District J 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 RCUD DEC12'06

OIL FORM C 141

Revised October 10, 2003

DIS1. 3

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

## **Release Notification and Corrective Action**

|   |         |               | <b>OPERA</b> T | ГOR           |         | ☐ Initia  | ıl Report                                       | $\boxtimes$ | Final Report |                   |          |  |  |
|---|---------|---------------|----------------|---------------|---------|---|---|-------------|--------------|-------------------|----------|--|--|
| Name of Company Lance Oil & Gas, Inc.   |         |               |                |               |         | Contact Jo Becksted   |   |             |              |                   |          |  |  |
|   |         |               |                |               |         | Telephone No. (505) 598-5601 Ext. 5558  |   |             |              |                   |          |  |  |
| Facility Name Salty Dog #4 SWD  |         |               |                |               |         |   | Facility Type Salt Water Disposal Well          |             |              |                   |          |  |  |
|   |         | 7.44          |                |               | P       | API #30-045-32334   |   |             |              |                   |          |  |  |
| Surface Owner Bureau of Land Management   Mineral Owner B   |         |               |                |               |         |   | Bureau of Land Management Lease No. NMNM-101552 |             |              |                   |          |  |  |
|   |         |               |                | LOCA          | TION    | OF REI  | LEASE   |             |              |                   |          |  |  |
| Unit Letter   | Section | Township      | Range          | Feet from the | North/S | South Line  | Feet from the                                   | East/V      | Vest Line    | County            | County   |  |  |
| K   | 1       | 30N           | 14W            | 2580          | S       | outh  | 1890  | West        |              | San Juan          | San Juan |  |  |
| LatitudeLongitude   |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| NATURE OF RELEASE   |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| Type of Release Produced Water  |         |               |                |               |         |   |   |             |              | e Recovered Ø     |          |  |  |
| Source of Release Open Valve on North Battery Tank  |         |               |                |               |         |   |   |             |              | Hour of Discovery |          |  |  |
| W. Lorentina Nation Charge  |         |               |                |               |         | 12-06-06 @ ~ 1:30 a.m. 12-06-06 @ 1:30  |   |             |              |                   |          |  |  |
| Was Immediate Notice Given?  ☐ Yes ☐ No ☐ Not Required  |         |               |                |               |         | If YES, To Whom? Mark Kelly & Val Jamison of the BLM, Brandon Powell of the NMOCD |   |             |              |                   |          |  |  |
| By Whom? Jo Becksted  |         |               |                |               |         | Date and Hour 12-6-06 @ 8:00 a.m.   |   |             |              |                   |          |  |  |
| Was a Watercourse Reached?  |         |               |                |               |         | If YES, Volume Impacting the Watercourse.   |   |             |              |                   |          |  |  |
| ⊠ Yes □ No  |         |               |                |               |         | 100 bbls  |   |             |              |                   |          |  |  |
| If a Watercourse was Impacted, Describe Fully.* Produced water traveled approximately 1 mile down a deep and narrow ravine and absorbed into the ground.  |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| Describe Cause of Problem and Remedial Action Taken.* A valve was found in the open position due to suspected vandalism. When vessel "high-   |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| tanked", produced water was released through the open valve. Immediately upon discovery, valve was closed.  |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| Describe Area Affected and Cleanup Action Taken.*  Val Jamison of the Bureau of Land Management and Brandon Powell of the New Mexico Oil Conservation Division inspected the impacted area and they concluded that no cleanup action was necessary. |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| 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.   |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| OIL CONSERVATION DIVISION   |         |               |                |               |         |   |   |             |              |                   |          |  |  |
| a Maria da  |         |               |                |               |         | OLD COMMENTALION DIVIDION   |   |             |              |                   |          |  |  |
| Signature:  |         |               |                |               |         | For: Charlie  |   |             |              |                   |          |  |  |
| Printed Name  | : Jo Be | cksted        |                |               |         | Approved by District Supervisor: Byundon Touch Perrin                             |   |             |              |                   |          |  |  |
| Title: Production Tech  |         |               |                |               |         | Approval Date: 12-12-06 Expiration D  |   |             | Pate:        |                   |          |  |  |
| E-mail Address: jo.becksted@anadarko.com  |         |               |                |               |         | Conditions of Approval:   |   |             |              |                   |          |  |  |
|   |         |               |                |               |         |   |   |             |              | Attached          | Attached |  |  |
| Date:   | Phone   | : (303) 398-3 | oul Ext.       | 3338          |         |   |   |             |              |                   |          |  |  |

\* Attach Additional Sheets If Necessary

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