

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

NMOCD
MAY 03 2018
Form C-141
Revised August 8, 2011
Submit 11 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Dugan Production Corp	Contact: Rodger Mullins
Address PO Box 420, Farmington NM 87499-0420		Telephone No. (505)320-5443
Facility Name: Angels Gate 90		Facility Type: Gas well
Surface Owner: Federal	Mineral Owner: Federal	API No. 3004529394

LOCATION OF RELEASE

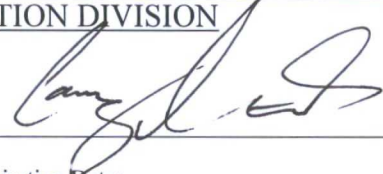

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	21	24N	8W	1340	North	1400	East	San Juan

Latitude:36.30363 _ Longitude:-107.68233 _

NATURE OF RELEASE

Type of Release: Engine Oil	Volume of Release: Unk	Volume Recovered: Over 12yds contaminated soil.
Source of Release: Engine leakage	Date and Hour of Occurrence Historical	Date and Hour of Discovery 12-14-17 1300
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Discovered by BLM Casey Arnett.	
By Whom? BLM Casey Arnett	Date and Hour: Unk	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.		
Describe Cause of Problem and Remedial Action Taken.* Engine leakage. Oil leaked through undetected crack in concrete pad under pump jack. Leaks repaired.		
Describe Area Affected and Cleanup Action Taken.* Area under pump jack. Pump jack was removed. Contaminated soil under pump jack was removed and hauled to approved land farm and replaced with clean soil.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.		

OIL CONSERVATION DIVISION

Signature:	Approved by Environmental Specialist: 	
Printed Name: Rodger Mullins	Approval Date: 5/3/18	Expiration Date:
Title: Environmental	Conditions of Approval: 	
E-mail Address: rodger.mullins@duganproduction.com	Attached <input checked="" type="checkbox"/>	
Date: 04-23-18 5443	Phone:(505)320-	

* Attach Additional Sheets If Necessary

#NCS1812351756

Emailed on 5/3/18.

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Smith, Cory, EMNRD

From: Smith, Cory, EMNRD
Sent: Thursday, May 3, 2018 2:49 PM
To: 'Rodger Mullins'; 'Kevin Smaka'
Cc: 'Johnny Lane'; 'Neil Haws'; Fields, Vanessa, EMNRD; 'l1thomas@blm.gov'; Powell, Brandon, EMNRD
Subject: Dugan Angels Gate #90 (30-045-29394)
Attachments: Dugan Angels Gate #90 C-141 Conditions.pdf

Rodger,

OCD has approved Dugan Production Corp. initial C-141 for the Angels Gate #90 (30-045-29394) with the following attached and below conditions of approval.

- Dugan will sample the impact area for Total Petroleum Hydrocarbons to include Gasoline Range Organics (GRO), Diesel Range Organics (DRO) and Motor Oil Range Organics (MRO)
- Dugan will sample the impact area for Total Benzene, Toluene, Ethylbenzene and Xylenes (BTEX)
- Dugan will sample the base impact area for RCRA 8 Metals.
- Dugan will schedule with OCD District III to witness confirmation sampling.

In addition Dugan's original C-138 to Envirotech land farm indicates that the waste was RCRA exempt waste. Used Engine lube oil is not RCRA exempt, please contact Envirotech and ensure that the proper sampling has occurred on the waste generated from your facility.

If you have any additional questions contact me as soon as possible.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

-----Original Message-----

From: Smith, Cory, EMNRD
Sent: Thursday, May 3, 2018 10:31 AM
To: 'Rodger Mullins' <Rodger.Mullins@duganproduction.com>; 'Kevin Smaka' <Kevin.Smaka@duganproduction.com>
Cc: Johnny Lane <Johnny.Lane@duganproduction.com>; Neil Haws <Neil.Haws@duganproduction.com>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>
Subject: RE: Scanned Production Accounting Department

Rodger,

Please submit the C-141 hard copy. As for sampling, I am open next week after Wednesday. How does Dugan Propose to sample the impacted area? Does Dugan have the dimensions of the excavation?

Thanks,

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

-----Original Message-----

From: Rodger Mullins <Rodger.Mullins@duganproduction.com>
Sent: Monday, April 23, 2018 9:05 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Cc: Johnny Lane <Johnny.Lane@duganproduction.com>; Neil Haws <Neil.Haws@duganproduction.com>
Subject: FW: Scanned Production Accounting Department

Cory,

Here is the C-141 you requested for the Angels Gate 90. Do you have a preference on when to do the soil samples?

Rodger Mullins
Dugan Production Corp.
4100 West Piedras Street
Farmington, NM 87401
(505) 320-5443 Mobile
(505) 326-4548 Office
(505) 325-4873 Fax
Rodger.Mullins@DuganProduction.com

-----Original Message-----

From: DuganScans@duganproduction.com [mailto:DuganScans@duganproduction.com]
Sent: Monday, April 23, 2018 7:57 PM
To: Rodger Mullins
Subject: Scanned Production Accounting Department

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location:

Device Name: XRX9C934E2FB2ED

Dugan Production Corp

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 5/3/18 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number NCS 1812351756 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District III office in Aztec on or before N/A. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.

- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.

- Nominal detection limits for field and laboratory analyses must be provided.

- Composite sampling is not generally allowed.

- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold
OCD Environmental Bureau Chief
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3465
jim.griswold@state.nm.us