

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)
2,200' FNL & 2,200' FEL - Section 18, T29N-R14W, NMPM

5. Lease Serial No.

14-20-603-2200A

6. If Indian, Allottee or Tribe Name

Navajo

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

NA

8. Well Name and No

NW Cha Cha Unit #1

9. API Well No.

30-045-25968

10. Field and Pool, or Exploratory Area

Cha Cha Gallup

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
	<input type="checkbox"/> Change Plans	<input checked="" 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.)

Lance Oil & Gas Company, Inc plugged and abandoned the NW Cha Cha Unit #1 with operations commencing on May 15, 2006. Notified BLM and NMOC (Henry Villanueva) on 5/15/06 at 08:30 hrs. MI&RU A-Plus Well Service. TIH with tubing and tag existing CIBP at 4,315' KB. Pressure test 4-1/2" casing to 1,000 psig for 5 minutes. Test - good.

Set cement plug #1 with 20 sacks Type III cement from 4,075' - 4,315' KB to cover the Gallup formation top. TOOH and land tubing at 1,421' KB. Set cement plug #2 with 11 sacks Type III cement from 1,310' - 1,421' KB to cover the Mesaverde formation top. TOOH and lay down all tubing. Perforate 2 squeeze holes at 445' KB. Circulate bradenhead clean with 20 bbls clean water. Set cement plug #3 with 157 sacks Type III cement from surface down to 445' KB. Circulate good cement to surface. Shut-in well overnight and WOC for 15 hours.

ND BOP's and RD & MO rig. Cut-off wellhead. Found cement down 10' in both the casing and the annulus. Mix 15 sacks Type III cement, install P&A marker with cement, cut-off anchors and clean up location. Surface location will be reclaimed and seeded imminently.

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

5/26/06

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.

(Instructions on page 2)

FARMINGTON FIELD OFFICE

NMOC