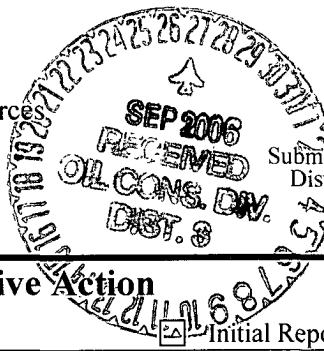


District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30 045-32202

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	Dugan Production Corp.	Contact	Kelly Miller
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Big Field #8	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
M	15	30N	14W	660	South	790	West	San Juan

Latitude 36.80861 Longitude 108.30222

NATURE OF RELEASE

Type of Release	produced water	Volume of Release	100 bbl	Volume Recovered	80 bbls
Source of Release	overflow of tank	Date and Hour of Occurrence	9/3/06 12:00 pm	Date and Hour of Discovery	9/3/06 @ 10:00 pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Aztec Office NMOCD - Monica Kuehling		
By Whom?	Kelly Miller	Date and Hour	9/6/06 @ 10:00 a.m.		
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	20 bbls		

If a Watercourse was Impacted, Describe Fully.*

Produced water from pipeline reached arroyo impacting the arroyo for approximately 100 ft with 20 bbls produced water

Describe Cause of Problem and Remedial Action Taken.*

Break in pipeline. Caused produced water to spill on soil and down arroyo. Remediated soil, vacuum truck to suck water back to disposal well, pearl Gypsum grated into arroyo.

Describe Area Affected and Cleanup Action Taken.*

Soil and arroyo. Remediated soil, vacuum truck to suck water back to disposal well. Pearl gypsum grated into arroyo.

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>Kelly L. Miller</i>		OIL CONSERVATION DIVISION	
Printed Name: Kelly Miller		Approved by District Supervisor: <i>Brandon Powell</i> For: <i>Charlie Perrin</i>	
Title: Production Foreman		Approval Date: 9/27/06	Expiration Date:
E-mail Address:		Conditions of Approval:	Attached <input type="checkbox"/>
Date: September 26, 2006 Phone: (505)325-1821			

* Attach Additional Sheets If Necessary

nBP0628440337