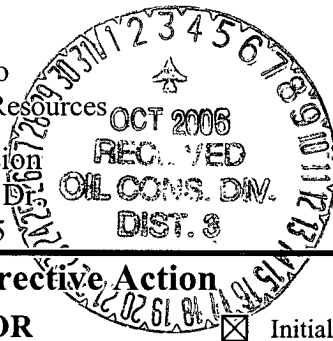


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Lance Oil & Gas, Inc.	Contact	Jo Becksted
Address	P. O. Box 70, Kirtland, NM 87417	Telephone No.	(505) 598-5601 Ext. 5558
Facility Name	WF Federal 1 #1	Facility Type	Gas Well
		API #	30-045-30660

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	NMNM-101552
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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
K	1	30N	14W	1940	South	1520	West	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE



Type of Release	Produced Water	Volume of Release	~ 50 bbls	Volume Recovered	Ø
Source of Release	1" Pumping T Valve left accidentally left open	Date and Hour of Occurrence	10/01/2006	Date and Hour of Discovery	10/2/2006
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Brandon Powell, NMOCD		
By Whom?	Jo Becksted	Date and Hour	10/02/2006 @ 2:00 p.m.		
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	~10 bbls		

If a Watercourse was Impacted, Describe Fully.* The produced water flowed off of the wellsite and into arroyo approximately 200'.

Describe Cause of Problem and Remedial Action Taken.* Pumper accidentally left 1" pumping T valve open when well wasn't pumping.

Describe Area Affected and Cleanup Action Taken.* A stream of produced water flowed across the well site and approximately 200' into an arroyo. A soil sample was collected and as directed by Brandon Powell of the NMOCD, the sample will be tested at iina ba, and a determination of the appropriate clean up will be reached upon results of this analysis.

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:			
Printed Name:	Jo Becksted	Approved by District Supervisor:  For: Charlie Perrin	
Title:	Production Tech	Approval Date:	10/3/06
E-mail Address:	jo.becksted@anadarko.com	Expiration Date:	
Date:	Phone: (505) 598-5601 Ext. 5558	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

n BPO628952986