

submitted in lieu of Form 3160-5

DIST. 3

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

RECEIVED  
BLM  
210 FARMINGTON NM

- |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. <b>Type of Well</b><br/>Oil</p> <p>2. <b>Name of Operator</b><br/>Lance Oil &amp; Gas Company, Inc.</p> <p>3. <b>Address &amp; Phone No. of Operator</b><br/><br/>P.O. Box 70, Kirtland, NM 87417</p> <p><b>Location of Well, Footage, Sec., T, R, M</b><br/><br/>660' FSL &amp; 1980' FEL, Section 35, T-29-N, R-14-W,</p> | <p>5. <b>Lease Number</b><br/>14-20-603-2172</p> <p>6. <b>If Indian, All. or Tribe Name</b><br/>Navajo Nation</p> <p>7. <b>Unit Agreement Name</b><br/><br/>NW Cha Cha Unit</p> <p>8. <b>Well Name &amp; Number</b><br/>NW Cha Cha Unit #76</p> <p>9. <b>API Well No.</b><br/>30-045-07596</p> <p>10. <b>Field and Pool</b><br/>West Kutz PC</p> <p>11. <b>County &amp; State</b><br/>San Juan, NM</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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.

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

Signed Thomas M. Erwin 3/13/07 Title Production Superintendent Date 3/1/07  
Thomas M. Erwin, P.E.

(This space for Federal or State Office use)

APPROVED BY Original Signed: Stephen Mason Title \_\_\_\_\_ Date MAR 1 8 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 #76 – Pictured Cliffs PLUG AND ABANDONMENT PROCEDURE**

660' FSL & 1980' FEL  
SE, Section 35, T29N, R14W  
San Juan County, NM API #30-045-07596  
Latitude: N 36.67773 Longitude: W 108.27756

3/1/07

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 2.375" tubing, total 1335'. Inspect tubing and if necessary LD and PU workstring. Round-trip 4.5" gauge ring to 1292'.
2. **Plug #1 (Pictured Cliffs perforations and PC and Fruitland tops, 1292' – 930')**: TIH and set CIBP at 1292'. 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 28 sxs cement and spot a balanced plug inside the casing to cover the PC interval through the Fruitland top. PUH to 254'.
3. **Plug #2 (8.625" casing shoe and surface, 204' - 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 254', establish circulation out casing valve with water. Mix approximately 20 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. 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.

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# NW Cha Cha Unit #76

## Current

West Kutz Pictured Cliffs

660' FSL & 1980' FEL, Section 35, T-29-N, R-14-W

San Juan County, NM / API #30-045-07596

Lat: N 36.67773 / Long: W 108.27756

Today's Date: 3/1/07

Spud: 3/18/61

Comp: Gallup 5/22/61

PC 9/21/04

Elevation: 5880' KB

12.25" Hole

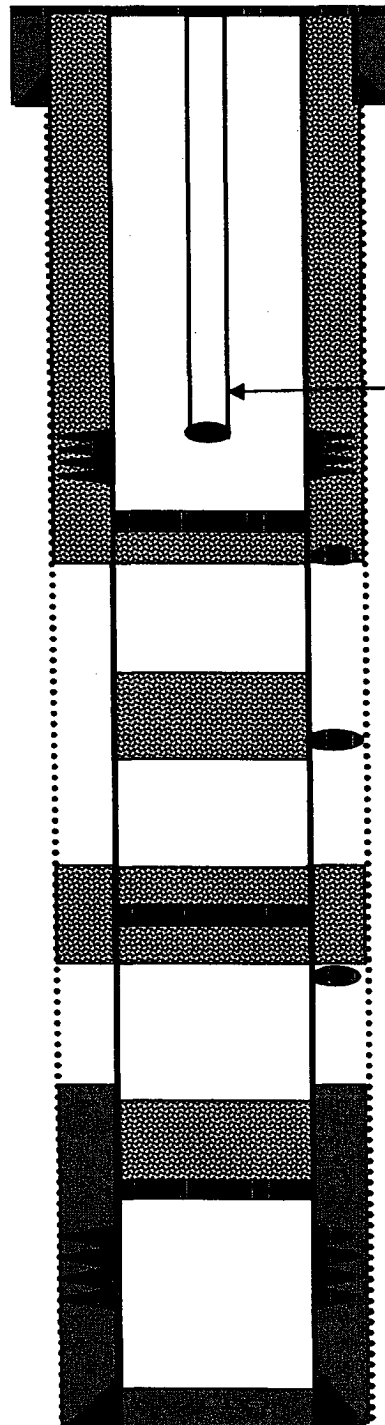
Fruitland @ 980' \*est

Pictured Cliffs @ 1342'

