

NMOCD

APR 12 2018

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

DISTRICT III

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 PO Box 420, Farmington NM 87499-0420	Telephone No. (505)320-5443
Facility Name: Mary Lou #1 SWD	Facility Type: Salt Water Disposal

Surface Owner: State	Mineral Owner: State	API No. 30-045-26460
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LOCATION OF RELEASE

Unit Letter A	Section 32	Township 24N	Range 10W	Feet from the 800	North/South Line North	Feet from the 800	East/West Line East	County San Juan
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Latitude: 36.27505 _ Longitude: -107.91241 _

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: Approx 15 bbls	Volume Recovered: 11 bbls
Source of Release: Filter Pod	Date and Hour of Occurrence .07/05/14- Time Unknown	Date and Hour of Discovery 7/5/14 @ 1200 hrs
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)	
By Whom? Rodger Mullins	Date and Hour: 7/7/14 @ 1017 hrs.	
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.*

Describe Cause of Problem and Remedial Action Taken.*
Top of filter pod not tight enough. Filter pod tightened.

Describe Area Affected and Cleanup Action Taken.*
(On location) Water stayed on location. Water sucked up by water truck.
Final: Soil samples were taken and sent to Cardinal Laboratories for analysis. Results were found to be below the maximum acceptable levels. Gypsum was applied to the affected area and no further action was taken.

(Off Location) None

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 v. Mullins</i>	OIL CONSERVATION DIVISION	
Printed Name: Rodger Mullins	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Environmental	Approval Date: 5/4/18	Expiration Date:
E-mail Address: rodger.mullins@dugan production.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/2/2018	Phone: 505-320-5443	

* Attach Additional Sheets If Necessary

#NCS 142 485 4260

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PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

April 02, 2018

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

RE: MARY LOU #1 SWD

Enclosed are the results of analyses for samples received by the laboratory on 03/27/18 10:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-17-10. 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:	03/27/2018	Sampling Date:	03/21/2018
Reported:	04/02/2018	Sampling Type:	Soil
Project Name:	MARY LOU #1 SWD	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Tamara Oldaker
Project Location:	NOT GIVEN		

Sample ID: MARY LOU #1 SWD (H800860-01)

BTEX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	04/02/2018	ND	2.05	103	2.00	1.03	
Toluene*	<0.050	0.050	04/02/2018	ND	2.10	105	2.00	0.715	
Ethylbenzene*	<0.050	0.050	04/02/2018	ND	2.10	105	2.00	1.89	
Total Xylenes*	<0.150	0.150	04/02/2018	ND	6.10	102	6.00	1.71	
Total BTEX	<0.300	0.300	04/02/2018	ND					

Surrogate 4-Bromofluorobenzene (PIL)		105 %		72-148					
Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	03/27/2018	ND	448	112	400	3.64	

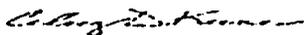
TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10*	<10.0	10.0	03/28/2018	ND	214	107	200	1.18	
DRO >C10-C28*	<10.0	10.0	03/28/2018	ND	226	113	200	0.178	
EXT DRO >C28-C36	<10.0	10.0	03/28/2018	ND					

Surrogate: 1-Chlorooctane	95.3 %	41-142
Surrogate: 1-Chlorooctadecane	85.7 %	37.6-147

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and clients' recovery for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or in relation to the performance of the services furnished by Cardinal, regardless of whether such claim is based upon any of the above stated results or otherwise. Results relate only to the samples described above. The report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

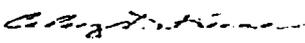
Notes and Definitions

- 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 SH4500CI-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



(970) 247-4220
Fax: (970) 247-4227

service@greenanalytical.com or dzule1@greenanalytical.com
75 Suttle St Durango, CO 81303

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name (If Applicable): <i>Disgop</i>		Bill to (If different):		ANALYSIS REQUEST								
Contact Person: <i>Mike Sandoval</i>		P.O. #:										
Address:		Company:										
City:	State:	Zip:	Attn:									
Phone #:		Address:										
Email:		City:										
Project Name (optional): <i>Acidly Lake #1 SWA</i>		State: Zip:										
Project Number (optional):		Phone #:										
Sampler Name (Print):		Email:										
For Lab Use	Sample Name or Location	Collected						Matrix (check one)			<i>Bety, Cl, benz, TPH</i>	
		Date	Time	GROUNDWATER	SURFACE WATER	WASTEWATER	TREATED WATER	SOIL	DRINKING WATER	OTHER:		
<i>H-800860</i>	<i>Acidly Lake #1 SWA</i>	<i>3-22-18</i>	<i>10:30</i>									

PLEASE NOTE: GAL's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by GAL within 30 days after completion. In no event shall GAL be liable for accidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its successors, affiliates or successors arising out of or related to the performance of services hereunder by GAL, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <i>[Signature]</i>	Date: <i>3-22-18</i>	Time: <i>4:00</i>	Received By: <i>[Signature]</i>	ADDITIONAL REMARKS:	Report to State? (Circle) Yes No
Relinquished By: <i>[Signature]</i>	Date: <i>3-26-18</i>	Time: <i>1600</i>	Received By: <i>Fed Ex</i>		
Relinquished By:	Date: <i>3-27-18</i>	Time: <i>10:00</i>	Received By: <i>[Signature]</i>		
Delivered By: (Circle One) <i>5.22</i>	Sampler - UPS <input checked="" type="checkbox"/> FedEx <input type="checkbox"/> Kangaroo - Other: <i>Corrected 5.15c</i>		Temperature at receipt: <i>5.0 C</i>	CHECKER BY: <i>[Signature]</i>	

† GAL cannot always accept verbal changes. Please fax or email written change requests.
* Chain of Custody must be signed in "Relinquished By:" as an acceptance of services and all applicable charges.