

**3R-1016**

**Release Report/ General  
Correspondence**

**Dugan SJ Pipelines**

**Date: 2014**

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 87305

State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

2009 JUN 10 AM Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	John Roe
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Tabor Gathering System	Facility Type	gas gathering system

Surface Owner **	Mineral Owner **	Lease No. **
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	26	30N	14W	±1550	South	±1300	East	San Juan

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	natural gas	Volume of Release	103 mcf	Volume Recovered	none
Source of Release		Date and Hour of Occurrence		Date and Hour of Discovery	
Controlled venting to remove oxygen		2/6/09 & 2/9/09		2/6/09 & 2/9/09	
*Upon assessing leak and determining volumes, notice was given					
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			
		N/A			

If a Watercourse was Impacted, Describe Fully.\*  
N/A

OIL CONS. DIV DIST. 3

Describe Cause of Problem and Remedial Action Taken.\*

On 2/26/09, 30 ppm oxygen was detected at the CDP sales meter. Field checks indicated the oxygen was entering somewhere in the northern part of the system. The gathering system was purged for 5 hrs thru a 1" valve at a tie-in near the Horace Smith No. 1R. Oxygen had decreased to 10 ppm on 2/9/09. A small external corrosion hole was found on the gas line between the Carpenter No. 1E separator and sales meter and the well was isolated from the gathering system on 2/9/09. The gathering system was again purged for 4 hours through a 2" valve at the tie-in near the Horace Smith No. 1R and oxygen content at the CDP was lowered to less than 10 ppm. Oxygen is believed to have gotten into the gathering system through the corrosion hole during times the Carpenter No. 1E was shut-in by the stop-clock being used to produce the well. The gas line between the separator and meter run was replaced and the Carpenter No. 1E returned to production on 2/18/09.

Describe Area Affected and Cleanup Action Taken.\*

There was no fluid lost and the vented gas did not catch fire. Very little clean up was needed.

\*\*Gas lost from this leak is not considered to be a lease loss, but is considered to be a gathering system loss and will be included in the gas allocation procedures for February, 2009 reporting.

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.

Signature: <i>John O Roe</i>	OIL CONSERVATION DIVISION	
Printed Name: John Roe	Approved by District Supervisor: <i>John D. Kelly</i>	
Title: Engineering Manager	Approval Date: 9/8/2014	Expiration Date:
E-mail Address: johnroe@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 9, 2009 Phone: (505)325-1821		

\* Attach Additional Sheets If Necessary

NJK 1425138288

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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	John Roe
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Tabor Gathering System	Facility Type	gas gathering system
Surface Owner **	Mineral Owner **	Lease No. **	

LOCATION OF RELEASE

Unit Letter I	Section 26	Township 30N	Range 14W	Feet from the ±1550	North/South Line South	Feet from the ±1300	East/West Line East	County San Juan
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	natural gas	Volume of Release	84 mcf	Volume Recovered	none
Source of Release	Controlled venting to remove oxygen	Date and Hour of Occurrence	4/7/09	Date and Hour of Discovery	4/7/09
*Upon assessing leak and determining volumes, notice was given	Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A			
If a Watercourse was Impacted, Describe Fully.* N/A					
Describe Cause of Problem and Remedial Action Taken.* On 4/7/09, oxygen was detected at the CDP sales meter. Field checks indicated the oxygen was entering somewhere in the northern part of the system. The gathering system was purged for 2 hrs thru a 1" valve at a tie-in near the Horace Smith No. 1R and oxygen content at the CDP was lowered to less than 10 ppm.					
Describe Area Affected and Cleanup Action Taken.* There was no fluid lost and the vented gas did not catch fire. Very little clean up was needed.					
**Gas lost from this leak is not considered to be a lease loss, but is considered to be a gathering system loss and will be included in the gas allocation procedures for April, 2009 reporting.					
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.					
Signature: <i>John D. Roe</i>		OIL CONSERVATION DIVISION			
Printed Name: John Roe		Approved by District Supervisor: <i>Jonathan D. Kelly</i>			
Title: Engineering Manager		Approval Date: <i>9/8/2014</i> Expiration Date:			
E-mail Address: johnroe@duganproduction.com		Conditions of Approval:			
Date: June 10, 2009 Phone: (505)325-1821		Attached <input type="checkbox"/>			

