3R-1017

Release Report/ General Correspondence

Dugan SA Pipelines

Date: 2014

District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., 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

Form C-141 Revised August 8, 2011

Oil Conservation Division 1220 South St. Francis Dr.

Submit Copy to appropriate District Office in accordance with 19.15.29 NMAC.

AUG ^ 1 2014 Santa Fe, NM 87505 Release Notification and Corrective Action

						OPERA	FOR.	15-1	X. Initia	ıl Report	Final Report	
Name of Cor					(Contact John Roe						
Address P						Telephone No. 505-325-1821						
Facility Nam	ne Rusty	y Chacra Ga	ystem]	Facility Type Gas Gathering System							
Surface Owr	ier **			Mineral C)wner	API No. **						
	LOCATION OF RELEASE											
Unit Letter												
D	30	22N	6W	±75'	North		±875'	West	·	San Juan	Sandoval	
Latitude N 36°6.996' Longitude W 107°30.964'												
36. 1660 NATURE OF RELEASE												
Type of Relea						Volume of	Release 179 mc			lecovered 1		
Source of Rela	ease Inter	nal corrosion	leak in gat	hering system lin	e	Date and H May 6, 201	lour of Occurrence 4	e	Date and 11:00 a.m	Hour of Disc 5/14/12	covery	
Was Immedia	te Notice C		Yes ⊠	No □ Not Re	equired	If YES, To	Whom?					
By Whom?		····			,	Date and F	lour			011 0	ONC DIV DIST	
Was a Waterc	ourse Reac					If YES, Vo	lume Impacting th	he Wate	rcourse.	UILU	ONS. DIV DIST.	
			Yes 🗵							<u>.</u>	AUG 0 5 2014	
If a Watercour N/A	rse was Imp	pacted, Descr	ibe Fully.*	:						1	HUU VI	
Describe Caus												
							l 1-21-7 #1 well to ne tie-in to RCGS.					
							ak is believed to h					
										oottom of the	e line. This section	
				-	was retur	ned to servic	e at 4:00 p.m. on :	5/16/14.				
Describe Area					little cle	anun was nac	eded. Gas volume	e loet w	ere determ	ined by com	paring allocation	
meter to CDP			c were no	indus iost. Very	muc cic	andp was net	ded. Oas volume	s lost w	ere determ	inca by com	paring anocation	
المعالم المعاد		lawad ta ba a l		hut is a less to the	. oothoris		d will be included	in oath	anima aveter	m allocation	o for May 2014	
** - gas lost is	s not consid	iered to be a i	ease loss,	but is a loss to the	gatherii	ng system and	d will be included	in gaine	ering syster	n allocation	s for May, 2014	
							knowledge and ur					
							nd perform correct arked as "Final Re					
should their of	perations h	ave failed to a	acceptanc idequately	investigate and r	emediate	e contaminati	on that pose a thre	eat to gr	ound water	, surface wa	ter, human health	
or the environ	ment. In a	ddition, NMC	OCD accep				e the operator of r					
federal, state,	or local lav	vs and/or regu	ılations.				OIL CONG	SEDV	ATION	DIMETO	ıNT	
	2.1		Rose	_			OIL CONS	SER V	ATION	DIVISIO		
Signature:	J.	D.							Λ ζ	$I \cap I$	11	
Printed Name	: John D.	Roe	=			Approved by Environmental Specialist: Something Kelly						
Title: Engine	ering Mana	iger				Approval Dat	·9/8/2014	E	Expiration l	Date:	U	
E-mail Addre	ss: johnroe	e@duganprod	uction.cor	n		Conditions of	Approval:					
										Attached	Attached	
Date: July 31		Phone: ets If Necess	505-325-1	821					1 1			

District I 1625 N. French Dr., Hobbs, NM 88240 District III-1301 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

Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

			Rele	ase Notifi	cation	and Co	rrective A	ction	19				
						OPERA'			.a	al Report	\boxtimes	Final	Report
Name of Co		Dugan Proc				Contact John Roe							
		20, Farming Chacra Gath		87499-0420		Telephone No. (505)325-1821							
racinty Na	ne Rusty	Chacra Gam	ering Sys	tem	Facility Type Gas Gathering System								
Surface Owner ** Mineral Owner									Lease	No. **			
LOCATION OF RELEASE													
Unit Letter E	Section 29	Township 22N	Range 6W	Feet from the 2630	1	South Line North	Feet from the 925	i i	Vest Line	County San Juan	S		
E .	29	22!\	OW	-			· · · · · · · · · · · · · · · · · · ·	ı v	Vest	-Sun Juan	JOING	eval	1/8/2019
				Latitude _.		Longitude							1455
I .				NA'	TURE	OF REL							
Type of Rele		ıl gas					Release 1216 n			Recovered			
Source of Re Leak in gathe	-	ı line				Date and F December,	lour of Occurrent 2008	ce	12/22/08	Hour of Di	scovery		
Was Immedi	ate Notice (Given? 🗌 Y	es ⊠ 1	No Not Re	quired	If YES, To	Whom?						
By Whom?						Date and F	lour .						
Was a Water	course Read	_				If YES, Volume Impacting the Watercourse.							
						OIL CONS. DIV DIST. 3							
	irse was Im	pacted, Descri	be Fully.	t									
N/A									J'	UN 192	2014		
On 12/22/08 have develop Describe Are	, a small in ed fairly cle a Affected did not cate	and Cleanup A	n hole wa of discov	s located in a 6- ery.			ed. The gas volu						
**Cac last is	not conside	ared to be a les	see loss bu	t is considered t	n he a gat	herina syster	n loss and will be	e include	d in alloca	tion proced	ures for	12/08	
I hereby cert regulations a public health should their or the enviro	fy that the ill operators or the envi operations had need to be a second or the first operations in the second operation of the second operation operation operation operation of the second operation o	information gi are required to ronment. The lave failed to a	ven above o report ar acceptance dequately CD accep	is true and com ad/or file certain te of a C-141 rep investigate and	plete to the release no port by the remediate	ne best of my otifications a NMOCD me contamination	knowledge and und perform correct arked as "Final Roon that pose a three the operator of	understar ctive acti Report" d reat to gr responsi	nd that pur ons for re oes not re ound wate bility for o	suant to NA leases which lieve the oper, surface we compliance	MOCD r n may en erator of vater, hu with any	ules and ndanger liabilit man he	r y
	0.0	a P	_			OIL CONSERVATION DIVISION							
Signature:		_ A, Ra				Approved by District Supervisor:							
Printed Name	e: John Ro	oe											
Title: Engi	neering Ma	nager				Approval Da	te:7/8/2014	4 1	Expiration	Date:	V		
:		e@duganprod				Conditions o	f Approval:			Attache	d 🗌		
Date: Janua Attach Addi			(505)325 arv	-1821				14	2011	7/15			
Attach Addi	nonai Sile	512 11 14CCC22	ai y				$n\sqrt{3}$	X142	25/4	D615)		

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

Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Di CEIVED Santa Fe, NM 87505 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action 1 53

