

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.

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)
**1,940' FSL & 1,520' FWL
Section 1, T30N - R14W, NMPM**

5. Lease Serial No.

NMNM - 101552

6. If Indian, Allottee or Tribe Name

N / A

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

N / A

8. Well Name and No

WF Federal 1 #1

9. API Well No.

30 - 045 - 30660

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal / Harper Hill PC

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 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 checked="" 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 type="checkbox"/> Other Perforate Squeeze
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Holes and Cement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	5-1/2" Casing to Surf

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 recompleat 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 recompleat 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.)

The 5-1/2", 15.5 ppg, J-55 LT&C casing was perforated at 1,162' KB. An attempt to break circulation to surface with fresh water was unsuccessful. The 5-1/2" casing was perforated at 1,090' KB and another attempt to break circulation to surface with fresh water was unsuccessful. BLM contacted and verbal approval received to perforate at 842' KB. The 5-1/2" casing was perforated at 842' KB and broke circulation to surface with good returns.

Cement 5-1/2" casing through perfs at 842' KB with 175 sxs as follows: Halliburton PRB II (Weight - 12.0 ppg, Yield - 2.52 ft³/sxs and Water - 14.66 gals/sx). Drop wiper plug and displaced cement with 19.0 bbls fresh water. Full returns throughout. Bumped plug to 530 psig at 18:45 hrs, 04/18/05. Circulated 39 bbls cement to surface.

Set cement retainer at 1,126' KB. Establish injection rate into perfs at 1,162' KB at 3 bpm and 750 psig. Squeeze perf holes at 1,162' KB with 50 sxs Halliburton PRB II cement (Weight - 13.0 ppg, Yield - 2.0 ft³/sxs and Water - 14.6 gals/sx). Hesitate squeeze to 200 psig. Sting out of cement retainer. Squeeze perf holes at 1,090' KB with 50 sxs Halliburton PRB II cement (Weight - 13.0 ppg, Yield - 2.0 ft³/sxs and Water - 14.6 gals/sx). Hesitate squeeze to 700 psig.

Casing still leaking through perfs at 1,090' KB. Set cement retainer at 1,063' KB. Squeeze perf holes at 1,090' KB with 50 sxs Halliburton STD containing 0.3% HALAD 322 (Weight - 15.8 ppg, Yield - 1.15 ft³/sxs and Water - 5.0 gals/sx). Hesitate squeeze to 2,100 psig.

Cleanout to PBTD at 1,673' KB. Pressure test squeeze perfs to 500 psig. Test - Good. Run CBL down to 1,670' KB (See CBL attached).

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

Thomas M. Erwin, P.E.

Title **Senior Production Engineer**

Signature

Thomas M. Erwin

Date

06/09/2005

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

JUN 30 2005

Office

**FARMINGTON FIELD OFFICE
BY *ab***

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)

NMCCD