

submitted in lieu of Form 3160-5

2007 MAR -1 PM 2:06
RECEIVED
BLM
210 FARMINGTON NM
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

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**
2431' FSL & 1889' FWL, Section 22, T-29-N, R-14-W,
5. **Lease Number**
14-20-603-2199
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 #25
9. **API Well No.**
30-045-29163
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"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other - |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut off |
| | <input type="checkbox"/> Conversion to Injection |

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.

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.

NMOCD
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NW Cha Cha Unit #25 – Gallup PLUG AND ABANDONMENT PROCEDURE

2431' FSL & 1889' FWL
SW, Section 22, T29N, R14W
San Juan County, NM API #30-045-29163
Latitude: N _____ Longitude: W _____

2/8/07

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 2.875" tubing, total 5244'. Inspect tubing and if necessary LD and PU workstring. Round-trip 5.5" gauge ring to 5079'.
2. **Plug #1 (Gallup perforations and top, 5079' – 4735')**: TIH and set cement retainer at 5079'. 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 40 sxs cement and spot a balanced plug inside the casing to cover the Gallup interval. PUH to 2691'.
3. **Plug #2 (Mesaverde top, ^{2053' 1953'}2691' – 2591')**: Mix 16 sxs cement and spot a balanced plug inside casing to cover the Mesaverde top. PUH to 1102'.
4. **Plug #3 (Pictured Cliffs and Fruitland tops, 1102' – 650')**: Mix 51 sxs cement and spot a balanced plug inside casing to cover the PC and Fruitland tops. PUH to 288'.
5. **Plug #4 (8.625" casing shoe and surface, 288' - 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 288', establish circulation out casing valve with water. Mix approximately 35 sxs cement and fill the 5.5" 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 top. TOH and LD tubing. Shut in well.
6. 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 #25

Current

Cha Cha Gallup

1889' FWL & 2431' FSL, Section 22, T-29-N, R-14-W

San Juan County, NM / API #30-045-29163

Lat: N _____ / Long: W _____

Today's Date: 2/8/07

Spud: 9/10/94

Comp: 11/4/94

Elevation: 5574' GL
5584' KB

12.25" Hole

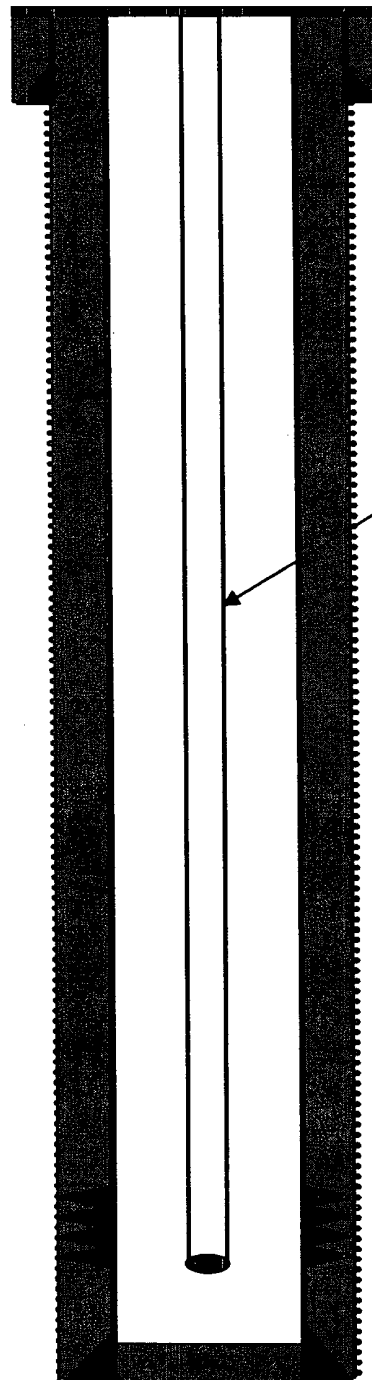
Fruitland @ 700' *est

Pictured Cliffs @ 1052'

Mesaverde @ 2641'

Gallup @ 4785'

7.875" Hole



Top of Cmt @ circulated per Sundry Notice

8.625", 24# J-55 Casing set @ 238'
145 sxs cement circulated to surface

WELL HISTORY

No workover of record

2.875" tubing @ 5244'

Gallup Perforations:
5129' - 5228'

5.5", 15.5#, J-55 Casing @ 5320'
Cemented with 550 sxs (1180 cf)

TD 5320'
PBD 5289'

NW Cha Cha Unit #25

Proposed P&A

Cha Cha Gallup

1889' FWL & 2431' FSL, Section 22, T-29-N, R-14-W

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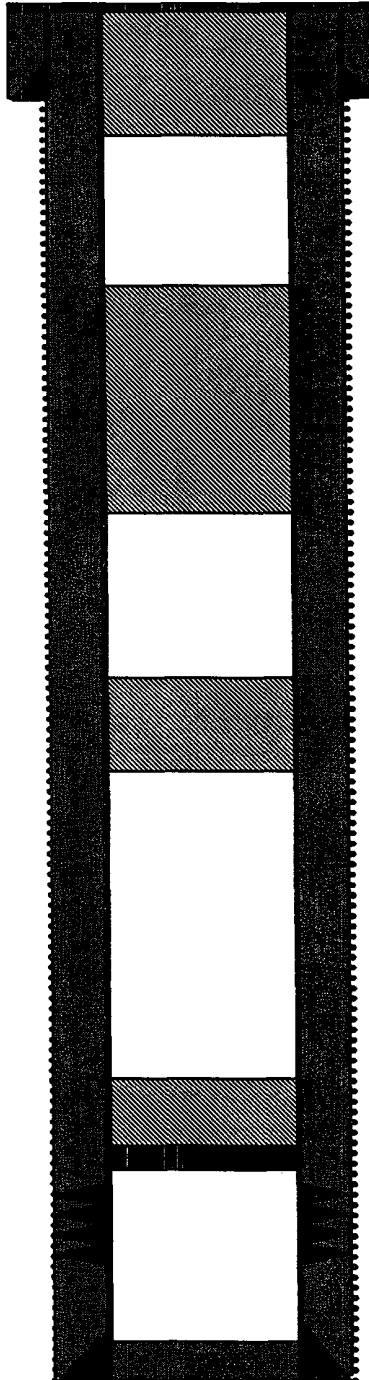
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7.875" Hole



TD 5320'
PBD 5289'

Top of Cmt @ circulated per Sundry Notice

8.625", 24# J-55 Casing set @ 238'
145 sxs cement circulated to surface

Plug #4: 288' - 0'
Type III cement, 35 sxs

Plug #3: 1102' - 650'
Type III cement, 51 sxs

Plug #2: 2691' - 2591'
Type III cement, 16 sxs

Plug #1: 5079' - 4735'
Type III cement, 40 sxs

Set CR @ 5079'

Gallup Perforations:
5129' - 5228'

5.5", 15.5#, J-55 Casing @ 5320'
Cemented with 550 sxs (1180 cf)