

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

30045 31274

OPERATOR		Initial Report	X Final Report
Name of Company	Lance Oil & Gas	Contact	Heidi Thrasher
Address	PO Box 70 Kirtland NM 87417	Telephone No.	(505)598-5601 Ext 44
Facility Name	Salty Dog #3R	Facility Type	Salt Water Disposal Well
Surface Owner	Mineral Owner	Lease No. NM 97843	

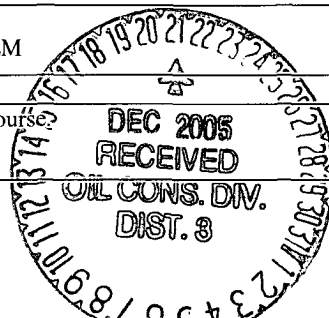
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	28	30	14	850'	North	770'	FEL	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	Aprox. 20 Bbls Total	Volume Recovered	Aprox 10 bbls flowed into Pit
Source of Release	Produced water stored in the tank, spraying from the pump	Date and Hour of Occurrence	12-17-05 Aprox. 12:00 AM	Date and Hour of Discovery	12-18-05 9:30 AM
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Denny Foust NMOCD, Mark Kelly BLM		
By Whom?	Heidi Thrasher	Date and Hour	12-19-05 11:00 AM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes X 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.*The high discharge alarm and High Discharge valve had been shut off. Pump was running. It is believed that this was another incident of sabotage. Pump was shut off. Contractor clean up was initiated.					
Describe Area Affected and Cleanup Action Taken.* Water had sprayed outside of building and flowed into pit. Water truck sucked up what was possible. We scraped up contaminated soil. Clean gravel was brought in. Area will be reseeded. Area was cleaned up by MAI Contractor.					



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: Heidi Thrasher	Approved by District Supervisor:	
Title: Production Clerk	Approval Date: 12/21/05	Expiration Date:
E-mail Address: hthrashe@westerngas.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12-19-05	Phone: (505)598-5601-44	

* Attach Additional Sheets If Necessary

1106-F0535 532 336