

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-045-30835
5. Indicate Type of Lease
STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
E-3150

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Lance Oil & Gas Company

3. Address of Operator

P.O. Box 70 Kirtland, NM 87417

4. Well Location

Unit Letter C : 1362 feet from the north line and 1309 feet from the west line

Section 36 Township 30N Range 15W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5310' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Downhole Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☒

CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On March 5-19, 2007 the WF State 36 #4 was P&A'd per the following:

- 27 bbls of water was pumped into the well bore.
- Cement plug #1 was 55 sacks from 631-571 feet.
- Perforated casing from 550-551' GL.
- Milled the casing and flushed cuttings from 504-537' GL.
- Cement plug #2 was 32 sacks from 571-387 feet.
- Successfully pressure tested well bore above the 387' TOC
- Cement plug #3 was 30 sacks from 387 feet to surface. Good cement came out the casing valve.
- A P&A marker was installed.

RCVD APR23'07
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tod H. Haanes TITLE Production Engineer DATE 4/18/2007

Type or print name Tod H. Haanes E-mail address: tod.haanes@anadarko.com Telephone No. (505) 598-5601 ext. 15564

For State Use Only

APPROVED BY: Monica Kuehling TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE APR 23 2007

Conditions of Approval (if any):

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A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

Lance Oil and Gas Company, Inc.

March 20, 2007

WF State 36 #4

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1362' FNL & 1309' FWL, Section 36, T-30-N, R-15-W

San Juan County, NM

Lease Number: E-3150

API #30-045-30835

Plug & Abandonment Report

Summary:

- 3/5/07 MOL and RU. RU Advanced Safety (H2S supervision). Check well pressure: tubing, 0 PSI; casing, 25 PSI; and H2S, 6 ppm. Blow well down to pump truck tubs. Unhang well. Unseat pump. LD polish rod. TOH and LD 4 - 3/4" pony rods, 20 - 3/4" rods and 2" x 1.25" x 12' insert pump. Load casing with 20 bbls of water. ND wellhead. NU 5.5" tubing head and 8.625" companion flange. NU BOP. Unland well. TOH and LD 17 joints 2.375" tubing with SN on bottom. ND BOP. NU wellhead. RD. MOL.
- 3/6/07 Unload rods and tubing at Lance yard.
- 3/7/07 MOL and RU. Check well pressures: casing, 20 PSI; bradenhead, 0 PSI; and H2S, 2 ppm. Advanced Safety on location. Blow well down. ND wellhead. NU 5.5" tubing, 8.625" companion flange and BOP. RU Jet West. Run Gamma-Neutron and Directional Survey logs. Tag fill at 631'. Found coal seams 428' to 434' and 513' to 534' GL. Well has 8' deviation. RD Jet West. Tally and PU 2.375" workstring in hole to 631'. Load casing with 11 bbls water and circulate clean with 16 bbls of water. **Plug #1** spot 5 sxs Type III cement (7 cf) inside casing from 631' to 557' to cover the Pictured Cliffs interval. PUH to 571' and reverse circulate casing clean. John Mercier, BHP Billiton, requested perforation instead of section mill at 550' to 551'. TOH with tubing. Shut in well. Mix 20 sxs Bentonite Gel and 5 sxs Soda Ash with 90 bbls of water in rig pit. RU power swivel. SDFD.
- 3/8/07 Open well, no pressures. No H2S observed. Advanced Safety on location. RIH with HSC gun and tag cement at 571'. Perforate 4 holes at 550' to 551' GL. Load 4.5" x 7" annulus with 1/4 bbl water. Unable to pressure test due to casing head leak. Estimate TOC at 12'. PU 3.875" Baker section mill, bit sub and 6 - 3.125" drill collars and TIH to 500' GL. Establish circulation with mud. Section mill out casing from 504' to 505.5' GL. Lost pump pressure. PU on string and found string weight at 2000 PSI; was 5000 PSI. TOH with 3 joints tubing and 16' tubing piece; clean break. PU 3.875" overshot with grapple and RIH to TOF at 86'. POH with 6' piece in overshot. TIH and latch onto fish. TOH and LD 2.375" tubing on float. Stand back BHA. Tally and TIH with 2.875" PAC drill pipe with BHA. Find milled out section at 505' GL. PUH 20'. SI well. SDFD.

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March 20, 2007

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Work Summary – Continued:

- 3/9/07 Open well, no pressures. No H2S. Advanced Safety on location. Establish circulation at 505' GL and begin section milling. Drill out to 506' GL. Establish circulation; arms on section mill will not kick out. TOH with tubing and BHA. Repair mill. TIH with drill pipe and BHA. Mill out casing from 506' to 508' GL. Circulate clean. TOH with drill pipe and LD BHA. Note: Section mill has a scored bottom. SDFD.
- 3/12/07 Open well, no pressures. No H2S. Release Advanced Safety until next well. PU new 3.875" section mill with 3.875" tapered mill, bit sub and TIH with 3.125" drill collars and drill pipe. Establish circulation. Mill out casing from 508' to 513' GL. Note: returns are metal cuttings and coal. Circulate well clean. TOH with drill pipe and LD BHA. Note: Section mill has large pieces of casing in it. Shut in well. SDFD.
- 3/13/07 Open well, no pressures. No H2S. PU 3.875" section mill with tapered mill on bottom, bit sub and TIH with 3.125" drill collars and drill pipe. Establish circulation at 2.5 bpm. Section mill casing from 513' to 515' GL. Circulate hole clean. TOH with drill pipe and BHA. Note: blade on arm broke off. PU modified section mill, bit sub, 3.125" drill collars and TIH with drill pipe. Establish circulation 2.5 bpm. Mill out casing from 515' to 518' GL. Circulate well clean. PUH 25'. Shut in well. SDFD.
- 3/14/07 Open up well, no pressures. No H2S. RIH to 518' and establish circulation 2 bpm. Section mill casing from 518' to 526' GL. Circulate hole clean. TOH with drill pipe and LD BHA. Note: broken arm on section mill. Shut in well. SDFD.
- 3/15/07 Open up well, no pressures. No H2S. TOH. PU new 3.875" section mill, bit sub, 3.125" drill collars and TIH with drill pipe to 526'. Establish circulation 2.5 bpm. Section mill 4.5" casing from 526' to 534.5' GL. Circulate hole clean. LD 1 joint and PU next joint. Shut in well. SDFD.
- 3/16/07 Open up well, no pressures. No H2S. TOH with drill pipe and LD BHA. Note: arm broken on section mill. PU new 3.875" redressed section mill, bit sub, 3.125" drill collars and TIH with drill pipe to 534'. Establish circulation 2.5 bpm. Section mill 534.5' to 537' GL. Circulate hole clean. TOH and LD drill pipe and BHA. Tally and PU 2.375" tubing workstring. TIH and tag 3' fill on Plug #1 at 568'. Pump 15 bbls of water to circulate hole clean.
Plug #2 mix and pump 32 sxs Type III cement (42 cf) with 15% salt from 568' to 99' to cover Pictured Cliffs and Fruitland tops. TOH with 18 joints tubing. Load casing with 2 bbls of water. Close rams and pump 2.5 bbls of water; squeeze 15 sxs outside 4.5" casing and leave 17 sxs inside casing to 335'. Shut in well with 300 PSI on casing. SDFD.

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Work Summary – Continued:

3/19/07 Open up well, no pressures. No H2S. TIH with tubing and tag cement at 387' GL. Circulate well clean with 6 bbls of water. Pressure test casing to 500 PSI for 10 minutes.

Plug #3 mix and pump 30 sxs Type III cement 40 cf) inside casing from 381' to surface, circulate good cement out casing valve.

TOH and LD tubing. Dig out and cut off wellhead. Found cement down 15' in 7" annulus and 20' in 4.5' casing. RD rig. Dig out wellhead. Issue Hot Work Permit. Cut off wellhead. Mix 15 sxs Type III cement and install plate style P&A marker. MOL.

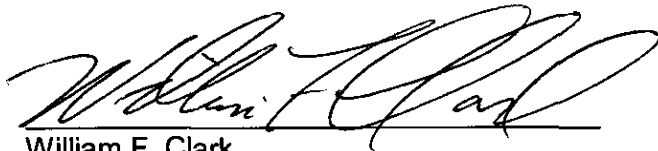
J. Hoffman, Baker Tools fisherman, was on location.

T. Erwin, Lance Oil & Gas representative, was on location.

K. Roberts, NMOCD representative, was on location.

I hereby certify that the forgoing is true and correct:

Original signed



William F. Clark
President
A-Plus Well Service, Inc.