

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

February 13, 2006

Ms. Anne Jones Sr. Landman Lance Oil & Gas Company, Inc. Post Office Box 70 Kirtland, New Mexico 87417

Dear Ms. Jones:

Based upon the reasons stated in your letter of February 6, 2006, and in accordance with the provisions of Division Order No. R-12451, Lance Oil & Gas Company, Inc. is hereby granted an extension of time until April 15, 2006, in which to commence the drilling of the well pooled by this order.

Sincerely,

Mark E. Fesmire, P.E.

Mark E. Fesmire, P.J Director

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cc: Case Nos. 13537 and 13539 OCD – Aztec



February 6, 2006

Mr. Mark E. Fesmire, PE State of New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505

Re: Compulsory Pooling Order R-12451 W/2 Section 22, T29N-R13W, NMPM San Juan County, New Mexico

Dear Mr. Fesmire:

Lance Oil & Gas Company, Inc. requests an extension for the drilling of the infill well pursuant to the subject order. Lance is in the process of obtaining a surface use agreement from the surface landowner and anticipates drilling within 45 days.

Your consideration in this matter would be appreciated.

Should you have any questions please contact me at (505) 598-5601 extension 62.

Yours truly

Anne Jones Sr. Landman