

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv.
 Other

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

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

3a. Phone No. (include area code)
505-598-5601

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 895' FSL & 1595' FEL

At top prod. interval reported below

At total depth

14. Date Spudded
03/19/1999

15. Date T.D. Reached
03/21/1999

16. Date Completed 10/11/2005
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
5488' GR

18. Total Depth: MD 1260'
TVD

19. Plug Back T.D.: MD 1052'
TVD 1209'

20. Depth Bridge Plug Set: MD 1052'
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
8-3/4"	7"	20# K-55	Surf	131'	Primary	70 sx Cl "B"		Surface	N/A
6-1/4"	4.5" K55	10.5#	Surf	1232'	Lead	65 sx Cl "B"		Surface	N/A
						75 sx Cl "B"			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	1040'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Basin Fruitland Coal S-8	1030'	1048'	1030 - 1037'	.42	4 spf	Open
B)			1043 - 1048'	.42	4 spf	Open
C) Basin Fruitland Coal S-9	918'	981'	918 - 923'	.42	4 spf	Open
D)			971 - 981'	.42	4 spf	Open

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
1030-1048'	24,400 gallons of Delta 140 Cross-Linked gel containing 75,800 lbs 16 / 30 Mesh Brady sand.
918-981'	27,128 gallons of Delta 140 (13) frac fluid containing 50,000 lbs of 16 / 30 Mesh Brady sand.

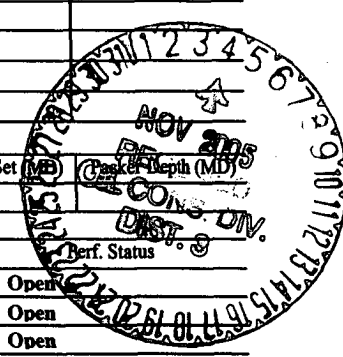
28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						Sundry of Tests to Follow
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						SI: WOB

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)



ACCEPTED FOR RECORD

NOV 02 2005

FARMINGTON FIELD OFFICE
BY [Signature]

NMOCD

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Ojo Alamo Kirtland Fruitland Middle Fruitland Coal Basal Fruitland Coal Pictured Cliffs Sandstone Lewis Shale	1056'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Thomas M. Erwin, P.E.

Title Senior Production Engineer

Signature

Thomas M. Erwin

Date

10/31/05

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.