

submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

RECEIVED
BLM
210 FARMINGTON NM

1. **Type of Well**
Oil

2. **Name of Operator**
Lance Oil & Gas Company, Inc.

3. **Address & Phone No. of Operator**
P.O. Box 70, Kirtland, NM 87417

4. **Location of Well, Footage, Sec., T, R, M**
2290' FNL & 1825' FEL, Section 20, T-29-N, R-14-W,

5. **Lease Number**
14-20-603-2200A

6. **If Indian, All. or Tribe Name**
Navajo Nation

7. **Unit Agreement Name**
NW Cha Cha Unit

8. **Well Name & Number**
NW Cha Cha Unit #20

9. **API Well No.**
30-045-25808

10. **Field and Pool**
Cha Cha Gallup

11. **County & State**
San Juan, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

Lance Oil & Gas Company, Inc., proposes to plug and abandon the above referenced well according to the attached P&A procedure.

Pursuant to conversation Erwin / Mason (2/28/07), Lance Oil and Gas Company, Inc did not recomplete the Fruitland Coal and a subsequent report and a Completion Report are not required pursuant to the BLM letter dated February 2, 2007 (Refer to: 14-20-603-2168A et al. (WC) 3162.3-2 (21110)).

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

Signed Thomas M. Erwin 2/28/07 Title Production Superintendent Date 2/21/07
Thomas M. Erwin, P.E.

(This space for Federal or State Office use)

APPROVED BY Original Signed: Stephen Mason Title _____ Date MAR 06 2007
CONDITION OF APPROVAL, if any:

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.

NMOCB

NW Cha Cha Unit #20 – Gallup PLUG AND ABANDONMENT PROCEDURE

2290' FNL & 1825' FEL
NE, Section 20, T29N, R14W
San Juan County, NM API #30-045-25808
Latitude: N _____ Longitude: W _____

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. Tally and prepare a 2.375" tubing workstring. TIH to 630'.
2. **Plug #1 (Pictured Cliffs top, 630' – 530')**: Mix 11 sxs cement and spot a balanced plug inside casing to cover the Pictured Cliffs top. PUH to 290'.
3. **Plug #2 (Fruitland top, 8.625" casing shoe and surface, ³¹²290' - 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 ³¹²290', 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 Pictured Cliffs top. 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.

NW Cha Cha Unit #20

Current

Cha Cha Gallup

1825' FEL & 2290' FNL, Section 20, T-29-N, R-14-W

San Juan County, NM / API #30-045-25808

Lat: N _____ / Long: W _____

Today's Date: 2/9/07

Spud: 10/5/83

Comp: 10/25/83

Elevation: 5229' GL

5241' DF

Fruitland @ 240'

Pictured Cliffs @ 580'

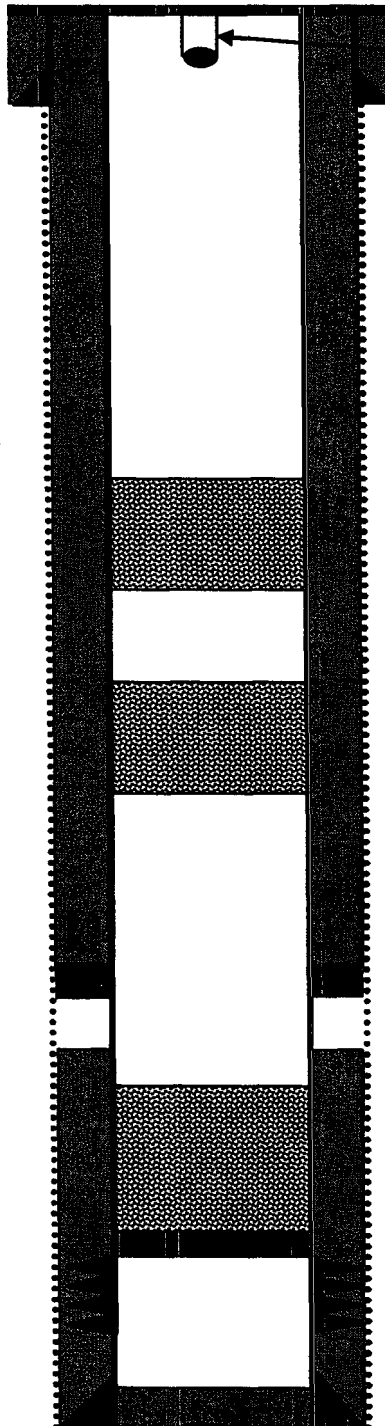
Lewis @ 1032'

Mesaverde @ 2168'

Gallup @ 4330'

12.25" Hole

7.875" Hole



Top of Cmt @ Surface, circ 10 bbs
per Sundry Notice

1 joint tubing in well.

