

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Lance Oil & Gas Company, Inc.

3a. Address
P. O. Box 70, Kirtland, NM 874173b. Phone No. (include area code)
505-598-5601

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1740' FNL - 670' FEL
Section 11, T30N-R14W

5. Lease Serial No.

NMNM-102886

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

WF Federal 11 #1

9. API Well No.

30-045-32268

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal/Harp Hill PC Ext

11. County or Parish, State

San Juan County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Lance Oil & Gas Company, Inc. requests approval to downhole commingle Fruitland Coal and Pictured Cliffs production from the WF Federal 11 #1. The initial allocation of Fruitland Coal - 90% and Pictured Cliffs - 10% is preliminary and will be revised by August 31, 2005. Lance is continuing to evaluate an allocation methodology based upon offset production, reserves, open hole logs and zonal isolation.

The WF Federal 11 #1 is currently completed in the Fruitland Coal and Pictured Cliffs as follows:

Fruitland Coal (S9): 1489', 1518', 1523-25', 1573-74', 1577-83'; (S8): 1654-59', 1662-63'

Pictured Cliffs: 1672-86'

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Thomas M. Erwin

Title Senior Production Engineer

Signature

Thomas M. Erwin 5/13/05

Date

05/10/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title Petr. Eng.

Date

6/6/05

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

LANCE OIL AND GAS OPERATING, INC.

WF – Federal 11 #1
1,740' FNL & 670' FEL
E/2 Section 11, T30N – R14W
San Juan County, New Mexico

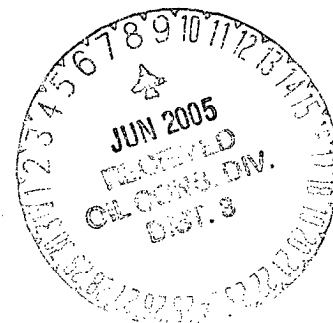
Application For Downhole Commingling

Lance Oil and Gas Company, Inc. (Lance) requests temporary approval to downhole commingle the Fruitland Coal and Pictured Cliffs production from the WF - Federal 11 #1 well located in the NE/4 Section 11, T30N – R14W, San Juan County, New Mexico. The WF – Federal 11 #1 is currently completed in the Fruitland Coal and Pictured Cliffs as follows:

<u>Formation</u>	<u>Perforated Intervals</u>	<u>Net (ft)</u>
Fruitland Coal (S – 9)	1,489'	1'
	1,518'	1'
	1,523' – 25'	3'
	1,573' – 74'	2'
	1,577' – 83'	7'
Fruitland Coal (S – 8)	1,654' – 59'	6'
	1,662' – 63'	2'
	Total Fruitland Coal	22'
Pictured Cliffs	1,672' – 86'	15'
	Total Pictured Cliffs	15'

The initial allocation is Fruitland Coal – 90% and Pictured Cliffs – 10% and will be revised as soon as possible but no later than August 31, 2005. The 90% / 10% split is a change from previously downhole commingled wells, but is representative of recent testing of Fruitland Coal and Pictured Cliffs wells. No notifications are required as the Fruitland Coal and Pictured Cliffs formations are both 100% Lance working interest, 100% MMS royalty with no overriding royalty interests.

Lance is continuing to collect field data and prepare a permanent allocation methodology. The allocation methodology is expected to be completed by July 31, 2005 with submittal to the BLM by August 31, 2005 pursuant to our letter during March, 2005.



LANCE OIL AND GAS OPERATING, INC.

WF - Federal 11 #1
1,740' FNL & 670' FEL
E/2 Section 11, T30N - R14W
San Juan County, New Mexico

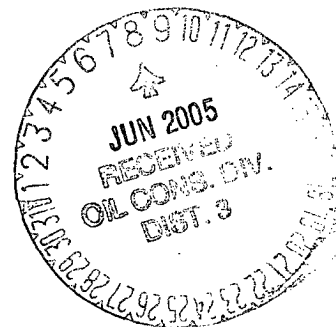
Application For Downhole Commingling

Lance Oil and Gas Company, Inc. (Lance) requests temporary approval to downhole commingle the Fruitland Coal and Pictured Cliffs production from the WF - Federal 11 #1 well located in the NE/4 Section 11, T30N - R14W, San Juan County, New Mexico. The WF - Federal 11 #1 is currently completed in the Fruitland Coal and Pictured Cliffs as follows:

<u>Formation</u>	<u>Perforated Intervals</u>	<u>Net (ft)</u>
Fruitland Coal (S - 9)	1,489'	1'
	1,518'	1'
	1,523' - 25'	3'
	1,573' - 74'	2'
	1,577' - 83'	7'
Fruitland Coal (S - 8)	1,654' - 59'	6'
	1,662' - 63'	2'
	Total Fruitland Coal	22'
Pictured Cliffs	1,672' - 86'	15'
	Total Pictured Cliffs	15'

The initial allocation is Fruitland Coal - 90% and Pictured Cliffs - 10% and will be revised as soon as possible but no later than August 31, 2005. The 90% / 10% split is a change from previously downhole commingled wells, but is representative of recent testing of Fruitland Coal and Pictured Cliffs wells. No notifications are required as the Fruitland Coal and Pictured Cliffs formations are both 100% Lance working interest, 100% MMS royalty with no overriding royalty interests.

