

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B 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 3160-3 (APD) for such proposals.

5. Lease Serial No.

14-20-603-2198-A

6. If Indian Allottee or Tribe Name

Navajo

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)

674' FSL & 1883' FWL - Section 24, T29N-R14W, NMPM

RECEIVED BY BLM Agreement, Name and/or No.

070 FARMINGTON NM

8. Well Name and No.

NV Navajo 24 #3

9. API Well No.

30-045-31423

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



Notice of Intent



Subsequent Report



Final Abandonment Notice



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Fracture Treat



New Construction



Plug and Abandon



Plug Back



Production (Start/Resume)



Reclamation



Recomplete



Temporarily Abandon



Water Disposal



Water Shut-Off



Well Integrity



Other

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 recomplete 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.)

Lance Oil & Gas Company, Inc. set a BP at 1,069' KB on October 26, 2005 to temporarily abandon the West Kutz PC. Completion operations commenced to move uphole, perforate and frac the Lower Fruitland Coal (S-8) seam. The Lower Fruitland Coal (S-8) was perforated from 1,048' - 53' KB and 1,063' - 65' KB and fraced with 18,330 gals Delta 140 Cross-Linked gel containing 46,210 lbs 16/30 Mesh Ottawa Sand.

Lance requests approval to temporarily test the Lower Fruitland Coal (S-8) only prior to pulling the BP and commingling the Basin Fruitland Coal and West Kutz PC. Operator will submit a down hole commingling application prior to pulling the BP and commingling production.

Your timely concurrence would be appreciated as the well is currently pumping water and venting a small amount of gas to the atmosphere.

Approved pursuant to
NTL 4A, Part III-A

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

Thomas M. Erwin, P.E.

Signature

Thomas M. Erwin

Date

11/16/05

Title Senior Production Engineer

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

M. H. H. H.

Title

PETE ENG

Date

NOV 21 2005

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

BLM-FFO

FARMINGTON FIELD OFFICE
BY

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)

NMOC