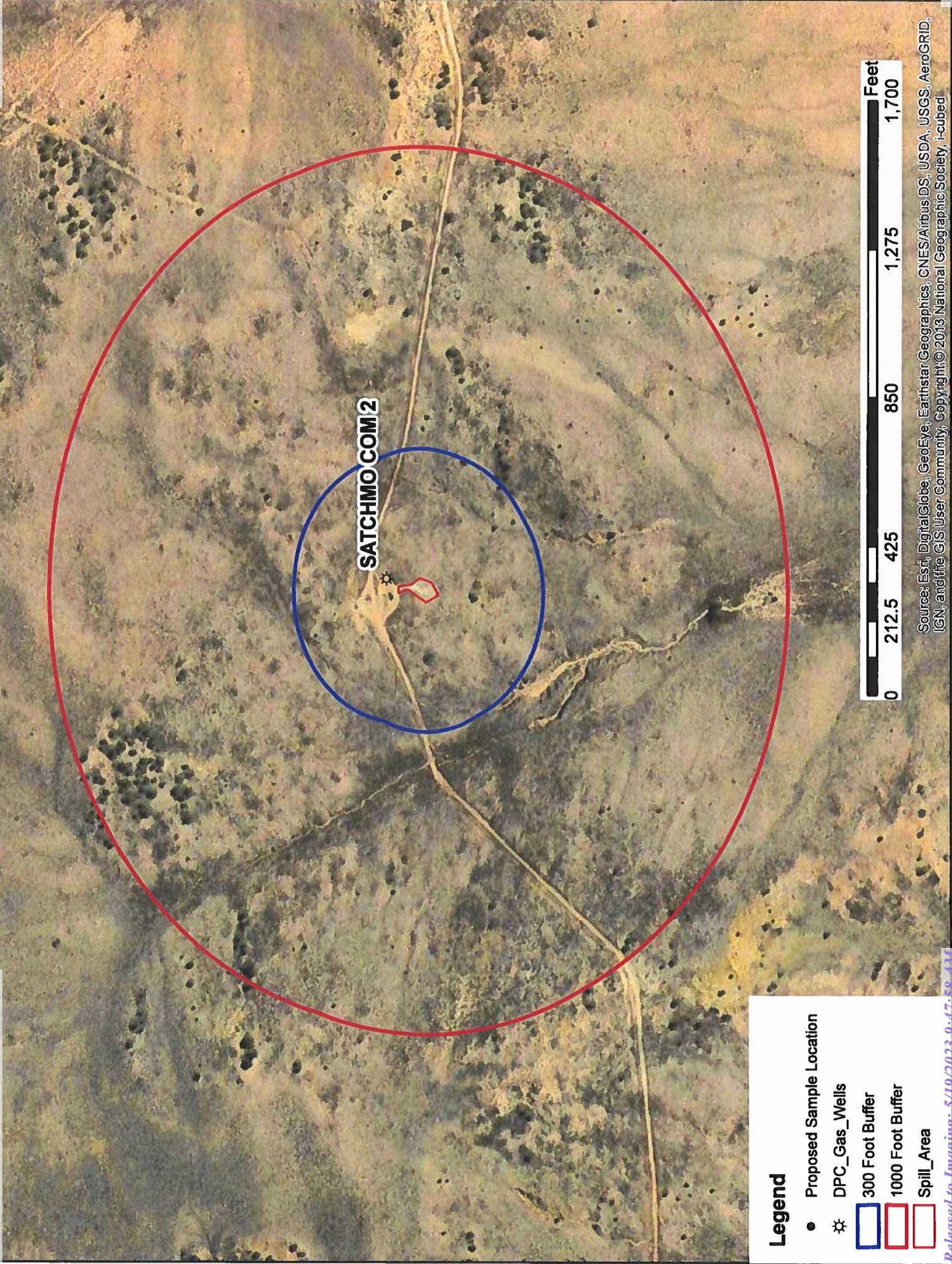
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Legend

- Proposed Sample Location
- ☆ DPC_Gas_Wells
- 300 Foot Buffer
- 1000 Foot Buffer
- Spill_Area





