

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-29947
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-03150-11
7. Lease Name or Unit Agreement Name WF State 36
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat Basin Fruitland Coal

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5296' GL
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Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Lance Oil & Gas Company

3. Address of Operator
P.O. Box 70 Kirtland, NM 87417

4. Well Location
Unit Letter P : 805 feet from the south line and 820 feet from the east line
Section 36 Township 30N Range 15W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5296' GL

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Downhole Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☒
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On March 6 – April 11, 2007 the WF State 36 #1 was P&A'd per the following:

- Set a cement retainer at 599 feet.
- 9 bbls. of water was pumped into the well bore.
- Cement plug #1 was 24 sacks placed below the cement retainer located at 599 feet.
- Milled the casing and flushed cuttings from 548-584.5' GL
- Cement plug #2 was 60 sacks from 599-357 feet.
- Successfully pressure tested well bore above the 357' TOC
- Cement plug #3 was 27 sacks from 357 feet to surface. Good cement came out the casing valve.
- A P&A marker was installed.

RCVD APR23'07

OIL CONS. DIV.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tod H. Haanes TITLE Production Engineer DATE 4/19/2007

Type or print name Tod H. Haanes E-mail address: tod.haanes@anadarko.com Telephone No. (505) 598-5601 ext. 15564

For State Use Only

APPROVED BY: Monica Kuehling TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE APR 23 2007
Conditions of Approval (if any):

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

Lance Oil and Gas Company, Inc.

WF State 36 #1

April 12, 2007

Page 1 of 3

805' FSL & 820' FEL, Section 36, T-30-N, R-15-W

San Juan County, NM

Lease Number: E-03150-11

API #30-045-29947

Plug & Abandonment Report

Summary:

Notified NMOCD on 3/16/07 and 3/19/07

- 3/6/07 MOL and RU. Check pressures: casing, 25 PSI; tubing 0 PSI. Blow down well. H₂S level: 2 ppm. Unhang rods and LD polish rod. POH and LD 22 - 3/4" rods and 2" x 1.25" x 16' insert pump. ND wellhead. NU BOP with companion flange. TOH and LD 18 joints 2.375" tubing, SN and saw tooth collar; total 566'. Note: bottom 2 joints have corrosion holes. TIH with 20 joints tubing and tag at 603'. Pump 45 bbls water to load casing above the RBP at 606'. TOH and LD tubing. ND BOP. NU wellhead. RD. MOL. Well ready to log.
- 3/27/07 MOL and RU. Check pressures: casing, 30 PSI; bradenhead, 0 PSI. ND wellhead. NU BOP. PU retrieving head and TIH with 2.375" tubing. Tag fill at 636' and then wash down to Polar RBP at 638'. Note: tagged RBP on 3/6/07 at 603'. TOH and LD RBP. Shut in well. SDFD.
- 3/28/07 Check pressures: casing, 20 PSI. Blow well down. H₂S level: 0 ppm. TIH with 4.5" DHS CR and set at 599'. Sting out of CR. Load hole and sting into CR. Establish rate below CR into PC perforations at 1-1/2 bpm at 600 PSI.
Plug #1 with CR at 599', mix and pump 24 sxs Type III cement (32 cf) with 15% salt, squeeze below the CR to fill the Pictured Cliffs perforations.
Sting out of CR and reverse circulate with casing clean for section milling. TOH with setting tool and LD. PU 3.875" section mill, bit sub, 6 - 3.125" drill collars and 2.875" PAC drill pipe. TIH to 550'. Establish rate 2.5 bpm at 600 PSI. Attempt to make cut in casing. Section mill not showing any torque or taking weight on casing. TOH with BHA and inspect section mill. Blades not showing any wear. Change out cutting arms on mill. TIH with BHA to 550' and start milling at 550' GL. Attempt to section mill 4.5" casing. Mill not torquing or taking any weight on casing from 550' to 555'. TOH with BHA and section mill. No wear on blades. SDFD.
- 3/29/07 Open well, no pressure. PU new 3.875" section mill and TIH with 6 drill collars and 2.875" drill pipe. Tag CR at 599'. PUH to 550 and attempt to section mill casing again. Returns contain metal cuttings but still unable to get mill to take weight on casing. PUH to 547' and attempt to make beginning cut; same results. TOH with section mill with opti-cut blades. TIH with different section mill and attempt to make initial cut. Have fine metal cutting in returns, not taking weight. Attempt at several depths: 546', 550', 554'; unsuccessful results. TOH and find section mill showing no wear. Wait on different arms from Baker. TIH with section mill with different arms having metal muncher buttons. Attempt to begin milling at 546', 548', and 558', unsuccessful. TOH with mill. Shut in well and SDFD.

