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

Name of Company Lance Oil & Gas, Inc. Address P. O. Box 70, Kirtland, NM 87417 Facility Name Salty Dog #2 Surface Owner BLM Mineral Owner BLM Lease No. NMSF-079968 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County J 5 29N 14W 1495 South 1477 East San Juan	
Facility Name Salty Dog #2 Surface Owner BLM Mineral Owner BLM Lease No. NMSF-079968 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County J 5 29N 14W 1495 South 1477 East San Juan	
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Latituda	
LatitudeLongitude	
NATURE OF RELEASE	
Type of Release Produced Water Volume of Release 8 bbls Volume Recovered 7 bbls	
Source of Release Ruptured 3" Water Line Date and Hour of Occurrence Date and Hour of Discovery	
7/25/06 @ 2:00 p.m. 7/25/06 @ 2:00 p.m.	
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required N/A	1
By Whom? Jo Becksted Date and Hour 7/26/06 @ 2:45 p.m.	
Was a Watercourse Reached? If YES, Volume Impacting the Watercourse.	
☐ Yes ☒ No N/A	
If a Watercourse was Impacted, Describe Fully.* N/A	
Describe Cause of Problem and Remedial Action Taken.* Roustabouts attempting to locate unmarked line, accidentally ruptured with a backhoe	
Describe Area Affected and Cleanup Action Taken.* The soil impacted is located in the pipeline right of way between the WF Federal 5 #2 and WF	
Federal 5 #3. The wells were immediately shut in until line was repaired, and the soil was spread out in the area to dry and to be recontoured and gr	
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 are	d
regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endange	r ¦
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 liabil	
should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human h	
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.	
OIL CONSERVATION DIVISION	
To Mark Took	
Signature: Fac: Charli	-
Printed Name: Jo Becksted Approved by District Supervisor: Brancher Perrice Perrice	-
Title: Production Tech Approval Date: 7/28 low Expiration Date:	
F-mail Address: iheckste@westerngas.com Conditions of Approval:	
Attached	
Date: Phone: (505) 598-5601 Ext. 5558	

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