<u>District III</u> 1000 Rio Brazos Rd., Azzec, NIM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

State of New Mexico

Form C-101 Pennit 22253

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

RE-ENTER DEEDEN PLUCRACK OR ADD A ZONE

APPI	LICATIO	N FUR P	ERMIT IC) DRILL,	RE-ENTER	t, DEEPEN,	PLUGBAU	K, UK AD	D A ZUNE			
		1. Op	***	2. OGRID Number								
LANCE OIL & GAS COMPANY, INC.								229938				
	PO BOX 70 KIRTLAND , NM 87417								3. API Number			
									30-045-33561			
4.1	Property Code				5. Property Nam	e		6. Well No.				
	34859 FRPC 22							003				
	7. Surface Location											
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County			

VI	882	2

	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
9	M	22	29N	13W	M	882	S	745	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
KUTZ PICTURED CLIFFS, WEST (GAS)	79680

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	Cable/Rotary 12. Lease Type Private	
14. Multiple Y	15. Proposed De	th 16. Formation Pictured Cliffs Formation	17. Contractor	18. Spud Date 3/1/2006
Depth to Ground	water	Distance from nearest fresh water we	n	Distance to nearest surface water
it: Liner: Synthetic Closed Loop System	mils t		rilling Method: resh Water Brine I	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

T	уре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
5	Surf	12.25	8.625	24	120	100	0
F	rod	7.7875	5.5	15.5	1400	300	0

Casing/Cement Program: Additional Comments									

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

of my knowledge and belief.	ation given above is true and complete to the best. Ding pit will be constructed according to	Approved By: Charlie Perrin				
NMOCD guidelines a ge OCD-approved plan	neral permit , or an (attached) alternative					
Printed Name: Electronic	ally filed by Mary Mondragon	Title: District Supervisor				
Title: Supervisor Produc	tion	Approved Date: 2/6/2006	Expiration Date: 2/6/2007			
Email Address: mmondre	g@westerngas.com	0.000	R8 (8)			
Date: 1/27/2006	Phone: 303-450-3587					

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 22253

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3.	Pool Name		
30-045-33561	71629	BASIN FRUI	FRUITLAND COAL (GAS)		
4. Property Code	5. Property	y Name	6. Well No.		
34859	FRPC	22	003		
7. OGRID No.	8. Operato	r Name	9. Elevation		
229938	LANCE OIL & GAS	COMPANY, INC.	5266		

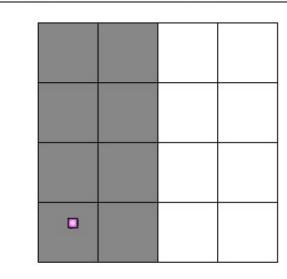
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
M	22	29N	13W		882	S	745	w	SAN JUAN	l

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	T	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
0.7514783	cated Acres	1			14	. Consolidation (N/A	Code	15. Order No.				

NO ALLOWABLE WILL BE 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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Mary Mondragon Title: Supervisor Production

Date: 1/27/2006

SURVEYOR CERTIFICATION

I hereby certify that the well location shown 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.

Surveyed By: Gerald Huddleston Date of Survey: 1/19/2006 Certificate Number: 6844 District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

<u>District II</u>

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State of New Mexico

Form C-102 Permit 22253

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

YY.	ELL LOCATION AND ACK	EAGE DEDICATION FE	AI			
1. API Number	2. Pool Code	3. Pool Name				
30-045-33561	79680	KUTZ PICTURED CLIFFS, WEST (GAS)				
4. Property Code	5. Property	6. Well No.				
34859	FRPC	003				
7. OGRID No.	8. Operator	9. Elevation				
229938	LANCE OIL & GAS (5266				

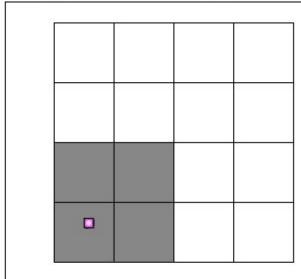
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
M	22	29N	13W		882	S	745	w	SAN JUAN	

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
12. Dedi	cated Acres	13	. Joint or Infill		14	. Consolidation (Code				
160	0.00				N/A						

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Date: 1/27/2006

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Surveyed By: Gerald Huddleston Date of Survey: 1/19/2006 Certificate Number: 6844

Permit Comments

Operator: LANCE OIL & GAS COMPANY, INC. , 229938 Well: FRPC 22 #003

API: 30-045-33561

Ву	Comment	Comment Date
PAULLEHRMAN	This well is being submitted pursuant to NMOCD Case No. 13537, Order No. R-12451. Synergy's well was rescinded by the order.	1/27/2006