

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 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, P. O. Box 70, Kirtland, NM 87417

3a. Address
P. O. Box 70, Kirtland, NM 874173b. Phone No. (include area code)
505-598-5601

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

1850' FSL & 1865' FEL
Sec. 11, T30N-R14W

5. Lease Serial No.

NMNM 102886

SEP 2006

6. If Indian, Allottee or Tribe Name

NA

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

NA

8. Well Name and No.

WF Federal 11 #4

9. API Well No.

30-045-32267

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

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 checked="" 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 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.)

On May 3, 2005, Operator, Lance Oil & Gas Company, Inc., squeezed the Harper Hill Pictured Cliffs formation of this well. The Basin Fruitland Coal was completed on August 1, 2005. Lance has been selling gas from the Basal (S-8) Fruitland Coal pursuant to NMOCD Form C-104 approved August 8, 2005.

On August 31, 2006, Operator, Lance Oil & Gas Company, Inc., set a bridge plug at 1,750' KB, thereby isolating the previously squeezed Harper Hill Pictured Cliffs formation. and commenced recompletable of the Basal (S-8) Fruitland Coal on September 5, 2006. The Basal (S-8) Fruitland Coal was fracture stimulated down 3-1/2" tubing with 43,400 gallons 20 # Delta 140 Cross-Linked Gel with SandWedge NT containing 50,000 lbs 20/40 Mesh Ottawa sand. The bridge plug set at 1,750' KB between the Basal (S-8) Fruitland Coal was pulled following the stimulation.

Lance has resumed production of the Basal (S-8) Fruitland Coal pursuant to NMOCD Form C-104 approved August 8, 2005.

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

Thomas M. Erwin, P.E.

Title Production Superintendent

Signature

Date

9/6/06

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

Date SEP 27 2006

Office

FARMINGTON FIELD OFFICE
BY

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