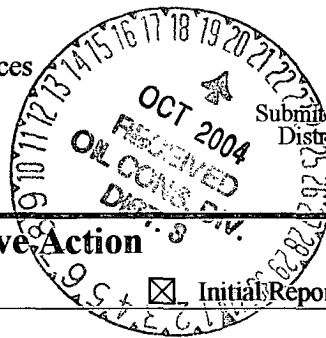


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30 04529946

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Lance Oil & Gas	Contact	Jo Becksted
Address	P. O. Box 70, Kirtland NM 87417	Telephone No.	(505) 598-5601 Ext. 58
Facility Name	Salty Dog #1	Facility Type	Salt Water Disposal

Surface Owner	Western Gas Resources	Mineral Owner	State of New Mexico	Lease No.	NMNM-10758
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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
2	1	29N	15W	1200	North	1380	East	San Juan County

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release produced water	Volume of Release 200 bbls	Volume Recovered unknown at this time
Source of Release injection line broken at wellhead	Date and Hour of Occurrence 10/19/2004 @ 6:30 a.m.	Date and Hour of Discovery 10/19/2004 @ 7:30 a.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Voice Mail to Denny Foust, OCD and Mark Kelly, BLM	
By Whom? Jo Becksted	Date and Hour 10/19/2004 @ 8:50 a.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.*
Produced water reached a dry wash north of location, then absorbed into the soil.

Describe Cause of Problem and Remedial Action Taken.*
Continued vibration on the wellhead caused the injection line to break at thread. A high pressure hose will be installed at the wellhead in order that The wellhead will be isolated from the vibration.

Describe Area Affected and Cleanup Action Taken.*
The produced water pooled in a 100' radius on location. The majority of the spill was contained on location by dyking. A 3' wide by 120 yard path of produced water reached a dry wash and absorbed into the soil. A water truck sucked 2 loads (or 160 bbls) of the freestanding water on location and the affected soil will be scraped up and land-farmed at Envirotech.

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:	
Title: Production Technician	Approval Date: 10/21/04	Expiration Date:
E-mail Address: jbeckste@westerngas.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/19/2004 Phone: (505) 598-5601 Ext. 58		

* Attach Additional Sheets If Necessary

NDGF0429535408