

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

2007 MAR 14 PM 2:54

1. Type of Well
Oil

RECEIVED
BLM
210 FARMINGTON NM

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

3. Address & Phone No. of Operator

P.O. Box 70, Kirtland, NM 87417

Location of Well, Footage, Sec., T, R, M

660' FSL & 1980' FEL, Section 36, T-29-N, R-14-W,

5. Lease Number
14-20-603-2172
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 #74

9. API Well No.
30-045-07598

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

Type of Action

☒ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other -

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

13. Describe Proposed or Completed Operations

A Subsequent Sundry Notice was not filed of record with either the BLM or NMOCD regarding the Plugback of this well in 2003. After reviewing tower reports it was determined that the following plugs were set.

Plug #1: CIBP @ 5455'. Spotted 27 sxs from 5455' to 5100'. TOC @ 5100'.

Plug #2: Perforate @ 3187'. CR @ 3141'. Unable to establish rate into perforations. Spot 23 sxs from 3142' to 2842'. TOC @ 3108'.

Plug #3: Perforate @ 1908'. CR @ 1805'. Spot unknown amount of cement outside 4.5" casing and inside 4.5" casing from 1908' to 1708'. TOC @ 1713'.

Perforate @ 1520' and 800'. Set CR @ 850'. Suicide squeeze 126 sxs cement from 1520' to 800', 35 sxs from 800' to 500'. Did not circulate out bradenhead. Drill out CR and cement. Re-complete as a PC well.

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. Egan 3/13/07 Title Production Superintendent Date 3/8/07
Thomas M. Egan, P.E.

(This space for Federal or State Office use)
APPROVED BY Original Signed: Stephen Mason
CONDITION OF APPROVAL, if any:

Title _____ Date MAR 18 2007

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

NW Cha Cha Unit #74 – Pictured Cliffs PLUG AND ABANDONMENT PROCEDURE

660' FSL & 1980' FEL
SE, Section 36, T29N, R14W
San Juan County, NM API #30-045-07598
Latitude: N 36.67761 Longitude: W 108.25879

3/2/07

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 1500'. Inspect tubing and if necessary LD and PU workstring. Round-trip 4.5" gauge ring to 1500'.
2. **Plug #1 (Pictured Cliffs perforations and PC and Fruitland tops, 1458' – 1070')**: TIH and set wireline CR at 1458'. 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 30 sxs cement and spot a balanced plug inside the casing to cover the PC interval through the Fruitland top. TOH and LD tubing.
3. **Plug #2 (Kirtland top and 7.625" casing shoe and surface, 290' - Surface)**: Perforate 3 squeeze holes at 290'. Establish circulation out bradenhead with water. Circulate the BH annulus clean. Mix and pump approximately 65 sxs cement down 4.5" casing to circulate good cement out the bradenhead. Shut in well and WOC.
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 #74

Current

West Kutz Pictured Cliffs

660' FSL & 1980' FEL, Section 36, T-29-N, R-14-W

San Juan County, NM / API #30-045-07598

Lat: N 36.67761 / Long: W 108.25879

Today's Date: 3/2/07

Spud: 1/16/61

Comp: Gallup 2/13/61

PC 9/21/04

Elevation: 5956' GI

5966' KB

Kirtland @ 240'

Fruitland @ 1120'

