

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)

**1930' FSL & 971' FEL Unit I
Sec. 27, T29N, R14W, NMPM**

5. Lease Serial No.
14-20-603-2168A

6. If Indian, Allottee or Tribe Name
Navajo Nation

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

8. Well Name and No.
NW Cha Cha Unit #60

9. API Well No.
30-045-29125

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 checked="" 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 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 recompleate 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 recompleation 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 and Gas Company, Inc. conducted a Mechanical Integrity Test on the NW Cha Cha #60 well located in Section 21, T29W - R14 W, San Juan County, New Mexico. The MIT commenced at 10:36 hrs, June 9, 2006 and witnessed by Doug Zentz with Lance, Malvina C. Clah with the BLM, and Monica Kuehling of the NMOCD. The MIT was conducted up to 1000 psig for 30 minutes with no drop in pressure. The pressure chart is attached for your perusal.

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

6/15/06

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)

NMOCD

FARMINGTON FIELD OFFICE

JUN 20 2006



