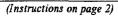
Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BURFALLOF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 200

	DEPARTMENT OF THE		/ [Expires: March 31, 2007	
BUREAU OF LAND MANAGEMENT					5. Lease Serial No.	
SUNDRY	NMNM					
	is form for proposals (ell. Use Form 3160-3 (N/A	, Allottee of Tribe Name] b	
	PLICATE- Other insti	ructions on reve	rse side.	7. If Unit of	CA/Agreement, Name and/or No. ARMINGTON NM	
1. Type of Well Oil Well	Gas Well Other			8. Well Nar		
2. Name of Operator Lance Oil & Gas Company, Inc.				9 API We	deral 21/#4 El No.	
3a. Address Box 70, Kirtland, New Mexico	3b. Phone No. (include 598-5601	No. (include area code)		-32392 d Pool, or Exploratory Area		
4. Location of Well (Footage, Sec.,		<u> </u>			Fruitland Coal	
				11. County	or Parish, State	
1185' FNL & 1425' FEL-Section 21, T30N-R14W, NMPM				San Ju	an County, NM	
12. CHECK A	PROPRIATE BOX(ES) TO	INDICATE NATU	RE OF NOTICE, RI	EPORT, OF	OTHER DATA	
TYPE OF SUBMISSION		TY	PE OF ACTION			
Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	Production (Star	` -		
Subsequent Report	Casing Repair	New Construction	Recomplete		Other change casing &	
	Change Plans	Plug and Abandon	Temporarily Aba	andon	cement plans	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal		see attached	
following completion of the im testing has been completed. Fi determined that the site is ready Lance Oil & Gas Compan	volved operations. If the operation nal Abandonment Notices shall be v for final inspection.)	results in a multiple com filed only after all requir the attached changes (pletion or recompletion in caments, including reclama casing and cement) to	n a new interva ation, have bee	reports shall be filed within 30 days of the filed once on completed, and the operator has the company drilling procedures.	
				10V 2004 2004 2004 2004 2007 2007 2007 2007 2007 2007 2007 2007 2007 2007 2007 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 2004 20		
14. Ihereby certify that the fore Name (Printed/Typed)	egoing is true and correct	Title	Sr. Landman			
Signature	1			N.C		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE						
	THIS SPACE FOR	FEDERAL OR	/(- て-6 STATE OFFICE			
Approved by	_lovalo	FEDERAL OR	F	USE	Date 11/12/04	
Approved by Conditions of approval, if any, are certify that the applicant holds legs which would entitle the applicant t	attached. Approval of this notice	FEDERAL OR	STATE OFFICE	USE	Date 11/12/04	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the Unite States any false, fictitious or fraudulent statements or representations as to anymatter within its jurisdiction.



Proposed Changes to APD Lance Oil & Gas Company WF Federal 21 #4 1185' FNL & 1425' FEL Section 21, T30N, R14W, NMPM San Juan County, New Mexico

FROM:

CASING AND CEMENTING PROGRAM:

Hole Size	<u>O.D.</u>	Weight (lb/ft)	<u>Grade</u>	Age	GL Setting Depth
8 3/4"	7"	20	J-55	New	120'
6 1/4"	4 1/2"	10.5	J-55	New	1300'

Surface casing will be cemented to surface with \approx 36 cu.ft. (\approx 30 sx) Class B + 2% CaCl. Volume is based on 100% excess, yield of 1.18 cu.ft./sk, and slurry weight of 15.6 ppg. WOC = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with drilling fluid to surface. Thirty barrels of fresh water will then be circulated. Lead with \approx 155 cu.ft. (\approx 75 sx) Class B with 2% metasilicate (yield = 2.06 cu.ft./sk, slurry weight = 12.5 ppg). Tail in with \approx 95 cu.ft. (\approx 80 sx) Class B with 2% CaCl (yield = 1.18 cu.ft./sk, weight = 15.6 ppg). Total cement volume is \approx 250 cu.ft. based on 100% excess and circulating to surface.

Production casing will have 4 ½" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Six centralizers will be spaced every other joint starting above the shoe. Six turbolizers will be placed every other joint starting from the top of the well.

TO:

CASING AND CEMENTING PROGRAM:

Hole Size	<u>O.D.</u>	Weight (lb/ft)	<u>Grade</u>	Age	GL Setting Depth
12 1/4"	8 5/8"	24	J-55	New	120'
7 7/8"	5 ½"	15.5	J-55	New	1300'

Surface casing will be cemented to surface with \approx 120 cu.ft. (\approx 100 sx) Howco Type II. Volume is based on 100% excess, yield of 1.20 cu.ft./sk, and slurry weight of 15.6 ppg. WOC = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with drilling fluid to surface. Thirty barrels of fresh water will then be circulated. Lead with \approx 273cu.ft. (\approx 150sx) Howco TX1 Lightweight (yield = 1.82 cu.ft./sk, slurry weight = 12.0 ppg). Tail in with \approx 90 cu.ft. (\approx 70 sx) Howco TX 1 Lightweight (yield = 1.29 cu.ft./sk, weight = 13.5 ppg). Total cement volume is \approx 363 cu.ft. based on 50% excess and circulating to surface.

Production casing will have 5 ½" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Six centralizers will be spaced every other joint starting above the shoe. Six turbolizers will be placed every other joint starting from the top of the well.