

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

APR 30-045-30721

| | | | |
|--|--|---|--|
| Name of Company Dugan Production Corp. | | OPERATOR <input type="checkbox"/> Initial Report <input checked="" type="checkbox"/> Final Report | |
| Address P. O. Box 420, Farmington, NM 87499-0420 | | Contact Rodger Mullins | |
| Facility Name Turks Toast #4 Transfer Station** | | Telephone No. (505)325-1821 | |
| | | Facility Type | |

| | | |
|-----------------------|-----------------------|--------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-10561 |
|-----------------------|-----------------------|--------------------|

**Turks Toast #4 Transfer Station located at the Centennial Com #91S well location

| LOCATION OF RELEASE | | | | | | | | |
|---------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|--------------------|
| Unit Letter F | Section 24 | Township 30N | Range 15W | Feet from the 1515 | North/South Line North | Feet from the 1395 | East/West Line West | County San Juan |

Latitude 36.80279 Longitude 108.37228

NATURE OF RELEASE

| | | |
|---|--|---------------------------------|
| Type of Release oil & water | Volume of Release approx 20 bbls | Volume Recovered none |
| Source of Release water tank overflowed | Date and Hour of Occurrence 6/30/07 8:30 p.m. | Date and Hour of Discovery same |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Aztec Office NMOCD - Brandon Powell | |
| By Whom? Rodger Mullins | Date and Hour 7/2/07 @ 9:10 a.m. | |
| 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.*

RCVD JUL 5 '07
OIL CONS. DIV.
DIST. 3

Describe Cause of Problem and Remedial Action Taken.*

Truck driver overflowed water tank. Driver stopped unloading into tank.

Describe Area Affected and Cleanup Action Taken.*

Ground contaminated within berm. Washed tank, removed contaminated dirt, replaced with clean dirt and gravel. Spread urea.

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> | | OIL CONSERVATION DIVISION | |
| Printed Name: Rodger Mullins | | Approved by District Supervisor: <i>Brandon Roll</i> For: Charlie Perrin | |
| Title: Production Foreman | | Approval Date: 7/5/07 | Expiration Date: |
| E-mail Address: | | Conditions of Approval: | |
| Date: July 3, 2007 Phone: (505)325-1821 | | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary

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