

Business Unit/District: San Juan Psuedo API # 29132211aPCC30
 Well Name & Number: F-RPC 22 #2 AFE No. 607443
 Location: SEC. 22 Township 29 N Range: 13 W Property #: _____
 Footage 1320 FNL 1320 FWL QuarterQuarter NWNW API #: 30-045-33160
 County: San Juan State: New Mexico Date: 06/14/05
 Field/Unit/Area: Basin FC / West Kutz PC Budget Year: 2005
 Proposed Total Depth: 1150' Target Reservoir: FC / PC Project Type: DRILL
 Anticipated Spud Date: 08/01/05 Est. Completion Date: 08/15/05 Cost Center: 14100.00
 Project Description: Drill, complete, equip and install flowline es on a FC/PC well
 Special Lease Considerations: _____

SUMMARY OF ESTIMATED COSTS**Dry Hole Complete**

	Sub Acct.#	Acct.# 2660	Acct.# 2665	TOTAL
INTANGIBLE COSTS				
Permitting and Site Work				
Land Surface Use	0043	\$0	\$0	\$0
Surveying & Staking	0001	\$1,500	\$0	\$1,500
Permits	0036	\$1,500	\$0	\$1,500
Surface Damages & Restoration	0003	\$9,500	\$0	\$9,500
Title	0042	\$5,000	\$0	\$5,000
Site Prep, Roads, Pits	0002	\$7,200	\$0	\$7,200
Rig Costs				
Drilling Contract	0004	\$23,775	\$17,500	\$41,275
Rig Trans, Erection, Removal	0007	\$2,500	\$500	\$3,000
Fuel, Power, Water	0010	\$3,500	\$0	\$3,500
Water Purchase	0048	\$0	\$0	\$0
Bits, Reamers, Tools	0008	\$0	\$5,200	\$5,200
Mud & Chemicals	0011	\$4,000	\$1,500	\$5,500
Drilling Supplies	0009	\$0	\$0	\$0
Equipment and Services				
Cementing	0012	\$3,100	\$8,200	\$11,300
Plugging Expense	0025	\$0	\$0	\$0
Casing Crews	0021	\$0	\$2,500	\$2,500
Rental Equipment	0023	\$1,400	\$2,000	\$3,400
Trucking & Hauling	0024	\$3,000	\$2,500	\$5,500
Welding	0039	\$700	\$0	\$700
Other Contract Labor	0026	\$3,000	\$800	\$3,800
Environmental & Safety	0040	\$0	\$0	\$0
Fishing Tools & Service	0041	\$0	\$0	\$0
Other Services, Stimulation, Treatments	0014	\$0	\$120,000	\$120,000
Evaluation				
Electric Surveys, Logs, Surveys, Perforating	0015	\$5,500	\$4,500	\$10,000
Drill Stem Test, Mud Logging, Core work	0013	\$0	\$0	\$0
Supervision				
Geological & Engineering	0027	\$3,300	\$0	\$3,300
Labor, Company	0029	\$0	\$0	\$0
Overhead, Allocated Costs, and Contingency				
Overhead	0032	\$4,500	\$0	\$4,500
Road Infrastructure Allocated	0050	\$0	\$0	\$0
Electrical Infrastructure Allocated	0049	\$0	\$0	\$0
Water Management Infra Allocated	0046	\$0	\$0	\$0
Miscellaneous and Contingency	0038	\$4,149	\$8,260	\$12,409
FRUITLAND COAL INTANGIBLE		\$83,124	\$86,730	\$169,854
PICTURED CLIFFS INTANGIBLE		\$4,000	\$86,730	\$90,730
TOTAL INTANGIBLE		\$87,124	\$173,460	\$260,584

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13537 Exhibit No. 8

Submitted by:

LANCE OIL & GAS CO., INC.Hearing Date: August 25, 2005

Authorization for Expenditure Lance Oil and Gas Company, Inc.