Legend

- Proposed Sample Location
- ☆ DPC_Gas_Wells
- 300 Foot Buffer
- 1000 Foot Buffer
- Spill_Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Copyright © 2013 National Geographic Society, i-cubed

National Flood Hazard Layer FIRMette



107°41'16"W 36°10'12"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, A99
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with draining areas of less than one square mile Zone
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN
- Area of Minimal Flood Hazard Zone X
- Effective LOMRS
- Area of Undetermined Flood Hazard Zone

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/10/2022 at 7:01 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



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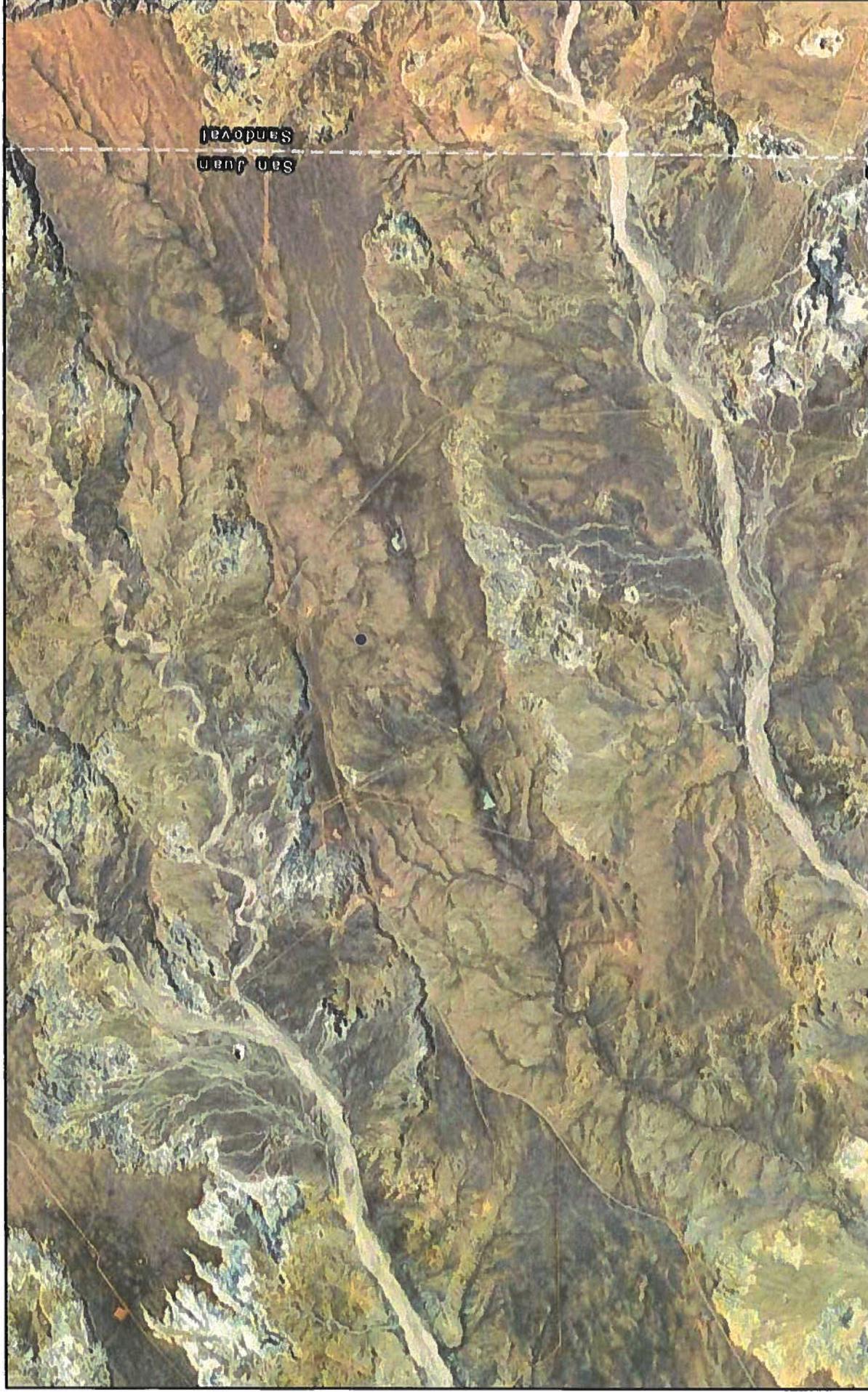
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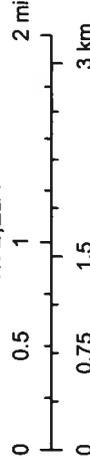
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Active Mines in New Mexico



