

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

30 045 25718

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	Paul Sikora
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	505-325-1821
Facility Name	Ranch #101	Facility Type	Well location

Surface Owner	State of NM	Mineral Owner	Dugan Production Corp.	Lease No.	E-6515
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	16	29N	10W	510	North	2080	East	East

Latitude 36.73202 Longitude 107.88792

NATURE OF RELEASE

Type of Release	Crude	Volume of Release	65 bbls	Volume Recovered	60 bbls
Source of Release	Tank	Date and Hour of Occurrence	10/01/05 @ 2:00 p.m.	Date and Hour of Discovery	10/01/05 @ 2:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Cliff Ollem, BLM		
By Whom?	Paul Sikora, II	Date and Hour	10/03/05 @ approx. 7:30 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.*

No watercourse was impacted. A water sample from a nearby cattle pond was taken and results are attached.


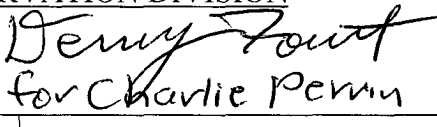
Describe Cause of Problem and Remedial Action Taken.*

On 10/01/05 at approximately 2:00 p.m., a spill of crude oil was discovered on the Ranch #101 location, apparently caused by a bullet hole of a rifle. The hole caused crude oil in the tank to spill out within the bermed area. The amount spilled was approximately 65 bbls. The well was immediately Shut in and supervisors were notified. Things were now in motion to begin cleanup action.

Describe Area Affected and Cleanup Action Taken.*


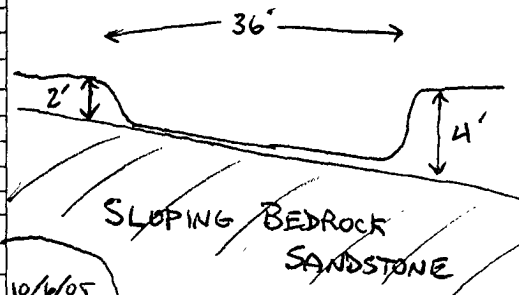
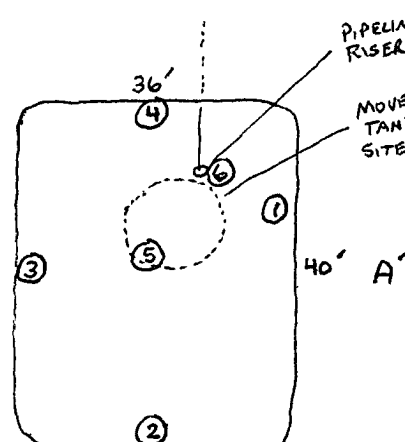
The affected area on the Ranch #101 location included that of tank bermed area. Tank was moved from affected area and repaired. All impacted soils were excavated and removed. Affected soils were hauled by Del Prado Trucking to IEI (Industrial Ecosystems Inc., see attached) for disposal. The remediated soil was tested by Blagg Engineering (see Blagg report attached).

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: 	OIL CONSERVATION DIVISION	
Printed Name: Paul Sikora, II	Approved by District Supervisor:  for Charlie Penn	
Title: Production Foreman	Approval Date: 11/15/05	Expiration Date:
E-mail Address: paulsikora@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/25/05	Phone: 505-325-1821	