Mesaverde @ 2951'

Gallup @ 5040' \*est

6.75" Hole



8.625", 24# J-55 Casing set @ 204'  
170 sxs cement circulated to surface

2.375" tubing @ 1335'

Pictured Cliffs Perforations:  
1342' - 1350'

Perforate 12 sqz holes @ 1380', set CR  
at 1368'. Squeeze with 125 sxs, circ 9  
bbls good cement out BH. (1998)

20 sxs cement from 1912' - 1688';  
Unable to circulate outside casing.  
TOC 1668' (1998)

Perforate @ 1888'

CR @ 2951' (1998),  
Squeeze with total 53 sxs, TOC  
@ 2448'  
Casing leak (1998)

Top of Cmt @ 4553' (Calc, 75%)

CIBP @ 5293' (1998),  
Spot 20 sxs cement to 4680'

Gallup Perforations:  
5382' - 5430'

4.5", 9.5# J-55 Casing @ 5491'  
Cemented with 110 sxs

TD 5513'  
PBD 1368'

# NW Cha Cha Unit #76

## Proposed P&A

West Kutz Pictured Cliffs

660' FSL & 1980' FEL, Section 35, T-29-N, R-14-W

San Juan County, NM / API #30-045-07596

Lat: N 36.67773 / Long: W 108.27756

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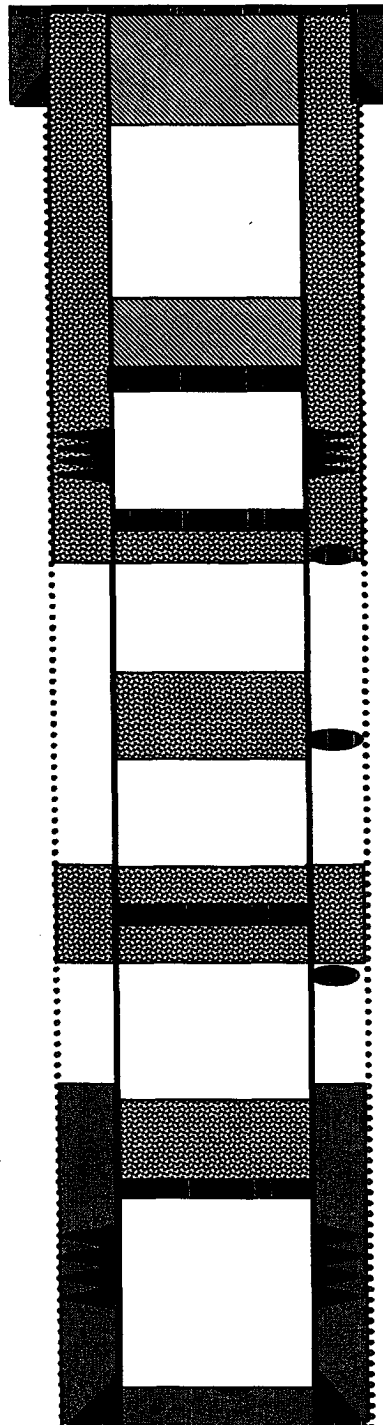
Fruitland @ 980' \*est

Pictured Cliffs @ 1342'

Mesaverde @ 2951'

Gallup @ 5040' \*est

6.75" Hole



8.625", 24# J-55 Casing set @ 204'  
170 sxs cement circulated to surface

Plug #2: 254' - 0'  
Type III cement, 20 sxs

Plug #1: 1292' - 930'  
Type III cement, 28 sxs

Set CIBP @ 1292'

Pictured Cliffs Perforations:  
1342' - 1350'

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at 1368'. Squeeze with 125 sxs, circ 9  
bbls good cement out BH. (1998)

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Casing leak (1998)

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Spot 20 sxs cement to 4680'

Gallup Perforations:  
5382' - 5430'

4.5", 9.5# J-55 Casing @ 5491'  
Cemented with 110 sxs

TD 5513'  
PBD 1368'