8/10/2022, 5:03:19 PM

1:72,224



Esri, HERE, Garmin, Earthstar Geographics

Report to:
Kevin Smaka



5796 U.S. Hwy 64
Farmington, NM 87401

Phone: (505) 632-1881
Envirotech-inc.com



envirotech

Practical Solutions for a Better Tomorrow

Analytical Report

Dugan Production Corp.

Project Name: Satchmo #2

Work Order: E206041

Job Number: 06094-0177

Received: 6/7/2022

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
6/10/22

Envirotech Inc. certifies the test results meet all requirements of TNI unless noted otherwise.
Statement of Data Authenticity: Envirotech Inc, attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech Inc.
Envirotech Inc, holds the Utah TNI certification NM00979 for data reported.
Envirotech Inc, holds the Texas TNI certification T104704557 for data reported.
Envirotech Inc, holds the NM SDWA certification for data reported. (Lab #NM00979)

Date Reported: 6/10/22

Kevin Smaka
PO Box 420
Farmington, NM 87499



Project Name: Satchmo #2
Workorder: E206041
Date Received: 6/7/2022 3:30:00PM

Kevin Smaka,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 6/7/2022 3:30:00PM, under the Project Name: Satchmo #2.

The analytical test results summarized in this report with the Project Name: Satchmo #2 apply to the individual samples collected, identified and submitted bearing the project name on the enclosed chain-of-custody. Subcontracted sample analyses not conducted by Envirotech, Inc., are attached in full as issued by the subcontract laboratory.

Please review the Chain-of-Custody (COC) and Sample Receipt Checklist (SRC) for any issues regarding sample receipt temperature, containers, preservation etc. To best understand your test results, review the entire report summarizing your sample data and the associated quality control batch data.

All reported data in this analytical report were analyzed according to the referenced method(s) and are in compliance with the latest NELAC/TNI standards, unless otherwise noted. Samples or analytical quality control parameters not meeting specific QC criteria are qualified with a data flag. Data flag definitions are located in the Notes and Definitions section of this analytical report.

If you have any questions concerning this report, please feel free to contact Envirotech, Inc.

Respectfully,

Walter Hinchman
Laboratory Director
Office: 505-632-1881
Cell: 775-287-1762
whinchman@envirotech-inc.com

Raina Schwanz
Laboratory Administrator
Office: 505-632-1881
rainaschwanz@envirotech-inc.com

Alexa Michaels
Sample Custody Officer
Office: 505-632-1881
labadmin@envirotech-inc.com

Field Offices:

Southern New Mexico Area
Lynn Jarboe
Technical Representative/Client Services
Office: 505-421-LABS(5227)
Cell: 505-320-4759
ljjarboe@envirotech-inc.com

West Texas Midland/Odessa Area
Rayny Hagan
Technical Representative
Office: 505-421-LABS(5227)

Envirotech Web Address: www.envirotech-inc.com

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Sample Summary

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Satchmo #2 Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 06/10/22 09:10
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Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Satchmo #2 - 1	E206041-01A	Soil	06/07/22	06/07/22	Glass Jar, 4 oz.
Satchmo #2 - 2	E206041-02A	Soil	06/07/22	06/07/22	Glass Jar, 4 oz.
Satchmo #2 - 3	E206041-03A	Soil	06/07/22	06/07/22	Glass Jar, 4 oz.
Satchmo #2 - 4	E206041-04A	Soil	06/07/22	06/07/22	Glass Jar, 4 oz.

