

LANCE OIL & GAS COMPANY, INC.

1099 18th Street, Suite 1200 • Denver, Colorado 80202-1964
(303) 452-5603

RECEIVED

MAY 19 2005

OIL CONSERVATION
DIVISION

May 17, 2005

✓ Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Mr. Kurt Fagrelus
Dugan Production Company
P.O. Box 420
Farmington, NM 87499-0420

RE: Application for Administrative Approval of Unorthodox Location – King Com #2
2385' FSL, 2255' FEL, Section 11, T29N-R14W
San Juan County, New Mexico

Gentlemen:

Lance Oil & Gas Company, Inc. is in receipt of a letter dated May 12, 2005 from Dugan Production Company indicating Dugan's wish to drill its King Com #2 well at the above referenced unorthodox location.

Lance fully supports Dugan's application and requests that the NMOCD grant Dugan its administrative approval.

Very truly yours,

Lance Oil & Gas Company, Inc.



Gerald T. Sullivan
Senior Landman

Cc: City of Farmington