

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13360 Exhibit No. — 2  
Submitted By:  
Lance Gas & Oil  
Hearing Date: November 4, 2004

**KELLAHIN & KELLAHIN**  
**Attorney at Law**

**W. Thomas Kellahin**  
Recognized Specialist in the Area of  
Natural Resources-oil and gas law-  
New Mexico Board of Legal Specialization

P.O. Box 2265  
Santa Fe, New Mexico 87504  
117 North Guadalupe  
Santa Fe, New Mexico 87501

Telephone 505-982-4285  
Facsimile 505-982-2047  
kellahin@earthlink.net

October 13, 2004

**CERTIFIED MAIL-RETURNED RECEIPT REQUESTED**

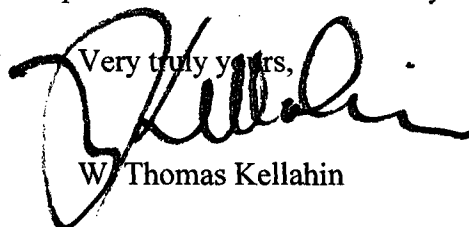
**TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW  
MEXICO OIL CONSERVATION DIVISION CASE:**

**Re: Application of Lance Oil & Gas Company, Inc.**  
**to amend Division Order R-11814**  
**for compulsory pooling,**  
**San Juan County, New Mexico**

On behalf of Lance Oil & Gas Company, Inc., please find enclosed our application to amend Division Order R-11814 to substitute the F-RPC "21" Well No. 2 (API 30-045-31059) as the Basin Fruitland Coal Gas Pool well to be dedicated to a standard 320-acre gas spacing unit consisting of the W/2 Section 21, T29N, R13W which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for November 4, 2004. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date. Pursuant Division Rule 1208.B, parties appearing in cases are required to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Friday, October 29, 2004, with a copy delivered to the undersigned. This statement must include: the names of all witnesses the party will call to testify at the hearing; the approximate time of the party will need to present its case, and identification of any procedural matters that are to be resolved prior the hearing. In addition, the Division will impose a 200% risk charge unless you declare in this Pre-Hearing Statement you intention to oppose it. Please note that the burden of proof as to this issue will be yours.

Very truly yours,



W. Thomas Kellahin

US Bank  
UTA DTD 8/6/66  
Iowa City, Iowa 52244-1430

New Mexico State Highway  
Dept.  
PO Box 1149  
Santa Fe, NM 87504-1149

Betty L. Musgrove  
PO Box 1002  
Farmington, NM 87499

William H. McNutt  
5802 Cedarwood Drive  
Farmington, NM 87402

Dr. William A. Hall  
416 N Behrend Ave.  
Farmington, NM 87401

Frederick & Laurie Elkins  
1050 East 760 North  
Orem, UT 84097

Forrest & Patricia Elkins  
PO Box 933  
Layton, UT 84041-0933

Richard & Cassandra Elkins  
23115 Summers Drive  
San Antonio, TX 78258

City of Farmington  
Attn: Finance  
800 Municipal Drive  
Farmington, NM 87401

William R. Amos, TTE  
610 W. Animas  
Farmington, NM 87401



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Received by (Please Print Clearly) <b>WILLIAMS</b></p> <p>B. Date of Delivery</p>	
<p>C. Signature <b>[Signature]</b></p> <p><input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
<p>Article Addressed to:  <b>S Bank</b>  <b>TA DTD 8/6/66</b>  <b>wa City, Iowa 52244-1430</b></p>		<p><b>Richardson</b>  <b>Order R-11813</b>  <b>November 4, 2004</b>  <b>10/14/04</b></p>	
<p>Article Number (Copy from service list)</p>		<p>Handise</p>	
<p>Article Number (Copy from service list)</p>		<p>es</p>	
<p>Form 3811, July 1999</p>		<p>Domestic Return Receipt</p>	
<p>7002 0510 0003 4614 9325</p>		<p>102595-00-M-0952</p>	

<p><b>SENDER: COMPLETE THIS SECTION</b></p> <p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">City of Farmington Attn: Finance 800 Municipal Drive Farmington, NM 87401</p>	<p><b>COMPLETE THIS SECTION ON DELIVERY</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> <p>A. Signature <u>Alce Cabral</u></p> <p>B. Received by (Printed Name) <u>Alce Cabral</u></p> </td> <td style="width: 50%;"> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>C. Date of Delivery <u>10-15-07</u></p> </td> </tr> <tr> <td colspan="2"> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below:</p> <p style="text-align: center;">Richardson Order R-11813 November 4, 2004 10/14/04</p> </td> </tr> </table> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	<p>A. Signature <u>Alce Cabral</u></p> <p>B. Received by (Printed Name) <u>Alce Cabral</u></p>	<p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>C. Date of Delivery <u>10-15-07</u></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below:</p> <p style="text-align: center;">Richardson Order R-11813 November 4, 2004 10/14/04</p>	
<p>A. Signature <u>Alce Cabral</u></p> <p>B. Received by (Printed Name) <u>Alce Cabral</u></p>	<p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>C. Date of Delivery <u>10-15-07</u></p>				
<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below:</p> <p style="text-align: center;">Richardson Order R-11813 November 4, 2004 10/14/04</p>					

