

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

RCVD DEC29'06
OIL CONS. DIV.
DIST. 3

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)
1255'FNL and 1120' FEL, Section 27, T29N, R14W

5. Lease Serial No.

14-20-603-2168A

6. If Indian, Allocated or Tribal Name

Navajo Tribal

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

NA

8. Well Name and No.

Navajo 27#1

9. API Well No.

30-045-29955

10. Field and Pool, or Exploratory Area
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 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 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.)

The Navajo 27#1 has previously produced from the PC and Fruitland Coal formations.

The S9 Fruitland Coal was recently perforated, acidized, and frac'd.

- The S9 Fruitland Coal was perforated from 1088'-1095' KB, 1098'-1103' KB, and 1106'-1112' Kb with 4 SPF, 0.42" diameter, and 120 degree phasing.
- Acidized with 900 gallons of 15% HCl.
- These zones were stimulated with 52,064 gallons of 20# Delta 140 cross link fluid and 22,000 pounds of 16/30 mesh Ottawa sand.

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

12/21/06.

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

Date

Office

ACCEPTED FOR RECORD

DEC 28 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.

FARMINGTON FIELD OFFICE

(Instructions on page 2)

BY *[Signature]*

NMOCD

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