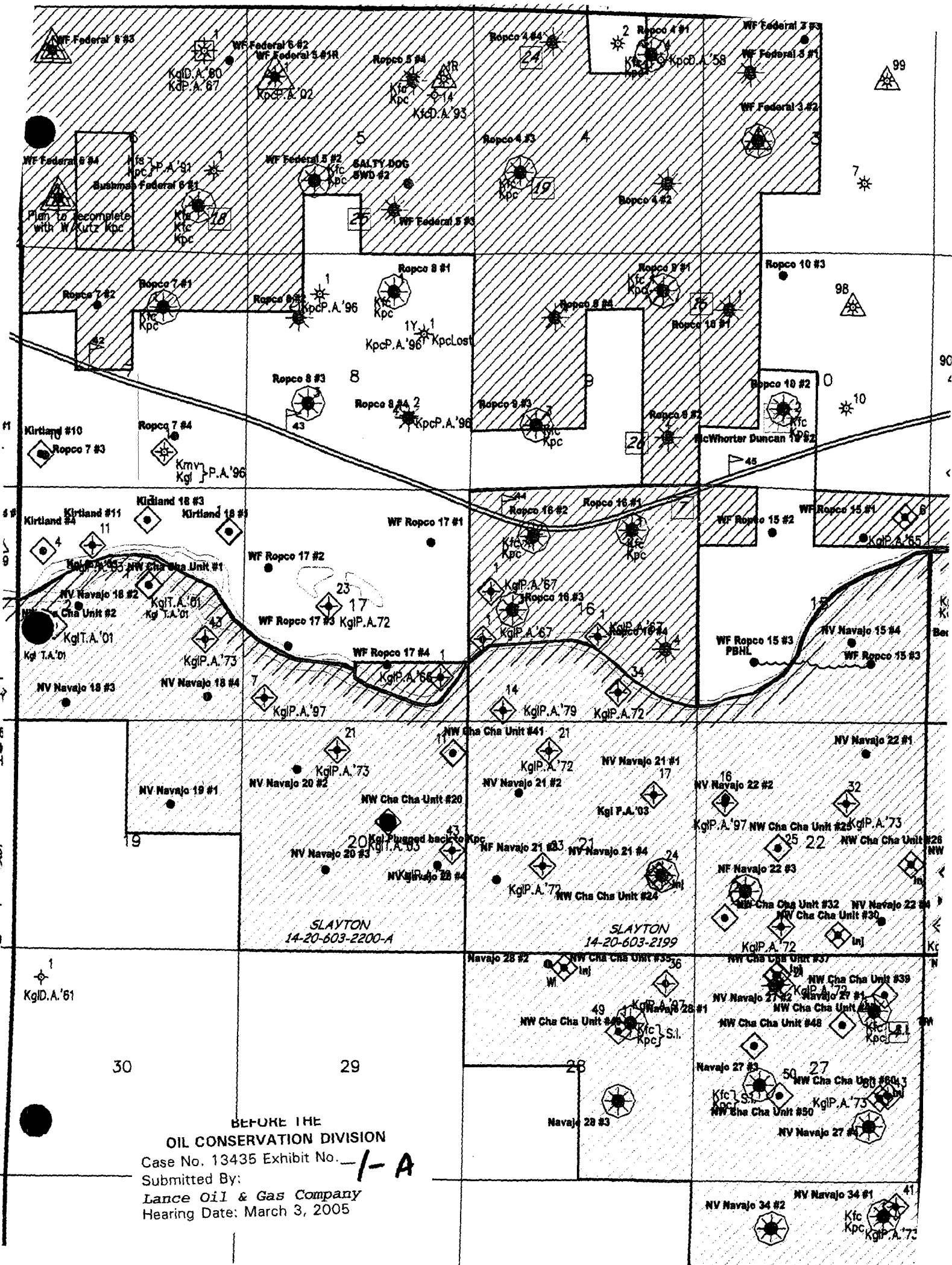




BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13435 Exhibit No. **1-A**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

RECEIVED

MAY 15 PM 1:29

170 Farmington, NM

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

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM-101994
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Richardson Operating Company		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 3100 La Plata Hwy, Farm. NM 87401	3b. Phone No. (include area code) 564-3100	8. Lease Name and Well No. ROPCO 17 #4
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1283' FSL & 1908' FEL At proposed prod. zone Same		9. API Well No. 30-045-32315
10. Field and Pool, or Exploratory Twin Mounds Fruitland Sand PC		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 17-T29N-R14W, NMPM
12. Distance in miles and direction from nearest town or post office* 2 miles SE of Kirtland, NM		12. County or Parish San Juan
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 37'	16. No. of Acres in lease 20.89	17. Spacing Unit dedicated to this well SE/4-162.07 Acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 0'	19. Proposed Depth 1000'	20. BLM/BIA Bond No. on file BLM Nationwide # 158293308
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5165 GR	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 	Name (Printed/Typed) Paul Lehrman	Date 2/1/04
Title Landman		
Approved by (Signature) 	Name (Printed/Typed) Lance Oil & Gas Company	Date 6-9-04
Title AFM	Office FFO	

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)

See attached negative Archaeological Report from La Plata consultants report No. LAC 2003-37s.

