

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.

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)
 515' FNL & 1,300' FWL
 Section 19, T29N - R13W, NMPM

FORM APPROVED
 OMB No. 1004-0135
 Expires: January 31, 2004

5. Lease Serial No.
 NMSF - 079065

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

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

8. Well Name and No.
 Salty Dog #6

9. API Well No.
 30 - 045 - 32943

10. Field and Pool, or Exploratory Area
 SWD - Entrada

11. County or Parish, State
 San Juan County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 Csg Sundry
	<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 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 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.)

The Salty Dog #6 was spud at 14:00 hrs, 10/09/05. This well was drilled and surface casing was set and cemented according to Form 3160-6 Spud and Surface Casing sundry accepted for record on 10/24/05.

Lance commenced rig operations with a new drilling rig (KB - 15') on 11/14/05. Lance pressure tested BOP's, blind rams and pipe rams to 250 psig (log) and 3,000 psig (high) and surface casing shoe to 1,000 psig. Pressure Tests - Good. Drill cement down to 443' KB. Drill new 7-7/8" hole to a total depth on 11/25/05. Driller's TD - 7,220' KB. Circ and conditioned hole. TOOH. Run open hole logs down to 6,910' KB. Was not able to get openhole logs to total depth. Logger's TD - 6,910' KB. Run 168 joints 5-1/2", 15.5 ppg, J-55, LT&C and land casing at 7,208' KB.

Cement 5-1/2" casing with 1,150 sxs as follows: Lead - 400 sx Halliburton Dakota Lite containing 5 #/sx Gilsonite, 1/4 #/sx Flocele, 1% Halad 9 and 0.1% HR 5 (weight - 11.5 ppg, Yield - 1.96 ft³/sx and Water - 10.57 gals/sx). Tail 1 - 750 sx Halliburton Dakota Lite containing 5 #/sx Gilsonite, 1/4 #/sx Flocele, 1% Halad 9 and 0.1% HR 5 (weight - 12.5 ppg, Yield - 1.77 ft³/sx and Water - 8.41 gals/sx). Tail 2 - 100 sx Halliburton Dakota Lite containing 5 #/sx Gilsonite, 1/4 #/sx Flocele, 1% Halad 9 and 0.1% HR 5 (weight - 13.0 ppg, Yield - 1.45 ft³/sx and Water - 7.91 gals/sx).

Displaced cement with 170.9 bbls fresh water. Full returns throughout. Bumped plug to 2,240 psig at 11:30 hrs, 11/28/05. Plug held. Circulate 70 bbls cement to surface. Rig released at 00:00 hrs, 11/29/05.

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

Thomas M. Erwin

Title Senior Production Engineer

Signature

Thomas M. Erwin

Date

11/10/06

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

Date

Office

JAN 12 2006

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