

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)

**435' FSL & 2050' FEL
Section 23, T29N - R14W, NMPM**

5. Lease Serial No.

14 - 20 - 603 - 2198 - A

6. If Indian, Allottee or Tribe Name

NAVAJO

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

N/A

8. Well Name and No.

NV Rachele 23 #4

9. API Well No.

30 - 045 - 31184

10. Field and Pool, or Exploratory Area

West Kutz PC & 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			
<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 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 Produce Basin
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Fruitland Coal zone
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	only

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 April 11, 2006, Lance Oil & Gas Company, Inc. set a bridge plug at 1,010' KB over the Basal (S-8) Fruitland Coal, thereby temporarily plugging back the Basal (S-8) Fruitland Coal.

Completion operations then commenced on the Middle (S-9) Fruitland Coal. The Middle (S-9) Fruitland Coal was perforated from 974-977' KB and 927-933' KB with 4 SPF and 120 degree phasing. The Middle (S-9) Fruitland Coal was fracture stimulated from 927-977' KB down 5-1/2" casing with 15,010 gallons 20# Delta 140 Cross-Linked Gel with SandWedge NT containing 52,500 lbs 16/30 Mesh Brady sand.

The bridge plug set at 1,010' KB has been pulled. The NV Rachele 23 #4 is currently producing from the Basal (S-8) and Middle (S-9) Fruitland Coals pursuant to NMOC Form C-104 approved December 14, 2005.

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

Thomas M. Erwin, P.E.

Title **Production Superintendent**

Signature

Thomas M. Erwin

Date

5/02/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE ACCEPTED FOR RECORD

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

MAY 16 2006

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)

NMOC