

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

**APPROVED**  
Revised October 10, 2007

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

### Release Notification and Corrective Action

#### OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Dugan Production Corp	Contact John Alexander
Address PO Box 420, Farmington, NM 98499	Telephone No. 505-325-1821
Facility Name KM Chaveroo Tank Batter (associated pipeline)	Facility Type Tank Battery

Surface Owner State	Mineral Owner Dugan Production Corp	Lease No. N/A
---------------------	-------------------------------------	---------------

#### LOCATION OF RELEASE

Unit Letter F	Section 2	Township 8S	Range 33E	Feet from the	North/South Line	Feet from the	East/West Line	County Chaves
------------------	--------------	----------------	--------------	---------------	------------------	---------------	----------------	------------------

Latitude 33.651832 Longitude -103.540328

#### NATURE OF RELEASE

Type of Release oil	Volume of Release 7 bbls	Volume Recovered 0
Source of Release flow line leak	Date and Hour of Occurrence	Date and Hour of Discovery 3/28/2016, 1000 hrs
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.	

If a Watercourse was Impacted, Describe Fully.\*



Describe Cause of Problem and Remedial Action Taken.\*

There were two oil flow line leaks that had occurred over some time, but not reported. There was a hole in one portion of the line that was repaired.

Describe Area Affected and Cleanup Action Taken.\*

Soil samples were taken from both impacted areas and the results were sent to the NMOCD and SLO. The oil stained soil under the hole was excavated and removed to an approved land fill. The associated smaller leak areas were disked up. Both areas were reseeded. The excavation was filled with clean soil. A sample of that soil will be sent to the NMOCD and SLO when it is received.

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: 		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: John Alexander		Approved by District Supervisor: 	
Title: Vice President		Approval Date: 06/06/2016	Expiration Date: ///
E-mail Address: john.alexander@duganproduction.com		Conditions of Approval: ///	Attached <input type="checkbox"/> 1RP 4228
Date: 5/31/2016	Phone: 505-325-1821		

\* Attach Additional Sheets If Necessary



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

---

June 02, 2016

JOHN ALEXANDER

DUGAN PRODUCTION

P. O. BOX 420

FARMINGTON, NM 87499

RE: PIPELINE #1

Enclosed are the results of analyses for samples received by the laboratory on 05/26/16 15:50.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-15-7. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list of accredited analytes and matrices visit the TCEQ website at [www.tceq.texas.gov/field/qa/lab\\_accred\\_certif.html](http://www.tceq.texas.gov/field/qa/lab_accred_certif.html).

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

**Analytical Results For:**

DUGAN PRODUCTION  
JOHN ALEXANDER  
P. O. BOX 420  
FARMINGTON NM, 87499  
Fax To: (505) 327-4043

Received: 05/26/2016  
Reported: 06/02/2016  
Project Name: PIPELINE #1  
Project Number: NONE GIVEN  
Project Location: CHAVEZ COUNTY, NM

Sampling Date: 05/26/2016  
Sampling Type: Soil  
Sampling Condition: Cool & Intact  
Sample Received By: Jodi Henson

**Sample ID: FILL DIRT (H601167-01)**

BTX 8021B		mg/kg		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/01/2016	ND	1.81	90.5	2.00	3.57	
Toluene*	<0.050	0.050	06/01/2016	ND	1.88	94.2	2.00	2.83	
Ethylbenzene*	<0.050	0.050	06/01/2016	ND	1.74	87.0	2.00	3.93	
Total Xylenes*	<0.150	0.150	06/01/2016	ND	5.41	90.2	6.00	3.99	
Total BTX	<0.300	0.300	06/01/2016	ND					

Surrogate: 4-Bromofluorobenzene (PID) 101 % 73.6-140

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	06/01/2016	ND	400	100	400	3.92		

TPH 8015M		mg/kg		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	05/31/2016	ND	191	95.7	200	1.97	
DRO >C10-C28	<10.0	10.0	05/31/2016	ND	210	105	200	2.11	
Total TPH C6-C28	<10.0	10.0	05/31/2016	ND	402	100	400	0.188	

Surrogate: 1-Chlorooctane 71.7 % 35-147

Surrogate: 1-Chlorooctadecane 85.1 % 28-171

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

### Notes and Definitions

QR-03	The RPD value for the sample duplicate or MS/MSD was outside if QC acceptance limits due to matrix interference. QC batch accepted based on LCS and/or LCSD recovery and/or RPD values.
ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

---

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



---

Celey D. Keene, Lab Director/Quality Manager

