

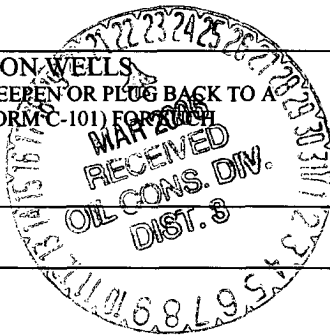
Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-045-33416
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name Ropco 7
8. Well Number #3
9. OGRID Number 229938
10. Pool name or Wildcat Basin Fruitland Coal



SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Lance Oil & Gas Company, Inc.	
3. Address of Operator P. O. Box 70, Kirtland, NM 87417	
4. Well Location Unit Letter <u>M</u> : <u>835'</u> feet from the <u>South</u> line and <u>1175'</u> feet from the <u>West</u> line Section <u>7</u> Township <u>29N</u> Range <u>14W</u> NMPM <u>San Juan</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5194'</u>	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 _____	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Spud & Casing Sundry ☒

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 Ropco 7 #3 was spud at 7:00 a.m. on February 21, 2006. Drill 12-1/4" hole down to 30' KB. Wellbore sloughing around conductor pipe. Cement conductor pipe to 30' 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). Circulate 10 bbls cement to surface. Shut down @ 17:30 hrs 2/23/06. W.O.C. - 14 hrs.

Tag cement @ 30' 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 PPF, J-55, ST&C casing, land casing at 183' KB. Cement 8-5/8" casing with 145 sxs STD 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 8.33 bbls fresh water. Bumped plug to 300 psig at 16:30 hrs, 2/26/06, plug held. Circulate 10 bbls cement to surface. WOC - 16 hrs. NU WH and BOP's. NU WH and BOP's.

Pressure 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 at 140' KB. Drill new 7-7/8" hole to total depth on 2/28/06. Driller's TD - 700' KB. Logger's TD - 698'. Circulate and condition hole. TOOH. Run 19 joints 5-1/2", 15.5 ppg, J-55, LT&C and land casing at 682' KB. Cement 5-1/2" casing with 130 sxs as follows: Lead - 25 sxs Halliburton Type III containing 2% Econolite, 2% Calseal, 6% BWC Salt, 0.3% Veraset, 1/4#/sx flocele, 5#/sx gilsonite and 0.1% Super CBL (Weight - 11.50 ppg, Yield - 2.95 ft3/sx and Water - 17.4 gals/sx). Tail - 35 sxs Halliburton Type III containing 2% Econolite, 2% Calseal, 6% BWC salt, 0.3% Veraset, 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 15.8 bbls fresh water. Full returns throughout. Bumped plug to 800 psig at 12:00 hrs 3/1/06. Plug held. Circulate 1 bbl cement to surface. Rig released at 08:30 hrs, 3/2/06.

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Thomas M. Terwin TITLE Senior Production Engineer DATE 3/20/06

Type or print name: Thomas M. Terwin, P.E. E-mail address: terwin@westerngas.com Telephone No. (505) 598-5601 Ext. 5563

For State Use Only

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAR 22 2006

Conditions of Approval (if any):