

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, 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 Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	<div style="text-align: right;"> Form C-105 Revised June 10, 2003 </div> WELL API NO. 30-045-31292 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. VA-1916
WELL COMPLETION OR RECOMPLETION REPORT AND LOGS		
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/> b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Lease Name or Unit Agreement Name WE State 2
2. Name of Operator Lance Oil & Gas Company, Inc.		8. Well No. #2
3. Address of Operator P. O. Box 70, Kirtland, NM 87417		9. Pool name or Wildcat Basin Fruitland Coal/Harper Hill Fr. Sand PC
4. Well Location Unit Letter <u>C</u> : <u>875</u> Feet From The <u>North</u> Line and <u>1450</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>30N</u> Range <u>14W</u> NMPM <u>San Juan</u> County <u>New Mexico</u>		
10. Date Spudded 1/19/2005	11. Date T.D. Reached 1/21/05	12. Date Compl. (Ready to Prod.) 4/2/2005
13. Elevations (DF& RKB, RT, GR, etc.) 5676 GR		14. Elev. Casinghead
15. Total Depth 1422'	16. Plug Back T.D. 1375'	17. If Multiple Compl. How Many Zones? 1
18. Intervals Drilled By		19. Producing Interval(s), of this completion - Top, Bottom, Name 1283-1290' S-8 Basin Fruitland Coal, 1176-1181' & 1082-1087' S-9 Basin Fruitland Coal
20. Was Directional Survey Made Yes		21. Type Electric and Other Logs Run Acoustic Cement Bond Log, High Resolution Induction Log
21. Was Well Cored No		22. CASING RECORD (Report all strings set in well)
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
8-5/8"	24#	139.5
5-1/2"	15.5#	1401'
24. LINER RECORD		25. TUBING RECORD
SIZE	TOP	SIZE
	BOTTOM	DEPTH SET
	SACKS CEMENT	PACKER SET
	SCREEN	
26. Perforation record (interval, size, and number) 1283-1290', 41" shot dia., 3 spf, 24 shots 1176-1181', 41" shot dia., 3 spf, 18 shots 1082-1087', 41" shot dia, 3.4 spf, 18 shots		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED
1283-1290'		17,691 of 12 vis SilverSlim LT Frac Fluid @ an avg rate of 20 bpm & an avg WHTP of 769 psi 12,430 gal of FR wtr was pumped as pad. 450 sx 16/30 Brady proppant w/max BH proppant concentration of 6.1 lb/gas. Total fluid to recover is 700 bbls. Max treating press was 863 psi. A 4.3% pad was pumped, final frac grad was 0/86 psi/ft.
1176-1181'		22,350 of 12 vis SilverSlim LT Frac Fluid at an avg rate of 34.8 bpm & an avg WHTP of 1865 psi 16,099 gal of FR water was pumped as pad. 650 sx of 16/30 Brady proppant w/max BH proppant concentration of 5.68 lb/gal. Total fluid to recover is 916 bbls. Max treat press was 2,397 psi. 42% pad was pumped. Final Frac Gradient was 1.24 psi/ft.
1082-1087'		
28. PRODUCTION		
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)
		Well Status (Prod. or Shut-in) Sundry of test to follow
Date of Test	Hours Tested	Choke Size
		Prod'n For Test Period
		Oil - Bbl
		Gas - MCF
		Water - Bbl.
		Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate
		Oil - Bbl.
		Gas - MCF
		Water - Bbl.
		Oil Gravity - API - (Corr.)
29. Disposition of Gas (Sold, used for fuel, vented, etc.)		Test Witnessed By
30. List Attachments		
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief		
Signature <i>Jo Becksted</i>		Printed Name Jo Becksted Title Compliance Administrator Date 4/18/2005

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo <u>Surface</u>	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland <u>295', 677'</u>	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs <u>1300'</u>	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T. <u>Middle Fruitland Coal 1172'</u>
T. Blinebry	T. Gr. Wash	T. Morrison	T. <u>Basal Fruitland Coal 1281'</u>
T. Tubb	T. Delaware Sand	T. Todilto	T. <u>Pictured Cliffs Sandstone 1290'</u>
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....