

MAY 13, 2007

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Azusa, NM 88216
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

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

Name of Company <u>DUGAN PRODUCTION CORP</u>		Contact <u>RAINEY MCKAY</u>	
Address <u>P.O. BOX 420 Farmington NM</u>		Telephone No. <u>(505) 602-3810</u>	
Facility Name <u>Chaveroo SAU #15</u>		Facility Type	
Surface Owner <u>State</u>	Mineral Owner <u>State</u>	Lease No. <u>API 30005105050000</u>	

LOCATION OF RELEASE								
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>L</u>	<u>2</u>	<u>8S</u>	<u>3E</u>	<u>1980</u>	<u>S</u>	<u>660</u>	<u>W</u>	<u>Chaves</u>

Latitude

Longitude

NATURE OF RELEASE

Type of Release <u>Water</u>	Volume of Release <u>5000 ?</u>	Volume Recovered <u>NONE</u>
Source of Release <u>Water Line</u>	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? ☐ Yes ☐ No ☐ Not Required	If YES, To Whom?	
By Whom? <u>Found By Mr. Brown O.C.D.</u>	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Injection Line Had Hole in it, Repaired

Describe Area Affected and Cleanup Action Taken.*

Oil + Water Contamination + in Pasture Contaminated Soil will be removed + Hauled to Land Farm, New Soil will be put back as close to Normal

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: <u>Rainey McKay</u>	OIL CONSERVATION DIVISION <u>Johnson</u>	
Printed Name: <u>Rainey McKay</u>	Approved by District Supervisor ENVIRONMENTAL ENGINEER	
Title: <u>Pumper</u>	Approval Date: <u>10.11.07</u>	Expiration Date: <u>12.10.07</u>
E-mail Address: <u>RC.mckay@hotmail.com</u>	Conditions of Approval:	Attached ☐
Date: _____ Phone: _____	<u>SUBMIT DELINEATION & CLEANUP PLAN FOR APPROVAL BY</u>	

* Attach Additional Sheets if Necessary

CLEANUP PLAN FOR APPROVAL BY

RD# 1616