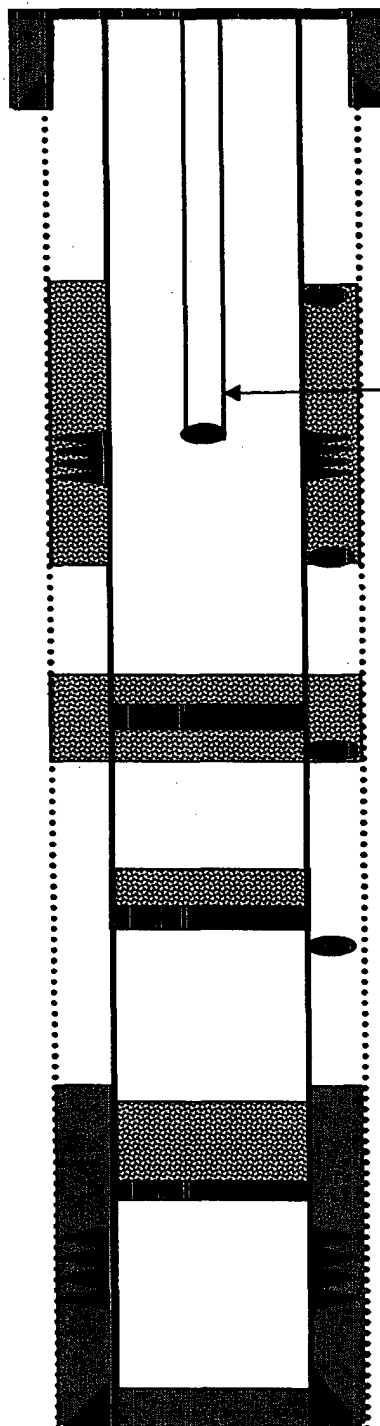
Pictured Cliffs @ 1508'

Mesaverde @ 3141'

Gallup @ 5195'

12.25" Hole

6.25" Hole



7.625", 24# H-40 Casing set @ 205'
150 sxs cement circulated to surface

WELL HISTORY

Aug '04: TIH and tag cement at 619'.

Drill out cement and CR to 1523'.

Sep '04: Complete well as a PC well
from 1508' to 1516'.

2.375" tubing @ 1500'

Pictured Cliffs Perforations:
1508' - 1516'

Perforate 4 sqz holes @ 1520', little
circulation. Perforate 2 sqz holes @ 800'

Suicide sqz 126 sxs 1520' to
800', 35 sxs from 800' to 500', did
not circulate out BH.

TOC @ 1713'

CR @ 1805' (2003)
cement from 1908' - 1708'
TOC @ 1713'

Perforate @ 1908'

CR @ 3141' (2003)
23 sxs from 3142' - 2842'
TOC @ 3108'
22 sxs from 3130' to 2842'

Perforate @ 3187' (2003)

Top of Cmt @ 4262' (Calc, 75%)

CIBP @ 5455' (2003),
27 sxs from 5455' - 5100'
TOC @ 5110'

Gallup Perforations:
5556' - 5564'

4.5", 9.5#, J-55 Casing @ 5654'
Cemented with 175 sxs

TD 5656'
PBSD 1694'

NW Cha Cha Unit #74

Proposed P&A

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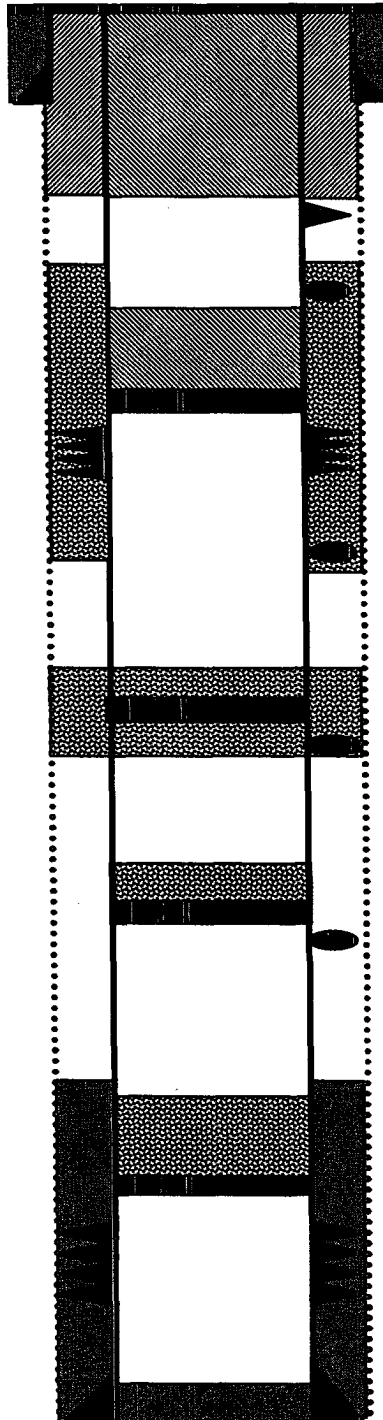
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