

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM-101552

6. If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE- Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Lance Oil & Gas Company, Inc.

3a. Address
P. O. Box 70, Kirtland, NM 87417

3b. Phone No. (include area code)
505-598-5601

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 1, T30N-R14W
1940' FSL & 1520' FWL

7. If Unit or CA/Agreement, Name and/or No.
NA

8. Well Name and No.
WF Federal 1 #1

9. API Well No.
30-045-30660

10. Field and Pool, or Exploratory Area
Harper Hill PC/Basin Fruitland Coal

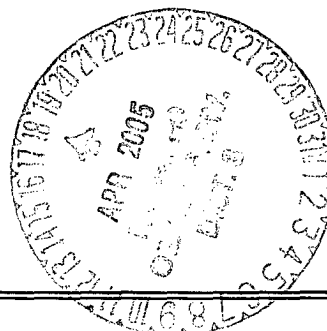
11. County or Parish, State
San Juan County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Squeeze 5-1/2" production casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Operator Lance Oil & Gas Company Inc. proposes to squeeze the 5-1/2" production casing of Lance's WF Federal 1 #1 as indicated in the attached procedure.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jo Becksted

Title Compliance Administrator

Signature

Jo Becksted

Date

04/13/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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

Office

Pet. Eng
PFO

Date

4/14/05

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)

NMOC

Lance Oil & Gas Company Inc.

April 13, 2005

Well Name & Number: WF Federal 1 #1

API # 30-045-30660

Proposed Start Date: 4/19/05

Job Type: Cement Squeeze 5 1/2" production casing.

Current Well Status: Failed primary cement job. Hole appears to have bridged off at or above 1240'. The cement bond log indicates there is no bond from 1212' to surface. It is believed that the well bore bridged off and the cement went into the formation as pump pressure increased significantly during primary cementing.

Proposed Repair procedure:

Day 1:

1. Install BOP on the 5 1/2" casing.
2. Rig up work-over rig.
3. Fill hole with produced water.
4. Test BOPS to 2000 psi high, 250 psi low.
5. RIH with perforating gun, shoot 4 - .060 holes at 1160' MD.
6. Establish circulating rate to surface.
7. Pick-up 5 1/2" cement retainer, RIH with 2 3/8" tubing to setting depth @ 30' above perforations. Set retainer, establish circulation rate.
8. Pressure test casing and retainer to 2000 psi.
9. Mix and pump 150% of calculated annulus volume (calculated annular volume from 1200' to surface is approx. 210 cubic feet).
10. Displace cement with clean fresh water.
11. Reverse circulate out cement in the tubing with fresh water.
12. Pressure test casing to 2000 psig for 10 minutes. Record test on chart.
13. POOH with cementing tool.
14. Wait on cement a minimum of 10 hours.

Day 2:

1. Pick-up 4 3/4" bit, on 6-3-1/2" drill collars. RIH to top of cement @ _____' MD.
2. Drill out cement and retainer. Drill a minimum of ten (10) feet past perforations.
3. Circulate hole clean.
4. Test perforations to 450 psig for 15 minutes. Record on chart.
5. Continue to RIH to PBTD.
6. POOH with bit and drill collars.
7. Pick-up casing scraper and bit on tubing, TIH to PBTD, circulate the hole clean with 2% KCL water.
8. POOH, laying down tubing, and casing scraper.
9. Run CBL log from 1,500' to surface. Tie CBL in to previous CBL and CCL.

Lance Oil & Gas Company, Inc.