

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	Telephone No.	(505) 598-5601 Ext. 58
Facility Name	Cha Cha #24	Facility Type	Oil & Gas Water Injection Line

Surface Owner	Navajo Tribe	Mineral Owner	Navajo Tribe	Lease No.	14-20-603-2199
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LOCATION OF RELEASE

API 30-045-07990

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	21	29N	14W	1760	South	835	East	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	5 bbls	Volume Recovered	0
Source of Release	Steel water line	Date and Hour of Occurrence	10/9/04 @ approx 7: 30 a.m.	Date and Hour of Discovery	10/9/04 @ approx 7:30 a.m..
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	N/A		
By Whom?	N/A	Date and Hour	N/A		
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.*

Old steel water line ruptured and leaked. Wells in the field were shut in until leak could be repaired with 300' of new steel water lines.

Describe Area Affected and Cleanup Action Taken.*

The area surrounding the Cha Cha #24 well site and soil from the wellsite, at which point the spill was contained. All of the effected soil will be scraped up and will 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 NMOC 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 NMOC 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, NMOC 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: <i>Jo Becksted</i>	OIL CONSERVATION DIVISION	
Printed Name: Jo Becksted	Approved by District Supervisor: <i>Denny Fent</i> <i>for Frank Chavez</i>	
Title: Compliance Administrator	Approval Date: <i>10/20/04</i>	Expiration Date:
E-mail Address: jbeckste@westerngas.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: October 11, 2004	Phone: (505) 598-5601 Ext. 58	

* Attach Additional Sheets If Necessary

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