

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

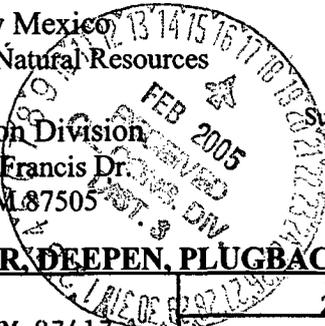
Form C-101
May 27, 2004

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

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE



¹ Operator Name and Address Lance Oil & Gas Company, Inc. Box 70, Kirtland, NM 87417		² OGRID Number 229938
³ Property Code 300806	⁵ Property Name Salty Dog	⁴ API Number 30-45-32900
⁹ Proposed Pool 1 SWD Entrada 96436		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	29N	14W		1030	North	1365	East	San Juan ✓

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code N/A	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 5213
¹⁶ Multiple N	¹⁷ Proposed Depth 6900	¹⁸ Formation Entrada	¹⁹ Contractor	²⁰ Spud Date 4-1-05
Depth to Groundwater > 50'		Distance from nearest fresh water well > 1000'		Distance from nearest surface water > 1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/>		Pit Volume: 7500bbls		Drilling Method:
Closed-Loop System <input checked="" type="checkbox"/>		Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24	420'	255	0 Surface
7 7/8"	5 1/2"	15.5	6900'	1060	0 Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Simo filing of C-108 with NMOCD in Santa Fe and Aztec. See attached BOP.
Will run logs as appropriate.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines general permit , or an (attached) alternative OCD-approved plan

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval Attached

Printed name: Paul Lehrman

Title: Sr. Landman

E-mail Address: plehrman@westerngas.com

Date: 2-15-05

Phone: 505-486-0066

[Signature]

DEPUTY OIL & GAS INSPECTOR, DIST. #2

FEB 17 2005

Expiration Date: FEB 17 2006

Use DV tool when counting logs string - see SWD order

EBL Required

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

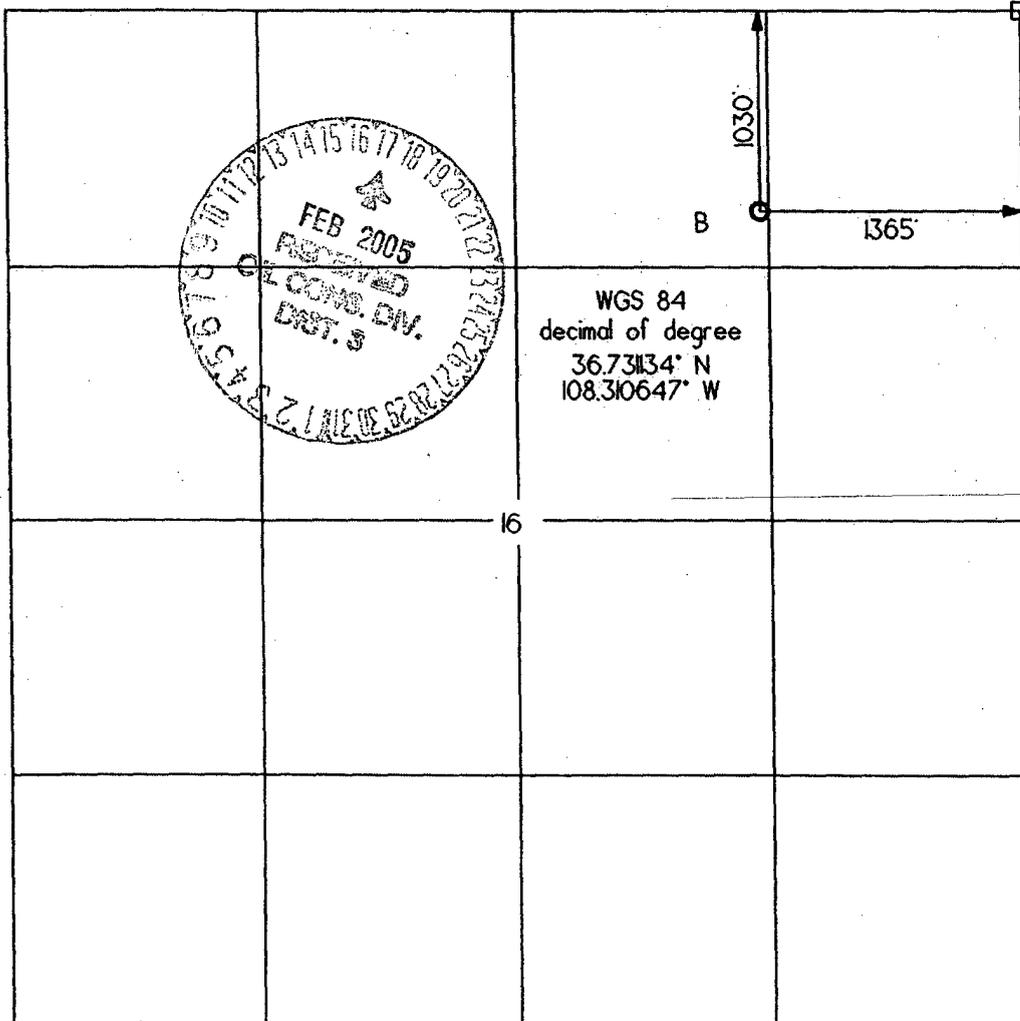
APA Number 30-045- 32900	Pool Code 96436	Pool Name SWD Entrada
Property Code 300856	Property Name Salty Dog	
OGRID No. 229938	Operator Name LANCE OIL & GAS COMPANY, INC.	
		Well Number 5
		Elevation 5213'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
B	16	29 N.	14 W.		1030'	NORTH	1365	East	SAN JUAN

