

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)  
1592' FSL, 1320' FWL, Section 14, T29N, R14W

5. Lease Serial No.  
14-20-603-2198

6. If Indian-Allottee or Tribe Name  
Navajo

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

8. Well Name and No.  
Benally 14#3

9. API Well No.  
30-045-30522

10. Field and Pool, or Exploratory Area  
Basin Fruitland Coal

11. County or Parish, State  
San Juan Count, New Mexico

**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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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.)

The Benally 14#3 gas-well previously produced from the Pictured Cliffs only.

11/20/06 The S8 and S9 Fruitland Coal was recently perforated, acidized, and frac'd. Production is now coming from the S8 and S9 Fruitland Coal only, because the Pictured Cliffs formation is isolated with a retrievable bridge plug set at 790' - 789'.

- The S9 Fruitland Coal was perforated from 664'-671' and 698'-702' KB with a 4 SPF, 0.42" diameter, and 120 degree phasing.
- The S8 Fruitland Coal was perforated from 777'-783' KB with a 4 SPF, 0.42" diameter, and 120 degree phasing.
- 1000 gallons of 15% HCl was pumped during acidizing.
- This zone was stimulated with 32,613 gallons of 20# delta 140 crosslink fluid with 100,000 pounds of 16/30 Ottawa sand.

2 3/8 tbg set @ 750' per Jo Decksted 12/13/06

RCVD NOV22'06  
OIL CONS. DIV.

DIST. 3

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

Tod H. Haanes

Title Production Engineer

Signature

Tod H. Haanes

Date

11/28/2006

**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

Date

Office

ACCEPTED FOR RECORD

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.

NOV 27 2006

(Instructions on page 2)

FARMINGTON FIELD OFFICE

NMOCD