

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG OR TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-33328
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Lance Oil & Gas Company, Inc.		6. State Oil & Gas Lease No. N/A
3. Address of Operator P. O. Box 70, Kirtland, NM 87417		7. Lease Name or Unit Agreement Name F-RPC 16
4. Well Location Unit Letter <u>N</u> : <u>780'</u> feet from the <u>South</u> line and <u>1825'</u> feet from the <u>West</u> line Section <u>16</u> Township <u>29N</u> Range <u>13W</u> NMPM San Juan County		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5294' GL		9. OGRID Number 229938
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat West Kutz PC/Basin Fruitland Coal
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ Impervious Plastic _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The F-RPC 16 #1 was spud at 9:30 hrs, 2/4/2006. Drill 12-1/4" hole down to 12' KB. Wellbore sloughing around conductor pipe. Cement previously set conductor pipe to 10' KB. Mix & pump 120 sxs Standard cement containing 1/4#/sx flocele and 2% CaCl2 (Weight - 15.6 ppg, Yield 1.18 ft3/sx and water 5.2 gals/sx). Shut down @ 19:00 hrs 2/4/06. W.O.C. - overnight.

Tag cement @ 10' KB. Drill 12-1/4" hole down to casing point at 190' KB. Circulate and condition hole. TOOH. Run 4 jts 8-5/8", 24.0 PPF, J-55, ST&C casing. Land casing at 184' KB. Cement 8-5/8" casing with 200 sxs Standard cement containing 1/4#/sx flocele and 2% CaCl2 (Weight - 15.6 ppg, Yield 1.18 ft3/sx and water 5.2 gals/sx). Displace cement with 8.2 bbls water. Bumped plug to 65 psig, plug held. Circulate 10 bbls cement to surface. WOC 15 hours. NU WH and BOP's.

Press test BOP's, blind rams and pipe rams to 250 psig (low) and 2,000 psig (high). Pressure test casing shoe to 1,000 psig. Pressure tests - Good. Tag cement @ 110' KB. Drill cement to 190' KB. Drill new 7-7/8" hole to total depth on 2/14/2006. Driller's TD - 1,430' KB. Logger's TD - 1,414' KB. Circulate & condition hole. TOOH. Run 33 jts 5-1/2", 15.5 ppg, J-55, LT&C casing and land casing at 1380.62' KB. Cement 5-1/2" casing with 125 sxs as follows: Lead - 50 sxs Halliburton Type III containing 2% Econolite, 2% Calseal, 6% BWC Salt, 0.3 Versaset, 1/4#/sx flocele, 5#/sx gilsonite and 0.1% Super CBL (Weight - 11.5 ppg, Yield 2.95 ft3/sx and Water - 17.4 gals/sx). Tail - 75 sxs Halliburton Type III containing 2% Econolite, 2% calseal, 6% BWC salt, 0.3% Versaset, 1/4#/sx flocele, 5#/sx gilsonite and 0.1% Super CBL (Weight - 12.0 ppg, Yield 2.55 ft3/sx and Water - 14.4 gals/sx).

Displaced cement with 32.1 bbls fresh water. Full returns throughout. Bumped plug to 1,310 psig at 12:30 hrs, 2/16/06. Plug held. Circulate 0 bbls cement to surface. Rig released at 16:00 hrs, 2/16/06. A cement top will be identified with a cement bond log.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Thomas M. Erwin TITLE Thomas M. Erwin, P.E. DATE _____
Type or print name E-mail address: terwin@westerngas.com Telephone No. (505) 598-5601 Ext. 63

For State Use Only

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE MAR 09 2006
Conditions of Approval (if any):