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WF State 36 #1

April 12, 2007

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Work Summary – Continued:

- 3/30/07 Open up well, no pressure. No H₂S. PU unmodified 3.875" section with metal muncher buttons and TIH. Establish rate 2-1/2 bpm at 700 PSI. Attempt to make initial cut in 4.5" casing at 550' and 554'; both unsuccessful. TIH and tag CR at 595' GL. TOH with section mill. Light wear on blades of section mill. Change to opti-cut arms and TIH. Attempt to make initial cut in 4.5" casing at 550'. Rotating at 550' for 2 hours; unable to get weight down on casing. RIH to 587'. Circulate hole clean with fresh water. TOH with mill. RU Blue Jet wireline. Run CBL and multi arm caliper logs. Shut in well. SDFD.
- 4/2/07 Open well, no pressure. H₂S level: 10 ppm. PU new Baker Oil Tools section mill with 6" arm extensions and TIH. Section mill 4.5" casing from 548' to 554' GL, taking weight OK. Then stopped getting cuttings in returns. TOH with section mill and found one blade missing; wear pattern almost behind arms. PU 3.875" section mill with opti-cut on 6" arms, bit sub. Section mill will not go inside 4.5" casing at surface. Wait on another section mill. PU 3.875" section mill with 5.5" arms dressed with opti-cut. TIH and section mill 4.5" casing from 554' to 555' GL. Circulate hole clean. TOH with section mill with opti-cut. No damage to mill; has pattern from casing. Shut in well. SDFD.
- 4/3/07 Open up well, no pressure. No H₂S. PU 3.875" section mill with 6" arms dressed with metal muncher buttons and TIH. Mill casing from 555' to 563' GL. Circulate hole clean. LD. TOH with section mill and found on arm busted off mill and blades missing. SDFD.
- 4/4/07 Open up well, no pressure. No H₂S. PU 3.875" section mill with 5.5" opti-cut arms and TIH. Mill casing from 563' to 564.5' GL. Circulate clean. TOH and PU another section mill with 6" metal muncher arms. TIN and mill casing from 564.5' to 568' GL. Circulate hole clean. TOH with section mill and found blades missing off all arms. Shut in well. SDFD.
- 4/5/07 Open up well. PU 3.875" section mill with metal muncher arms, bit sub. TIH with 3.125" drill collars, 2.875" PAC drill pipe. LD tongs. PU power swivel with 1 joint drill pipe. Establish circulation 2-1/2 bpm at 700 PSI. Mill section from 568' to 570' GL. Note: made 2' in 2-1/2 hours, then 2" in 1 hour. LD 1 joint with power swivel. Hang back power swivel. PU tongs. TOH with 2.875" drill pipe, 3.125" drill collars, bit sub, section mill. One blade missing off an arm; poor pattern on remaining blades. PU section mill with metal muncher buttons, bit sub. TIH with 3.125" drill collars, 2.875" drill pipe. LD tongs. PU power swivel with 1 joint drill pipe. Establish circulation with proper rate. Mill section from 570' to 573' GL. LD 1 joint with power swivel. Hang back power swivel. TOH with drill collars, bit sub, and section mill. Groove in body of section mill, all arms and blades in good shape. Shut in well. SDFD.

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WF State 36 #1

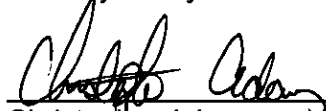
April 12, 2007

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Work Summary – Continued:

- 4/6/07 Open up well, no pressure. PU section mill with metal muncher buttons and TIH. Mill casing from 573' to 580' GL. Circulate hole clean. TOH with section mill and 3.938" tapered mill on bottom. Section mill looks good. SDFD.
- 4/9/07 Open up well, no pressure. TIH with section mill with 3.938" tapered mill on bottom. Mill casing from 580' to 582.5" GL. Not making any hole. TOH and found no visible damage to mill. PU new re-dressed 3.875" section mill and TIH. Mill casing from 582.5' to 584.5" GL. Not making any hole. Procedure change approved by John Mercier, BHP representative; milled enough. Circulate hole clean. TOH and LD BHA and section mill. TIH with 19 joints 2.375" tubing to 595'. Connect pump line to the bradenhead valve and load the BH annulus with 1/8 bbl of water. Pressure test BH annulus to 300 PSI, held OK. Circulate 4.5" casing clean with 20 bbls of water. H. Villanueva, NMOCD, was notified about cementing at 8:30 a.m.
Plug #2 with 40 sxs Type III cement (53 cf) with 15% salt filling the inside of the 4.5" casing from 595' up to 6' including the section milled interval from 550' to 584.5', covering the Fruitland coal zones and Fruitland top.
TOH with tubing. Displace cement to 300', squeezing 20 sxs outside into the openhole interval. Shut in well with 600 PSI. SDFD.
- 4/10/07 Open up well, no pressure. TIH with tubing and tag cement at 357'. Circulate well clean with 6 bbls of water. Pressure test casing to 600 PSI, held OK for 10 minutes.
Plug #3 with 27 sxs Type III cement (36 cf) inside casing from 357' to surface, circulate good cement out casing valve.
TOH and LD all tubing. ND BOP. Dig out wellhead. Issue Hot Work Permit. Cut off wellhead. Found cement down 20' in 4.5" casing and at the surface in the BH annulus. Mix 20 sxs Type II cement (20 cf) and install P&A marker. Too windy to RD rig.
- 4/11/07 Cut off anchors. RD and MOL.
J. Estrada, Baker Tools fisherman, was on location.

I hereby certify that the forgoing is true and correct.



Christopher Adams

Field Supervisor

A-Plus Well Service, Inc.