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

DGF 1/23/06

API # 30-045-13403

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 West Bisti Unit #131	Facility Type water injection well

Surface Owner Federal	Mineral Owner Federal	Lease No. SF-078091

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	28	26N	13W	2200	South	1400	East	San Juan

Latitude 36.45794 **Longitude** 108.2197

NATURE OF RELEASE

Type of Release produced water	Volume of Release 500 bbl	Volume Recovered 440 bbls
Source of Release outgoing produced water injection line	Date and Hour of Occurrence Between 12/5/05 @ 10:00 a.m.	Date and Hour of Discovery 12/5/05 @ 5:16 p.m.
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Aztec Office NMOCD – Charlie Perrin, Ed Martin	
By Whom? Paul Sikora	Date and Hour 12/6/05	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*
Outgoing produced water injection line ruptured causing produced water to spill out. The ruptured line caused a nearby stock pond to be partially filled and contaminated with the produced liquid.

Describe Area Affected and Cleanup Action Taken.*
A water sample was taken to Halliburton & analysis report was given. Vacuum trucks were dispatched to remove water to our disposal facility. Vacuum trucks recovered 440 bbls of produced water. Soils are to be removed & DPC will follow BLM guidelines. Soils in stock pond will be tested by Blagg Engineering.

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.

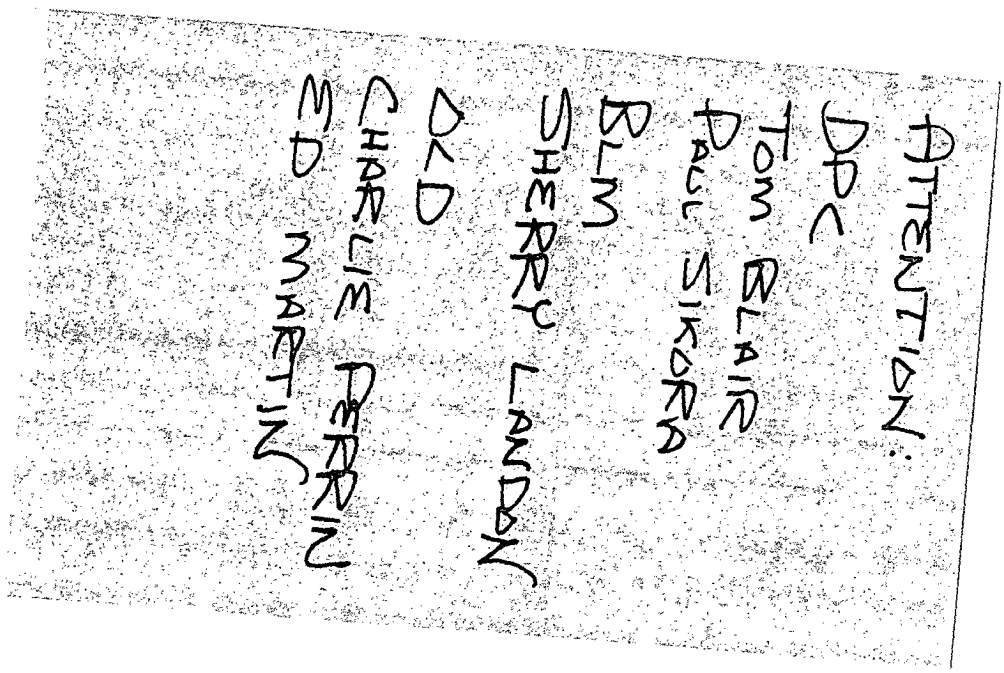
Signature:	OIL CONSERVATION DIVISION
Printed Name: Paul Sikora	Approved by District Supervisor: Denny Foust for Charlie Perrin
Title: Production Foreman	Approval Date: 1/23/06 Expiration Date:
E-mail Address: paulsikora@duganproduction.com	Conditions of Approval: Furnish analysis on Stock Tank Soils Attached ☐
Date: January 7, 2005 Phone: (505)325-1821	