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication	Joint ?	Consolidation	Order No.
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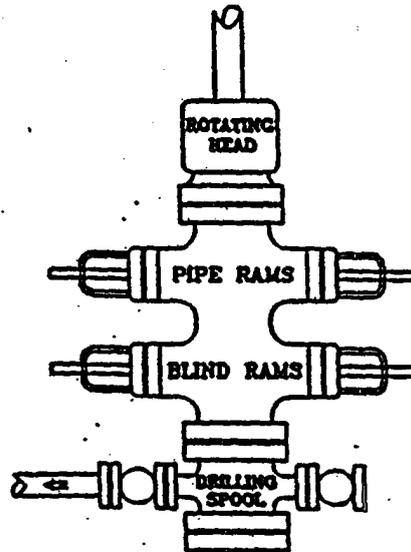
* NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature <i>Paul Lehrman</i>	
Printed Name Paul Lehrman	
Title Sr. Landman	
Date 2-15-05	
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 11/30/04	
Signature and Seal <i>Gerald S. Huddleston</i>	

PRESSURE CONTROL

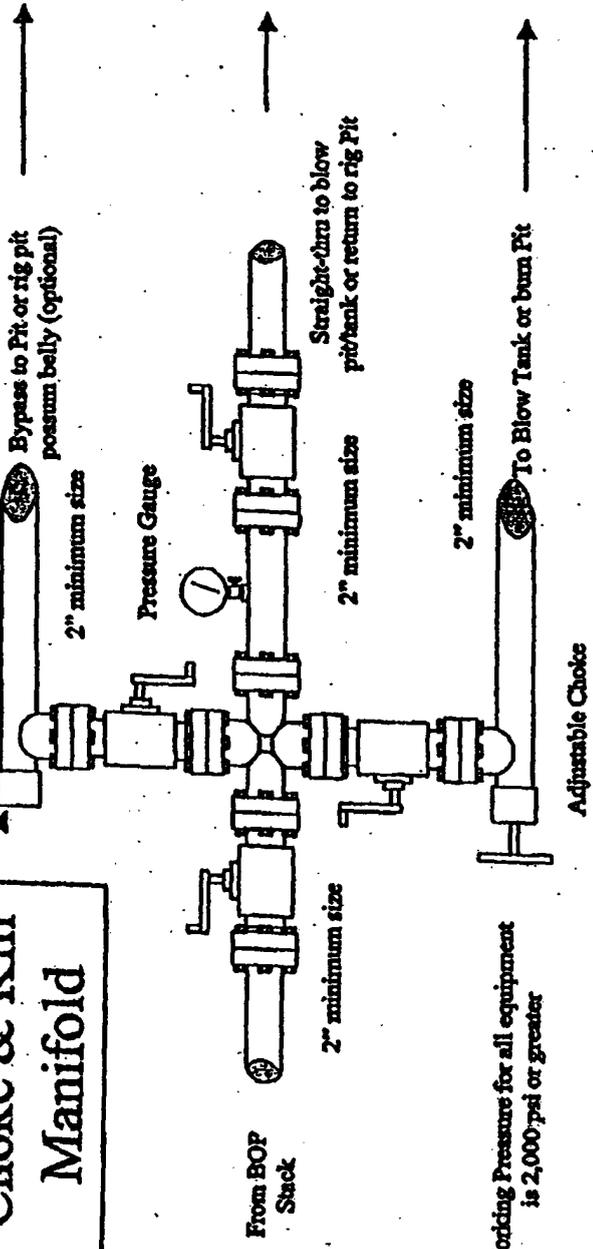
BOP ASSEMBLY



Preventer and Spool to have a
7 1/6" Bore or larger and a 3000 PSI
or higher Pressure Rating

Choke & Kill Manifold

Positive Chokes or
Adjustable Choke



Working Pressure for all equipment
is 2,000 psi or greater