Sample Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Satchmo #2 Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 6/10/2022 9:10:22AM
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Satchmo #2 - 1

E206041-01

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Anions by EPA 300.0/9056A	mg/kg	mg/kg		Analyst: KL		Batch: 2224023
Chloride	718	20.0	1	06/07/22	06/08/22	



Sample Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Satchmo #2 Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 6/10/2022 9:10:22AM
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Satchmo #2 - 2

E206041-02

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Anions by EPA 300.0/9056A	mg/kg	mg/kg		Analyst: KL		Batch: 2224023
Chloride	222	20.0	1	06/07/22	06/08/22	



Sample Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Satchmo #2 Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 6/10/2022 9:10:22AM
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Satchmo #2 - 3

E206041-03

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Anions by EPA 300.0/9056A	mg/kg	mg/kg		Analyst: KL		Batch: 2224023
Chloride	455	20.0	1	06/07/22	06/08/22	



Sample Data

Dugan Production Corp.	Project Name:	Satchmo #2	Reported: 6/10/2022 9:10:22AM
PO Box 420	Project Number:	06094-0177	
Farmington NM, 87499	Project Manager:	Kevin Smaka	

Satchmo #2 - 4

E206041-04

Analyte	Result	Reporting		Dilution	Prepared	Analyzed	Notes
		Limit					
Anions by EPA 300.0/9056A	mg/kg	mg/kg		Analyst: KL			Batch: 2224023
Chloride	810	20.0		1	06/07/22	06/08/22	



QC Summary Data

Dugan Production Corp. PO Box 420 Farmington NM, 87499	Project Name: Satchmo #2 Project Number: 06094-0177 Project Manager: Kevin Smaka	Reported: 6/10/2022 9:10:22AM
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Anions by EPA 300.0/9056A

Analyst: KL

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
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Blank (2224023-BLK1)

Prepared: 06/07/22 Analyzed: 06/08/22

Chloride ND 20.0

LCS (2224023-BS1)

Prepared: 06/07/22 Analyzed: 06/08/22

Chloride 247 20.0 250 99.0 90-110

Matrix Spike (2224023-MS1)

Source: E206041-01

Prepared: 06/07/22 Analyzed: 06/08/22

Chloride 956 20.0 250 718 95.5 80-120

Matrix Spike Dup (2224023-MSD1)

Source: E206041-01

Prepared: 06/07/22 Analyzed: 06/09/22

Chloride 969 20.0 250 718 100 80-120 1.25 20

QC Summary Report Comment:

Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values may differ slightly.



Definitions and Notes

Dugan Production Corp.	Project Name:	Satchmo #2	
PO Box 420	Project Number:	06094-0177	Reported:
Farmington NM, 87499	Project Manager:	Kevin Smaka	06/10/22 09:10

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

RPD Relative Percent Difference

DNI Did Not Ignite

Note (1): Methods marked with ** are non-accredited methods.

Note (2): Soil data is reported on an "as received" weight basis, unless reported otherwise.



Project Information

Chain of Custody

Client: Dugan Production
 Project: Satchmo #2
 Project Manager: Kevin Sorensen
 Address: _____
 City, State, Zip: _____
 Phone: _____
 Email: _____

Attention: Dugan Production
 Address: _____
 City, State, Zip: _____
 Phone: _____
 Email: _____

Report due by: Maricela

Time Sampled	Date Sampled	Matrix	No. of Containers	Sample ID	Lab Number	DRD/ORD by 8015	GRD/DRO by 8015	BTEX by 8021	VOC by 8260	Metals 6010	Chloride 3000	Analysis and Method	Lab WQH	Job Number	TAT	EPA Program
Am 11:30	6/7/22	S	1	Satchmo #2 - 1	1								0004-017	0004-017	X	SDWA
				Satchmo #2 - 2	2											
				Satchmo #2 - 3	3											
				Satchmo #2 - 4	4											

Additional Instructions:

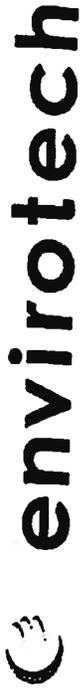
I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabeling the sample location, date or time of collection is considered fraud and may be grounds for legal action.

