

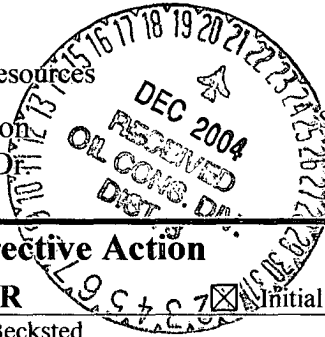
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Name of Company	Lance Oil & Gas, Inc.	Contact	Jo Becksted
Address	P. O. Box 70	Telephone No.	(505) 598-5601 Ext. 58
Facility Name	Navajo 27 #1	Facility Type	Oil & Gas Water Injection Line

☒ Initial Report ☐ Final Report

Surface Owner	Navajo Tribe	Mineral Owner	Navajo Tribe	Lease No.	14-20-603-2168A
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LOCATION OF RELEASE

API 36-045-29955

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	27	29N	14W	1255'	North	1120'	East	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	5000 gallons	Volume Recovered	0
Source of Release	Underground poly water line break	Date and Hour of Occurrence	12/15/04 @ approx 5:30 a.m.	Date and Hour of Discovery	12/15/04 @ approx 7:00 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Steve Austin, Navajo EPA, Mark Kelley, BLM, Denny Foust, NMOCD and msg for Chuck Yarlborough, BIA			
By Whom?	Jo Becksted, Compliance Admin., Lance Oil & Gas, Inc.	Date and Hour 12/15/04 starting @ 9:26 a.m.			
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Approx 2500 gallons			

Road barrow

If a Watercourse was Impacted, Describe Fully.*

* All of the spill was contained within the barrow of the road adjacent to the well site.

Describe Cause of Problem and Remedial Action Taken.*

Underground poly pipe water line ruptured and leaked. Wells in the field were shut in until ruptured line could be repaired. Water flowed from the point of rupture approximately 50'. Water was contained within the barrow of the road. Denny Foust of OCD suggested that we scrape up what soil we know was impacted, put it on location and spread it out. Steve Austin of the Navajo EPA instructed us to collect a sample of the impacted soil, have it tested, and if it falls below the maximum allowed in the Navajo Nation remediation guidelines, we may spread the impacted soil on the well pad.

Describe Area Affected and Cleanup Action Taken.*

Wells in the field were shut in until ruptured line could be repaired. Water truck was dispatched to suck up free-standing water and road has been bladed. Due to the wet conditions of this morning, it is infeasible to scrape up and land farm moist soil, as ALL of the soil is moist due the current precipitation. A sample of the impacted soil was collected and taken to iina ba for testing. We are awaiting results of said test, and report same as soon as we get them.

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:	
Title: Compliance Administrator	Approval Date: 12/27/04	Expiration Date:
E-mail Address: jbeckste@westerngas.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: December 15, 2004 Phone: (505) 598-5601 Ext. 58		

* Attach Additional Sheets If Necessary

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