

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2,290' FNL & 1,825' FEL  
Section 20, T29N - R14W, NMPM

3b. Phone No. (include area code)  
505-598-5601

OIL CONS. DIV.  
DIST. 9

5. Lease Serial No.  
NMSF - 14 - 20 - 603 - 2200A

6. If Indian, Allottee or Tribe Name  
NAVAJO

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

8. Well Name and No.  
NW Cha Cha #20

9. API Well No.  
30 - 045 - 25808

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 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.)

Pursuant to BLM letter dated June 15, 2006 (Reference - 12-20-603-2200A (WC)) and our conversation this morning (Erwin / Mason), Lance Oil & Gas Company, Inc is requesting a continuation of the Temporarily Abandonment status through December 31, 2006. Bill Lyons, Lance Senior Geologist is actively pursuing a reservoir study to determine whether or not the NW Cha Cha Unit should be Plugged and Abandoned. The reservoir study is expected to be completed by October 31, 2006 and plans to reactivate or P&A the NW Cha Cha #20 will be submitted by December 31, 2006.

Lance has already P&A'd the NW Cha Cha Unit #1, #2 and #75 wells this year with the NW Cha Cha #43, #74, #76 and the Navajo Tribal "H" #13 SWD well P&A's to be requested imminently. Your continued patience and approval of the NW Cha Cha #20 Temporary Abandonment Status is appreciated as we attempt to determine and optimize the long term plans for the NW Cha Cha Unit.

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

07/19/2006

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_ Original Signed: Stephen Mason  
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

JUL 21 2006

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)

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