

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

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

APC # 30-045-25630

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)325-1821
Facility Name	Locke #1	Facility Type	
Surface Owner	Federal	Mineral Owner	Federal
		Lease No.	SF-078110

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	3	29N	14W	1120	South	1120	East	San Juan

Latitude 36.75152 Longitude 108.29082

NATURE OF RELEASE

Type of Release	produced water	Volume of Release	approx 600 bbls	Volume Recovered	0 bbls
Source of Release	Pump Plunger	Date and Hour of Occurrence	9/10/07 @ approx 10:30 a.m.	Date and Hour of Discovery	9/10/07 @ 12:00 noon
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Aztec NMOCD – Brandon Powell BLM – Mark Kelly		
By Whom?	Nathan Palmer	Date and Hour			
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	Approximately 500 bbls		
If a Watercourse was Impacted, Describe Fully.*		Water traveled approximately 500 yards down wash on the west side of the location. Urea was spread on contaminated area. DIST. 3			
Describe Cause of Problem and Remedial Action Taken.* Pump plunger broke and pumped water onto ground. Urea was spread on contaminated area.					
Describe Area Affected and Cleanup Action Taken.* Soils remediated. Urea spread on contaminated area. Blagg Engineering has tested soils and we are waiting for test results. Pump plunger has been repaired.					
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>[Signature]</i>		OIL CONSERVATION DIVISION			
Printed Name: Rodger Mullins		Approved by District Supervisor: <i>[Signature]</i> For: <i>charlie Perrin</i>			
Title: Production Foreman		Approval Date: 9-19-07		Expiration Date:	
E-mail Address: rmullins@duganproduction.com		Conditions of Approval:			Attached <input type="checkbox"/>
Date: September 19, 2007 Phone: (505)325-1821					

* Attach Additional Sheets If Necessary

NRBP0726330366