Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

Lease Serial No. NMNM-101552

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use the	6. If Indian, Allotte NA	e or Tribe Name						
SUBMIT IN TRI	7. If Unit or CA/Agreement, Name and/or No.							
1. Type of Well Oil Well	Gas Well Other	10 1 411	AV-AV	8. Well Name and	Na			
2. Name of Operator Lance Oil &	Gas Company, Inc.	16 12 11 1		9. API Well No.				
3a. Address P. O. Box 70, Kirtland, NM 874	417	3b. Phone No. (include 505-598-5601	area code) (3)	30-045-32334 10. Field and Pool,	or Exploratory Area			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				SWD; Mesa Verde				
2580' FSL & 1890' FWL, Sec. 1-T30N-R14W		E a son Si		11. County or Parish, State				
	6		San Juan County, New Mexico					
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
TYPE OF SUBMISSION		TYPE OF ACTION						
Notice of Intent ✓ Subsequent Report	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Statement Reclamation Recomplete		Vater Shut-Off Vell Integrity Other Spud &			
	Change Plans	Plug and Abandon	Temporarily Ab	andon	Surface casing			
Final Abandonment Notice	Convert to Injection	Plug Back	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.)

2/27/2005 MIRU. Spud well @ 12:00 a.m. Drill 12-1/4" hole to 450', TD for surface casing. 2/28/2005 Circulate hole clean. Run 10 jts 8-5/8" 24#, J-55 STC surface casing to 447', land @ 447'. Mix and pump 320 sacks STD @ 15.6 ppg displaced with 27 bbls, returned 15 bbls back to surface. WOC 24 hrs.

3/1/2005 Test BOP. Make up flow nipple and flow line. 3/2/2005 Run in hole & drill 7-7/8" hole in cement @ 406', Drill to 1858'. 3/4/2005 Drill to 2795'. TOOH due to kelly hose failure. Change bit and run BHA to shoe. 3/5/2005 Change out kelly hose. RIH to 2769' and wash to bottom. Drill to 3100'. Change stripping rubber. Drill to 3268'. 3/6/2005 Drill to 3771'. 3/7/2005 Change stripping rubber. 3/8/2005 Drill to 4406', TD. Condition hole, short trip to 4050'. Hydraulic pump failure, continue short trip to 2795'. Trip for logs to 1746'. Right angle drive pinion shaft failure, repair right angle, TIH to BTM. 3/9/2005 Circulate & condition hole. Trip in hole for logs. 3/10/2005 Run logs. 3/11/2005 Run 102 jts 5-1/2", 15.5#, J-55 LT&C casing to 4398'. Cement casing with 475 sacks Class "G" neat 12# lead, 290 sacks Class "G" 13# neat tail, 15.4 bbls back to pit. 3/11/2005 Prepare BOP and set 5-1/2" slips.

Rig released 3/11/2005 @ 3:00 a.m.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	· I				
Jo Becksted		Title Compliance Administrator			
Signature & Bulusted	Date		04/11/2005	ACCEPTED FOR RECORD	
THIS SPACE FOR FEDE	HOOL ILD FOR MECURD				
Approved by	Title	Date	APR 1 8 2005		
Conditions of approval, if any, are attached. Approval of this notice does not certify that the applicant holds legal or equitable title to those rights in the suitable which would entitle the applicant to conduct operations thereon.	Office		FARMINGTON FIELD OFFICE BY		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime States any false, fictitious or fraudulent statements or representations as to an	for any person ly matter within	knowingly and willfu	lly to make to any depa	rtment or agency of the United	