

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 #4	Facility Type <u>Salt Water Disposal Site</u>
API #30-045-32334	

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	2580	South	1890	West	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 200 bbls	Volume Recovered 0 bbls
Source of Release Released through fractured steel line near pump.	Date and Hour of Occurrence 11/20/05 approx 8:50 a.m.	Date and Hour of Discovery 11/20/05 @ 9:05 a.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, New Mexico Oil Conservation Division	
By Whom? Jo Becksted	Date and Hour 11/20/05 @ 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

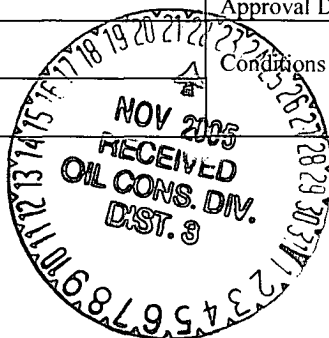
Describe Cause of Problem and Remedial Action Taken.* The steel line near the wellhead of the Salty Dog #4 fractured, causing approximately 200 bbls of produced water to release onto well pad.

Describe Area Affected and Cleanup Action Taken.* This fracture and release was discovered almost immediately, and all wells feeding this line were immediately shut in to arrest the leak. Steel line will be repaired/replaced with a higher gauge steel to prevent future ruptures. All impacted soil will be scraped up and land-farmed.

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: <i>Jo Becksted</i>	OIL CONSERVATION DIVISION	
Printed Name: Jo Becksted	Approved by District Supervisor: <i>Denny Foust for Charlie Perrin</i>	
Title: Compliance Administrator	Approval Date: <i>11/28/05</i>	Expiration Date:
E-mail Address: jbeckste@westerngas.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: _____ Phone: (505) 598-5601 Ext. 58		

* Attach Additional Sheets If Necessary



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