

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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)
505-592-5601

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2580' FSL & 1890' FWL, Sec. 1-T30N-R14W

5. Lease Serial No.

NMNM-101552

6. If Indian, Allottee or Tribe Name

NA

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

NA

8. Well Name and No.

Salty Dog SWD #4

9. API Well No.

30-045-32334

10. Field and Pool, or Exploratory Area
SWD; Mesa Verde

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 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 checked="" 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 type="checkbox"/> Other
	<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 checked="" 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., has been injecting an average of 1,825 bbls of produced salt water into this well at an average of 610 psig since April 21, 2005.

Operator proposes to conduct a step rate test (SRT) as soon as possible. The SRT is recommended to be pumped in 30 minute steps at 1/4 bpm, 3/4 bpm, 1-1/4 bpm and 1/2 bpm increments up to 7-3/4 bpm. This SRT will take approximately 8 hours to pump a total of 1,920 bbls water. Bottomhole gauges will be run in the well to monitor the bottomhole pressure during the duration of the step rate test.

Your timely concurrence would be appreciated.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

You will need NMOC approval.

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

4/07/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Matt Hallert

Title **Per ENG**

Date

4/14/06

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

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