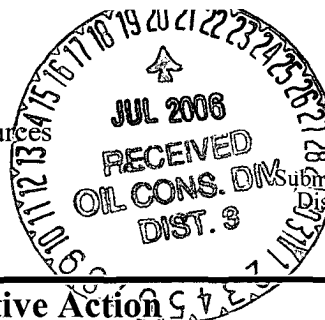


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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. 5558
Facility Name	Navajo Tribal H #5	Facility Type	Poly Water Line NE of Navajo Tribal H #5
		API #30-045-13101	

Surface Owner	Navajo Tribe	Mineral Owner	Navajo Tribe	Lease No.	14-20-603-2198
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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
M	13	29N	14W	705	South	660	West	San Juan

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

### NATURE OF RELEASE

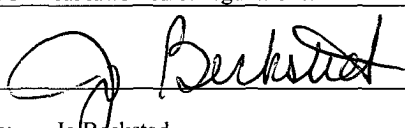

Type of Release	Produced Water	Volume of Release	20 bbls	Volume Recovered	15 bbls
Source of Release	Poly pipe water line ruptured	Date and Hour of Occurrence	07/14/2006 @ 2:00 p.m.	Date and Hour of Discovery	07/14/2006 @ 2:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mark Kelly of BLM, Brandon of NMOCD, Steve Austin, Navajo EPA, Chuck Yarbrough, BIA			
By Whom?	Jo Becksted	Date and Hour 07/14/2006 @ 3:00 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.\* Possibility of increased pressure on poly pipe line caused line to burst

Describe Area Affected and Cleanup Action Taken.\* The poly pipe line NE (across N36 road) burst, releasing produced water onto ground. The line was immediately shut in and a water truck was dispatched to suck up all fluid possible. Approximately 5 bbls of produced water impacted the soil immediately surrounding the rupture. The impacted soil dried rapidly, but impacted soil was raked and cleaned up by a roustabout crew.

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: 	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: Jo Becksted	Approved by District Supervisor: 	For: Charlie Perrin	
Title: Production Tech	Approval Date: 7/20/06	Expiration Date:	
E-mail Address: jbeckste@westernngas.com	Conditions of Approval:	Attached <input type="checkbox"/>	
Date: _____	Phone: (505) 598-5601 Ext. 5558		

\* Attach Additional Sheets If Necessary

nBP0620252773