

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 to be entered in 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 type="checkbox"/> Other | | 5. Lease Serial No. 14-20-603-2199 |
| 2. Name of Operator Lance Oil & Gas Company, Inc. | | 6. If Indian, Allottee or Tribe Name Navajo |
| 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. 32729 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2160' FSL & 2175' FEL - Section 15, T29N-R14W, NMPM Unit J, Section 15, T29N, R14W NMPM | | 8. Well Name and No. NV Navajo 15 #4 |
| | | 9. API Well No. 30-045-31294 |
| | | 10. Field and Pool, or Exploratory Area Basin Fruitland Coal & West Kutz PC |
| | | 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 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 to edit APD |
| | <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 recompletable 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 recompletable 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.)

Operator Lance Oil & Gas Company Inc. respectfully requests the following changes in the Application to Drill on this well.

In the APD approved June 22, 2004, under Item 4, "Casing & Cement", the hole size is indicated as 8-3/4", 7" OD Surface Casing, and 6-1/4" hole, 4-1/2" OD Production Casing. However, to conform to company drilling procedures, operator has since employed a Beeman Bros rig that is geared up to drill 12-1/4" surface casing hole to set 8-5/8" surface casing, and drill a 7-7/8" hole to set 5-1/2" production casing. The cementing volume will be increased accordingly. "Waiting on Cement" time will be as per cementing company recommendation, but will in no event be less than 6 hours.

Therefore, Operator, Lance Oil & Gas Company, Inc. respectfully requests that the APD be amended to drill a 12-1/4" surface hole, set 8-5/8" surface casing, drill a 7-7/8" production casing hole and set 5-1/2" production casing and increase the cement volume accordingly.

No other changes to the original APD are requested at this time.

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

Jo Becksted

Title Compliance Administrator

Signature

Date

04/08/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

NMCCD