<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 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

Revised October 10, 2003

Form C-141

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

Release Notification and Corrective Action

Name of Company Lance Oil & Gas, Inc. Contact O Becksted O Becksted							OPERA	r o r		Initia	ıl Report	\boxtimes	Final Report	
Surface Owner BLM Mineral Owner BLM Lease No. NMSF-079968	Name of Company Lance Oil & Gas, Inc.						Contact Jo Becksted							
Surface Owner BLM Mineral Owner BLM Lease No. NMSF-079968 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the Last/West Line County July 2006 Latitude Longitude NATURE OF RELEASE Type of Release Produced Water Volume of Release 240 bbls Obte and Hour of Discovery County	Address P. O. Box 70, Kirtland, NM 87417						Telephone No. (505) 598-5601 Ext. 58							
Surface Owner BLM Mineral Owner BLM Lease No. NMSF-079968	Facility Name Salty Dog #2						Facility Type Salt Water Disposal							
Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County South Latitude Longitude NATURE OF RELEASE Type of Release Produced Water Volume of Release 240 bbls Volume Recovered, C340 bbls Source of Release Water Tank overflowed Other County Other County Other	API #30-045-30812													
Unit Letter Section Township Range Feet from the South 1477 East West Line County July 2008 Latitude Longitude South 1477 East San July 2008 NATURE OF RELEASE Volume of Release 240 bbls Volume Recovered C240 bbls Source of Release Water Tank overflowed Office of Release 240 bbls Volume Recovered C240 bbls Obles and Hour of Occurrence of 11.066, time unknown Fyres To Whom? Charlie Perrin & Denny Foust of NMOCD, voice mail for Sherry Landon, BLM By Whom? Jo Becksted Date and Hour 6/13/06 9:00 a.m. If YES, To Whom? Charlie Perrin & Denny Foust of NMOCD, voice mail for Sherry Landon, BLM By Whom? Jo Becksted Date and Hour 6/13/06 9:00 a.m. If YES, Volume Impacting the Watercourse Reached? Yes No N/A Describe Cause of Problem and Remedial Action Taken.* The breaker was tripped so the pump was not functioning (vandalism is a possibility) and the digital alarms did not sound. The overflow tanks overflowed, spilled 240 bbls of produced water into the berm. All water was sucked up and injected into the Salty Dog #2 or Salty Dog #3. Impacted soil was scraped up, soil sample taken to inna ba for testing. Describe Area Affected and Cleanup Action Taken.* The soil contained within the berm of the Salty Dog #2 was impacted. The soil was scraped up and will be saved 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 for compliance with any other federal, state, or local laws and/or regulations. OIL CONSERVATION DIVISION Signature: Printed Name: boddless the best of my blow of the pump was not function page. Empired Name: boddless the best of pump was not functioning (wandalism is a possibility for compliance	Sur	rface Owr	er BLM	wner	BLM			Lease N	Lease No. NMSF-079968					
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E-mail Address: ibacksta@wasternags.com					, -		Approval Da	Date: (0/13/01) Expiration Date:						
Audolicu		ess: jbeck	ste@westerng			-				Attached [
Date: Phone: (505) 598-5601 Ext. 5558														

* Attach Additional Sheets If Necessary

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