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

JAN 2006 RECEIVED OIL CONS. DIV. DIST. 3

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 # 30-045-20397

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 Stella Needs A Com #1 Injection (@Fed I#4)	Facility Type Injection Plant

Surface Owner Federal	Mineral Owner Federal	Lease No. SF-078110

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	1	29N	14W	1100	North	1600	West	San Juan

Latitude 36.75978 **Longitude** 108.26358

NATURE OF RELEASE

Type of Release produced water	Volume of Release 100 bbl	Volume Recovered 20 bbl
Source of Release oil storage tank	Date and Hour of Occurrence 12-01-05 @ 6:00 a.m.	Date and Hour of Discovery 12-01-05 @ 8:00 a.m.
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Aztec Office NMOCD – Denny Foust @ 8:30 a.m.	
By Whom? Paul Sikora	Date and Hour 12/1/05 @ 8:30 a.m.	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse. Estimated 50 bbl	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
On 12-1-05 a report of produced water spill at the Stella Needs a Com #1 Injection Plant (located @ Federal I #4) was discovered. The spill was estimated at occurring at approximately 12-01-05 at 6:00 a.m. Spill was caused due to CO2 (in filter POD) causing rupture in aluminum. Further, remedial action taken includes clean up of affected areas, and replacement of defective filter housing. Remedial action also included building a berm for spill containment near injection building facility. Replaced aluminum filter POD w/stainless steel.

Describe Area Affected and Cleanup Action Taken.*
The affected area includes that of the areas surrounding the building on location where the water accumulated. A cleanup crew was immediately dispatched to remove any contaminated soil. A water truck was dispatched to recover any standing/pooled produced water and successfully recovered 20 bbls. Blagg Engineering was contacted to determine if soil samples will be collected and test results will be forwarded to OCD in a follow-up report. **Test results attached – no further action required.**

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: Paul Sikora	Approved by District Supervisor: Denny Foust for Charlie Perrin
Title: Production Foreman	Approval Date: / Expiration Date:
E-mail Address: paulsikora@duganproduction.com	Conditions of Approval: 1/20/06 / Attached ☐
Date: January 17, 2006 Phone: (505)325-1821	

* Attach Additional Sheets If Necessary

nDGF0536132444

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Dugan Federal #1 / 12/1/05

CLIENT: DUGAN

BLAGG ENGINEERING, INC.
P.O. BOX 87, BLOOMFIELD, NM 87413
(505) 632-1199

LOCATION NO:

COCR NO: 15339

FIELD REPORT: SPILL CLOSURE VERIFICATION

PAGE No: 1 of 1

LOCATION: NAME: STELLA NEEDS A COM #1 / INJECTION STATION WELL #: @ FED I #4 TYPE: LINE LEAK

QUAD/UNIT: C SEC: 1 TWP: 29N RNG: 14W PM: NM CNTY: SJ ST: NM

QTR/FOOTAGE: 1180 FNL x 1600 FWL CONTRACTOR: NA

DATE STARTED: 1/5/2006

DATE FINISHED:

ENVIRONMENTAL SPECIALIST: JCB

EXCAVATION APPROX. NA FT. x NA FT. x NA FT. DEEP. CUBIC YARDAGE: -0-

DISPOSAL FACILITY: NA REMEDIATION METHOD:

LAND USE: RANGE LEASE: STATE B-11571 FORMATION: VARIOUS

FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY NA FT. NA FROM WELLHEAD.

DEPTH TO GROUNDWATER: >100 NEAREST WATER SOURCE: >1000 NEAREST SURFACE WATER: >1000

NMOCD RANKING SCORE: 0 NMOCD TPH CLOSURE STD: 5000 PPM

OVM CALIB. READ. = ppm
OVM CALIB. GAS = ppm RF = 0.52
TIME: am/pm DATE:

SOIL AND EXCAVATION DESCRIPTION:

SOIL TYPE: SAND / (SILTY SAND) / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER

SOIL COLOR: Lite tan

COHESION (ALL OTHERS): NON COHESIVE / (SLIGHTLY COHESIVE) / COHESIVE / HIGHLY COHESIVE

CONSISTENCY (NON COHESIVE SOILS): LOOSE / (FIRM) / DENSE / VERY DENSE

PLASTICITY (CLAYS): NON PLASTIC / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC

DENSITY (COHESIVE CLAYS & SILTS): SOFT / FIRM / STIFF / VERY STIFF / HARD

MOISTURE: DRY / (SLIGHTLY MOIST) / MOIST / WET / SATURATED / SUPER SATURATED

DISCOLORATION/STAINING OBSERVED: YES / (NO) EXPLANATION -

HC ODOR DETECTED: YES / (NO) EXPLANATION -

SAMPLE TYPE: (GRAB) COMPOSITE - # OF PTS.

