

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# 30-045-30954

OPERATOR		<input checked="" type="checkbox"/> Initial Report**	<input type="checkbox"/> Final Report
Name of Company	Dugan Production Corp.	Contact	Rodger Mullins
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Molly Pitcher #4	Facility Type	
Surface Owner	Federal	Mineral Owner	Federal
		Lease No.	NM-10561

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	14	30N	14W	2610	North	425	East	San Juan

** Amended original 1/22/08 report.

Latitude 36.8143 Longitude 108.27024

NATURE OF RELEASE

Type of Release	produced water	Volume of Release approx 180 bbls	Volume Recovered approx 150 bbls
Source of Release	Tanks overflowing	Date and Hour of Occurrence	Date and Hour of Discovery
		1/16/08 @ approx 10:00 p.m.	1/16/08 @ approx 10:00 p.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Aztec Office NMOCD – Brandon Powell & BLM Farmington Office – Erinn Shirley	
By Whom?	Rodger Mullins	Date and Hour	1/21/08 @ approx 10:00 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.*		ROAD 3000' OF OIL CONS. DIV. DIST. 3	
Describe Cause of Problem and Remedial Action Taken.* Tbg valve broke at wellhead causing backflow into tanks, tanks then overflowed. Sucked up liquid from berm and surrounding location. IEI & Mike Otis remediating area. Contaminated soils are being replaced with clean soil. Soils will be tested and results will be submitted upon receipt.			
Describe Area Affected and Cleanup Action Taken.* Sucked up liquid from berm and surrounding location. IEI & Mike Otis remediating area. Contaminated soils are being replaced with clean soil. Soils will be tested and results will be submitted upon receipt.			
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>Jara M. Feil</i>		OIL CONSERVATION DIVISION	
Printed Name: Rodger Mullins		Approved by District Supervisor: <i>Brandon Bell</i> For: <i>Charlie Perrin</i>	
Title: Production Foreman		Approval Date: 1-30-08	Expiration Date:
E-mail Address: rmullins@duganproduction.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: January 22, 2008 Phone: (505)325-1821			

* Attach Additional Sheets If Necessary

Incident # NRMD 0929640148