

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 3160-5 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other Instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other **070 FARMINGTON NM**

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)
**1315' FNL & 1420' FWL
Section 7, T29N-R14W, NMPM**

5. Lease Serial No.
NMNM-101551

6. If Indian, Allottee or Tribe Name
N/A

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

8. Well Name and No.
Ropco 7 #2

9. API Well No.
30-045-33190

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

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 checked="" 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 recomple 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.)

On August 31, 2006, Operator, Lance Oil & Gas Company, Inc., set a bridge plug at 560' KB, thereby temporarily plugging back the Twin Mounds Pictured Cliffs formation. The Middle (S-9) and Basal (S-8) Fruitland Coals were completed on September 5, 2006. The Middle Fruitland Coals were perforated from 421-433' KB and 488-494' KB with 4 SPF and 120 degree phasing. The Basal (S-8) Fruitland Coals were perforated from 540-549' KB with 4 SPF and 120 degree phasing. The Middle (S-9) and Basal (S-8) Fruitland Coals were fracture stimulated down 5-1/2" casing with 41,500 gals 20' Delta 140 Cross-Linked Gel with SandWedge NT containing 150,000 lbs 16/30 Mesh Ottawa Sand.

The bridge plug set at 560' KB remains in place, thereby temporarily plugging back the Twin Mounds Pictured Cliffs formation. Operator intends to production test the Middle (S-9) and Basal (S-8) Fruitland Coals only for a period of time in order to establish a representative production rate from the Basin Fruitland Coals.

Operator will request downhole commingling approval at a later date prior to pulling the bridge plug set at 560' KB.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Thomas M. Erwin, P.E.

Title **Production Superintendent**

Signature

Thomas M. Erwin

Date

9/6/06

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

ACCEPTED FOR RECORD

Office

SEP 07 2006

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

[Signature]

