

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
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kellahin@earthlink.net

February 28, 2005

VIA FACSIMILE 476-3462

Mr. Richard Ezeanyim
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: NMOCD Case 13437
Application of Lance Oil & Gas Company, Inc. for compulsory pooling,
WF ROPCO "17" Well No 2 Unit E, 160-acre spacing unit consisting of
NW/4 of Section 17, T29N, R14W, San Juan County, New Mexico

Dear Mr. Ezeanyim:

During the pre-hearing phone conference this afternoon with you, Mr. Tommy Robbins and Mr. Brooks, the Commission's attorney, Mr. Robbins agreed that if this case were continued to the April 7, 2005 docket then he would be available.

It appears that Mr. Robbins is the only interest owner that desires to appear in and be present at the hearing for this case. Although there appears to be no legal basis for Mr. Robbins' objection, I wish to inform you that Lance Oil & Gas Company, Inc., as an accommodation to Mr. Robbins, will agree to continuing this case to the April 7, 2005 docket with the understanding that it will be heard on that date and that no further continuances will be granted.

In addition, in order to remove any doubt that Lance has complied with Section 70-2-17.C of the New Mexico Oil & Gas Act, Lance will have one of its landmen, Mr. Paul Lehrman contract Mr. Robbins in a further effort to obtain a voluntary agreement for this interest.

Very truly yours,

W. Thomas Kellahin

CC: Tommy Robbins "bullitt9@earthoink.net"
Lance Oil & Gas Company, Inc.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13437 Exhibit No. 16
Submitted By:
Lance Oil & Gas, Inc.
Hearing Date: April 7, 2005

TOMMY ROBBINS

3 CR 6285
Kirtland NM 87417

505-598-9441
bullitt9@earthlink.net

March 16, 2005

Lance Oil & Gas
PO Box 70
Kirtland, NM 87417

Re: Fruitland Coal/Pictured Cliffs wells

Township 29 North, Range 14 West, NMPM

Section 17: NW/4 Pictured Cliffs

Section 17: N/2 Fruitland Coal

San Juan County, New Mexico

Lance Oil is interested in my mineral rights @

3 Road 6285

Kirtland NM 87417

At this time I would like to inform you of your choices in regard to my mineral rights:

1. Enter into an oil and gas lease that provides for a five year term. At the end of each five year term, the lease will expire and may be renegotiated regardless of exploration, drilling or production. For the first five years, Lance will pay me a flat fee of \$500.00 per month, again regardless of exploration, drilling or production.

2. Lance Oil & Gas can buy my mineral rights for \$57,000.00

Please inform me of your choice and I will have the appropriate contracts drawn up.

Sincerely,



Tommy Robbins

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13437 Exhibit No. — 17
Submitted By:
Lance Oil & Gas, Inc
Hearing Date: April 7, 2005

LANCE OIL & GAS COMPANY, INC.
PO Box 70



Kirtland, New Mexico 87417

CERTIFIED MAIL 7002 3150 0002 0907 6112

March 23, 2005

Mr. James T. Robbins
#3 CR 6285
Kirtland, NM 87417

Re: Lance Oil & Gas Company, Inc. Lease Offer
WF Ropco 17 #2 Well
NW/4 Section 17, T29N-R14W
San Juan County, New Mexico

Dear Mr. Robbins:

Lance is in receipt of your letter dated March 16, 2005 outlining your terms for the leasing of your 0.4695 net mineral acre. After reviewing the terms, Lance is respectfully declining your proposed terms. First your proposal to sell your 0.4695 net mineral acre interest for \$57,000.00 equates to approximately \$121,405.00 per net mineral acre, which is substantially beyond the parameters of bonus and royalty consideration of the leasehold interests in the project. Secondly, the proposal to enter into an oil and gas lease that expires and is renegotiated every five (5) years regardless of exploration, drilling or production would, from a prudent business practice, not allow Lance to economically invest in a drilling project, considering the initial and sunk investment costs of drilling a well, building a gathering system, transporting and marketing among other infrastructure costs. A prudent operator cannot have the uncertainty of yet-to-be negotiated terms that very well may jeopardize the productivity of the project. Lance would ask that you reconsider and accept the enclosed lease that we have used for other mineral interest owners in this spacing unit.

Please remember that the Division will hear this case April 7, 2005. Lance believes that it has made a reasonable effort to obtain your voluntary agreement and that your proposed lease terms does not represent acceptable business practices or market value of oil and gas lease terms within the area.

Should you have any questions please contact me at (505) 598-5601 extension 62.

