

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 Rodger Mullins
Address P. O. Box 420, Farmington, NM 87499-0420	Telephone No. 505-326-4548
Facility Name Cochran SWD #2	Facility Type Water Disposal Well
Surface Owner State	Mineral Owner State
API No. 30-045-33932	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	16	22N	8W	1690	North	1170	East	San Juan

Latitude 36.14233 Longitude 107.68218

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Approx 100 bbl	Volume Recovered 60 bbls to date
Source of Release Tanks overflowed	Date and Hour of Occurrence 1/16/13 - time unknown	Date and Hour of Discovery 1/16/13 @ 1600 hrs
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD - Brandon Powell	
By Whom? Rodger Mullins	Date and Hour 1/17/13 @ 1530 hrs	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

RCVD MAY 30 '13

OIL CONS. DIV.
DIST. 3

If a Watercourse was Impacted, Describe Fully.*
Water ran approximately 300' down narrow wash and then approximately 20' into bigger wash

Describe Cause of Problem and Remedial Action Taken.*
High tank alarm froze and didn't page out, allowing tanks to overflow without warning. Incoming water was shut off.

Describe Area Affected and Cleanup Action Taken.*
Berm filled up approximately half way. Water went through berm, ran approximately 300' down narrow wash and then approximately 20' down bigger wash. Clean up pending test results. See attached test results.

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 Environmental Specialist: <i>Jonath P. Kelly</i>	
Title: Environmental	Approval Date: <i>9/24/2013</i>	Expiration Date:
E-mail Address: rodger.mullins@duganproduction.com	Conditions of Approval: <i>Treat area w/ gypsum followed with/in conjunction with raking when crusting evident.</i>	Attached <input type="checkbox"/>
Original report dated 1/24/13		
Date: 5/28/13 Phone: 505-325-1821		

* Attach Additional Sheets If Necessary

nJK1326751095



February 14, 2013

MIKE SANDOVAL
DUGAN PRODUCTION
P. O. BOX 420
FARMINGTON, NM 87499

RE: COCHRAN #2 SWD

Enclosed are the results of analyses for samples received by the laboratory on 02/08/13 11:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Celey D. Keene".

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 DUGAN PRODUCTION
 MIKE SANDOVAL
 P. O. BOX 420
 FARMINGTON NM, 87499
 Fax To: (505) 327-4043

Received:	02/08/2013	Sampling Date:	02/06/2013
Reported:	02/14/2013	Sampling Type:	Soil
Project Name:	COCHRAN #2 SWD	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: #1 COCHRAN #2 SWD (H300363-01)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/13/2013	ND	2.46	123	2.00	8.61		
Toluene*	<0.050	0.050	02/13/2013	ND	2.42	121	2.00	9.04		
Ethylbenzene*	<0.050	0.050	02/13/2013	ND	2.39	119	2.00	8.61		
Total Xylenes*	<0.150	0.150	02/13/2013	ND	7.26	121	6.00	8.88		
Total BTEX	<0.300	0.300	02/13/2013	ND						

Surrogate: 4-Bromofluorobenzene (PID) 108 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	464	16.0	02/11/2013	ND	432	108	400	3.77		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	02/11/2013	ND	197	98.5	200	12.1		
DRO >C10-C28	<10.0	10.0	02/11/2013	ND	182	90.8	200	16.2		
Total TPH C6-C28	<10.0	10.0	02/11/2013	ND	379	94.7	400	14.0		

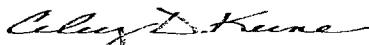
Surrogate: 1-Chlorooctane 90.6 % 65.2-140

Surrogate: 1-Chlorooctadecane 110 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 DUGAN PRODUCTION
 MIKE SANDOVAL
 P. O. BOX 420
 FARMINGTON NM, 87499
 Fax To: (505) 327-4043

 Received: 02/08/2013
 Reported: 02/14/2013
 Project Name: COCHRAN #2 SWD
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 02/06/2013
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: #2 COCHRAN #2 SWD (H300363-02)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/13/2013	ND	2.46	123	2.00	8.61	
Toluene*	<0.050	0.050	02/13/2013	ND	2.42	121	2.00	9.04	
Ethylbenzene*	<0.050	0.050	02/13/2013	ND	2.39	119	2.00	8.61	
Total Xylenes*	<0.150	0.150	02/13/2013	ND	7.26	121	6.00	8.88	
Total BTEX	<0.300	0.300	02/13/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIC) 107 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	96.0	16.0	02/11/2013	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/11/2013	ND	197	98.5	200	12.1	
DRO >C10-C28	<10.0	10.0	02/11/2013	ND	182	90.8	200	16.2	
Total TPH C6-C28	<10.0	10.0	02/11/2013	ND	379	94.7	400	14.0	

