

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address LANCE OIL & GAS COMPANY, INC. PO BOX 70 KIRTLAND, NM 87417		2. OGRID Number 229938
		3. API Number 30-045-33502
4. Property Code	5. Property Name F-RPC 16	6. Well No. 002

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	29N	13W	I	1460	S	1025	E	SAN JUAN

**8. Pool Information**

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

**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5278
14. Multiple Y	15. Proposed Depth	16. Formation Pictured Cliffs Formation	17. Contractor	18. Spud Date 5/1/2006
Depth to Ground water 50		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	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	1400	250	0

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify that the drilling pit will be constructed according to NMOCD guidelines</b> <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OGD-approved plan <input checked="" type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Mary Mondragon	Approved By: Charlie Perrin
Title: Supervisor Production	Title: District Supervisor
Email Address: mmondrag@westerngas.com	Approved Date: 1/12/2006      Expiration Date: 1/12/2007
Date: 1/5/2006      Phone: 303-450-3587	

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 20841

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33502	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code	5. Property Name F-RPC 16	6. Well No. 002
7. OGRID No. 229938	8. Operator Name LANCE OIL & GAS COMPANY, INC.	9. Elevation 5278

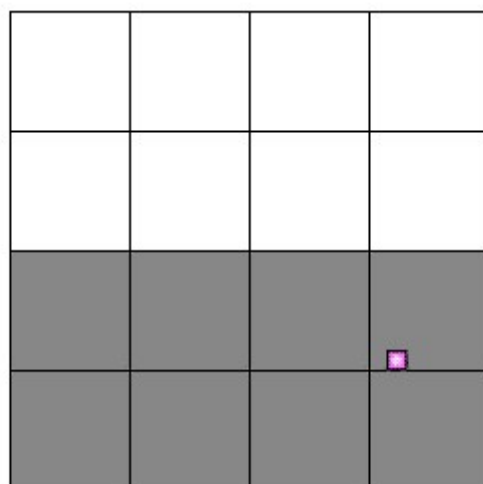
**10. Surface Location**

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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code Forced Pooling		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Mary Mondragon  
 Title: Supervisor Production  
 Date: 1/5/2006

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: Gerald Huddleston  
 Date of Survey: 9/8/2005  
 Certificate Number: 6833

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 Permit 20841

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33502	2. Pool Code 79680	3. Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)
4. Property Code	5. Property Name F-RPC 16	6. Well No. 002
7. OGRID No. 229938	8. Operator Name LANCE OIL & GAS COMPANY, INC.	9. Elevation 5278

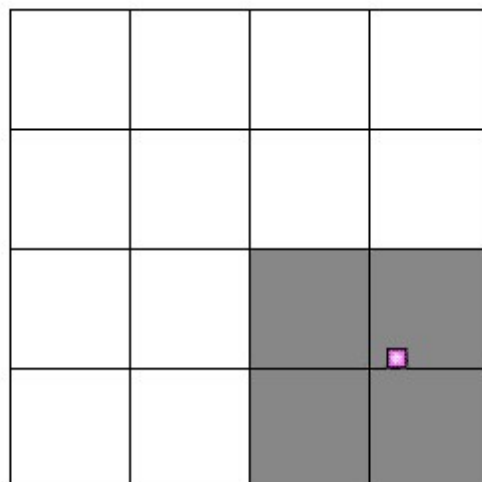
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code Forced Pooling		15. Order No.			

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