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Hand Delivered

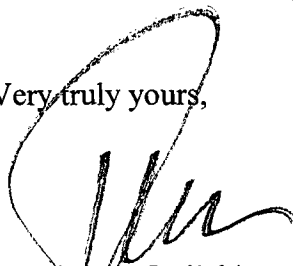
Mr. Richard Ezeanyim
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Newspaper affidavit of publication
NMOCD Case 13627
Lance Oil & Gas Company, Inc.

Dear Mr. Ezeanyim:

In accordance with our telephone conversation yesterday, please find enclosed the original of the newspaper's affidavit of publication of notice of hearing. As we discussed, the order should be issued after the hearing docket set for February 16, 2006.

Very truly yours,



W. Thomas Kellahin

CC: Lance Oil & Gas Company, Inc.

2006 FEB 2 PM 1 38

AFFIDAVIT OF PUBLICATION

Ad No. 52845

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the ADVERTISING 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):

Saturday, January 21, 2006.

And the cost of the publication is \$150.60.

Connie Pruitt

ON 1/25/06 CONNIE PRUITT
appeared before me, whom I know personally
to be the person who signed the above
document.

Wynell Corsey
My Commission Expires November 17, 2008

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 February 16, 2006, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. The Division requires that if you intend to participate at this hearing, you must file a pre-hearing statement not later than February 10, 2006. 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, 1-800-659-1779 by February 16, 2006. 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:

Jon D. & Tamie P. Sherwood; Richard D. & Valerie Crum; Robert Bruce & Rosemary Foutz; Thomas M. & Donita R. Fisher; Mary Jane Green; James F. & Josephine Maher; Charlie Stanfield; Heriberto & Kimberly Trevizo; Clayton F. Bond & Winifred B. Bond, Trustees; Thomas F. Conrad; Robert E. Jeanette Martin; Clayton F. Bond; Theo G. Bond; P. Mark & Betsy Lynn Duncan; Glenn Meryle Sill and/or Perry Lee Sill, Trustees; Estate of Gary A. Boothe; and Marilyn Bond.

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

CASE 13627: 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 and the Basin Fruitland Coal Gas Pool underlying both the NW/4, the SW/4 and the W/2 of Section 7, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the West Kutz-Pictured Cliffs Gas Pool. These units are to be dedicated to its WF Ropco "7" Well No. 2 (API# 30-045-33190) to be drilled at a standard gas well location in Unit C of this section and to its WF Ropco "7" Well No. 3 (API# 30-045-33416) to be drilled at a standard gas well location in Unit M of this section both to be downhole commingled production from the Basin Fruitland Coal Gas Pool and the West Kutz-Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion 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 1/2 miles northeast from Kirtland, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E., Director

Legal No. 52845 published in The Daily Times, Farmington, New Mexico on Saturday, January 21, 2006.