

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 NW Cha Cha Unit #35	Facility Type Oil well
	API #30-045-07932

Surface Owner Navajo Tribe	Mineral Owner Navajo Tribe	Lease No. 14-20-603-2168A
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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
C	28	29N	14W	330'	North	2310'	West	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced water	Volume of Release ~ 20 bbls	Volume Recovered None
Source of Release Cha Cha Unit #35 flow line	Date and Hour of Occurrence ~ Monday, May 29, 2006, time unknown	Date and Hour of Discovery Friday, June 2, 2006 @ ~ 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? Mark Kelly, BLM; Denny Foust, NMOCD; Steve Austin, Navajo EPA, Chris Yazzie, NAPI.	
By Whom? Jo Becksted	Date and Hour Friday, June 2, 2006 @ 5:30 p.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

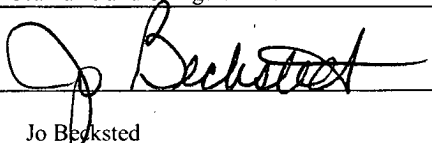

If a Watercourse was Impacted, Describe Fully.*

N/A

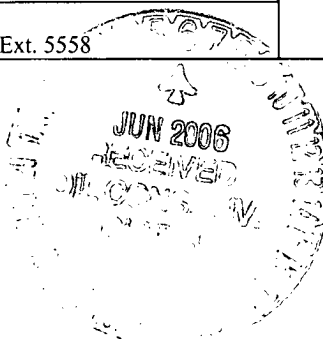
Describe Cause of Problem and Remedial Action Taken.* Flow line ruptured, releasing produced water onto the soil on the well pad. Only approximately 20 bbls was released, as the pump does not operate but intermittently, and Monday, May 29th is the last time the pump operated.

Describe Area Affected and Cleanup Action Taken.* The release was contained within the wellpad, the well was shut in, the ruptured line was repaired, and impacted soil scraped up to be 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: 	OIL CONSERVATION DIVISION	
Printed Name: Jo Becksted	Approved by District Supervisor:  For: Charlie Perrin	
Title: Production Tech	Approval Date: 6/6/06	Expiration Date:
E-mail Address: jbeckste@westerngas.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Phone: (505) 598-5601 Ext. 5558		

* Attach Additional Sheets If Necessary



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