

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. 58
Facility Name	Salty Dog SWD #3R	Facility Type	Salt Water Disposal well
		API #	30-045-31274

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	NM 97843
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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	28	30N	14W	850	North	770	East	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE


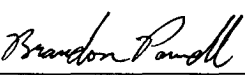
Type of Release	Produced Water w/oil skim	Volume of Release	<1/2 bbl	Volume Recovered	all oil, most water
Source of Release	Settling tank overflowed, sprayed oil skim out of the top of the hatch and onto the side of the tank, walkway & ground (~ 30' long, 6' wide).	Date and Hour of Occurrence	06/12/06, exact time unknown	Date and Hour of Discovery	06/12/06 @ 4:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Denny Foust of the NMOCD, Sherry Landon of the BLM, copy of report to Jim Walker, EPA		
By Whom?	Jo Becksted	Date and Hour	06/13/2006 @ 10:00 a.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

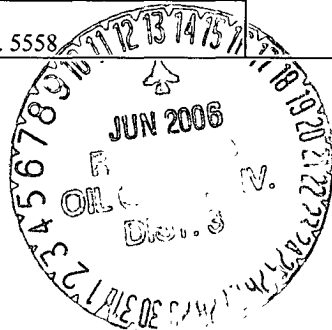
Describe Cause of Problem and Remedial Action Taken.* Settling tank overflowed, spraying oil skim (<1/2 bbl) out of the top of the hatch and onto the side of the tank, walkway and ground (about 30' long, 6' wide). A heron was sitting on the walkway so it was covered with oil. Game & Fish took custody of the heron, they will clean and release the bird. A facility modification project is underway that will prevent such an incident from occurring in the future.

Describe Area Affected and Cleanup Action Taken.* An area approximately 30' long and 6' wide immediately adjacent to the settling tank on the well pad was sprayed with <1/2 bbl oil skim. Impacted soil was scraped up and will be land farmed. A heron was also sprayed with oil skim, Game & Fish took custody of the bird and will clean up and release.

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:	Jo Becksted	Approved by District Supervisor:	 For: Charlie Perrin		
Title:	Production Tech	Approval Date:	6/13/06	Expiration Date:	
E-mail Address:	jbeckste@westerngas.com	Conditions of Approval:			
Date:	Phone: (505) 598-5601 Ext. 5558			Attached	<input type="checkbox"/>


* Attach Additional Sheets If Necessary



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6/13/2006

I arrived on location at 4 PM June 12, 2006 at the Salty Dog # 3 to find that the tanks had overflowed some time during the day. It appears that when the contract water haulers (Rock Springs or C&J Trucking), were filling the tanks with produced water from Salty Dog #2, they unloaded too quickly which overflowed the settling tank, sprayed oil skim (<1/2 bbl) out of the top of the hatch and onto the side of the tank, walkway and ground (about 30' long, 6' wide). MAI will clean the location and sides of the two other tanks. It appears that a heron was sitting on the walkway when this happened, so when the oil sprayed out of the hatch; it covered the bird with oil. Even though several contractors, Rock Springs, C & J Trucking, MAI & Salvage Plus, observed the bird covered in oil, Protech is the only one that called me about the bird. I, in turn, called Fish & Game, their agent Brad Bryan arrived on LOC about 6:30 p.m. He said they would clean the bird up with Dawn dishwashing soap and keep for a couple of days and then release. Mr. Bryan expressed his gratitude for our call to Fish & Game.



Gary Donaldson