8.625", 20# J-55 Casing set @ 214'
140 sxs cement circulated to surface

WELL HISTORY

Aug '03: Set CIBP at 4588'. Attempt to PT
casing; leak at surface. Plug well back to PC
formation. Pressure test casing to 1000#;
held OK. Well T&A.

('03) Plug # 3: 1082' - 903'
12 sxs Class B cement

('03) Plug # 2: 2258' - 1958'
24 sxs Class B cement

DV Tool @ 3396'
Cemented with 675 sxs (1577 cf)
Circulated 22 sxs to surface per Sundry Notice

Top of Cmt @ 3542' (Calc, 75%)

('03) Plug #1: 4588' - 4176'
30 sxs Class B cement

Set CIBP @ 4588' (2003)

Gallup Perforations:
4688' - 4698'

4.5", 9.5# /10.5#, J-55 Casing @ 4807'
Cemented with 300 sxs (384 cf)

TD 4808'
PBD 4751'

NW Cha Cha Unit #20

Proposed P&A

Cha Cha Gallup

1825' FEL & 2290' FNL, Section 20, T-29-N, R-14-W

San Juan County, NM / API #30-045-25808

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Pictured Cliffs @ 580'

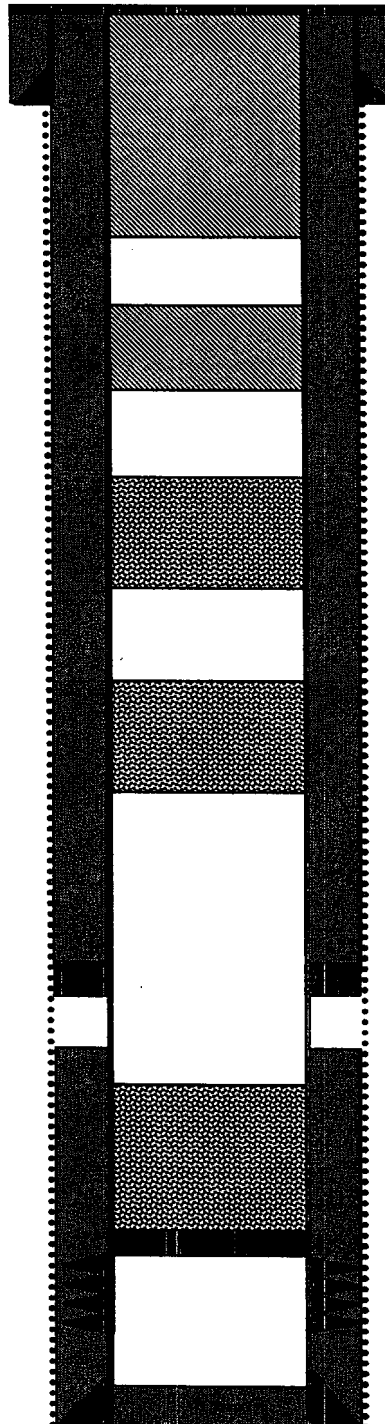
Lewis @ 1032'

Mesaverde @ 2168'

Gallup @ 4330'

12.25" Hole

7.875" Hole



Top of Cmt @ Surface, circ 10 bbs
per Sundry Notice

8.625", 20# J-55 Casing set @ 214'
140 sxs cement circulated to surface

Plug # 2: 290' - 0'
Type III cement, 25 sxs

Plug # 1: 630' - 530'
Type III cement, 11 sxs

('03) Plug # 3: 1082' - 903'
12 sxs Class B cement

('03) Plug # 2: 2258' - 1958'
24 sxs Class B cement

DV Tool @ 3396'
Cemented with 675 sxs (1577 cf)
Circulated 22 sxs to surface per Sundry Notice

Top of Cmt @ 3542' (Calc, 75%)

('03) Plug #1: 4588' - 4176'
30 sxs Class B cement

Set CIBP @ 4588' (2003)

Gallup Perforations:
4688' - 4698'

4.5", 9.5# /10.5#, J-55 Casing @ 4807'
Cemented with 300 sxs (384 cf)

TD 4808'
PBD 4751'