

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 30-045-33865

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)325-1821
Facility Name	Frazzle #1 SWD	Facility Type	

Surface Owner	Federal	Mineral Owner	Federal	Lease No.	NM-15654
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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
C	30	24N	10W	795	North	2180	West	San Juan

Latitude 36.28936 Longitude 107.93836

NATURE OF RELEASE

Type of Release	water	Volume of Release	500 bbls	Volume Recovered	0 bbls
Source of Release	Tanks overflowing	Date and Hour of Occurrence	8/1/07 @ approx	Date and Hour of Discovery	8/1/07 @ approx
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Aztec NMOCD - Brandon Powell		
By Whom?	Rodger Mullins	Date and Hour			
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	500 bbls		

If a Watercourse was Impacted, Describe Fully.*
Water ran off location to wash & traveled approx 400 yards down wash.

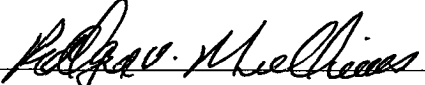

**RCVD SEP 4 '07
OIL CONS. DIV.**

Describe Cause of Problem and Remedial Action Taken.*
The injection pump went down allowing tanks to overflow. DPC crew removed dirt and replaced with new dirt. Pearl gypsum placed on contaminated area.

DIST. 3

Describe Area Affected and Cleanup Action Taken.*
DPC crew removed dirt and replaced with new dirt. Pearl gypsum placed on contaminated area.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Rodger Mullins	Approved by District Supervisor: 	For: <i>Charlie Perrin</i>
Title: Production Foreman	Approval Date: <u>9-4-07</u>	Expiration Date:
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date: August 8, 2007 Phone: (505)325-1821		

* Attach Additional Sheets If Necessary

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