

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB 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.*

**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)

**1930' FSL & 971' FEL Unit I  
Sec. 27, T29N, R14W, NMPM**

5. Lease Serial No.

**14-20-603-2168A**

6. If Indian, Allottee or Tribe Name

**Navajo Nation**

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

**NW Cha Cha Unit**

8. Well Name and No.

**NW Cha Cha Unit #60**

9. API Well No.

**30-045-29125**

10. Field and Pool, or Exploratory Area

**Cha Cha Gallup**

11. County or Parish, State

**San Juan County, NM**

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

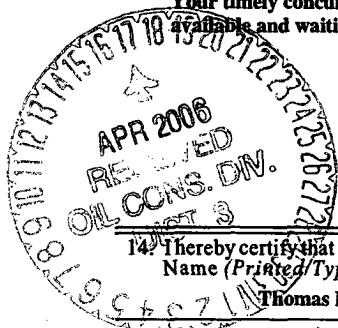
| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |   |   |
|--|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> 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 type="checkbox"/> Other          |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input checked="" 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 recomplate 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.)

Operator, Lance Oil and Gas Company, Inc. checked the casing pressure on the NW Cha Cha Unit #60 and found 900 psig on the casing. Operator requests to temporarily abandon this well, until December 31, 2006, in order to allow Operator to evaluate the entire Cha Cha Unit to determine whether Operator should plug and abandon, return to injection, or to recomplate this well uphole. Operator proposes to Temporarily Abandon the NW Cha Cha Unit #60 by setting a bridge plug within one hundred (100) feet of the uppermost perforations, at 5,025' KB. After setting the bridge plug, Operator will request the presence of a New Mexico Oil Conservation Division and Navajo Tribal agent to conduct a Mechanical Integrity Test on the casing and the bridge plug and report the results promptly.

Your timely concurrence of Operator's request to temporarily abandon the NW Cha Cha Unit #60 would be greatly appreciated as a rig is available and waiting to do this procedure.

*Please Give OCD 24 Hr Notice  
to witness*



2006 APR 11 PM 11:16  
RECEIVED  
OIL CONSERVATION DIV.  
FARMINGTON NM

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 **Original Signed: Stephen Mason**

Title

Date

**APR 13 2006**

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

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**