

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

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-045-33543</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Lance Oil & Gas Company, Inc.</p>		<p>6. State Oil & Gas Lease No. N/A</p>
<p>3. Address of Operator P. O. Box 70, Kirtland, NM 87417</p>		<p>7. Lease Name or Unit Agreement Name F-LOG 5</p>
<p>4. Well Location Unit Letter <u>O</u> : <u>1305</u> feet from the <u>South</u> line and <u>1495</u> feet from the <u>East</u> line Section <u>5</u> Township <u>29N</u> Range <u>13W</u> NMPM San Juan County</p>		<p>8. Well Number #4</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5422'</p>		<p>9. OGRID Number 229938</p>
<p>10. Pool name or Wildcat Basin Fruitland Coal/Fulcher Kutz PC</p>		
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>		
<p>Pit type _____ Depth to Groundwater <u>110</u> Distance from nearest fresh water well <u>>200', <1000'</u> Distance from nearest surface water <u>200'</u></p>		
<p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

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 ☒

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-LOG 5 #4 was spud at 15:30 hrs, 4/12/06. Drill 12-1/4" hole down to casing point at 190' KB. Circulate and condition hole. TOO. Run 4 jts 8-5/8" 24 ppf, J-55 ST&C casing. Land casing at 183.5' KB. Cement 8-5/8" casing with 150 sxs Halliburton Type "G" cement containing 1/4#/sxs flocele and 2% CaCL2 (Weight 15.6 ppg, Yield - 1.18 ft3/sx and Water 5.2 gals/sx). Displace cement with 8.8 bbls fresh water. Bumped plug to 419 psig at 16:50 hrs, 4/13/06. Plug held. Circulate 15 bbls cement to surface. WOC - 11 hrs. NU WH and BOP's.

Pressure test BOP's, blind rams and pipe rams to 250 psig (low) and 2,000 psig (high). Press test casing shoe to 1,000 psig. Pressure tests - good. Tag cement at ~ 140' KB. Drill cement to ~ 190' KB. Drill new 7-7/8" hole to total depth on 4/19/06. Driller's TD - 1,495' KB. Logger's TD - 1,484' KB. Circ and condition hole. TOO. Run 36 jts 5-1/2", 15.5 ppf, J-55, LT&C and land casing at 1,479' KB. Cement 5-1/2" casing with 195 sxs as follows: Lead - 110 sxs Halliburton Type III containing 2% Econolite, 2% Calseal, 6% BWC Salt, 0.3% Versaset, 1/4#/sxs flocele, 5#/sxs gilsonite and 0.1 % Super CBL (Weight - 11.5 ppg, Yield - 2.95 ft3/sx and Water - 17.4 gals/sx). Tail - 85 sxs Halliburton Type III containing 2% Econolite, 2% Calseal, 6% BWC salt, 0.3% versaset, 1/4"/sxs flocele, 5#/sxs gilsonite and 0.1% Super CBL (Weight - 12 ppg, Yield - 2.55 ft3/sx and Water - 14.4 gals/sx).

Displaced cement with 36 bbls fresh water. Full returns throughout. Bumped plug to 1,000 psig at 16:30 hrs 4/22/06. Plug held. Circulated 20 bbls cement to surface. Rig released at 10:30 hrs, 4/23/06.

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

SIGNATURE Thomas M. Gravin TITLE PRODUCTION SUPERINTENDENT DATE 5/02/06

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: H. Villanueva
Conditions of Approval (if any):

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 40 DATE MAY 04 2006