

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 04522764

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Lance Oil & Gas, Inc.	Contact	Jo Becksted
Address	P. O. Box 70	Telephone No.	(505) 598-3601 Ext. 58
Facility Name	Ms. Nona #2	Facility Type	Gas Well

Surface Owner	Bureau of Land Management	Mineral Owner	Bureau of Land Management	Lease No.	NM-28820
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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
A	15	30N	14W	920	North	970	East	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

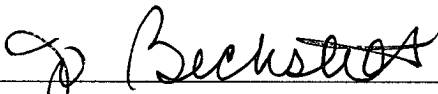
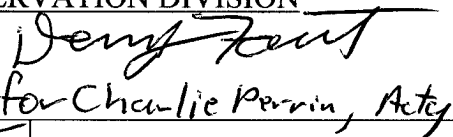
Type of Release	Produced Water	Volume of Release	Approx 80 bbls	Volume Recovered	0
Source of Release	Water Line Froze and Burst	Date and Hour of Occurrence	12/30/2004 @ Approx 2:00 p.m.	Date and Hour of Discovery	12/30/04 @ Approx 3:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mark Kelly of BLM & Charlie Perrin & Denny Foust of NMOCD		
By Whom?	Jason Middlebrook, Field Foreman, Lance Oil & Gas, Inc.	Date and Hour	12/30/04 @ 4:15 p.m.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	N/A		

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

Describe Cause of Problem and Remedial Action Taken.*
Abandoned water line froze & broke. Repaired line with dresser couplings. The line will be dismantled and removed within the month.

Describe Area Affected and Cleanup Action Taken.*
The immediate area surrounding the Ms Nona #2 well site, at which point the spill was contained. Denny Foust of the NMOCD indicated that the impacted soil need not be scraped up, land farmed and/or tested.

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, Acty	
Title:	Compliance Administrator	Approval Date:	1/10/05
E-mail Address:	jbeckste@westerngas.com	Expiration Date:	
Date:	12/30/04 October 15, 2004	Conditions of Approval:	Attached <input type="checkbox"/>
Phone:	(505) 598-5601 Ext. 58		

* Attach Additional Sheets If Necessary

~~NDGF 05104693~~
NDGF 0501046935

Water Analysis Report

09-Nov-04

Date Sampled : 12-Oct-04
Date Received : 15-Oct-04
Date Reported : 20-Oct-04

Lance Oil and Gas

Field : Farmington, N.M.
Lease : State

Farmington NM

Location : Ms. Nona 15-02

Attention : Doug Barone
cc1 : Doug Zentz

Sample Point : wellhead

cc2 :

Salesman : Clay Bingham

cc3 :

Analyst : Karen Hawkins Allen

Comments :

C A T I O N S

Calcium : 120 mg/l
Magnesium : 49 mg/l

Barium : mg/l
Strontium : mg/l
Iron : 7.0 mg/l

Manganese : mg/l
Sodium : 5740 mg/l

pH (field) : 8.00

Temperature : 85 degrees F

Ionic Strength : 0.26

Resistivity : ohm/meters

Ammonia : ppm

A N I O N S

Chloride : 7,920 mg/l

Carbonate : 439 mg/l

Bicarbonate : 1,976 mg/l

Sulfate : 188 mg/l mg/l mg/l

Specific Gravity : 1.005 grams/ml

Total Dissolved Solids : 16,439 ppm

CO2 in Water : 300 mg/l

CO2 in Gas : 0.03 mole %

H2S in Water : 2.0 mg/l

Dissolved Oxygen : ppm

SI calculations based on Tomson-Oddo parameters

Calcite (CaCO3) SI : -0.30
Calcite (CaCO3) SI @ 100 F : -0.14
Calcite (CaCO3) SI @ 120 F : 0.07
Calcite (CaCO3) SI @ 140 F : 0.28
Calcite (CaCO3) SI @ 160 F : 0.51
Calcite (CaCO3) SI @ 180 F : 0.74
Calcite (CaCO3) SI @ 200 F : 0.98

Calcite PTB : N/A
Calcite PTB @ 100 F : N/A
Calcite PTB @ 120 F : 13.1
Calcite PTB @ 140 F : 45.1
Calcite PTB @ 160 F : 68.0
Calcite PTB @ 180 F : 82.8
Calcite PTB @ 200 F : 91.8

Gypsum (CaSO4) SI : -2.20

Gypsum PTB : N/A

Barite (BaSO4) SI : N/A

Barite PTB : N/A

Celestite (SrSO4) SI : N/A

Celestite PTB : N/A

Confidential

Champion Technologies, Inc.

Vernal District Technical Services