Lance is continuing to collect field data and prepare a permanent allocation methodology. The allocation methodology is expected to be completed by July 31, 2005 with submittal to the BLM by August 31, 2005 pursuant to our letter during March, 2005.



State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

2004 APR -4 AM 6:30 AM RECEIVED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

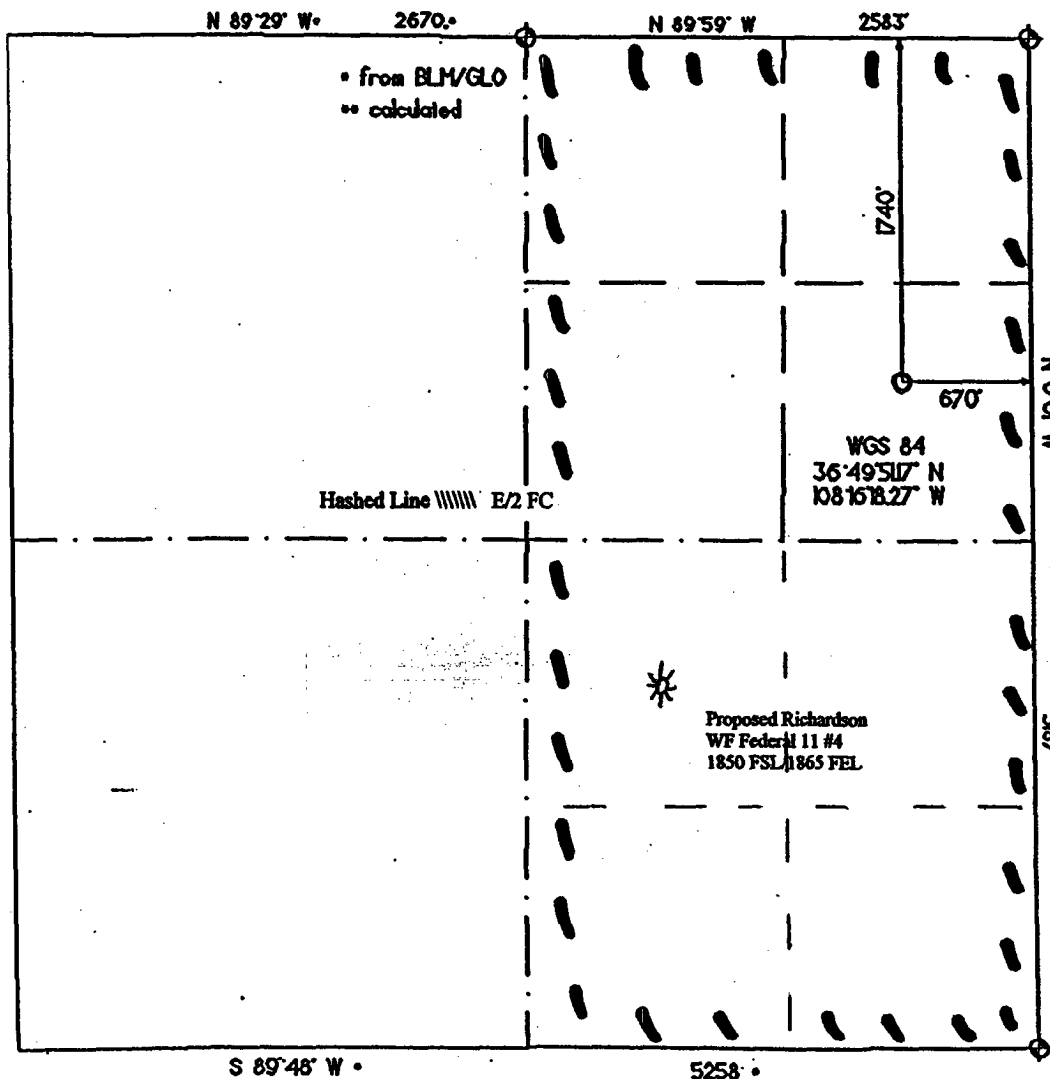
APA Number 30-045-	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code	Property Name WF Federal I	Well Number 1
OGRD No. 19219	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5942'

Surface Location									
UL or Lot H	Sec. 1	Twp. 30 N.	Rge. 14 W.	Lot Lch.	Feet from	North/South NORTH	Feet from	East/West EAST	County SAN JUAN

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

Dedication E/2 315.03	Joint ?	Consolidation	Order No.
--------------------------	---------	---------------	-----------

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>[Signature]</i>
Printed Name	Paul Lehrman
Title	Landman
Date	4-1-04
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	rev. 03/03/04
Signature and Seal	<i>[Signature]</i>