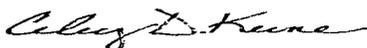
Surrogate: 1-Chlorooctane 95.5 % 65.2-140

Surrogate: 1-Chlorooctadecane 119 % 63.6-154

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 DUGAN PRODUCTION
 MIKE SANDOVAL
 P. O. BOX 420
 FARMINGTON NM, 87499
 Fax To: (505) 327-4043

 Received: 02/08/2013
 Reported: 02/14/2013
 Project Name: COCHRAN #2 SWD
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 02/06/2013
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: #3 COCHRAN #2 SWD (H300363-03)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/13/2013	ND	2.46	123	2.00	8.61		
Toluene*	<0.050	0.050	02/13/2013	ND	2.42	121	2.00	9.04		
Ethylbenzene*	<0.050	0.050	02/13/2013	ND	2.39	119	2.00	8.61		
Total Xylenes*	<0.150	0.150	02/13/2013	ND	7.26	121	6.00	8.88		
Total BTEX	<0.300	0.300	02/13/2013	ND						

Surrogate: 4-Bromofluorobenzene (PIE) 108 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	80.0	16.0	02/11/2013	ND	432	108	400	3.77		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	02/11/2013	ND	197	98.5	200	12.1		
DRO >C10-C28	<10.0	10.0	02/11/2013	ND	182	90.8	200	16.2		
Total TPH C6-C28	<10.0	10.0	02/11/2013	ND	379	94.7	400	14.0		

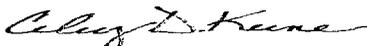
Surrogate: 1-Chlorooctane 88.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 106 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 DUGAN PRODUCTION
 MIKE SANDOVAL
 P. O. BOX 420
 FARMINGTON NM, 87499
 Fax To: (505) 327-4043

 Received: 02/08/2013
 Reported: 02/14/2013
 Project Name: COCHRAN #2 SWD
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 02/06/2013
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: #4 COCHRAN #2 SWD (H300363-04)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/13/2013	ND	2.46	123	2.00	8.61	
Toluene*	<0.050	0.050	02/13/2013	ND	2.42	121	2.00	9.04	
Ethylbenzene*	<0.050	0.050	02/13/2013	ND	2.39	119	2.00	8.61	
Total Xylenes*	<0.150	0.150	02/13/2013	ND	7.26	121	6.00	8.88	
Total BTEX	<0.300	0.300	02/13/2013	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 107 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	176	16.0	02/11/2013	ND	432	108	400	3.77	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/11/2013	ND	197	98.5	200	12.1	
DRO >C10-C28	<10.0	10.0	02/11/2013	ND	182	90.8	200	16.2	
Total TPH C6-C28	<10.0	10.0	02/11/2013	ND	379	94.7	400	14.0	

Surrogate: 1-Chlorooctane 81.5 % 65.2-140

Surrogate: 1-Chlorooctadecane 102 % 63.6-154

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 DUGAN PRODUCTION
 MIKE SANDOVAL
 P. O. BOX 420
 FARMINGTON NM, 87499
 Fax To: (505) 327-4043

 Received: 02/08/2013
 Reported: 02/14/2013
 Project Name: COCHRAN #2 SWD
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 02/06/2013
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: #5 COCHRAN #2 SWD (H300363-05)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/13/2013	ND	2.46	123	2.00	8.61		
Toluene*	<0.050	0.050	02/13/2013	ND	2.42	121	2.00	9.04		
Ethylbenzene*	<0.050	0.050	02/13/2013	ND	2.39	119	2.00	8.61		
Total Xylenes*	<0.150	0.150	02/13/2013	ND	7.26	121	6.00	8.88		
Total BTEX	<0.300	0.300	02/13/2013	ND						

Surrogate: 4-Bromofluorobenzene (PID) 109 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: DW						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	80.0	16.0	02/11/2013	ND	432	108	400	3.77		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	02/11/2013	ND	197	98.5	200	12.1		
DRO >C10-C28	<10.0	10.0	02/11/2013	ND	182	90.8	200	16.2		
Total TPH C6-C28	<10.0	10.0	02/11/2013	ND	379	94.7	400	14.0		

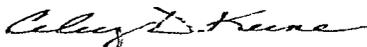
Surrogate: 1-Chlorooctane 91.4 % 65.2-140

Surrogate: 1-Chlorooctadecane 115 % 63.6-154

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

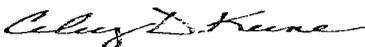
Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