						OPERA	ΓOR	00101	` ⊠ Initia	al Report		Final Report	
Name of Co	mpany	Dugan Prod	duction C	Corp.		Contact John Roe							
				87499-0420		Telephone No. (505)325-1821							
Facility Nan				athering System		Facility Type steel gathering system line							
	ner *:												
Surface Own	ner *	·		Mineral O	wner	**			Lease N	<u>lo**</u>			
						OF REI					<u> </u>		
Unit Letter	Section			9		South Line	Feet from the	East/West Line County					
E	29	22N ;	6W	±1750	ſ	North ±250 West				San Jua	in		
LatitudeLongitude													
NATURE OF RELEASE													
Type of Relea		ral gas				Volume of	Release 1882 m	ncf		Recovered	none		
Source of Rel							Iour of Occurrence	e		Hour of Dis	scovery		
Leak in gathe	ring systen	n line				June 3, 200)9		June 3, 20	009			
Was Immedia	ite Notice (Given?	Yes 🛚	No 🔲 Not Requ	uired	If YES, To Whom?							
By Whom?	· · · · ·					Date and I							
Was a Watero	course Read		L. W	7 N.		If YES, Volume Impacting the Watercourse, N/A OIL CONS. DIV DIST. 3							
			,			N/A							
If a Watercou N/A	rse was Im	pacted, Descr	ibe Fully.	*			-		JUN	19 201	G _t	, -	
	one small g	athering syste	m line lea	n Taken.* k was discovered s from a ¼" hole v					was in a 6	5/8" steel g	athering	system line	
Describe Area	a Affected	and Cleanup /	Action Tal	ken.*					****				
The gas lost of meter to CDP			were no f	luids lost. Very li	ttle clear	n up was nee	ded. Gas volume	s lost w	ere determi	ned by com	paring a	llocation	
**Con lost is	not conside	rad to be a lo	osa losa h	ut is considered to	ha o go	thering syste	m loss and the vo	lumos l	act will be i	naludad in	anthorina	r system	
allocation pro			ase 1055, 0	ut is considered to	oc a ga	mering syste	in loss and the vo	iuilies i	osi wili be i	neruded iii j	gamering	g system	
				e is true and comp									
				nd/or file certain r ce of a C-141 repo									
				y investigate and r									
				otance of a C-141									
federal, state,	or local la	ws and/or regi	ulations.										
	0 0	_ !				OIL CONSERVATION DIVISION							
Signature:	Jak	- Θ·	Koe_			2 1- 11							
Printed Name	John D	Roe				Approved by	District Supervis	sor:	swattl	2 20	ller		
	neering Ma					Approval Da	te: 9/4/201	4 (Expiration	Date:	0		
THE LINGI	icoming ivia						Y CYONS		Aprilation				
E-mail Addre	ess: "johnr	oe@duganpro	duction.c	om ·		Conditions o	f Approval:			Attached	d 🔲		
Date: Augus			(505)325	5-1821		···							
Attach Addi	tional She	ets If Necess	sary				べ	57<	1425	5142	436	•	

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

Form C-141 Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Pr. E C E V E D
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action 11 33

					OPERA	ΓOR			ıl Report	\boxtimes	Final Report		
Name of Co		Dugan Prod				Contact John Roe							
				87499-0420		Telephone No. (505)325-1821							
Facility Nan	ne	Rusty Chac	ra Gathei	ing System		Facility Type gas gathering system							
Surface Own	ner **			Mineral C	wner '	r #r			Lease N	lo. **			
LOCATION OF RELEASE													
Unit Letter A	Section 30	Township 22N	Range 6W	Feet from the 1250		/South Line Feet from the orth 150		East/West Line East		County San Juan			
LatitudeLongitude													
NATURE OF RELEASE													
Type of Relea		al gas					Release 1982 me		Volume R		none		
Source of Rel Leak in gathe	ring system					Date and H April, 2009	lour of Occurrenc	e	Date and 1 4/23/09	Hour of Disc	covery		
				notice was given No 🔲 Not Requ	uired	If YES, To	Whom?				-		
By Whom?	•					Date and Hour							
Was a Watero	ourse Reac	hed?	Yes 🗵	l No		If YES, Volume Impacting the Watercourse.							
						OIL CONS. DIV DIST. 3							
If a Watercou	rse was Im	pacted, Descri	ibe Fully.'	•								, .	
N/A								JUN	19 201	4			
	small inter	nal corrosion	hole was	n Taken.* located on a pipel: was found to be s				ıd return	ed to servi	ce. In additi	on, a d	ump valve	
Describe Area The gas lost d				en.* luid lost. Very lit	tle clear	up was need	led.						
**Gas lost is	not conside	ered to be a lea	ase loss, b	ut is considered to	be a gar	thering syster	n loss and will be	include	d in allocat	tion procedu	res 4/0	9.	
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	~ O.B	e				OIL CON	SERV	ATION /	DIVISIO	<u>N</u>		
Printed Name	: John Ro)e			,	Approved by	District Supervise	or: ()	neth). Kel	ly		
Title: Engin	eering Mar	nager			1	Approval Dat	e: 9/8/2014	′	Expiration I	Date:	U		
E-mail Addre	ss: johnro	oe@duganpro	duction.co	om	(Conditions of	Approval:		A	Attached			
	Date: June 10, 2009 Phone: (505)325-1821												

