

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

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

Form C-141
Revised August 8, 2011

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: Neil Haws
Address PO Box 420, Farmington NM 87499-0420	Telephone No. 505-635-3124
Facility Name Frazzle #1 SWD	Facility Type: Injection Well
Surface Owner Federal	Mineral Owner Federal
API No. 30-045-33865	

LOCATION OF RELEASE

Unit Letter C	Section 30	Township 24N	Range 10W	Feet from the 750	North/South Line North	Feet from the 2180	East/West Line West	County San Juan
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Latitude: 36.289260 Longitude: -107.938094

OIL CONS. DIV DIST. 3
JUL 27 2015

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: UNK	Volume Recovered: Appx. 15 bbls
Source of Release: Open filter valve	Date and Hour of Occurrence 5/31/15 @1700 hrs.	Date and Hour of Discovery 6/1/15 @ 1000 hrs.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Shari Ketchum (BLM); Cory Smith and Jonathan Kelly (NMOCD)	
By Whom? Rodger Mullins	Date and Hour: 6/1/15 @ 1520 hrs.	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Unknown (minimal)	

If a Watercourse was Impacted, Describe Fully.* The produced water that reached the wash both on the West and East side of the location entered the wash where the road crosses the wash however, the water did not travel down the wash outside of the roadway.

Describe Cause of Problem and Remedial Action Taken.* Cause was a hose that had popped loose allowing the below grade tank to overflow. Produced water spilled onto the ground. When spill was found valve closed and produced water pulled from the pit. Employees will be instructed to ensure all valves are closed before leaving SWD locations

Describe Area Affected and Cleanup Action Taken.*
(On location) water was on the ground on West and South of the SWD building staying in the approximate center of the location, approximately 30 Ft wide, flowing South to the road that runs East and West through the South end of the location approximately 181 Ft stopping at the South edge of the road. (Off Location) Water ran East along road approximately 91 Ft to the wash where it stopped. Water also ran West along south side of the road in a narrow stream approximately 382 Ft to a small dry wash where it stopped.

Cleanup action: After spill area dries, gypsum will be spread and raked into the contaminated area
Gypsum was spread and raked into the contaminated area. Soil Samples were taken of the spill area and sent to Cardinal Laboratories, all samples but one were free of contamination. Contaminated sample was from the east side of the berm of the below grade tank. 3 additional samples were taken along the east side of the below grade tank berm. samples sent to Cardinal laboratories. soil sample results are below regulatory standards of a ranking score of 20.

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>Neil Haws</i>	OIL CONSERVATION DIVISION	
Printed Name: Neil Haws	Approved by Environmen	DENIED
Title: Environmental	Approval Date:	BY: Cory Smith
E-mail Address: neil.haws@duganproduction.com	Conditions of Approval:	DATE: 6/3/15 (505) 334-6178 Ext. 115
(From intial reported 6/1/15) Date: 7/23/15 Phone: 505-635-3124	Submit Laboratory Data With Final Report.	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary