

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)
725' FSL & 1930' FEL - Section 25, T29N-R14W, NMPM

5. Lease Serial No.
14 - 20 - 603 - 2172

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA/Agreement, Name and/or No.
32728

8. Well Name and No.
NV Navajo 25 #4

9. API Well No.
30-045-31303

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal / W. Kutz 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 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 to produce Fruitland Coal zones only
	<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 recomplate 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.)

Lance Oil & Gas Company, Inc., set a bridge plug at the top of the West Kutz Pictured Cliffs formation, at 1,170' KB, thereby temporarily plugging back the West Kutz Pictured Cliffs formation. On January 16, 2006 completion operations then commenced on the Basin Fruitland Coal (S-8). The Basal Fruitland Coal (S-8) was perforated from 1,152-1,162' KB.

On January 16, 2006, the well was fraced down 4-1/2" casing and screened out after pumping 15,440 gallons 20# Delta Cross-Linked Gel containing 5,850 lbs 16/30 Mesh Ottawa sand.

On January 20, 2006 Operator re-fraced the Basal Fruitland Coal (S-8) from 1,152 - 1,162' KB down 4-1/2" casing with 28,275 gallons of 20# Delta Cross-Linked gel containing 64,250 lbs 16/30 Mesh Ottawa sand.

Operator requests approval to produce the Basin Fruitland Coal (S-8) only of this well for a period of time in order to establish a representative production rate from the Basin Fruitland Coal (S-8).

Operator will request downhole commingling approval prior to pulling the Bridge Plug set at 1,170' KB and producing the Fruitland Coals and Pictured Cliffs zones together.

No Commingling Order - Feb 24, 2006

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

2/03/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

FEB 13 2006

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.

Office

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)

NMOCD