

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

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 Basic Com #1	Facility Type Gas Well
Surface Owner Federal	Mineral Owner Federal
API No. 30-043-21112	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	21	22N	7W	990	North	800	West	Sandoval

Latitude 36.12943 Longitude 107.58657

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Approx 4 bbls	Volume Recovered None
Source of Release Water Tank	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 6/27/14 @ noon, by DPC & Robert Switzer w/BLM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Brandon Powell & Cory Smith - NMOCD & Shari Ketcham - BLM	
By Whom? Rodger Mullins	Date and Hour 6/30/14 @ 11:30 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.*
OIL CONS. DIV DIST. 3

Describe Cause of Problem and Remedial Action Taken.*
Produced water tank overflowed. Tank will be checked more frequently.
JUL 01 2014

Describe Area Affected and Cleanup Action Taken.*
Water puddled on east side of location. Some water ran off north side of location, approximately 50' and stopped. Cleanup is pending results of water samples that were ordered by Mark Kelly of the BLM.

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>Cory Smith</i>	
Title: Production Foreman	Approval Date: <u>7/7/14</u>	Expiration Date:
E-mail Address: rmullins@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 30, 2014 Phone: 505-325-1821		

* Attach Additional Sheets If Necessary

#NCS 1418830372