Yours truly,

Anne Jones
Sr. Landman

Phone (505) 598-5601

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13437 Exhibit No. **18**
Submitted By:
Lance Oil & Gas, Inc
Hearing Date: April 7, 2005

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. Signature <div style="display: flex; justify-content: space-between;"> X <i>James T. Robbins</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee </div> </p> <p>B. Received by (Printed Name) <i>Tommy Robbins</i> </p> <p>C. Date of Delivery</p>	
<p>1. Article Addressed to:</p> <p style="font-size: 1.2em; margin-top: 10px;"><i>James T. Robbins</i> <i>* 3 CR 6285</i> <i>Kirtland, NM</i> <i>87417</i></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>2. Article Number (Transfer from service label)</p>		<p>3. Service Type:</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail </div> <div> <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D. </div> </div>	
<p>7002 3150 0002 0907 6112</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
PS Form 3811, August 2001		Domestic Return Receipt <i>WFRpc 17-2</i> 2ACPRI-03-Z-0985	

7002 3150 0002 0907 6112

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Certified Fee		
Return Receipt Fee <small>(Endorsement Required)</small>		
Restricted Delivery Fee <small>(Endorsement Required)</small>		
Total Postage & Fees	\$	

Sent To *James T. Robbins*

Street, Apt. No., or PO Box No. ** 3 CR 6285*

City, State; ZIP+4 *Kirtland, NM 87417*

PS Form 3800, June 2002
See Reverse for Instructions

San Juan

New Mexico

Monthly Producing Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$274	\$481	\$513	\$541
\$30	\$575	\$744	\$792
\$33	\$621	\$612	\$1562

Monthly Drilling Well Fixed Overhead Rates

Minimum	Average	Median	Maximum
\$3,500	\$3,500	\$3,500	\$3,500
\$3,500	\$3,500	\$3,500	\$3,500
\$6,145	\$6,078	\$6,178	\$6,002

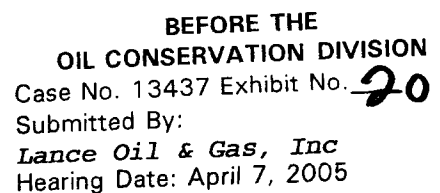
Depth
0 - 5,000
5,001 - 10,000
10,001 - 15,000
15,001 - 20,000
20,001 +
No Depth Limit

Wells
36
20
1788

Responses
14
15
638

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13437 Exhibit No. 19
Submitted By:
Lance Oil & Gas, Inc
Hearing Date: April 7, 2005

FIXED-RATE OVERHEAD SURVEY



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

February 9, 2005

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

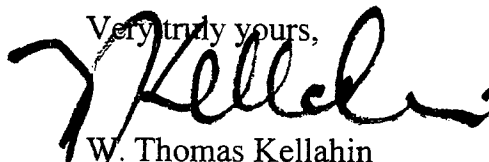
Re: Application of Lance Oil & Gas Company, Inc.
For Compulsory Pooling, San Juan County, New Mexico

On behalf of Lance Oil & Gas Company, Inc., please find enclosed our application for compulsory pooling order for the NWE/4 of Section 17, 29N, R114W to be dedicated to its WF FRPC "17" Well No. 2. This application will be set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for March 3, 2005. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

As an interest owner who 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 to the Division's Rule 1208, you are further notified that if you desire to appear in this case or to oppose the proposed risk charge (See Order R-11992), then you are required to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, February 25, 2005, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

cc:BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED

SENDER: COMPLETE THIS SECTION

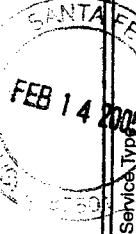
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mail or on the front if space permits.

Article Addressed to:

State Highway Department of New Mexico
 PO Box 1149
 Santa Fe, NM 87504-1149

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
☐ Agent
☐ Addressee
 Date of Delivery
 B. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No



3. Service Type
☐ Certified Mail
☐ Registered Mail
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
 4. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No

Article Number
 (Transfer from service label)
 7003 2260 0006 7449 9063
 PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

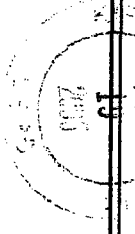
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mail or on the front if space permits.

Article Addressed to:

Cloyde B. Beckstead
 465 CR 6100
 Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
☐ Agent
☐ Addressee
 Date of Delivery
 B. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No



3. Service Type
☐ Certified Mail
☐ Registered Mail
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
 4. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No

Article Number
 (Transfer from service label)
 7003 2260 0006 7449 9155
 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

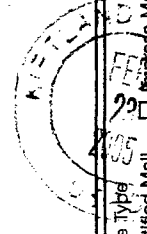
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mail or on the front if space permits.

Article Addressed to:

Norma Schmitt Revocable Trust
 PO Box 97
 Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
☐ Agent
☐ Addressee
 Date of Delivery
 B. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No



3. Service Type
☐ Certified Mail
☐ Registered Mail
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
 4. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No

Article Number
 (Transfer from service label)
 7003 2260 0006 7449 9070
 PS 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 mail or on the front if space permits.

Article Addressed to:

Schmitt Revocable Trust
 358 CR 6100
 Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
☐ Agent
☐ Addressee
 Date of Delivery
 B. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No



3. Service Type
☐ Certified Mail
☐ Registered Mail
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
 4. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No

Article Number
 (Transfer from service label)
 7003 2260 0006 7449 9148
 PS Form 3811, February 2004 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 so that we can return the card to you.
- Attach this card to the back of the item.