1099 18th Street, Ste. 1200
Denver, CO 80202-1955
(303) 452-5603

Business Unit/District: San Juan
Well Name & Number: F-RPC 22 #2
Location: SEC. 22 Township 29 N Range: 13 W

Pseudo API # 29132211aPCc30
AFE No. 607443
Property #: _____

SUMMARY OF ESTIMATED COSTS		Dry Hole	Complete	TOTAL
TANGIBLE COSTS	Sub Acc.#	Acct. 2670	Acct. 2675	Total:
Conductor & Surface Casing	0002	\$1,985		\$ 1,985
Wellhead & Subsurface Equip	0007	\$300	\$1,300	\$ 1,600
Intermediate Casing	0003	\$0		\$ -
Production Casing/ Liners	0004		\$12,075	\$ 12,075
Tubing	0006		\$3,833	\$ 3,833
Pumping Unit & Equipment	0008		\$18,500	\$ 18,500
Engines and Power Equip	0028		\$8,000	\$ 8,000
Electrical	0026		\$0	\$ -
Sucker Rods and Downhole pump	0009		\$3,540	\$ 3,540
Install Costs Surface Equip	0020		\$2,000	\$ 2,000
Tanks	0011		\$16,000	\$ 16,000
Valves & Fittings	0014		\$2,000	\$ 2,000
Pipe	0001		\$0	\$ -
Trunkline Costs	0024		\$0	\$ -
Flow Lines & Connections	0015		\$65,000	\$ 65,000
Meter Building and Meter	0025		\$3,000	\$ 3,000
Automation Equipment	0029		\$2,000	\$ 2,000
Miscellaneous Equipment	0038		\$0	\$ -
Software and Communications Equip	0030		\$0	\$ -
Separators, Heater, Treater	0012		\$4,000	\$ 4,000
Emission Control Combustors	0021		\$0	\$ -
Buildings	0016		\$0	\$ -
Fences & Cattle Guards	0017		\$5,000	\$ 5,000
Water Management	0031		\$0	\$ -
FRUITLAND COAL TANGIBLE		\$1,285	\$ 73,124	\$ 74,409
PICTURED CLIFFS TANGIBLE		\$1,000	\$73,124	\$ 74,124
TOTAL TANGIBLE		\$ 2,285	\$ 146,248	\$ 148,532
TOTAL OF INTANGIBLE AND TANGIBLE COSTS FRUITLAND COAL		\$ 84,409	\$ 159,854	\$ 244,262
TOTAL OF INTANGIBLE AND TANGIBLE COSTS PICTURED CLIFFS		\$ 5,000	\$ 159,854	\$ 164,854
TOTAL OF INTANGIBLE AND TANGIBLE COSTS		\$ 89,409	\$ 319,708	\$ 409,116

Working Interest Owners:		WI %	Drilling	Completion	TOTAL
Lance Oil and Gas Company - FC	#####		\$ 84,409	\$ 159,854	\$ 244,262
0.00	0.0000%		\$ -	\$ -	\$ -
Lance Oil & Gas Company, Inc. - PC	#####		\$ 5,000	\$ 159,854	\$ 164,854
0.000000%	0.0000%		\$ 0	\$ 0	\$ 0
TOTAL			\$ 89,409	\$ 319,708	\$ 409,116

Lance Oil and Gas Company APPROVALS

	NAME	Title	Signature	Date
AFE Originator:	Justin Sandifer	SJBU Engineer		
AFE Project Manager	Doug Barone	SJBU Field Superintendent		
AFE Project Manager	David Gomendl	SJBU Manager		
Land Approved by:	Mark Petry	Land Manager		
Recommended By:	Bill Lyons	Senior Geoscientist		
Recommended By:				
Approved By:	Jeffery E. Jones	Vice President, Production		

THE ABOVE COSTS ARE UNDERSTOOD TO BE FOR ESTIMATING PURPOSES ONLY

PARTNER APPROVAL ☐ Approved ☐ Disapproved ☐ Article 6.g.
Company Name Synergy Operating, LLC
Name: _____ Title: _____ Date: _____