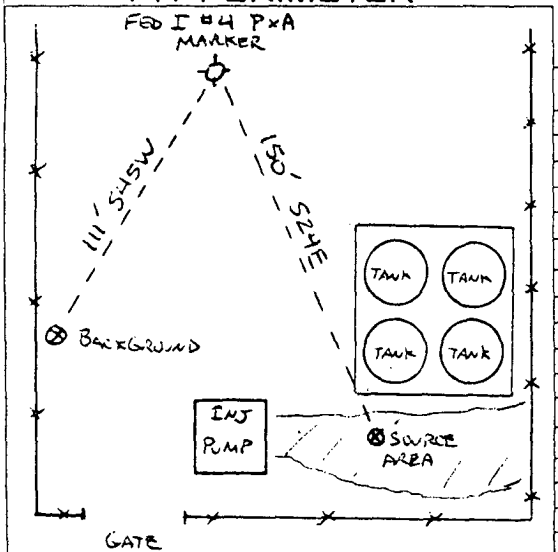
ADDITIONAL COMMENTS: RELEASE OF PRODUCED WATER FROM LEAK @ INJECTION PUMP. COLLECT SOURCE AREA + BACKGROUND SOIL SAMPLES @ 0"-6" DEPTHS FOR lab analysis of CATION/ANION.

FIELD 418.1 CALCULATIONS

SAMP. TIME	SAMP. ID	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. (ppm)

SCALE 0 FT

SITE ~~PIT~~ PERIMETER



P.D. = PIT DEPRESSION; B.G. = BELOW GRADE
T.H. = TEST HOLE

OVM READING

SAMPLE ID	FIELD HEADSPACE (ppm)
1 @	
2 @	
3 @	
4 @	
5 @	

LAB SAMPLES

SAMPLE ID	ANALYSIS	TIME
SOURCE	CATION / ANION	0920
BACKGROUND	"	0935

PIT PROFILE

TRAVEL NOTES: CALLOUT: 1/5/06 ONSITE: 1/5/06

revised: 09/12/01 bei1005B.skf

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Source Area	Date Reported:	01-09-06
Laboratory Number:	35660	Date Sampled:	01-05-06
Chain of Custody:	15339	Date Received:	01-06-06
Sample Matrix:	Soil Extract	Date Extracted:	01-09-06
Preservative:	Cool	Date Analyzed:	01-09-06
Condition:	Cool & Intact		

Parameter	Analytical Result	Units		
pH	**7.25**	s.u.		
Conductivity @ 25° C	**5,020**	umhos/cm		
Total Dissolved Solids @ 180C	**3,190**	mg/L		
Total Dissolved Solids (Calc)	**3,200**	mg/L		
SAR	**69.8**	ratio		
Total Alkalinity as CaCO3	**35.6**	mg/L		
Total Hardness as CaCO3	**49.7**	mg/L		
Bicarbonate as HCO3	**35.6**	mg/L	0.58	meq/L
Carbonate as CO3	**<0.1**	mg/L	0.00	meq/L
Hydroxide as OH	**<0.1**	mg/L	0.00	meq/L
Nitrate Nitrogen	**1.2**	mg/L	0.02	meq/L
Nitrite Nitrogen	**0.108**	mg/L	0.00	meq/L
Chloride	**1,880**	mg/L	53.03	meq/L
Fluoride	**0.92**	mg/L	0.05	meq/L
Phosphate	**1.1**	mg/L	0.03	meq/L
Sulfate	**44.0**	mg/L	0.92	meq/L
Iron	**0.003**	mg/L	0.00	meq/L
Calcium	**18.7**	mg/L	0.93	meq/L
Magnesium	**2.93**	mg/L	0.24	meq/L
Potassium	**1.09**	mg/L	0.03	meq/L
Sodium	**1,230**	mg/L	53.51	meq/L
Cations			54.71	meq/L
Anions			54.64	meq/L
Cation/Anion Difference			**0.12%**	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Stella Needs A Com #1 0" - 6".**

Christine M Walters
Analyst

Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	Blagg / Dugan	Project #:	94034-010
Sample ID:	Background	Date Reported:	01-09-06
Laboratory Number:	35661	Date Sampled:	01-05-06
Chain of Custody:	15339	Date Received:	01-06-06
Sample Matrix:	Soil Extract	Date Extracted:	01-09-06
Preservative:	Cool	Date Analyzed:	01-09-06
Condition:	Cool & Intact		

Parameter	Analytical Result	Units		
pH	**8.00**	s.u.		
Conductivity @ 25° C	**241**	umhos/cm		
Total Dissolved Solids @ 180C	**150**	mg/L		
Total Dissolved Solids (Calc)	**153**	mg/L		
SAR	**4.3**	ratio		
Total Alkalinity as CaCO3	**52.0**	mg/L		
Total Hardness as CaCO3	**24.8**	mg/L		
Bicarbonate as HCO3	**52.0**	mg/L	0.85	meq/L
Carbonate as CO3	**<0.1**	mg/L	0.00	meq/L
Hydroxide as OH	**<0.1**	mg/L	0.00	meq/L
Nitrate Nitrogen	**3.2**	mg/L	0.05	meq/L
Nitrite Nitrogen	**<0.001**	mg/L	0.00	meq/L
Chloride	**26.8**	mg/L	0.76	meq/L
Fluoride	**<0.01**	mg/L	0.00	meq/L
Phosphate	**30.8**	mg/L	0.97	meq/L
Sulfate	**1.2**	mg/L	0.02	meq/L
Iron	**0.043**	mg/L	0.00	meq/L
Calcium	**9.92**	mg/L	0.50	meq/L
Magnesium	**<0.01**	mg/L	0.00	meq/L
Potassium	**0.02**	mg/L	0.00	meq/L
Sodium	**49.7**	mg/L	2.16	meq/L
Cations			2.66	meq/L
Anions			2.66	meq/L
Cation/Anion Difference			**0.04%**	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Stella Needs A Com #1 0" - 6".**

Analyst

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