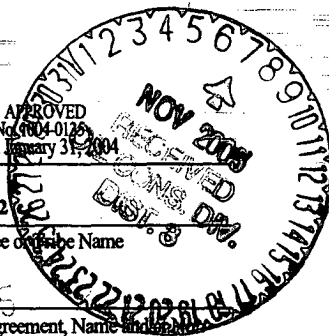


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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.*

FORM APPROVED  
OMB No. 4304-0125  
Expires: January 31, 2004



5. Lease Serial No.  
NMNM - 97842

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

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

8. Well Name and No.  
WF Federal 27 #3

9. API Well No.  
30 - 045 - 30393 S2

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

11. County or Parish, State  
San Juan County, NM

**SUBMIT IN TRIPLICATE- Other instructions on reverse side**

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

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)  
1775' FSL & 1400' FWL, Section 27, T30N-R14W, NMPM

**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 test Basin
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Fruitland Coal
	<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.)

On October 4, 2005, Operator, Lance Oil & Gas Company, Inc., set a bridge plug at the top of the Harper Hill Pictured Cliffs formation, at 1048' KB, thereby temporarily plugging back the Harper Hill Pictured Cliffs formation. Completion operations then commenced on the S-8 Basin Fruitland Coal. The S-8 was perforated and frac'd from 1033-1045' KB.

On October 13, 2005, Operator then completed the S-9 Basin Fruitland Coal. The S-9 was perforated and frac'd from 955-1007' KB.

Therefore, Operator wishes to produce the Basin Fruitland Coal zones only of this well for a period of time in order to establish production rate in the Basin Fruitland Coal zones.

Operator will request to downhole commingle prior to pulling the Bridge Plug set at 1048' KB and producing the Fruitland Coals and Pictured Cliffs zones together.

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

Thomas M. Erwin, P.E.

Title Senior Production Engineer

Signature

*Thomas M. Erwin*

Date

10/31/05

ACCEPTED FOR RECORD

NOV 03 2005

**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

Office

FARMINGTON FIELD 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)

NMOCD