

2004 DEC 13 PM 1 57

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. NMNM-102885
6. If Indian, Allottee or Tribe Name N/A
7. If Unit or CA Agreement, Name and No. N/A
8. Lease Name and Well No. FRPC 30 #1
9. API Well No. 30-045- 32748
10. Field and Pool, or Exploratory W. Kutz PC/Basin Fr. Coal
11. Sec., T., R., M., or Blk. and Survey or Area Sec. 30-T29N-R13W, NMPM
12. County or Parish San Juan
13. State NM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		
2. Name of Operator Lance Oil & Gas Company, Inc.		
3a. Address Box 70, Kirtland, NM 87417	3b. Phone No. (include area code) 505/598-5601	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1295' FNL & 1300' FEL At proposed prod. zone Same		
14. Distance in miles and direction from nearest town or post office* 3 miles SW of Farmington, New Mexico		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 12'	16. No. of Acres in lease 200.00	17. Spacing Unit dedicated to this well N/2-FC 252.3 NE/4-PC 660
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 0'	19. Proposed Depth 1400'	20. BLM/BIA Bond No. on file BLM Nationwide #965004351
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5480' GL	22. Approximate date work will start* Upon approval	23. Estimated duration 2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature Sr. Landman	Name (Printed/Typed) Paul Lehrman	Date
Approved by (Signature) [Signature]	Name (Printed/Typed)	Date 3-16-05
Title AFM	Office FFU	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully 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.

*(Instructions on reverse)

Negative Arch report by La Plata attached LAC 2002-15j.

All references to Richardson Operating are now Lance Oil & Gas Company, Inc.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

NMOCD

Form C - 102

2040 South Pacheco

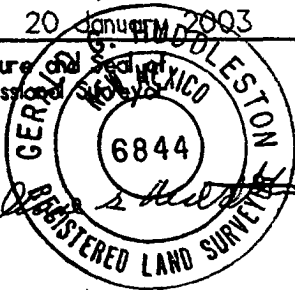
Santa Fe, NM 87505

2004 DEC 13 PM 1 57

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Paul Lehrman</i>
Printed Name	Paul Lehrman
Title	Sr. Landman
Date	3-16-05
SURVEYOR CERTIFICATION I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
Date of Survey	20 January 2003
Signature of Registered Professional Surveyor	<i>[Signature]</i>
	

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-	Pool Code 79680	Pool Name West Kutz PC
Property Code	Property Name FRPC 30	Well Number 1
OGRD No. 229938	Operator Name LANCE OIL & GAS COMPANY, INC.	Elevation 5480'

Surface Location									
UL or Lot A	Sec. 30	Twp. 29 N.	Rge. 13 W.	Lot Ldn.	Feet from >	North/South NORTH	Feet from >	East/West EAST	County SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Ldn.	Feet from >	North/South	Feet from >	East/West	County

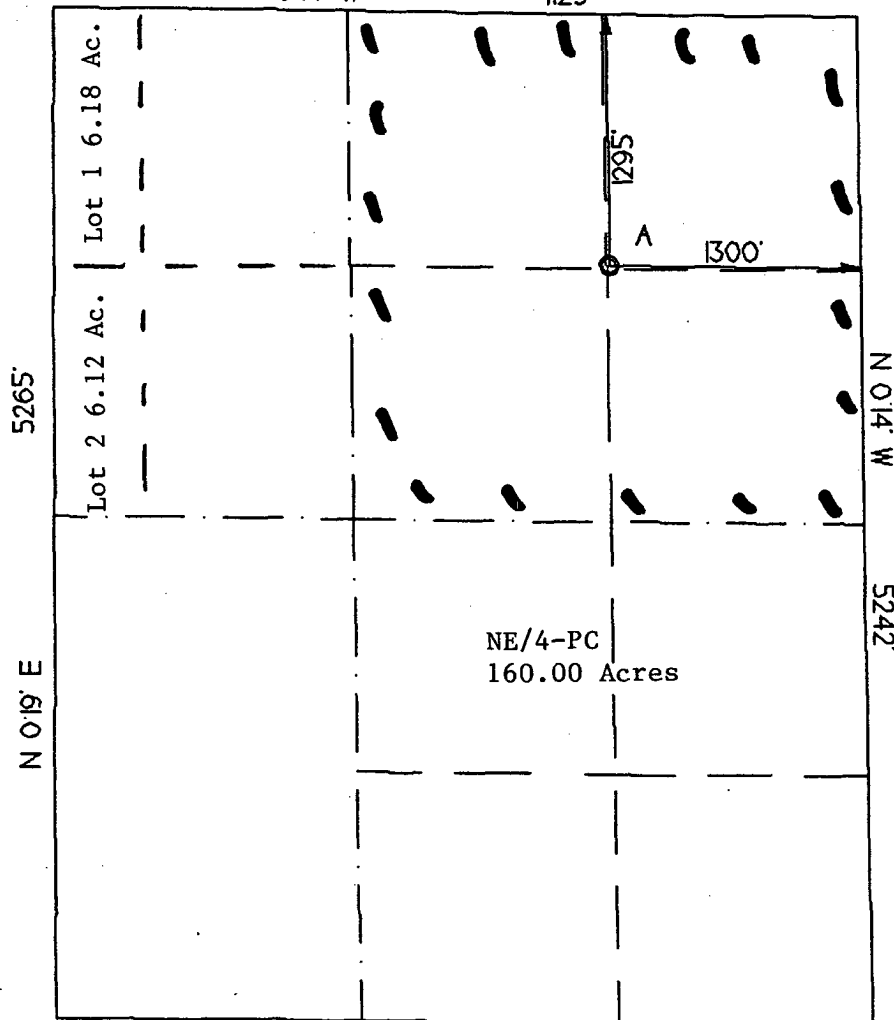
Dedication NE/4	Joint ?	Consolidation	Order No.
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160.00

