

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <i>SWD</i>		5. Lease Serial No. NMSF-079065
2. Name of Operator Lance Oil & Gas Company, Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address P. O. Box 70, Kirtland, NM 87417	3b. Phone No. (include area code) 505-598-5601	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 515' FNL & 1300' FWL Section 19, T29N-R13W, NMPM		8. Well Name and No. Salty Dog #6
		9. API Well No. 30-045-32943
		10. Field and Pool, or Exploratory Area SWD - Entrada
		11. County or Parish, State San Juan County

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 Step Rate Test
	<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 recompleat 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 recompleat 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. proposes to conduct a step rate test as soon as possible. The well will be shut in 24 hours prior to pumping the step rate test. The step rate test is recommended to be pumped in 30 minute steps at 1/4 bpm, 3/4 bpm, 1-1/4 bpm in 1/2 bpm increments up to 7-3/4" bpm. This step rate test will take approximately 8 hours to pump a total of 1,920 bbls water. Bottomhole gauges will be run in the well to monitor the bottomhole pressure during the duration of the step rate test.

Your timely concurrence would be appreciated as a rig is currently available and in the area.

Need state (NMOCB) approval



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Thomas M. Erwin, P.E.		Title Senior Production Engineer
Signature <i>Thomas M. Erwin</i>	Date 6/29/06	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title <i>PE</i>	Date JUL 03 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 <i>1-10</i>		

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)

OPERATOR *88*