* Attach Additional Sheets If Necessary

NJK1425142654

<u>District I</u> 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

State of New Mexico Energy Minerals and Natural Resources

Form C-141 Revised October 10, 2003

Oil Conservation Division () [] V [] 1220 South St. Francis Dr. Santa Fe, NM 878003 JUL 16 PM 1 14

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Release Notification and Corrective Action													
OPERATOR Initial Report Final R												Report	
Name of Co		Dugan Pro				Contact John Roe							
				87499-0420		Telephone No. (505)325-1821							
Facility Nan	ne	Rusty Chac	ra Gas G	athering System	I	Facility Type steel gathering system line							
Surface Ow	ner *	*		Mineral C	wner	**			Lease N	0. **			
	LOCATION OF RELEASE												
Unit Letter	1 1 2						Feet from the	East/V	Vest Line	San Juan			
K	29	22N	6W	±1850		South	±1670		Vest				
K G	29 29	22N 22N	6W 6W	±1850 ±2625		South ± 1671 West North ± 1525 West							
					·								
LatitudeLongitude													
	NATURE OF RELEASE												
Type of Relea		ral gas					Release 2560 m			ecovered			
			for syster	n modification			our of Occurrenc	e		Hour of Dis			
Leaks in gath	ering syste	m lines.				May 2009			5/1/09, 5/	17/09, 5/22/	09		
Was Immedia	ate Notice (Given?	Yes 🏻	No 🗌 Not Requ	uired	If YES, To	Whom?			,			
By Whom?	:					.Date and Hour							
Was a Water	course Reag	ched?	Yes 🗵			If YES, Volume Impacting the Watercourse. N/A OIL CONS. DIV DIST. 3							
						N/A			OIL COL	15. DIV D			
If a Watercourse was Impacted, Describe Fully.* N/A JUN 19 / Lui4													
Describe Cause of Problem and Remedial Action Taken.* During 5/09, three small gathering system line leaks were discovered & repaired. All leaks were in a 6 5/8" steel gathering system line with pressures between 36 & 45 PSIA. All leaks were between 1/8" and ½" diameter & were the result of internal corrosion. On 5/1/09 three holes, each about 1/8" diameter & about 1" apart were located at K-29-22N-6W & repaired on 5/4/09. On 5/17/09, a ½" diameter hole was located approximately 12" from the May 1st leaks and was repaired 5/19/09. The third leak which was a hole approximately ½" diameter at G-29-22N-6W, was discovered on 5/22/09 & repaired on 5/26/09. Describe Area Affected and Cleanup Action Taken.* The gas lost at all 3 leaks did not catch fire & there were no fluids lost. Very little clean up was needed. Gas volumes lost were determined by comparing allocation meter to CDP sales meter volumes.											n the &		
**Gas lost is allocation pro			ase Ioss, b	ut is considered to	be a ga	thering system	m loss and the vo	lumes le	ost will be i	ncluded in §	gathering syst	em	
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.											er ity ealth		
Signature:	John	8. R	e-			OIL CONSERVATION DIVISION Approved by District Supervisor							
Printed Name	e: John D neering Ma	٠, ۶		/ Time		Approval Da	9/2/20	14	Expiration	Date:	1		
77				· · · · · · · · · · · · · · · · · · ·				<u>'</u>	Expiration	2410.			
E-mail Addre	ess: <u>johnr</u>	oe@duganpro				Conditions of	Approval:			Attached	ı 🗀		
Date: July 1		Phone: (5		321									
Attach Addi	tional She	ets If Necess	sary				nJK	142	5143	131		1	