

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
March 4, 2004

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

WELL API NO. 30-045-30759
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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.)		7. Lease Name or Unit Agreement Name WF State 2
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		8. Well Number 3
2. Name of Operator Lance Oil & Gas Company, Inc.		9. OGRID Number 229938
3. Address of Operator #99 County Road 6500, P. O. Box 70, Kirtland, NM 87417		10. Pool name or Wildcat Harper Hill PC/Basin Fruitland Coal
4. Well Location Unit Letter <u>N</u> : <u>1237</u> feet from the <u>South</u> line and <u>1790'</u> feet from the <u>West</u> line Section <u>2</u> Township <u>30</u> Range <u>14W</u> NMPM <u>San Juan</u> County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5955' GR		
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)		
Pit Location: UL <u> </u> Sect <u> </u> Twp <u> </u> Rng <u> </u> Pit type <u> </u> Depth to Groundwater <u> </u> Distance from nearest fresh water well <u> </u> Distance from nearest surface water <u> </u> Below-grade Tank Location UL <u> </u> Sect <u> </u> Twp <u> </u> Rng <u> </u> ; <u> </u> feet from the <u> </u> line and <u> </u> feet from the <u> </u> line		

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 COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: First Delivery ☒

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.

Operator, Lance Oil & Gas Company, Inc. respectfully submits that:

WF State 2 #3 first delivered for the Harper Hill Pictured Cliffs and the Fruitland Coal on 5/16/2005.

First five days production:

5/16/2005 17 mcf - 14.52 bwpd
5/17/2005 17 mcf - 207.2 bwpd
5/18/2005 17 mcf - 14.52 bwpd
5/19/2005 18 mcf - 14.52 bwpd
5/20/2005 19 mcf - 14.52 bwpd

Total 5-day production: 88 mcf, 265.28 bbls of water. Well under compression.

SIGNATURE Thomas M. Erwin TITLE Senior Production Engineer DATE 8/02/05
Type or print name Thomas M. Erwin, P.E. E-mail address: terwin@westerngas.com Telephone No. (505) 5698-5601 Ext. 63

(This space for State use)

APPROVED BY H. Villanueva
Conditions of approval, if any:

DEPUTY OIL & GAS INSPECTOR, DIST. 40
DATE AUG - 4 2005