

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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Dugan Production Corp.	OGRID 006515
Contact Name: Kevin Smaka	Contact Telephone 505-325-1821 ext. 1049
Contact email: kevin.smaka@duganproduction.com	Incident # (assigned by OCD) #NCS1828930229
Contact mailing address: Box 420, Farmington, NM 87499	

Location of Release Source

Latitude 36.3398247 Longitude -107.7109528
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Arviso #1	Site Type Gas Well and water and gas pipeline
Date Release Discovered 9/28/2018	API# (if applicable) 30-045-33943

Unit Letter	Section	Township	Range	County
L	5	24N	08W	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) 23.4 bbl	Volume Recovered (bbls) 0 bbl
	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: A nipple developed a hole caused by internal corrosion. Water sprayed on location and made its way to the nearby wash.

KNOCO

OCT 12 2018

DISTRICT III

3


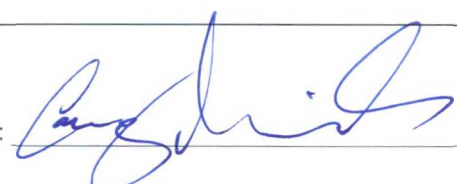
State of New Mexico
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Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release? The produced water reached the nearby wash.
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Yes. I, Kevin Smaka, have provided notice to Cory Smith and Vanessa Fields with NMOCD District 3, Jim Griswold with the NMOCD environmental bureau and Whitney Thomas with BLM FFO. The notification was transmitted via e-mail.	

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 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: The area of the spill is in a remote area. No people live nearby. Constructing a fence or other type of barrier would do nothing to protect human health or the environment.	
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> Signature:  email: <u>kevin.smaka@duganproduction.com</u>	Title: <u>Regulatory Engineer</u> Date: <u>10-11-2018</u> Telephone: <u>505-325-1821</u>
OCD Only Received by:  Date: <u>10/16/18</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?

_____ (ft bgs)

Did this release impact groundwater or surface water?

☐ Yes ☐ No

Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?

☐ Yes ☐ 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)?

☐ Yes ☐ No

Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?

☐ Yes ☐ 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?

☐ Yes ☐ No

Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?

☐ Yes ☐ No

Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?

☐ Yes ☐ No

Are the lateral extents of the release within 300 feet of a wetland?

☐ Yes ☐ No

Are the lateral extents of the release overlying a subsurface mine?

☐ Yes ☐ No

Are the lateral extents of the release overlying an unstable area such as karst geology?

☐ Yes ☐ No

Are the lateral extents of the release within a 100-year floodplain?

☐ Yes ☐ No

Did the release impact areas **not** on an exploration, development, production, or storage site?

☐ Yes ☐ 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.