

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

Form C-141  
Revised August 8, 2011

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

Submit 1 Copy to appropriate District Office in  
accordance with 19.15.29 NMAC.

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company Dugan Production Corp.	Contact Rodger Mullins
Address P. O. Box 420, Farmington, NM 87499-0420	Telephone No. 505-326-4548
Facility Name Cochran SWD #2	Facility Type Water Disposal Well
Surface Owner State	Mineral Owner State
API No. 30-045-33932	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	16	22N	8W	1690	North	1170	East	San Juan

Latitude 36.14233 Longitude 107.68218

**NATURE OF RELEASE**

Type of Release Produced Water	Volume of Release Approx 100 bbl	Volume Recovered 60 bbls to date
Source of Release Tanks overflowed	Date and Hour of Occurrence 1/16/13 - time unknown	Date and Hour of Discovery 1/16/13 @ 1600 hrs
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD - Brandon Powell	<b>RCVD JAN 28 '13</b>
By Whom? Rodger Mullins	Date and Hour 1/17/13 @ 1530 hrs	<b>OIL CONS. DIV.</b>
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	<b>DIST. 3</b>

If a Watercourse was Impacted, Describe Fully.\*  
Water ran approximately 300' down narrow wash and then approximately 20' into bigger wash

Describe Cause of Problem and Remedial Action Taken.\*  
High tank alarm froze and didn't page out, allowing tanks to overflow without warning. Incoming water was shut off.

Describe Area Affected and Cleanup Action Taken.\*  
Berm filled up approximately half way. Water went through berm, ran approximately 300' down narrow wash and then approximately 20' down bigger wash. Clean up pending test results.

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>Rodger Mullins</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Rodger Mullins	Approved by Environmental Specialist: <i>Joseph P. Kelly</i>	
Title: Environmental	Approval Date: <i>2/27/2013</i>	Expiration Date:
E-mail Address: rodger.mullins@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1/24/13 Phone: 505-325-1821		

\* Attach Additional Sheets If Necessary

*NJK1305853714*