

District I - (505) 393-6161
P. O. Box 1940
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 South First
Artesia, NM 88210 -
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

State of New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-141
Originated 2/13/97

Submit 2 copies to
Appropriate District
Office in accordance
with Rule 116

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name Dugan Production Corp.		Contact Tom Blair
Address P. O. Box 420, Farmington, NM 87499-0420		Telephone No. (505) 325-1821
Facility Name Marathon #1		Facility Type Production
Surface Owner Indian	Mineral Owner Federal	Lease No. N00-C-14-20-7308

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	4	23N	10W	630'	North	550'	East	San Juan

NATURE OF RELEASE

Type of Release Crude oil	Volume of Release 25 bbls	Volume Recovered 0
Source of Release production tank	Date and Hour of Occurrence between 3:45 p.m. 7/10 & 11:30 a.m. 7/11/00 Date and Hour of Discovery 7/11/00 @ approx. 11:30 a.m.	
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Denny Foust	
By Whom? Tom Blair	Date and Hour approx. 2:00 p.m. on 7/11/00	
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.*

Vandalism - seals were cut & load valves opened on several wells, this is the only reportable volume.

Describe Area Affected and Cleanup Action Taken.*

All oil was contained inside berm. Soil was removed & farmed on location

Describe General Conditions Prevailing (Temperature, Precipitation, etc.).*

Hot, dry

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Tom Blair*

Printed Name: Tom Blair

Title: Vice-president

Date: 7/17/00

Phone: 325-1821

OIL CONSERVATION DIVISION

Approved by
District Supervisor:

Denny Foust
for Frank Chavez

Approval Date: 7/20/00

Expiration Date:

Conditions of Approval:

Attached ☐

* Attach Additional Sheets If Necessary

DGF00196545

EXHIBIT A

116. RELEASE NOTIFICATION AND CORRECTIVE ACTION

116.A. NOTIFICATION

(1) The Division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of this Rule. [1-1-50... - 97.]

(2) The Division shall be notified in accordance with this Rule with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [- 97.]

116.B. REPORTING REQUIREMENTS: Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements:

(1) A Major Release shall be reported by giving both immediate verbal notice and timely written notice pursuant to Paragraphs C(1) and C(2) of this Rule. A Major Release is:

- (a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;
- (b) an authorized release of any volume which:
 - (i) results in a fire;
 - (ii) will reach a water course;
 - (iii) may with reasonable probability endanger public health; or
 - (iv) results in substantial damage to property or the environment;
- (c) an unauthorized release of natural gases in excess of 500 mcf; or
- (d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [- 97.]

(2) A Minor Release shall be reported by giving timely written notice pursuant to Paragraph C(2) of this Rule. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases. [- 97.]

116.C. CONTENTS OF NOTIFICATION:

(1) Immediate verbal notification required pursuant to Paragraph B shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subparagraph B.(1).(d). shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141. [5-22-73... - 97.]

(2) Timely written notification is required to be reported pursuant to Paragraph B within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subparagraph B.(1).(d). shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification. [5-22-73... - 97.]

116.D. CORRECTIVE ACTION: The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Rule 19 (19 NMAC 15.A.19). [- 97.]