Form 3160-5 (April 2004)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	FORM APPROVED OMB No. 1004-0137 Expires: March 31, 2007
	- /

	5. Lease Serial No.						
SUNDRY	14-20-603-2172						
Do not use ti	If Indian, Allottee or Tribe Name						
abandoned w	Navajo						
SUBMIT IN TR	7. If Unit or CA/Agreement, Name and/or No.						
1. Type of Well Oil Well	Gas Well Other		8. Well Name and No.				
- d/ in t	weden cl-		NV Navajo 35 #2				
2. Name of Operator Lance Oil &	Gas Company, Inc.	10 ES ES 200 A	9. API Well No.				
3a Address P. O. Box 70, Kirtland, NM 87	417	3b. Phone No. (include area code) 505-598-5601	30-045-31437				
4. Location of Well (Footage, Sec.,		- 100 - 100	10. Field and Pool, or Exploratory Area  Basin FC & West Kutz Pictured Cliffs				
800' FNL & 1835' FWL Sec			County or Parish, State				
and the criss last ser	233 1 25N - RI4W		San Juan County, New Mexico				
12. CHECK A	PPROPRIATE BOX(ES) TO	INDICATE NATURE OF NO	ICE, REPORT, OR OTHER DATA				
TYPE OF SUBMISSION		TYPE OF ACT	100				
	Acidize	Deepen Produ	ction (Start/Resume) Water Shut-Off				
✓ Notice of Intent	Alter Casing	Fracture Treat Reclar	mation Well Integrity				
Subsequent Report	Casing Repair	New Construction Recon	•				
Final Abandonment Notice	Change Plans		orarity Abandon				
	Convert to Injection	Plug Back Water	Disposal -				
If the proposal is to deepen dire Attach the Bond under which the following completion of the inv	ectionally or recomplete horizontally the work will be performed or proviously colved operations. If the operation is the province of the operation is the standard or the operation is the operation of the operation is the operation of the operation is the operation of the operation of the operation is the operation of the operatio	7, give subsurface locations and measure the Bond No. on file with BLM/BL/ results in a multiple completion or reco-	e date of any proposed work and approximate duration thereof.  ed and true vertical depths of all pertinent markers and zones.  A. Required subsequent reports shall be filed within 30 days impletion in a new interval, a Form 316225shall be filed once ng reclamation, have been completed, satisfithe operator has				
Operator, Lance Oil & Ga	s Company, Inc., respectfully	requests changes in the Application	on to Drill on this well as per attached.				
	PD approved July 16, 2004 are		22 AN 7 46 RECEIVED ARMINGTON NH				
•							
_			•				
Designation is	Friccessor Of	water is also	ling Bik concumance.				
14. I hereby certify that the fore Name (Printed/Typed)			9				
Jo Becksted		Title Compliance A	dministrator				
Signature Op B	clisted	Date	02/20/2005				
THIS SPACE FOR FEDERAL OR STATE OFFICE USE							
		·					

Conditions of approval, if any, are attached. Approval of his potice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Sundry Notice to the BLM, BIA and OCD for the N V Navajo 35 #2, API Number 30-045-31437

NE/NW Sec. 35-T29N-R14W

San Juan County, New Mexico

The following changes will need to be incorporated into the APD for the referenced well:

#### **Drilling Program:**

## Part 3. Pressure Control:

A rotating head will not be installed initially. If hole conditions warrant, a rotating head will be installed.

#### Part 4 Casing & Cement

Hole Size	Csg. O.D.	Weight (lb/ft)	Grade	Cond.	Setting Depth
12-1/4"	8-5/8"	20 24	J-55		120'
7-7/8"	5-1/2"	15.5	J-55		1,700'

Surface casing will be cemented to surface with 99 cubic feet (approx. 84 sacks) Class B with 2 % CaCl, ¼ lb/sk flocele. Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and slurry weight of 15.6 ppg. Wait on cement (WOC) time will be as per recommendation of cementing company, but in no event will it be less than 6 hours. After nippling up BOPs, the surface caasine will be tested to 600 psi for 30 minutes, and the test recorded.

Production casing will be cemented to surface with 385 cubic feet (approx. 227 sacks) STD POZ 65/35 with 6% gel, 2% CaCl, 10 lbs/sk gilsonite and ½ lb/gal flocele as follows: lead slurry 259 cubic feet (approx. 132 sacks) cement mixed at 12.4 ppg to yield 1.96 cubic feet per sack, followed by a tail slurry 126 cubic feet (approx. 95 Sacks) cement mixed at 13.5 ppg to yield 1.33 cubic feet per sack. Cement will be placed by pump and plug method with the wiper plug displaced with fresh water. Total cement volume is 385 cubic feet based on 30% excess over calculated volume to circulate to surface. If hole conditions or experience in the area warrant, excess may be changed.

Production casing will be 5-1/2" and will have centralizers placed as per API and BLM guidelines. Float will be placed one joint above the shoe.

WOC time will be as per cementing company recommendation, but in no event will it be less than 6 hours.

#### Part 5. Mud Program

Weighting material to handle kicks or blowouts will not be on location, but will be staged nearby.

### Part 6. Coring, Testing & Logging

Cores will be taken in the Fruitland Coals and the Picture Cliff Sandstone. Electric open hole logs will include resistivity and porosity tools.

#### Surface Use Plan:

### Part 13. Representation

Anyone having questions concerning the APPD should contact:

Lance Oil & Gas Company, Inc. Mr. David Gomendi 1099 18<sup>th</sup> Street, Suite 1200 Denver, CO 80202-1955 303-452-5603 Office 303-252-6218 Direct 720-284-7746 Cell

#### Field representative:

Lance Oil & Gas Company, Inc. Mr. Doug Barone 99 Road 6500 Kirtland, New Mexico 87417 505-598-5601 Office 505-047-1195