* Attach Additional Sheets If Necessary

NOG F 05319 54979

CLIENT: <u>DUGAN Prod. CORP.</u>	BLAGG ENGINEERING, INC. P.O. BOX 87, BLOOMFIELD, NM 87413 (505) 632-1199	LOCATION NO: _____ COCR NO: <u>14574</u> ✓ HALL																																							
FIELD REPORT: SPILL CLOSURE VERIFICATION		PAGE No: <u>1</u> of <u>1</u>																																							
LOCATION: NAME: <u>RANCH</u> WELL#: <u>101</u> TYPE: <u>PROD. TANK SPILL</u> QUAD/UNIT: <u>B</u> SEC: <u>16</u> TWP: <u>29N</u> RNG: <u>10W</u> PM: <u>NM</u> CNTY: <u>SJ</u> ST: <u>NM</u> QTR/FOOTAGE: <u>512 FNL x 2080 FEL</u> CONTRACTOR: <u>MJO</u>		DATE STARTED: <u>10/3/05</u> DATE FINISHED: <u>10/6/05</u> ENVIRONMENTAL SPECIALIST: <u>ICB</u>																																							
EXCAVATION APPROX. <u>40</u> FT. x <u>36</u> FT. x <u>2-4</u> FT. DEEP. CUBIC YARDAGE: <u>160 ±</u> DISPOSAL FACILITY: <u>JFJ LANDFARM</u> REMEDIATION METHOD: <u>EXCAVATE</u> LAND USE: <u>RANGE-FER SURFACE</u> LEASE: <u>STATE: E-6515</u> FORMATION: <u>GAL</u>																																									
FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY <u>93</u> FT. <u>S46W</u> FROM WELLHEAD. DEPTH TO GROUNDWATER: <u>>50</u> NEAREST WATER SOURCE: <u>>1000</u> NEAREST SURFACE WATER: <u><200</u> NMOCD RANKING SCORE: <u>30</u> NMOCD TPH CLOSURE STD: <u>100</u> PPM																																									
SOIL AND EXCAVATION DESCRIPTION:		OVM CALIB. READ. = <u>53.5</u> ppm OVM CALIB. GAS = <u>100</u> ppm RF = 0.52 TIME: <u>0840</u> (am)pm DATE: <u>10-6-05</u>																																							
SOIL TYPE: SAND (<u>SILTY SAND</u>) / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER <u>BEDROCK SANDSTONE @ 2'-4' DEPTH</u> SOIL COLOR: <u>LITE BROWN</u> COHESION (ALL OTHERS): NON COHESIVE (<u>SLIGHTLY COHESIVE</u>) / COHESIVE / HIGHLY COHESIVE CONSISTENCY (NON COHESIVE SOILS): LOOSE (<u>FIRM</u>) DENSE / VERY DENSE PLASTICITY (CLAYS): NON PLASTIC / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC DENSITY (COHESIVE CLAYS & SILTS): SOFT / FIRM / STIFF / VERY STIFF / HARD MOISTURE: DRY (<u>SLIGHTLY MOIST</u>) / MOIST / WET / SATURATED / SUPER SATURATED DISCOLORATION/STAINING OBSERVED: <u>YES</u> / NO EXPLANATION - <u>IN REMOVED SOILS. STAINS ON SANDSTONE REMOVED</u> HC ODOR DETECTED: <u>YES</u> / NO EXPLANATION - <u>IN REMOVED SOILS</u> SAMPLE TYPE: GRAB (<u>COMPOSITE</u>) # OF PTS. <u>6</u> ADDITIONAL COMMENTS: <u>SPILL FROM 300 BBL PRODUCTION STOCKTANK CONTAINED WITHIN BERM. MOVE TANK + EXCAVATE ALL IMPACTED SOILS. FIRM BEDROCK SANDSTONE BASE. Collect WATER SAMPLE FROM CATTLE STOCK POND FOR BTEX.</u>																																									
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P.D. = PIT DEPRESSION; B.G. = BELOW GRADE T.H. = TEST HOLE TRAVEL NOTES: CALLOUT: _____ ONSITE: <u>10/3-4-5-6/2005</u>																																									

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified Nonhalogenated Volatile Organics Total Petroleum Hydrocarbons

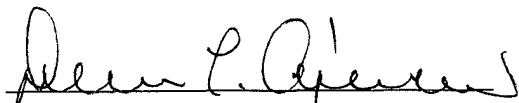
Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	6-Point Composite	Date Reported:	10-07-05
Laboratory Number:	34621	Date Sampled:	10-06-05
Chain of Custody No:	14574	Date Received:	10-06-05
Sample Matrix:	Soil	Date Extracted:	10-07-05
Preservative:	Cool	Date Analyzed:	10-07-05
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

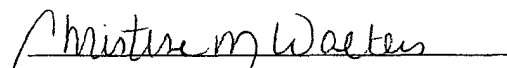
Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	ND	0.2
Diesel Range (C10 - C28)	ND	0.1
Total Petroleum Hydrocarbons	ND	0.2

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Ranch 101 Tank Spill.**


Analyst


Review

Hall Environmental Analysis Laboratory

Date: 19-Oct-05

CLIENT: Blagg Engineering

Client Sample ID: Stock Pond

Lab Order: 0510067

Collection Date: 10/6/2005 9:25:00 AM

Project: Dugan-Ranch 101

Lab ID: 0510067-01

Matrix: AQUEOUS

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8021B: VOLATILES						Analyst: NSB
Benzene	ND	0.50		µg/L	1	10/18/2005 9:47:54 AM
Toluene	ND	0.50		µg/L	1	10/18/2005 9:47:54 AM
Ethylbenzene	ND	0.50		µg/L	1	10/18/2005 9:47:54 AM
Xylenes, Total	ND	0.50		µg/L	1	10/18/2005 9:47:54 AM
Surr: 4-Bromofluorobenzene	97.2	82.2-119		%REC	1	10/18/2005 9:47:54 AM

Qualifiers: ND - Not Detected at the Reporting Limit
J - Analyte detected below quantitation limits
B - Analyte detected in the associated Method Blank
* - Value exceeds Maximum Contaminant Level

S - Spike Recovery outside accepted recovery limits
R - RPD outside accepted recovery limits
E - Value above quantitation range