

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

API # 30-045-33697

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	Pan American #3	Facility Type	well location

Surface Owner	Federal	Mineral Owner	Federal	Lease No.	SF-081231B
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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
N	24	30N	14W	1140	North	1980	West	San Juan

Latitude 36.79557 Longitude 108.26273

NATURE OF RELEASE

Type of Release	spill - brine water	Volume of Release	4 bbls	Volume Recovered	2 bbls
Source of Release	Equipment malfunction on separator dump	Date and Hour of Occurrence	7/31/09	Date and Hour of Discovery	7/31/09 @ approx. 12:00 noon
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	BLM - Janelle Aztec NMOCD - Brandon Powell		
By Whom?	Paul Sikora	Date and Hour	BLM @ approx 3:30 p.m. 7/31/09; OCD @ approx. 8:00 a.m. 8/3/09		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	RCVD AUG 4 '09		

If a Watercourse was Impacted, Describe Fully.*	OIL CONS. DIV. DIST. 3
N/A	

Describe Cause of Problem and Remedial Action Taken.*
Separator dump malfunctioned causing a spill on location. Water sucked up. Contaminated soils will be piled together and hauled to Envirotech.

Describe Area Affected and Cleanup Action Taken.*
Water sucked up. Contaminated soils will be piled together and hauled to Envirotech

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>Paul Sikora</i>		OIL CONSERVATION DIVISION	
Printed Name: Paul Sikora		Approved by District Supervisor: <i>Paul Sikora</i> For: <i>Charlie Perrin</i>	
Title: Environmental Manager	Approval Date: 8/4/09	Expiration Date:	
E-mail Address: paulsikora@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>	
Date: 8/3/09 Phone: (505)325-1821			

* Attach Additional Sheets If Necessary

Incident # NRMDO926052340