NMOCD

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

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13435 Exhibit No. 1-3
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

This act
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

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- 32315	Pool Code 86620	Pool Name Twin Mounds Fruitland Sand PC (Gas)
Property Code 33256	Property Name ROPCO 17	Well Number 4
OGFD No. 19219	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5165'

Surface Location

UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County
0	17	29 N.	14 W.		1283'	SOUTH	1908'	East	SAN JUAN

Bottom Hole Location if Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County

Dedication SE/4 162.07	Joint ?	Consolidation	Order No.
------------------------------	---------	---------------	-----------

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

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
Landman

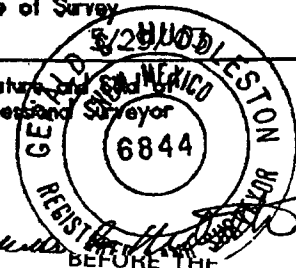
Date
2/1/04

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

Signature and Seal of
Professional Surveyor



OIL CONSERVATION DIVISION
Case No. 13435 Exhibit No. **1-C**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

**List of Unleased Mineral Owners
Nature & percent of interest
Lance Oil & Gas Company, Inc.
ROPCO 17 #4
Pictured Cliffs Formation SW/4 Section 17 – T29N-R14W, NMPM
San Juan County, New Mexico**

Name & Address	Acreage FC	% Interest FC
West American Corporation Unable to locate, Bankrupt 1960's	34.46	21.262417
TOTAL UNLEASED	34.46	21.262417

**BEFORE THE
OIL CONSERVATION DIVISION**
Case No. 13435 Exhibit No. **1-D**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

AFFIDAVIT OF PUBLICATION

Ad No. 51194

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Monday, February 14, 2005.

And the cost of the publication is \$461.70.

Connie Pruitt

ON *2/18/05* CONNIE PRUITT

appeared before me, whom I know personally
to be the person who signed the above
document.

Wm. A. Conrad

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13435 Exhibit No. *1-E*
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

COPY OF PUBLICATION

918

Legals

NOTICE OF PUBLICATION

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on March 3, 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-635-1779 by February 25, 2005. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases
and notice to the public, including the following:

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13435:

West American Corporation

CASE 13435: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the SE/4 of Irregular Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated to production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated to the WF RPOC-17 Well No. 3 (API# 30-045-32160) to be drilled at a standard location in Unit L of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion of this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13436:

West American Corporation

CASE 13436: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the SE/4 of Irregular Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 322.07-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated to the WF RPOC-17 Well No. 3 (API# 30-045-32160) to be drilled at a standard location in Unit L of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion of this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13437 and CASE 13438:

Norma Schmitt & C. Gregory Schmitt Co-Trustee, Joel W. & Sherry Foutz, Shaun D. Winn, James Thomas & Heather Lee Robbins, Sabiriano Jr. & Veronica E. Lobato, Roger N. & Janet L. Isham, Anne M. & Alan D. Yauts, Schmitt Revocable Trust, and Cloyd B. & Nona Beckstead

CASE 13437: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the NW/4 of Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated to production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion of this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES

Well Name: ROPCO 17-4
Location: Sec 17-T29N-R14W
Spacing: SW/4 160.00 acres
Proposed Depth: 950' PC

Date:

Objective Formation:
Pictured Cliffs Formation

I. Drilling Costs (Included Run Casing)

	Tangible	Intangible	Total
Survey and Permits - - - - -		3,000	
Title Opinion & Land - - - - -		5,000	
Damages- - - - -		5,000	
* Drilling (incl. water & mud) 950' @ 15.00/ft.-		14,250	
BOP Rental- - - - -		1,000	
Dirt Work- - - - -		4,000	
Pit Lining- - - - -		2,000	
Surface Casing 200' @ 6.00/ft.- - - - -	1,200		
Casing Head- - - - -	1,200		
Cement Surface- - - - -		2,300	
Power Tongs- - - - -		1,200	
Casing 750" @ 5.00/ft.- - - - -	3,750		
Trucking- - - - -		3,000	
Logs- - - - -		1,000	
Engineering- - - - -		4,000	
Cement Longstring- - - - -		5,500	
Total Cost to Run Casing- - - - -	6,150	51,250	57,400
6.0625% Farmington, NM Tax			3,480
10% Contingency- - - - -			5,740
Grand Total to Run Casing			66,620

