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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br><u>District I</u><br>1625 N. French Dr., Hobbs, NM 88240<br><u>District II</u><br>1301 W. Grand Avenue, Artesia, NM 88210<br><u>District III</u><br>1000 Rio Brazos Rd., Aztec, NM 87410<br><u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM 87505                                                                                                                             |                 | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> |                                                        | <b>Form C-105</b><br>Revised June 10, 2003<br><br>WELL API NO.<br>30-045-32160<br>5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/><br>State Oil & Gas Lease No.              |               |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
| 1a. Type of Well:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/><br><br>b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER                      BACK            RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/> |                 |                                                                                                                                                                                       | 7. Lease Name or Unit Agreement Name<br><br>WF FRPC 17 |                                                                                                                                                                                                                                 |               |
| 2. Name of Operator<br>Lance Oil & Gas Company, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                                                                                                                                                       | 8. Well No.<br>#3                                      |                                                                                                                                                                                                                                 |               |
| 3. Address of Operator<br>P. O. Box 70, Kirtland, NM 87417                                                                                                                                                                                                                                                                                                                                                                                                                           |                 |                                                                                                                                                                                       | 9. Pool name or Wildcat<br>Basin Fruitland Coal        |                                                                                                                                                                                                                                 |               |
| 4. Well Location<br><br>Unit Letter <u>L</u> : <u>1,695'</u> Feet From The <u>South</u> Line and <u>1,025'</u> Feet From The <u>West</u> Line<br>Section <u>17</u> Township <u>29N</u> Range <u>14W</u> NMPM San Juan County, NM                                                                                                                                                                                                                                                     |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
| 10. Date Spudded<br>4/01/05                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 | 11. Date T.D. Reached<br>4/04/05                                                                                                                                                      |                                                        | 12. Date Compl. (Ready to Prod.)<br>8/01/05                                                                                                                                                                                     |               |
| 13. Elevations (DF& RKB, RT, GR, etc.)<br>5,168' GL                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 | 14. Elev. Casinghead                                                                                                                                                                  |                                                        | 15. Total Depth<br>689' KB                                                                                                                                                                                                      |               |
| 16. Plug Back T.D.<br>640' KB                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                 | 17. If Multiple Compl. How Many Zones? <u>1</u><br>Basin Fruitland Coal zone only                                                                                                     |                                                        | 18. Intervals Drilled By<br>Rotary                                                                                                                                                                                              |               |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>Basin Fruitland Coal: 347' - 444' KB                                                                                                                                                                                                                                                                                                                                                                            |                 |                                                                                                                                                                                       |                                                        | 20. Was Directional Survey Made<br>Yes                                                                                                                                                                                          |               |
| 21. Type Electric and Other Logs Run<br>HRI/GR, SDL/DNL/GR & CBL/GR                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |                                                                                                                                                                                       |                                                        | 22. Was Well Cored<br>No                                                                                                                                                                                                        |               |
| <b>23. CASING RECORD (Report all strings set in well)</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
| CASING SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | WEIGHT LB./FT.  | DEPTH SET                                                                                                                                                                             | HOLE SIZE                                              | CEMENTING RECORD                                                                                                                                                                                                                | AMOUNT PULLED |
| 8-5/8"                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 24.0            | 145' KB                                                                                                                                                                               | 12-1/4"                                                | 150 sxs STD                                                                                                                                                                                                                     | N/A           |
| 5-1/2"                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 15.5            | 677' KB                                                                                                                                                                               | 7-7/8"                                                 | 122 sxs Type III                                                                                                                                                                                                                | N/A           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                                                                                                                                                                                       | <b>25. TUBING RECORD</b>                               |                                                                                                                                                                                                                                 |               |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | TOP             | BOTTOM                                                                                                                                                                                | SACKS CEMENT                                           | SCREEN                                                                                                                                                                                                                          | SIZE          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 | 2-3/8"        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 | 470' KB       |
| 26. Perforation record (interval, size, and number)<br>347-48' KB, 0.42", 3 SPF, 365-66' KB, 0.42", 3 SPF,<br>373' KB, 0.42", 3 SPF, 393', 0.42", 3 SPF, 412-416' KB, 0.42", 3 SPF,<br>432-444' KB, 0.42", 3 SPF                                                                                                                                                                                                                                                                     |                 |                                                                                                                                                                                       |                                                        | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br>347-444' KB      1,000 gals 15% HCL frac'd with 44,300 gals<br>cross-lined gel containing 96,000 lbs<br>16/30 mesh sand |               |
| <b>28. PRODUCTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |
| Date First Production                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 | Production Method (Flowing, gas lift, pumping - Size and type pump)                                                                                                                   |                                                        | Well Status (Prod. or Shut-in)                                                                                                                                                                                                  |               |
| Date of Test                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Hours Tested    | Choke Size                                                                                                                                                                            | Prod'n For Test Period                                 | Oil - Bbl                                                                                                                                                                                                                       | Gas - MCF     |
| Flow Tubing Press.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Casing Pressure | Calculated 24-Hour Rate                                                                                                                                                               | Oil - Bbl.                                             | Gas - MCF                                                                                                                                                                                                                       | Water - Bbl.  |
| Oil Gravity - API - (Corr.)<br>Sundry of production test to follow                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                                                                                                                                                                                       |                                                        | 29. Disposition of Gas (Sold, used for fuel, vented, etc.)                                                                                                                                                                      |               |
| 30. List Attachments                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                                                                                                                                                       |                                                        | Test Witnessed By                                                                                                                                                                                                               |               |
| 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief<br>Signature <u>Thomas M. Erwin</u> Printed Name <u>Thomas M. Erwin, P.E.</u> Title <u>Senior Production Engineer</u> Date <u>8/02/05</u><br>E-mail Address <u>terwin@westerngas.com</u>                                                                                                                                                      |                 |                                                                                                                                                                                       |                                                        |                                                                                                                                                                                                                                 |               |

