

LANCE OIL & GAS COMPANY, INC.

P.O. Box 70 • Kirtland, New Mexico 87417

(505) 598-5601 Ext. 43 • Fax (505) 598-0064

September 7, 2005

Underground Injection Control
Navajo Nation
P. O. Box 1999
Shiprock, NM 87420-1999

Attn: Mr. Leroy Lee

Subject: Mechanical Integrity Tests

Dear Mr. Lee:

Pursuant to your letter dated July 28, 2005, Lance Oil and Gas Company, Inc. confirms our conversation (Erwin/Lee) regarding a scheduled Mechanical Integrity Test (MIT) on the NW Cha Cha Unit #24, #35 and #60 for 9:00 am Tuesday morning, September 13, 2005. The schedule is tentatively scheduled as follows:

<u>Well Name</u>	<u>Location</u>	<u>API Number</u>	<u>Time & Date</u>
NW Cha Cha #24	NESE Sec 21, T29N - R14W	30 - 045 - 07790	09:00 am, 09/13/2005
NW Cha Cha #35	NENW Sec 28, T29N - R14W	30 - 045 - 07932	10:00 am, 09/13/2005
NW Cha Cha #60	NESE Sec 27, T29N - R14W	30 - 045 - 29125	11:00 am, 09/13/2005

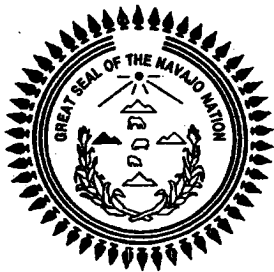
The MIT will entail a pressure test of the packer and casing to 1,000 psig with a calibrated chart recorder. Please advise if you have any questions or concerns.

Sincerely,
LANCE OIL AND GAS COMPANY, INC.

Thomas M. Erwin
Thomas M. Erwin, P.E.
Senior Petroleum Engineer

Cc: Mr. Charlie Perrin - NMOCD
Mr. Jim Lovato - BLM





UNDERGROUND INJECTION CONTROL
NAVAJO NATION
P.O. Box 1999
Shiprock, NM 87420-1999
Telephone: (505) 368-1040 • Facsimile: (505) 368-1042
E-mail: nnepauic@frontiernet.net



Joe Shirley Jr.
President

Frank J. Dayish Jr.
Vice-President

July 28, 2005

Ann Jones
Lance Oil & Gas, Inc.
P.O. Box 70
Kirtland, NM 87417

Subject: Mechanical Integrity Test

Dear Mrs. Jones,

This is a reminder letter to Lance Oil & Gas, Inc., NW Cha Cha Unit, for MIT due date of September 25, 2005 for the following wells: Well #35, Well #60, and Well #24. All wells are located in San Juan County, New Mexico. Please schedule and inform NNEPA/UIC of the MIT schedule.

If you have any questions, call the NNEPA/UIC office at (505) 368-1040 in Shiprock, New Mexico.

Sincerely,

A handwritten signature in cursive script that reads "Leroy Lee".

Leroy Lee
Senior Environmental Specialist
NNEPA/UIC



Xc: Mr. Misra, Surface & Ground Water Protection Department
UIC file