<p>2. Article Number (Transfer from service label)</p>	<p>7002 0510 0003 4614 9431</p>	<p>Domestic Return Receipt</p>
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PS Form 3811, August 2001 102595-02-M-1540

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:  <b>William H. McNutt</b>  <b>5802 Cedarwood Drive</b>  <b>Farmington, NM 87402</b></p>	<p>A. Received by (Please Print Clearly) <b>Bev nice Mc Nutt</b> B. Date of Delivery <b>10/14/04</b></p> <p>C. Signature <b>x Bev nice McNutt</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 1.2em;">Richardson          Order R-11813          November 4, 2004          10/14/04</p> <p style="text-align: right;">handise</p>
<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>7002 0510 0003 4614 9356</p>	
<p>2. Article Number (Copy from se)</p>	
<p>PS Form 3811, July 1999</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Received by (Please Print Clearly) <u>Barthel</u></p> <p>B. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <p style="text-align: center; padding: 20px;"> <b>Betty L. Musgrove</b>  <b>PO Box 1002</b>  <b>Farmington, NM 87499</b> </p>	<p>C. Signature <u>[Signature]</u></p> <p><input checked="" type="checkbox"/> Agent</p> <p><input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from that on label? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below: _____</p>
<p>Article Addressed to:</p> <p style="text-align: center; padding: 20px;"> <b>Betty L. Musgrove</b>  <b>PO Box 1002</b>  <b>Farmington, NM 87499</b> </p>	<p>Richardson</p> <p>Order R-11813</p> <p>November 4, 2004</p> <p>10/14/04</p> <p style="text-align: right;">andise _____</p>
<p>2. Article Number (Copy from service it _____)</p>	<p>USPS</p> <p style="text-align: center; border: 2px solid black; border-radius: 50%; padding: 10px;"> <b>FARMINGTON</b>  <b>NOV 18 2004</b> </p> <p>_____</p> <p>_____</p>
<p>3. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>4. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>5. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>6. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>7. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>8. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>9. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>10. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>11. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>12. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>13. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>14. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>15. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>16. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
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<p>18. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>19. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>20. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>21. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>22. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>23. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>24. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>25. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>26. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>27. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>28. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>29. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>30. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>31. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>32. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>33. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>34. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>35. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>36. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>37. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>38. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>39. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>40. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>41. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>42. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>43. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>44. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>
<p>45. Article Number (Copy from service it _____)</p>	<p>_____</p> <p>_____</p>

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
Print your name and address on the reverse so that we can return the card to you.  
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

William R. Amos, TTE  
610 W. Animas  
Farmington, NM 87401

**COMPLETE THIS SECTION ON DELIVERY**

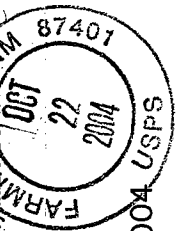
A. Signature ☒ Agent  
*William R. Amos*

B. Received by (Printed Name) ☐ Addressee

C. Date of Delivery ☐ Yes ☐ No

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

Richardson  
Order R-11813  
November 4, 2004 USPS  
10/14/04



4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number 7002 0510 0003 4614 9448

Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
Print your name and address on the reverse so that we can return the card to you.  
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

New Mexico State Highway  
Dept.  
PO Box 1149  
Santa Fe, NM 87504-1149

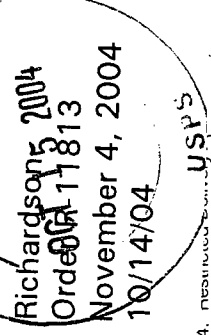
**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

Richardson  
Order R-11813  
November 4, 2004  
10/14/04



4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Copy from service label) 7002 0510 0003 4614 9332

Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
Print your name and address on the reverse so that we can return the card to you.  
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Dr. William A. Hall  
416 N Behrend Ave.  
Farmington, NM 87401

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature ☒ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

Richardson  
Order R-11813  
November 4, 2004  
10/14/04

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Copy from service label) 7002 0510 0003 4614 9363

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

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Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
Print your name and address on the reverse so that we can return the card to you.  
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Forrest & Patricia Elkins  
PO Box 933  
Layton, UT 84041-0933

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

Richardson  
Order R-11813  
November 4, 2004  
10/14/04

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number (Copy from service label) 7002 0510 0003 4614 9387

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

7002 0510 0003 4614 9424

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

Richardson  
Order R-11813  
November 4, 2004  
10/14/04

Re (Endors)  
Restrict (Endorse)  
Frederick & Laurie Elkins  
1050 East 760 North  
Orem, UT 84097

Total Pos  
Sent To  
Street, Apt.  
or PO Box  
City, State

PS Form 3800, January 2001 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
  
Richard & Cassandra Elkins  
23115 Summers Drive  
San Antonio, TX 78258

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *[Signature]* ☐ Agent ☐ Addressee  
B. Received by (Printed Name) *RICHARD ELKINS* C. Date of Delivery *10/14/04*  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

Richardson  
Order R-11813  
November 4, 2004  
10/14/04

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number  
(Transfer from service label)  
7002 0510 0003 4614 9424

PS Form 3811, August 2001 Domestic Return Receipt