

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

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

Form C-103
May 27, 2004

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.)		WELL API NO. 30 - 045 - 32900
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Water Disposal Well		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Lance Oil & Gas Company, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P. O. Box 70, Kirtland, NM 87417		7. Lease Name or Unit Agreement Name Salty Dog
4. Well Location Unit Letter <u>B</u> : <u>1,030</u> feet from the <u>North</u> line and <u>1,365</u> feet from the <u>East</u> line Section <u>16</u> Township <u>29N</u> Range <u>14W</u> NMPM County <u>San Juan</u> County, NM		8. Well Number #5
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5,213' GR</u>		9. OGRID Number 229938
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Entrada
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

The Salty Dog #5 was spud at 10:00 hrs, 08/23/05. This well was drilled and surface casing was set and cemented according to Form C-103 Spud & Surface Casing sundry approved 9/19/05.

On October 27, 2005 Operator pressure tested BOP's, blind rams and pipe rams to 250 psig (low) and 3,000 psig (high). Pressure test casing shoe to 1,000 psig. Pressure tests - Good. Drill cement to 435' KB. Drill new 7-7/8" hole to a total depth on 11/7/05. Driller's TD - 6,830' KB, Logger's TD 6,787' KB. Circ and condition hole. TOOH. Run 110 joints 5-1/2" 15.5 ppf, J-55, LT&C and land casing at 6,808.4' KB. Cement 5-1/2" csg with 1175 sxs as follows: Lead - 325 sx Halliburton PRB containing 1% Halad 9, 1/10% HR 5, 1/4 # sx flocele, 5 #/sx gilsonite (Weight - 11.50 ppg, Yield 1.96 ft³/sx and Water - 10.57 gals/sx). Tail - 750 sxs Halliburton PRB containing 1% Halad 9, 1/10% HR 5, 1/4 #/sx flocele, 5 #/sx gilsonite (Weight - 12.50 ppg, Yield 1.77 ft³/sx and Water - 8.41 gals/sx). Tail 100 sx Halliburton PRB containing 1% Halad 9, 1/10% HR 5, 1/4 #/sx flocele, 5 #/sx gilsonite (Weight - 13.00 ppg, Yield 1.77 ft³/sx and Water - 8.41 gals/sx).

Displaced cement with 157.0 bbls fresh water. Full returns throughout. Bumped plug to 1,500 psig at 6:55 p.m. on 11/13/05. Plug held. Circulated 25 bbls cement to surface. Rig released at 04:00 hrs on 11/14/05.

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 Thomas M. Erwin TITLE Senior Production Engineer DATE 12/16/05
Type or print name Thomas M. Erwin, P.E. E-mail address: terwin@westerngas.com Telephone No. (505) 598-5601

For State Use Only

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE DEC 19 2005
Conditions of Approval (if any):