

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 Navajo 27 #3	Facility Type Gas Well	
	API #30-045-29954	
Surface Owner Navajo 27 #3	Mineral Owner Navajo Tribe	Lease No. 14-20-603-2168A

LOCATION OF RELEASE

Unit Letter K	Section 27	Township 29N	Range 14W	Feet from the 2215	North/South Line South	Feet from the 1535	East/West Line West	County San Juan
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced water	Volume of Release ~ 3 bbls	Volume Recovered ~ 2 bbls
Source of Release Separator	Date and Hour of Occurrence 8-23-06 @ ~2:30 p.m.	Date and Hour of Discovery 8-23-06 @ ~2:45 p.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? Jo Becksted	Date and Hour 8-24-06 @ 8:30 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.* N/A

Describe Cause of Problem and Remedial Action Taken.* Separator failed, filled up and flowed over into the berm

Describe Area Affected and Cleanup Action Taken.*

The spilled produced water was contained within the berm. Approximately 1 bbl soaked into the ground of the berm before a water truck arrived and picked up the remaining 2 bbls.

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: 8/28/06	Expiration Date:
E-mail Address: jo.becksted@anadarko.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Phone: (505) 598-5601 Ext. 5558		

* Attach Additional Sheets If Necessary

NBP0624034441



UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
New Mexico State Office

REPORT OF UNDESIRABLE EVENT

DATE OF OCCURRENCE/DISCOVERY: 8-24-06 TIME OF OCCURRENCE: 2:30 pm

DATE REPORTED TO BLM: 8-25-06 TIME REPORTED: 8:30 am

BLM OFFICE REPORTED TO: (RESOURCE AREA/DISTRICT/OTHER): Farmington, NM

LOCATION: (1/4 1/4) NESN SECTION 27 T. 29N R. 14W MERIDIAN

COUNTY: San Juan STATE: NM WELL NAME Navajo 27 #3

OPERATOR: COMPANY NAME Lance Oil & Gas Co PHONE NO. (505) 598-5601 x 5558
CONTACT PERSON'S NAME Jo Becksted

SURFACE OWNER: Navajo Tribe MINERAL OWNER: Navajo tribe
(FEDERAL/INDIAN/FEE/STATE)

LEASE NO.: 14-20-603-2168A RIGHT-OF-WAY NO.: _____

UNIT NAME / COMMUNITIZATION AGREEMENT No.: _____

TYPE OF EVENT, CIRCLE APPROPRIATE ITEM(S):

BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL, SALTWATER SPILL,
OIL AND SALTWATER SPILL, TOXIC FLUID SPILL, HAZARDOUS MATERIAL SPILL,
UNCONTROLLED FLOW OF WELLBORE FLUIDS, OTHER (SPECIFY):

CAUSE OF EVENT: Seperator failed, filled up and flowed over in the berm.

HazMat Notified: (for spills) N/A

Law Enforcement Notified: (for thefts) N/A

CAUSE AND EXTENT OF PERSONAL INJURIES/CAUSE OF DEATH(S):

Safety Officer Notified: N/A

EFFECTS OF EVENT: Approximately 3 bbls of produced water

ACTION TAKEN TO CONTROL EVENT: Repaired seperator

LENGTH OF TIME TO CONTROL BLOWOUT OR FIRE: N/A

VOLUMES DISCHARGED: OIL _____ WATER 3 bbls GAS _____

OTHER AGENCIES NOTIFIED: BLM, NNEPA, NMOCD, Navajo Environmental Review, Water Quality, Hazardous Waste Program and Navajo Minerals Dept.