

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 28537

**OPERATOR**

☒ Initial Report ☐ Final Report

Name of Company	Dugan Production Corp.	Contact	Marty Foutz
Address	P. O. Box 420, Farmington, NM 87499-0420	Telephone No.	(505)325-1821
Facility Name	Target No. 1	Facility Type	oil well

Surface Owner	Federal	Mineral Owner	Federal	Lease No.	NM-43442
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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
F	20	24N	10W	1980	North	1980	West	San Juan

Latitude 36.30061 Longitude 107.92061

**NATURE OF RELEASE**

Type of Release	oil spill	Volume of Release	181 bbl	Volume Recovered	13 bbl
Source of Release	oil storage tank	Date and Hour of Occurrence	Between 8/31/04 & 9/17/04	Date and Hour of Discovery	9/17/04 @ approx. 9:00 a.m.
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?	John Roe	Date and Hour 9/17/04 @ 11:20 a.m.			
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Estimated 50 bbl			

If a Watercourse was Impacted, Describe Fully.\*

After filling the tank berm, approximately 50 bbl oil spilled over onto the location and then ran approximately 2000' down a two track road plus approximately 450' down a west-southwesterly trending, normally dry ephemeral sand wash.

Describe Cause of Problem and Remedial Action Taken.\*

The 300 bbl oil storage tank developed a corrosion hole in the tank bottom. Both valves on the tank were closed and the seals in tact. Recovered approximately 13 bbl of oil from the tank berm plus removed 27 bbl remaining in storage tank. The oil recovered was placed in a 300 bbl temporary steel tank and the oil storage tank will be replaced.

Describe Area Affected and Cleanup Action Taken.\*

Contaminated soil from  
The well location plus approximately 2000' of two track road and 450' of dry sand wash 1' to 2' in width will be landfarmed on location to remediate the oil stained sand.

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: John D. Roe	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: John D. Roe	Approved by District Supervisor: <i>Denny Foutz</i> for Frank Chavez		
Title: Engineering Manager	Approval Date: 10/1/04	Expiration Date:	
E-mail Address: johnroe@duganproduction.com	Conditions of Approval:	Attached <input type="checkbox"/>	
Date: September 22, 2004 Phone: (505)325-1821			

\* Attach Additional Sheets If Necessary

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