* Attach Additional Sheets If Necessary

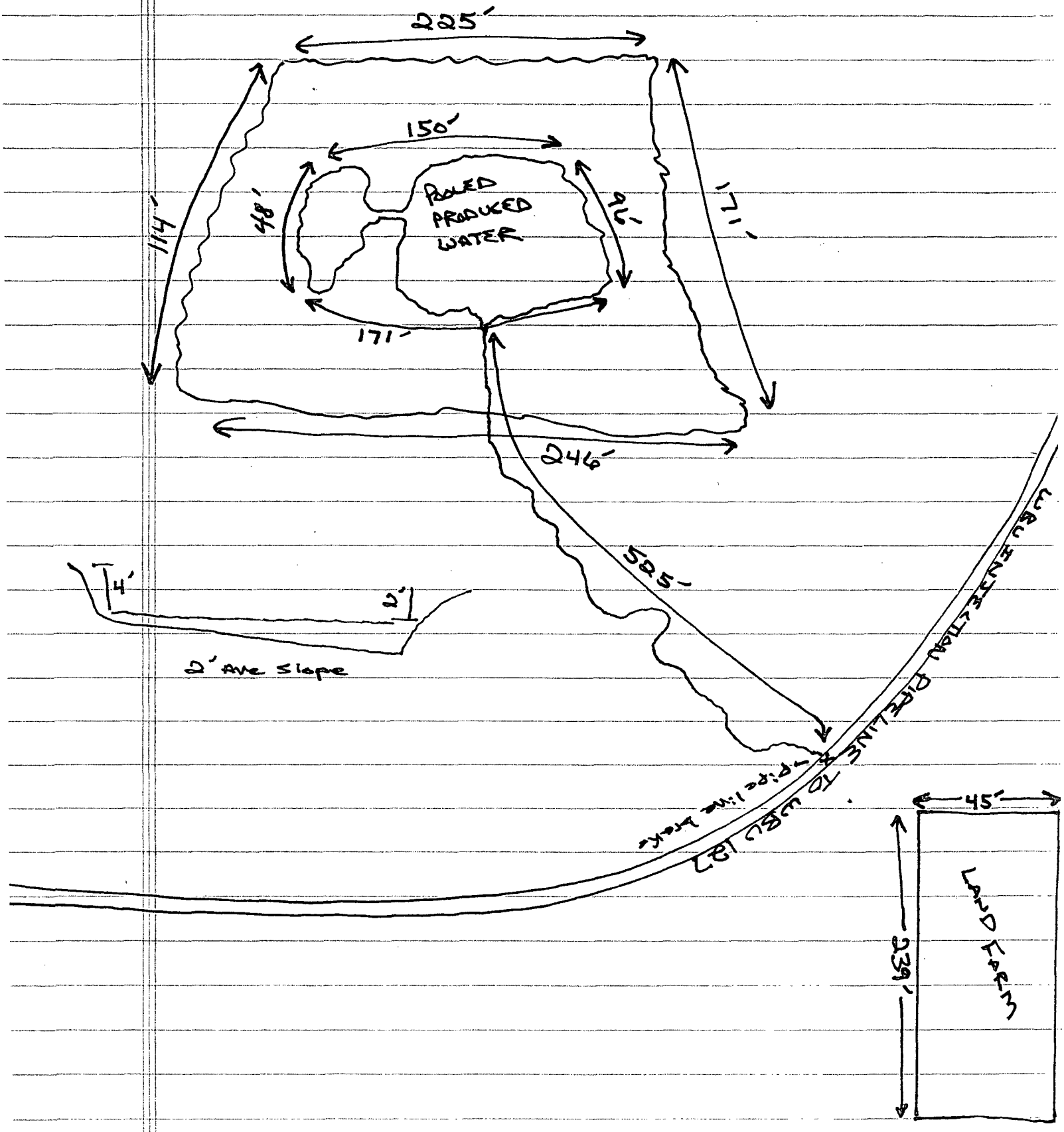
nDGF0602342462

W B U (West Bisti Unit) 131 Stock Pond Spill Report

On 12 – 05 – 2005 Dugan Production Corp. reported a produced water spill. The spill was determined to have been caused by a rupture in the injection pipeline causing the produced water to spill out. This rupture caused nearby stock pond to be partially filled with the produced liquid. Approximately 7 hours after the brake the discovery of the spill was found. A water sample was immediately taken to Halliburton and an analysis report was given. Water Trucks were also dispatched to begin removing fluids from the stock pond to our disposal facility. The water sample showed the results of the stock pond to be poorly contaminated and the vacuum trucks successfully removed 440 BBL of recovered produced water. Soils were then to be removed, tested, and contaminated soils would be placed on the land farm located at the WBU 131 as per BLM guidelines. TRC construction crew and MJO oilfield services were used to removed 7,776 cubic yards of the contaminated soils to the land farm. Blagg Engineering was used to test the soils. The results of the soil samples proved that only two foot depth of the soil was needed to be removed to the land farm from the stock pond. The 525 ' of soil leading from the brake in the pipeline to the stock pond was treated with ten bags of palletized gypsum purchased from IFA. The landowner, Pauline McCauley was contacted from the beginning of this incident and has been very cooperative with all agencies involved. The stock pond was "shaped up" and will be refilled with fresh water by DPC water department over the period of the next four weeks. The wet contaminated soils at the Land Farm will be dried and over the period of this next year Ben Hatch with Great Western Reclamation will tend, till, straw, and seed the soils as per land farm requirements. The pipeline brake was repaired by Dugan Production and Atomi Corp. Companies involved in the remediation efforts of this project include Dugan Production, Atomi Corp., Blagg Engineering, TRC Construction, MJO Oilfield Services, and Great Western Reclamation. This and the following attachments serve as the final report in this matter and any future questions should be directed to Dugan Production Corp to Paul Sikora at 505-325-1821 or 505-330-7811 or 505-320-4640 or by email at paulsikora@duganproduction.com . Thank You – Paul 01-04-2006