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                  | Northwestern New Mexico |                                          |
|-------------------------|------------------|-------------------------|------------------------------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn. "B"                             |
| T. Salt                 | T. Strawn        | T. Kirtland-Fruitland   | T. Penn. "C"                             |
| B. Salt                 | T. Atoka         | T. Pictured Cliffs      | T. Penn. "D"                             |
| T. Yates                | T. Miss          | T. Cliff House          | T. Leadville                             |
| T. 7 Rivers             | T. Devonian      | T. Menefee              | T. Madison                               |
| T. Queen                | T. Silurian      | T. Point Lookout        | T. Elbert                                |
| T. Grayburg             | T. Montoya       | T. Mancos               | T. McCracken                             |
| T. San Andres           | T. Simpson       | T. Gallup               | T. Ignacio Otzte                         |
| T. Glorieta             | T. McKee         | Base Greenhorn          | T. Granite                               |
| T. Paddock              | T. Ellenburger   | T. Dakota               | T. <u>Kirtland Surface</u>               |
| T. Blinebry             | T. Gr. Wash      | T. Morrison             | T. <u>Fruitland 20'</u>                  |
| T. Tubb                 | T. Delaware Sand | T. Todilto              | T. <u>Middle Fruitland Coal 345'</u>     |
| T. Drinkard             | T. Bone Springs  | T. Entrada              | T. <u>Basal Fruitland Coal 430'</u>      |
| T. Abo                  | T.               | T. Wingate              | T. <u>Pictured Cliffs Sandstone 446'</u> |
| T. Wolfcamp             | T.               | T. Chinle               | T. <u>Lewis Shale 592'</u>               |
| T. Penn                 | T.               | T. Permian              | T.                                       |
| T. Cisco (Bough C)      | T.               | T. Penn "A"             | T.                                       |

## OIL OR GAS SANDS OR ZONES

No. 3, from.....to.....

No. 4, from.....to.....

## IMPORTANT WATER SANDS

**Include data on rate of water inflow and elevation to which water rose in hole.**

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |

| From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |