Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II 30-045-31834 OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease NAVAJO District III 1220 South St. Francis Dr. TRIBAL 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 FEE STATE District IV 1220 S. St. Francis Dr., Santa Fe, NM 6. State Oil & Gas Lease No. 87505 14-20-603-2172 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A **NV NAVAJO 25** DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number #2 1. Type of Well: Oil Well Gas Well Other 2. Name of Operator 9. OGRID Number 229938 Lance Oil & Gas Company, Inc. 3. Address of Operator 10. Pool name or Wildcat PO Box 70, Kirtland, NM 87417 Fruitland Coal / Pictured Cliffs 4. Well Location Unit Letter 1949 feet from the FNL line and 1458 feet from the FWL line Township 29N **NMPM** Section 25 Range 14W County San Juan 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5865' GL Pit or Below-grade Tank Application 🔲 or Closure 🔲 Pit type Drilling Depth to Groundwater >50' Distance from nearest fresh water well > 500" Distance from nearest surface water >1000' Pit Liner Thickness: 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: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING □ TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS.□ P AND A П **PULL OR ALTER CASING MULTIPLE COMPL** CASING/CEMENT JOB OTHER: OTHER: Pit Permit 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. Pit will be built and closed according to NMOCD guidelines 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 belowgrade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan . **SIGNATURE** TITLE Sr. Landman DATE 9/19/2006 Type or print name E-mail address: Anne.Jones@anadarko.com Telephone No. 598-5601 ex 5562 Anne Jones For State Use Only DEPUTY OIL & GAS INSPECTOR, DIST. 63 19 2006 APPROVED BY: / TITLE DATE

Conditions of Approval (if any):