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N 89 14' W

4129'



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Paul Lehrman

Title

Sr. Landman

Date

3-16-05

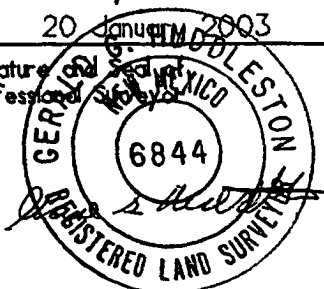
SURVEYOR CERTIFICATION

I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

20 January 2003

Signature of Registered Professional Surveyor



State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045-

5. Indicate Type of Lease Federal
STATE ☐ FEE ☐ NMNM ☒

6. State Oil & Gas Lease No. 102885

7. Lease Name or Unit Agreement Name

FRPC 30

8. Well Number #1

9. OGRID Number

229938

10. Pool name or Wildcat

Fr. Coal/West Kutz PC

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, Inc.

3. Address of Operator

Box 70, Kirtland, NM 87417

4. Well Location

Unit Letter A : 1295 feet from the North line and 1300 feet from the East line
Section 30 Township 29N Range 13W NMPM San Juan County NM

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

5480'

Pit or Below-grade Tank Application ☒ For Closure ☐

Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material Impervious Plastic

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: ☐

SUBSEQUENT REPORT OF:

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

TITLE

Sr. Landman

DATE

Type or print name

Paul Lehrman

E-mail address: plehrman@westerngas.com Telephone No.

598-5601
Ext. 57

For State Use Only

APPROVED BY:

