

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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 15232

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address LANCE OIL & GAS COMPANY, INC. 1099 18th Street Denver, CO 80202		OGRID Number 229938
		API Number 30-045-33328
Property Code 35601	Property Name F-RPC 16	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	16	29N	13W	N	780	S	1825	W	San Juan

Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629
KUTZ PICTURED CLIFFS, WEST (GAS) 79680

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 5294
Multiple Y	Proposed Depth 1200	Formation Pictured Cliffs Formation	Contractor	Spud Date 11/01/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	120	100	0
Prod	7.875	5.5	15.5	1200	300	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Mary Mondragon

Title: Supervisor Production

Date: 08/31/2005

Phone: 303-450-3587

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: District Supervisor

Approval Date: 09/12/2005

Expiration Date: 09/12/2006

Conditions of Approval:

There are conditions. See Attached.