Relinquished by: (Signature) [Signature] Date 6-7-22 Time 8:30
 Relinquished by: (Signature) _____ Date _____ Time _____

Received by: (Signature) [Signature] Date 6/7/22 Time 15:30
 Received by: (Signature) _____ Date _____ Time _____

Received on Ice: Y N
 T1 _____ T2 _____ T3 _____
 AVG Temp °C 4

Container Type: B - glass, p - poly/plastic, ag - amber glass, v - VOA
 Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above samples is applicable only to those samples received by the laboratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.



Envirotech Analytical Laboratory

Printed: 6/7/2022 3:56:32PM

Sample Receipt Checklist (SRC)

Instructions: Please take note of any NO checkmarks.

If we receive no response concerning these items within 24 hours of the date of this notice, all the samples will be analyzed as requested.

Client: Dugan Production Corp.	Date Received: 06/07/22 15:30	Work Order ID: E206041
Phone: 505-486-6207	Date Logged In: 06/07/22 15:34	Logged In By: Caitlin Christian
Email: kevin.smaka@duganproduction.com	Due Date: 06/10/22 17:00 (3 day TAT)	

Chain of Custody (COC)

- 1. Does the sample ID match the COC? Yes
- 2. Does the number of samples per sampling site location match the COC? Yes
- 3. Were samples dropped off by client or carrier? Yes
- 4. Was the COC complete, i.e., signatures, dates/times, requested analyses? Yes
- 5. Were all samples received within holding time? Yes

Carrier: Mario Ulibarri

Note: Analysis, such as pH which should be conducted in the field, i.e., 15 minute hold time, are not included in this discussion.

Sample Turn Around Time (TAT)

- 6. Did the COC indicate standard TAT, or Expedited TAT? Yes

Sample Cooler

- 7. Was a sample cooler received? Yes
- 8. If yes, was cooler received in good condition? Yes
- 9. Was the sample(s) received intact, i.e., not broken? Yes
- 10. Were custody/security seals present? No
- 11. If yes, were custody/security seals intact? NA
- 12. Was the sample received on ice? If yes, the recorded temp is 4°C, i.e., 6°±2°C Yes

Note: Thermal preservation is not required, if samples are received w/i 15 minutes of sampling

- 13. If no visible ice, record the temperature. Actual sample temperature: 4°C

Sample Container

- 14. Are aqueous VOC samples present? No
- 15. Are VOC samples collected in VOA Vials? NA
- 16. Is the head space less than 6-8 mm (pea sized or less)? NA
- 17. Was a trip blank (TB) included for VOC analyses? NA
- 18. Are non-VOC samples collected in the correct containers? Yes
- 19. Is the appropriate volume/weight or number of sample containers collected? Yes

Field Label

- 20. Were field sample labels filled out with the minimum information:
 - Sample ID? Yes
 - Date/Time Collected? Yes
 - Collectors name? Yes

Sample Preservation

- 21. Does the COC or field labels indicate the samples were preserved? No
- 22. Are sample(s) correctly preserved? NA
- 24. Is lab filtration required and/or requested for dissolved metals? No

Multiphase Sample Matrix

- 26. Does the sample have more than one phase, i.e., multiphase? No
- 27. If yes, does the COC specify which phase(s) is to be analyzed? NA

Subcontract Laboratory

- 28. Are samples required to get sent to a subcontract laboratory? No
- 29. Was a subcontract laboratory specified by the client and if so who? NA Subcontract Lab: na

Client Instruction

Comments/Resolution

Signature of client authorizing changes to the COC or sample disposition.

Date



envirotech Inc.

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 136431

CONDITIONS

Operator: DUGAN PRODUCTION CORP PO Box 420 Farmington, NM 87499	OGRID: 6515
	Action Number: 136431
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	Accepted for the record. Incident on tribal land.	5/19/2023