II. Completion Costs

Rig Anchors- - - - -		1,000	
Logs- - - - -		4,000	
Perf- - - - -		3,000	
Wellhead & Fittings- - - - -	5,000		
Tubing 950" @ 2.50/ft.- - - - -	2,375		
Stimulation- - - - -		60,000	
Tool Rental- - - - -		3,000	
Trucking- - - - -		3,000	
Battery Installation- - - - -		6,000	
Restore Location- - - - -		4,000	
Engineering- - - - -		4,000	
Treater, Separator - - - - -	4,000		
Flowline- - - - -	3,000		
Tank & Fittings- - - - -	8,000		
Gravel- - - - -	2,000		
Workover Rig- - - - -		12,000	
Completion Fluids- - - - -		2,000	
Pipeline Hookup- - - - -		20,000	
Division Order Opinion - - - - -		2,000	
Frac Tank Rental- - - - -		4,000	
Flowback - - - - -		2,000	
Fence Location- - - - -	8,000		

BEFORE THE
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Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

Total Completion Costs-----
 6.0625% Farmington, NM Tax
 10% Contingency-----
 Drilling Costs-----

32,375	130,000	162,375	
		9,844	
		16,238	
		66,620	
		255,076	

Grand Total Well Costs

S

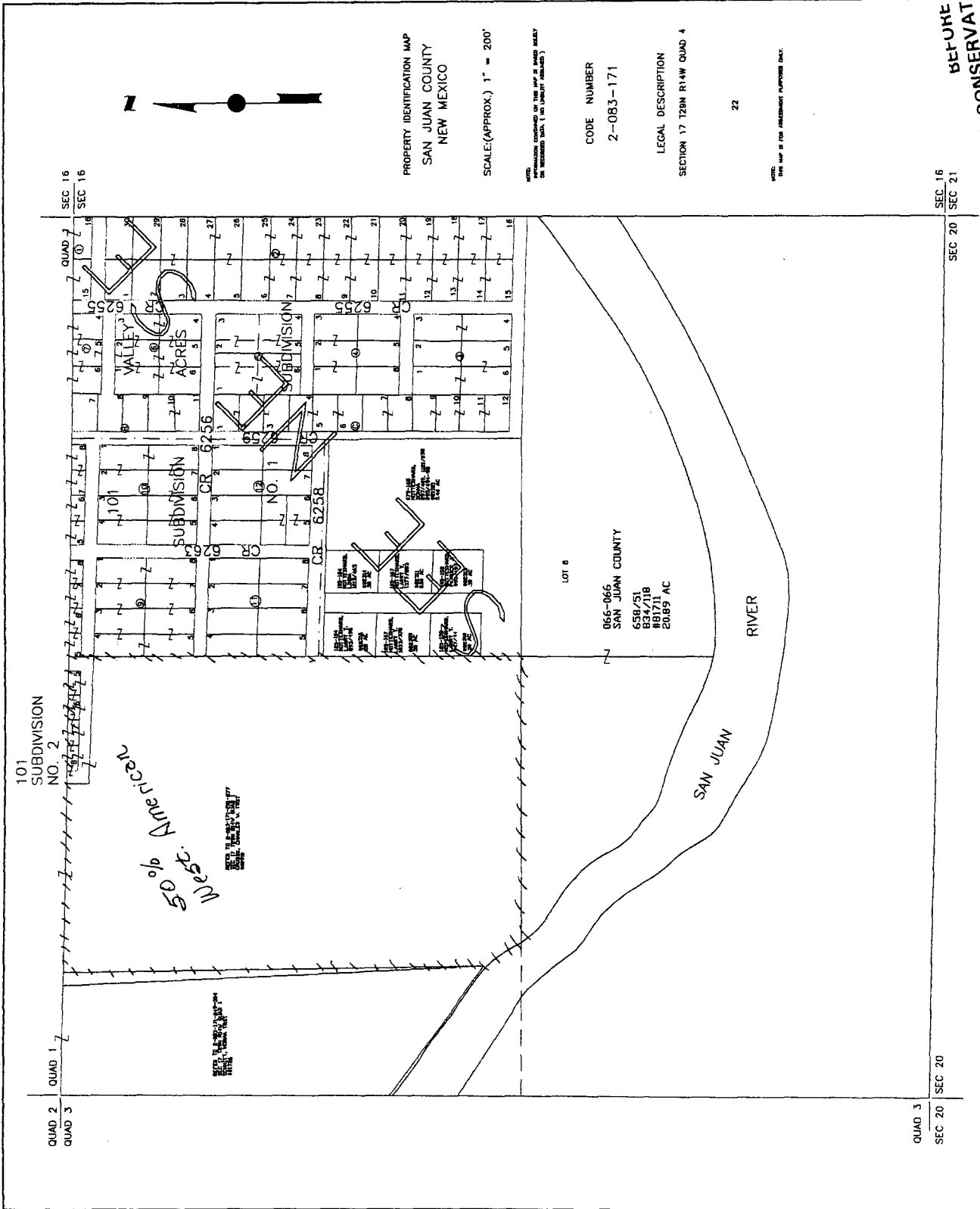
PICTURED CLIFFS (PC)

0.0000%
 100.0000% Richardson Operating Company et als

Date:

Approved BY:

Total PC Costs



BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13435 Exhibit No. 1-9
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