\* Attach Additional Sheets If Necessary

n5K1425738896

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1625 N. French Dr., Hobbs, NM 88240  
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Energy Minerals and Natural Resources

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Santa Fe, NM 87505

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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	John Roe
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Sesamee Street Gathering System	Facility Type	Gas Gathering System

Surface Owner **	Mineral Owner **	Lease No. **
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	1	24N	11W	±800	North	±1600	East	San Juan

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	Natural Gas	Volume of Release	15,198 mcf	Volume Recovered	none
Source of Release	broken weld in 8" gathering system line	Date and Hour of Occurrence	2/26/09	Date and Hour of Discovery	2/26/09
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			
		N/A			

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
Gathering system was blown down on 2/26/09 to tie in lines at main compressor and install a 10" meter run to aid field operations. Upon returning gathering system to operation, a weld in an 8" polypipe broke and required a second system blow down. The lines were repaired and gathering system returned to operation on 2/27/09.

Describe Area Affected and Cleanup Action Taken.\*  
The gas vented did not catch fire and there was no fluid lost so there was no cleanup needed.

\*\*Gas lost is not considered to be a lease loss but is considered to be a gathering system loss and will be included in the gas allocation procedures for February, 2009.

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.

Signature: <i>John D. Roe</i>	OIL CONSERVATION DIVISION	
Printed Name: John D. Roe	Approved by District Supervisor: <i>John D. Kelly</i>	
Title: Engineering Manager	Approval Date: 9/8/2014	Expiration Date:
E-mail Address: johnroe@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 15, 2009 Phone: (505)325-1821		

\* Attach Additional Sheets If Necessary

15K1425139349

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1625 N. French Dr., Hobbs, NM 88240  
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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	John Roe
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Turks Toast Gas Gathering System	Facility Type	gas gathering system
Surface Owner	**	Mineral Owner	**
		Lease No.	**

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	24	30N	15W	±500	South	±850	West	San Juan

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	natural gas	Volume of Release	133 mcf	Volume Recovered	none
Source of Release	controlled venting for oxygen removal	Date and Hour of Occurrence	June 22, 2009	Date and Hour of Discovery	June 22, 2009
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A			

OIL CONS. DIV DIST. 3  
JUN 19 2014

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*

Elevated levels of oxygen were detected at the Monte Carlo compressor on 6/22/09. To clear the oxygen & restore the gas to less than 10ppm oxygen, the gathering system was vented for 2 hours thru a 2" valve at the compressor. The oxygen is believed to have gotten in to the gathering system while treating 3 wells for paraffin control.

Describe Area Affected and Cleanup Action Taken.\*

The gathering system line vented typically carries dry natural gas and there was no liquid lost during venting. The gas venting was fully controlled and did not catch fire. There was no cleanup needed.

\*\*Gas vented is not considered to be a lease loss, but is considered to be a gathering system loss and the volumes lost will be included in gathering system allocation procedures for 6/09.

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.

Signature: <i>John D. Roe</i>	OIL CONSERVATION DIVISION	
Printed Name: John D. Roe	Approved by District Supervisor: <i>Jonell D. Kelly</i>	
Title: Engineering Manager	Approval Date: <i>9/8/2014</i>	Expiration Date:
E-mail Address: <a href="mailto:johnroe@duganproduction.com">johnroe@duganproduction.com</a>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: August 11, 2009 Phone: (505)325-1821		

\* Attach Additional Sheets If Necessary

nJK142539909

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1625 N. French Dr., Hobbs, NM 88240  
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Release Notification and Corrective Action

OPERATOR

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Name of Company	Dugan Production Corp.	Contact	John Roe
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Turks Toast Gas Gathering System	Facility Type	gas gathering system

Surface Owner	**	Mineral Owner	**	Lease No.	**
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	31	30N	14W	±675	South	±400	East	San Juan