1. Article Addressed to: **Case 13437 March 3, 2005 2/10/05**

Mr. & Mr. Joel W. Foutz
PO Box 784
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee
 by (Printed Name) **Shelly Foutz** C. Date of Delivery
 address different from item 1? ☐ Yes ☐ No
 return delivery address below: ☐ Yes ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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

2. Article Number (transfer from service label) **7003 2260 0006 7449 9094**
 PS 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 so that we can return the card to you.
- Attach this card to the back of the item.

1. Article Addressed to: **Case 13437 March 3, 2005 2/10/05**

Shaun D. Winn
342 CR 6100
Kirtland, NM 87417

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee
 by (Printed Name) **Shelly Foutz** C. Date of Delivery
 address different from item 1? ☐ Yes ☐ No
 return delivery address below: ☐ Yes ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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

2. Article Number (transfer from service label) **7003 2260 0006 7449 9087**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee
 by (Printed Name) **Shelly Foutz** C. Date of Delivery
 address different from item 1? ☐ Yes ☐ No
 return delivery address below: ☐ Yes ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

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

2. Article Number (transfer from service label) **7003 2260 0006 7449 9124**

PS 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 so that we can return the card to you.
- Attach this card to the back of the item.

1. Article Addressed to: **Case 13437 March 3, 2005 2/10/05**

& Mrs. Roger N. Isham
Box 1184
Kirtland, NM 87417

7003 2260 0006 7449 9131

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For delivery to: Lance
 Case 13437
 March 3, 2005
 2/10/05

Return Receipt Fee (Endorsement Required) _____ Here
 Restricted Delivery Fee (Endorsement Required) _____
 Total: Mr. & Mrs. A. Youts
 PO Box 554
 Kirtland, NM 87417

Sent To: _____
 Street, or PO Box _____
 City, State _____

PS Form 3800, June 2002 See Reverse for Instructions

7003 2260 0006 7449 9100

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 Return Receipt Fee (Endorsement Required) _____
 Restricted Delivery Fee (Endorsement Required) _____

Postmark Here

Mr. & Mrs. James T. Robbins
 3 CR 6285
 Kirtland, NM 87417

PS Form 3800, June 2002 See Reverse for Instructions

7003 2260 0006 7449 9117

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Lance
 Case 13437
 March 3, 2005
 2/10/05

Return Receipt Fee (Endorsement Required) _____
 Restricted Delivery Fee (Endorsement Required) _____
 Total: Mr. & Mrs. Sabiniano Lobato, Jr.
 4329 Cardinal Street
 Farmington, NM 87401

Sent To: _____
 Street, or PO Box _____
 City, State _____

PS Form 3800, June 2002 See Reverse for Instructions

AFFIDAVIT OF PUBLICATION

Ad No. 51194

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Monday, February 14, 2005.

And the cost of the publication is \$461.70.

Connie Pruitt

ON 2/18/05 CONNIE PRUITT
appeared before me, whom I know personally
to be the person who signed the above
document.

Wynell Corey
My Commission Expires November 17, 2008.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13437 Exhibit No. 21
Submitted By:
Lance Oil & Gas, Inc
Hearing Date: April 7, 2005

COPY OF PUBLICATION

918

Legals

NOTICE OF PUBLICATION

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on March 3, 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by February 25, 2005. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public, including the following:

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13435:

West American Corporation

CASE 13435: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the SE/4 of Irregular Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 162.07-acre gas spacing and proration unit for any production from the Pictured Cliffs formation including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated its ROPCO "17" Well No. 4 (API# 30-045-32315) to be drilled at a standard location in Unit O of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 mile East-Southeast from Kirtland, New Mexico.

CASE 13436:

West American Corporation

CASE 13436: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the SW/4 and the S/2 of Irregular Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 322.07-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated its WF FRPC "17" Well No. 3 (API# 30-045-32160) to be drilled at a standard location in Unit L of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13437 and CASE 13438:

Norma Schmitt & C. Gregory Schmitt Co-Trustee, Joel W. & Sherry Foutz, Shaun D. Winn, James Thomas & Heather Lee Robbins, Sabiniano Jr. & Veronica E. Lobato, Roger N. & Janet L. Isham, Anne M. & Alan D. Youts, Schmitt Revocable Trust, and Cloyd B. & Nona Beckstead

CASE 13437: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the NW/4 of Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated its WF ROPCO "17" Well No. 2 (API# 30-045-32140) to be drilled at an unorthodox gas well location in Unit E of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool (See Administrative Order NSL-5008, dated March 3, 2004). Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13438: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the NE/4 and the N/2 of Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated its WF FRPC "17" Well No. 1 (API# 30-045-31511) to be drilled at a standard location in Unit A of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13439:

Brian E. & Laura Overturf, Manuel & Ora Mae LaCour, Kenneth E. & Ethel L. King, and Dewey B. & Velma O. Dobbs

CASE 13439: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the SE/4 and the E/2 of Section 15, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.