WBU 131 STOCK POND SPILL



HALLIBURTON

Water Analysis Report

To:	Dugan Production	**Date:**	12/5/2005
Submitted by:	Halliburton Energy Services	**Date Rec:**	12/5/2005
Attention:	Darrin Steed	**Report #:**	FLMM5B11
Well Name:	WBU		

Specific Gravity	1.020	
pH	7.9	
Resistivity	0.79	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	0	Mg / L
Sodium (Na)	7713	Mg / L
Calcium (Ca)	200	Mg / L
Magnesium (Mg)	59	Mg / L
Chlorides (Cl)	11800	Mg / L
Sulfates (SO4)	0	Mg / L
Carbonates (CO3)	139	Mg / L
Bicarbonates (HCO3)	937	Mg / L
Total Dissolved Solids	20848	Mg / L

Respectfully: Deidra Benally

Title: Lab Tech

Location: Farmington, NM

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Pond @ 2'	Date Reported:	12-08-05
Laboratory Number:	35371	Date Sampled:	12-06-05
Chain of Custody:	15186	Date Received:	12-06-05
Sample Matrix:	Soil Extract	Date Extracted:	12-07-05
Preservative:	Cool	Date Analyzed:	12-07-05
Condition:	Cool & Intact		

Parameter	Analytical Result	Units		
pH	**8.40**	s.u.		
Conductivity @ 25° C	**380**	umhos/cm		
Total Dissolved Solids @ 180C	**130**	mg/L		
Total Dissolved Solids (Calc)	**131**	mg/L		
SAR	**5.8**	ratio		
Total Alkalinity as CaCO3	**37.2**	mg/L		
Total Hardness as CaCO3	**10.4**	mg/L		
Bicarbonate as HCO3	**37.2**	mg/L	0.61	meq/L
Carbonate as CO3	**<0.1**	mg/L	0.00	meq/L
Hydroxide as OH	**<0.1**	mg/L	0.00	meq/L
Nitrate Nitrogen	**1.4**	mg/L	0.02	meq/L
Nitrite Nitrogen	**0.003**	mg/L	0.00	meq/L
Chloride	**11.1**	mg/L	0.31	meq/L
Fluoride	**0.63**	mg/L	0.03	meq/L
Phosphate	**9.8**	mg/L	0.31	meq/L
Sulfate	**38.3**	mg/L	0.80	meq/L
Iron	**0.003**	mg/L	0.00	meq/L
Calcium	**4.16**	mg/L	0.21	meq/L
Magnesium	**<0.01**	mg/L	0.00	meq/L
Potassium	**0.01**	mg/L	0.00	meq/L
Sodium	**43.2**	mg/L	1.88	meq/L
Cations			2.09	meq/L
Anions			2.09	meq/L
Cation/Anion Difference			**0.07%**	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **WBU Spill.**

Christine M Walters
Analyst

Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Background @ 2'	Date Reported:	12-08-05
Laboratory Number:	35372	Date Sampled:	12-06-05
Chain of Custody:	15186	Date Received:	12-06-05
Sample Matrix:	Soil Extract	Date Extracted:	12-07-05
Preservative:	Cool	Date Analyzed:	12-07-05
Condition:	Cool & Intact		

Parameter	Analytical Result	Units		
pH	**8.29**	s.u.		
Conductivity @ 25° C	**246**	umhos/cm		
Total Dissolved Solids @ 180C	**157**	mg/L		
Total Dissolved Solids (Calc)	**169**	mg/L		
SAR	**2.6**	ratio		
Total Alkalinity as CaCO3	**28.0**	mg/L		
Total Hardness as CaCO3	**53.6**	mg/L		
Bicarbonate as HCO3	**28.0**	mg/L	0.46	meq/L
Carbonate as CO3	**<0.1**	mg/L	0.00	meq/L
Hydroxide as OH	**<0.1**	mg/L	0.00	meq/L
Nitrate Nitrogen	**<0.1**	mg/L	0.00	meq/L
Nitrite Nitrogen	**0.005**	mg/L	0.00	meq/L
Chloride	**6.6**	mg/L	0.19	meq/L
Fluoride	**<0.01**	mg/L	0.00	meq/L
Phosphate	**61.5**	mg/L	1.94	meq/L
Sulfate	**18.7**	mg/L	0.39	meq/L
Iron	**0.093**	mg/L	0.00	meq/L
Calcium	**21.4**	mg/L	1.07	meq/L
Magnesium	**<0.01**	mg/L	0.00	meq/L
Potassium	**<0.01**	mg/L	0.00	meq/L
Sodium	**43.8**	mg/L	1.91	meq/L
Cations			2.98	meq/L
Anions			2.98	meq/L
Cation/Anion Difference			**0.03%**	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **WBU Spill.**

Christine M Walters
Analyst

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