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	natural gas	Volume of Release	1019 mcf	Volume Recovered	none
Source of Release	controlled venting for oxygen removal	Date and Hour of Occurrence	2/28/09	Date and Hour of Discovery	2/28/09
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A			

OIL CONS. DIV DIST. 3

If a Watercourse was Impacted, Describe Fully.\*

N/A

JUN 19 2014

Describe Cause of Problem and Remedial Action Taken.\*

Elevated levels of oxygen (28 ppm) were detected at the CDP sales meter on 2/28/09. To clear the oxygen, the gathering system was vented for 30 minutes thru a 2" valve at the compressor. The oxygen is believed to have gotten in to the gathering system while pulling tubing and rods on 3 wells.

Describe Area Affected and Cleanup Action Taken.\*

The gathering system line vented typically carries dry natural gas and there was no liquid lost during venting. The gas venting was fully controlled and did not catch fire. There was no cleanup needed.

\*\*Gas vented is not considered to be a lease loss, but is considered to be a gathering system loss and the volumes vented will be included in gathering system allocation procedures for 2/09.

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.

Signature: <i>John D. Roe</i>	OIL CONSERVATION DIVISION	
Printed Name: John D. Roe	Approved by District Supervisor: <i>Jonathan D. Kelly</i>	
Title: Engineering Manager	Approval Date: <i>9/8/2014</i>	Expiration Date:
E-mail Address: <i>johnroe@duganproduction.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 15, 2009 Phone: (505)325-1821		

\* Attach Additional Sheets If Necessary

25X1425139965

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Santa Fe, NM 87505

2009 JUN 12 AM 11:27

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	John Roe
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Pet Inc Gas Gathering System	Facility Type	gas gathering system
Surface Owner **	Mineral Owner **	Lease No. **	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	36	28N	15W	±1325	North	±1700	West	San Juan

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	natural gas	Volume of Release	793 mcf	Volume Recovered	none
Source of Release	internal corrosion hole in steel gathering system line	Date and Hour of Occurrence	During 2/09 & 3/09	Date and Hour of Discovery	3/3/09
*Upon assessing leak and determining volumes, notice was given					
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required		If YES, To Whom?		
By Whom?			Date and Hour		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If YES, Volume Impacting the Watercourse.		
		N/A			

OIL CONS. DIV DIST. 3

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*

On 3/3/09, a small leak was located in a gathering system line near the Pet Inc. No. 6. The leak was from an internal corrosion hole approximately 1/16" diameter and was repaired on 3/4/09. The Pet Inc Inc Gathering System was surveyed on 3/3/09 using Dugan Production's all-terrain vehicle equipped with a mobile gas detection kit. Four small line leaks were located on the 4" main line at approximately 50' FSL & 1600' FEL 31-28N-13W; 1650' FSL & 1450' FEL 36-28N-14W; 2450' FNL & 300' FWL 36-28N-14W; 1325' FNL & 1600' FEL 34-28N-14W. The gathering system was shut in on 3/3/09 and blown down for repairs which were completed on 3/6/09. All holes were found to be small pin points from internal corrosion and were repaired by welding steel patches over the holes. The gathering system was returned to full operation on 3/6/09. The line leaks are believed to have developed during February, 2009 which resulted in gas being lost from these leaks during February & March, 2009.

Describe Area Affected and Cleanup Action Taken.\*

There was no fluid lost and the vented gas did not catch fire. Very little clean up was needed.

\*\*Gas lost from these leaks are not considered to be a lease loss, but is considered to be a gathering system loss and will be included in the gas allocation procedures and production reporting for February, 2009 (603 mcf) and March, 2009 (190 mcf).

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.

Signature: <i>John D. Roe</i>		OIL CONSERVATION DIVISION	
Printed Name: John Roe		Approved by District Supervisor: <i>Jonath D. Kelly</i>	
Title: Engineering Manager		Approval Date: <i>9/8/2014</i>	Expiration Date:
E-mail Address: johnroe@duganproduction.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 11, 2009 Phone: (505)325-1821			

\* Attach Additional Sheets If Necessary

nJK1425148042