TITLE

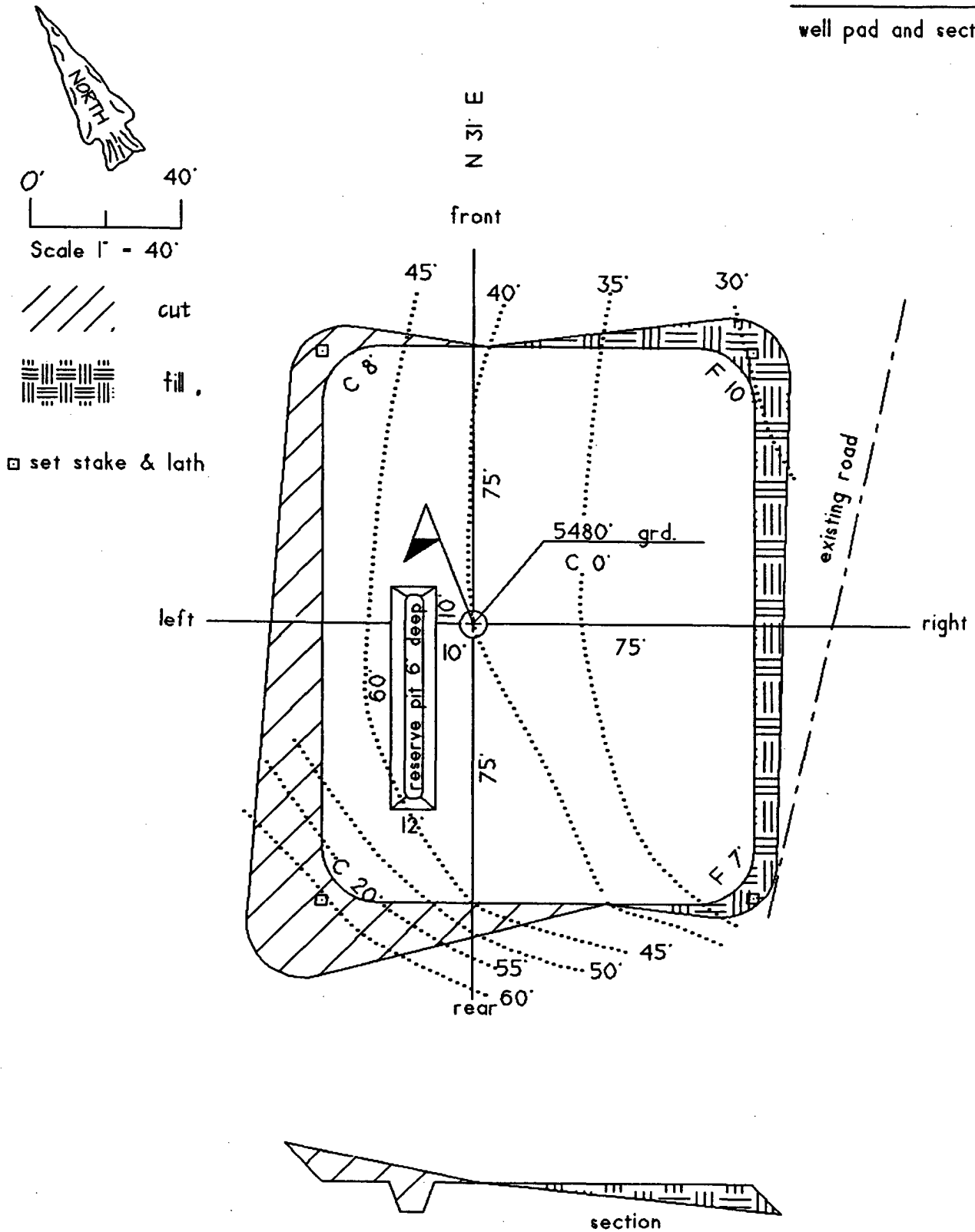
DEPUTY OIL & GAS INSPECTOR, DIST. 3P

DATE

Conditions of Approval (if any):

MAR 16 2005

FRPC 30 # 1
well pad and section



Lance Oil & Gas Company, Inc.
FRPC 30 #1
1295' FNL & 1300' FEL
Section 30, T29N, R13W, NMPM
San Juan County, New Mexico

DRILLING PROGRAM

1. ESTIMATED FORMATION TOPS:

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Kirtland Shale	000'	005'	+5,480'
Fruitland Fm	855'	860'	+4,625'
Fruitland Coal	995'	1000'	+4,485'
Pictured Cliffs Ss	1130'	1135'	+4,350'
Lewis Shale	1250'	1255'	+4,230'
Total Depth (TD)*	1400'	1405'	+4,080'

*All elevations reflect the ungraded ground level of 5,480'

2. NOTABLE ZONES:

Gas Zones

Fruitland

Pictured Cliffs

Water Zones

Fruitland Coal

Coal Zones

Fruitland Coal

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Centralizers will be run through usable water zones to ensure that the casing is centralized through these zones. Number of centralizers will be based on API standards. A turbulizing centralizer will be run to ensure an adequate cement procedure just below the base of the lowest usable water zone. Oil and gas shows will be tested for commercial potential based on the well site representatives recommendations.

3. PRESSURE CONTROL:

The drilling contract has not yet been awarded, thus the exact BOP model to be used is unknown. (A typical 2,000 psi model has been attached to the end of the drilling program.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1000 psi.

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a floor safety valve, kelly cock and choke manifold rated to 2000 psi. Maximum expected pressure is less than 1000 psi.

Drilling Program
Lance Oil & Gas Company, Inc.

Page Two

4. CASING AND CEMENTING PROGRAM:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
12 1/4"	8 5/8"	24	J-55	New	120'
7 7/8"	5 1/2"	15.5	J-55	New	1400'

Surface casing will be cemented to surface with ≈ 120 cu.ft. (≈ 100 sx) Howco Type II. Volume is based on 100% excess, yield of 1.20 cu.ft./sk, and slurry weight of 15.6 ppg. WOC = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with drilling fluid to surface. Thirty barrels of fresh water will then be circulated. Lead with ≈ 260 cu.ft. (≈ 143 sx) Howco TX1 Lightweight (yield = 1.82 cu.ft./sk, slurry weight = 12.0 ppg). Tail in with ≈ 104 cu.ft. (≈ 81 sx) Howco TX 1 Lightweight (yield = 1.29 cu.ft./sk, weight = 13.5 ppg). Total cement volume is ≈ 364 cu.ft. based on 50% excess and circulating to surface.

Production casing will have 5 1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Six centralizers will be spaced every other joint starting above the shoe. Six turbolizers will be placed every other joint starting from the top of the well.

5. MUD PROGRAM:

Surface casing hole will be drilled with fresh water. Production casing hole will be drilled with a fresh water polymer mud. Weighting material will be drill solids or, if needed, barite. Maximum expected mud weight will be 8.7 ppg. Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well while drilling.

6. CORING, TESTING, & LOGGING:

No cores or DSTs are planned. A cased hole CNL/GR will be run from TD to surface.

7. DOWNHOLE CONDITIONS:

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be approximately ≈ 520 psi.

8. OTHER INFORMATION:

The anticipated spud date is February 15, 2005. It should take 5 days to drill and one (1) week to complete the well.

BLOW OUT PREVENTER (B.O.P.)

