

Form 3160-5  
(September 2001)

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>14-20-603-2199</b>
2. Name of Operator <b>Lance Oil &amp; Gas Company, Inc.</b>		6. If Indian, Allottee or Tribe Name <b>Navajo</b>
3a. Address <b>P. O. Box 70, Kirtland, NM 87417</b>	3b. Phone No. (include area code) <b>505-598-5601</b>	7. If Unit or CA/Agreement, Name and/or No. <b>NA</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1525'FNL &amp; 1590' FEL, Section 21, T29N, R14W, NMPM</b>		8. Well Name and No. <b>NV Navajo 21#1</b>
		9. API Well No. <b>30-045-33380</b>
		10. Field and Pool, or Exploratory Area <b>Basin Fruitland Coal/W. Kutz PC</b>
		11. County or Parish, State <b>San Juan County, NM</b>

**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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Spud and casing
	<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 recompleate 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 recompleation 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.)

The NV Navajo 21#1 was spud on 11/08/2006.

A 13-3/8" conductor pipe was driven to 69' KB into the 12-1/4" hole by a cable tool rig.

The 12-1/4" hole was continued to 147' KB, where 3 joints of 8-5/8" 24# per foot J-55 surface casing was landed at 138' KB. Cement details are as follows: 10 barrels of water was pumped ahead, followed by 118 sacks of Type G cement with 2% CaCl<sub>2</sub> and 1/8# Pol-e-flake mixed at 15.6 ppg and 1.18 yield. Fresh water displacement occurred from surface to the baffle located at 94'. The plug bumped and held, and 10 barrels of cement circulated to the surface.

The BOPE successfully pressure tested.

A 7-7/8" hole was drilled to 1021' KB on 11/26/2006. The production casing (5-1/2", 15.5# per foot, J-55) was landed at 1016' KB. The cement job was as follows: 10 barrels of water, followed by 20 barrels of mud flush, and followed by another 10 barrels of water. Lead cement was 105 sacks of PRBII cement mixed at 12 ppg with a 2.22 yield. Tail consisted of 50 sacks of PRBII cement mixed at 13 ppg with 2.00 yield. Displacement was 24 barrels of water, and the plug was bumped at 1143 psi. 18 barrels of cement was circulated to the surface. The drill rig was released on 11/28/2006. Surveys are as follows: 0 degrees at 147' KB, 1 degree at 638' KB, and 1-3/4 degree at 1020' KB.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

**Tod H. Haanes**

Title **Production Engineer**

Signature

*Tod H. Haanes*

Date

**11/29/2006**

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

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

Office

Date

**ACCEPTED FOR RECORD**

**DEC 15 2006**

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)

**FARMINGTON FIELD OFFICE**  
BY *[Signature]*

NMOCDD