submitted in lieu of Form 3160-5

UNITED STATES DEPARTMENT OF THE INTERIOR 2007 MAR - 1 PM 2: 10 BUREAU OF LAND MANAGEMENT

DIST. 3

RECEIVED BLM 210 FARMINGTON NM 1. Type of Well	5.	Lease Number
		14-20-603-2172
Oil	6.	If Indian, All. or Tribe Name Navajo Nation
	7.	Unit Agreement Name
2. Name of Operator Lance Oil & Gas Company, Inc.		NW Cha Cha Unit
	8.	Well Name & Number
3. Address & Phone No. of Operator		NW/Cha Cha Unit #43
P.O. Box 70, Kirtland, NM 87417	9.	API∣Well No. 30-045-07864
Location of Well, Footage, Sec., T, R, M 2110' FNL & 1850' FEL, Section 25, T-29-N, R-14-W,	10.	Field and Pool Cha-Gha-Gallup Cha-Gha-Gallup
2110 FAL & 1630 FEL, 566001125, 1-25-14, 17-14-14,	11.	
X Notice of Intent	ion acturing f	
13. Describe Proposed or Completed Operations		
Lance Oil & Gas Company, Inc., proposes to plug and abandon the a according to the attached P&A procedure.	bove ref	erenced well
14. I hereby certify that the foregoing is true and correct. Signed Maria Maria 2/28/07 Title Production Superintendent Thomas M. Ervan, P.E.	D	ate <u>2/21/07</u>

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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.



NW Cha Cha Unit #43

Current

West Kutz Pictured Cliffs

1850' FEL & 2110' FNL, Section 25, T-29-N, R-14-W San Juan County, NM / API #30-045-07864 Lat: N 36.69894 / Long: W 108.25816

Today's Date: 2/9/07

Spud: 7/27/61

Comp: Gallup 9/8/61

Water Injection 8/20/64

PC 9/21/04

Elevation: 5627' GL

5637' KB

12.25" Hole

8.625",24# Casing set @ 229' 240 sxs cement circulated to surface

Fruitland @ 835'

Pictured Cliffs @ 1247'

Mesaverde @ 2621'

Gallup @ 4950'

6.75" Hole

_2.375" tubing @ 1235' 1242' - 1250'

Pictured Cliffs Perforations:

204 sxs Cement from 1548' - to 1360' inside casing and circ out BH in annulus (2000) Perforate @ 1548'

140 cf Cement from 2972' - 2518' TOC 2518' (2000)

Perforate @ 2972'

126 cf Cement from 3760' - 3100' TOC 3100' (2000)

Casing leak at 3260' (2000)

Cement from 4160' to 3800', TOC @ 3760' No amount given (2000)

Top of Cmt @ 4489' (Calc, 75%)

CR @ 5100' (2000) Squeeze with 43 sxs, TOC 4800'

Gallup Perforations: 5305' - 5313' 5360' - 5365'

4.5",10.5# / 9.5#, K-55 Casing @ 5414' Cemented with 125 sxs (158 cf)

TD 5416'

PBTD 1361°

NW Cha Cha Unit #43 Proposed P&A

West Kutz Pictured Cliffs

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Elevation: 5627' GL 5637' KB

12.25" Hole

8.625",24# Casing set @ 229' 240 sxs cement circulated to surface

Plug #2: 279' - 0' Type III cement, 25 sxs

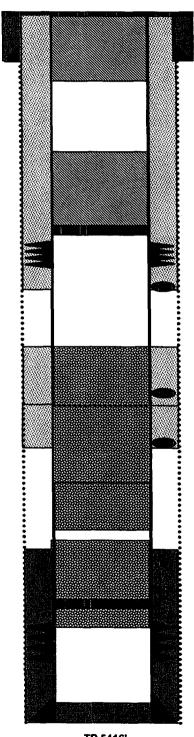
Fruitland @ 835'

Pictured Cliffs @ 1247'

Mesaverde @ 2621'

Gallup @ 4950'

6.75" Hole



TD 5416' **PBTD 1361'**

Plug #1: 1197' - 785' Type III cement, 32 sxs Set CR @ 1197'

Pictured Cliffs Perforations:

1242' - 1250'

204 sxs Cement from 1548' - to 1360' inside casing and circ out BH in annulus (2000) Perforate @ 1548'

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Top of Cmt @ 4489' (Calc, 75%)

CR @ 5100' (2000) Squeeze with 43 sxs, TOC 4800'

Gallup Perforations: 5305' - 5313' 5360' - 5365'

4.5",10.5# / 9.5#, K-55 Casing @ 5414' Cemented with 125 sxs (158 cf)

NW Cha Cha Unit #43 — Pictured Cliffs PLUG AND ABANDONMENT PROCEDURE

2110' FNL & 1850' FEL NE, Section 25, T29N, R14W San Juan County, NM API #30-045-07864 Latitude: N 36.69894 Longitude: W 108.25816

2/9/07

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Lance safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.

- 1. TOH and tally 2.625" tubing, total 1235'. Inspect tubing and if necessary LD and PU workstring. Round-trip 4.5" gauge ring to 1197'.
- Plug #1 (Pictured Cliffs perforations and PC and Fruitland tops, 1197' 785'): TIH and set cement retainer at 1197'. Pressure test tubing to 1000#. Load casing with water and circulate well clean. Pressure test casing to 1000#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 32 sxs cement and spot a balanced plug inside the casing to cover the PC interval. PUH to 448'.
- 3. Plug #2 (8.625"casing shoe and surface, 279' Surface): Connect the pump line to the bradenhead valve Pressure test the bradenhead annulus to 300#, note volume to fill. If it tests, then with tubing at 279', establish circulation out casing valve with water. Mix approximately 25 sxs cement and fill the 4.5" casing to surface, circulate good cement out the casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate 3 squeeze holes at the appropriate depth and fill the BH annulus with cement to surface, covering inside 50' below casing shoe. TOH and LD tubing. Shut in well.
- 4. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.