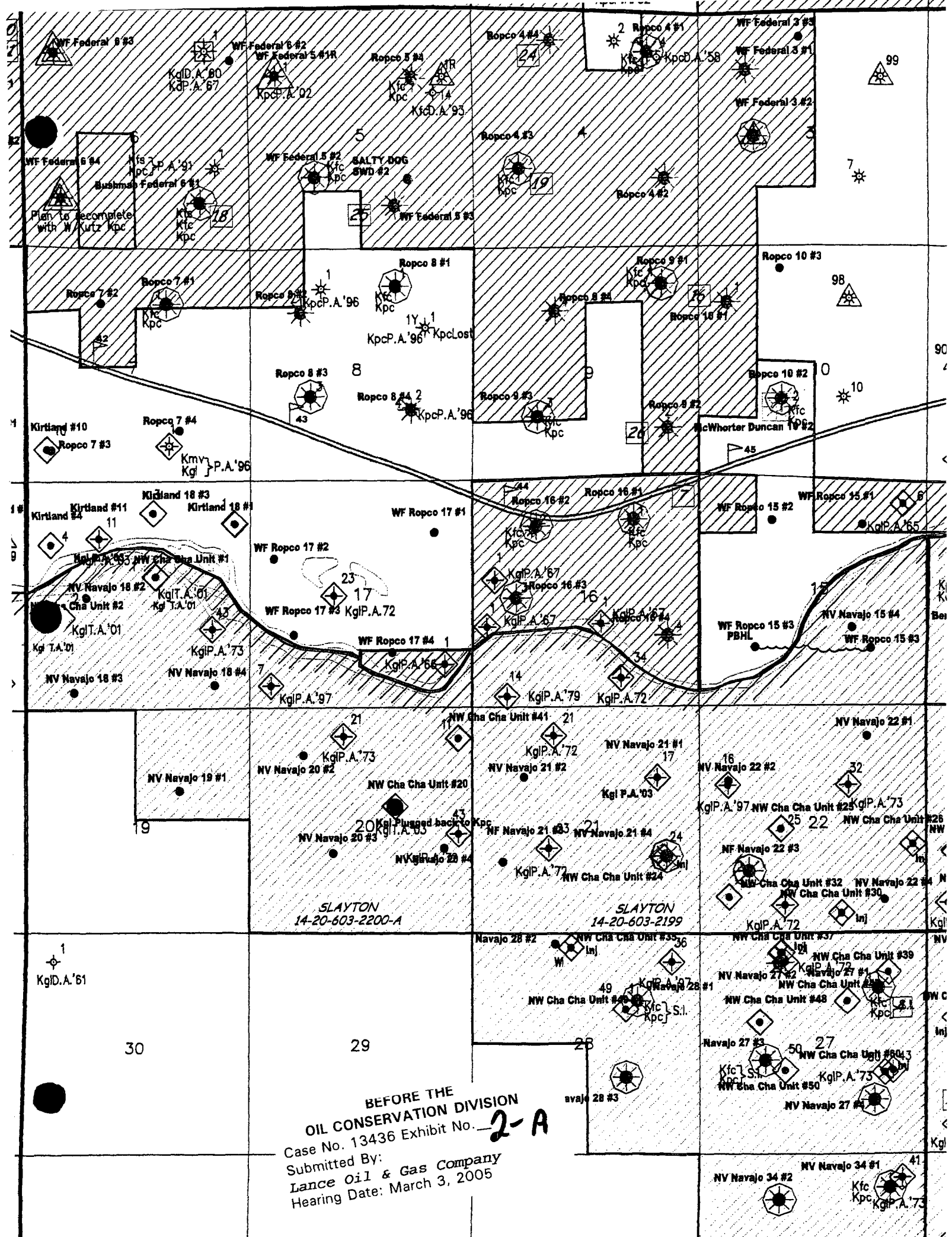




District I

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-1

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address RICHARDSON OPERATING CO 3100 La Plata Highway Farmington, NM 87401		OGRID Number 19219
		API Number 30-045-32160
Property Code 33345	Property Name WF FRPC 17	Well No. 003

Surface Location

UL or Lot L	Section 17	Township 29N	Range 14W	Lot Idn 2	Feet From 1695	N/S Line S	Feet From 1025	E/W Line W	County San Juan
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Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629
TWIN MOUNDS FRUITLAND SAND PC (GAS) 86620

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 5168
Multiple Y	Proposed Depth 1100	Formation Pictured Cliffs Formation	Contractor	Spud Date 06/01/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	8.75	7	20	120	85	0
Prod	6.25	4.5	10.5	1100	150	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1000	

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

Electronically Signed By: Anne Jones

Title:

Date: 02/04/2004

Phone: 505-564-8115

OIL CONSERVATION DIVISION

Electronically Approved By: Frank Chavez

Title: District Supervisor

Approval Date: 02/11/2004 Expiration Date: 02/11/2005

Conditions of Approval:
No ConditionsBEFORE THE
OIL CONSERVATION DIVISION
Case No. 13436 Exhibit No. **2-B**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

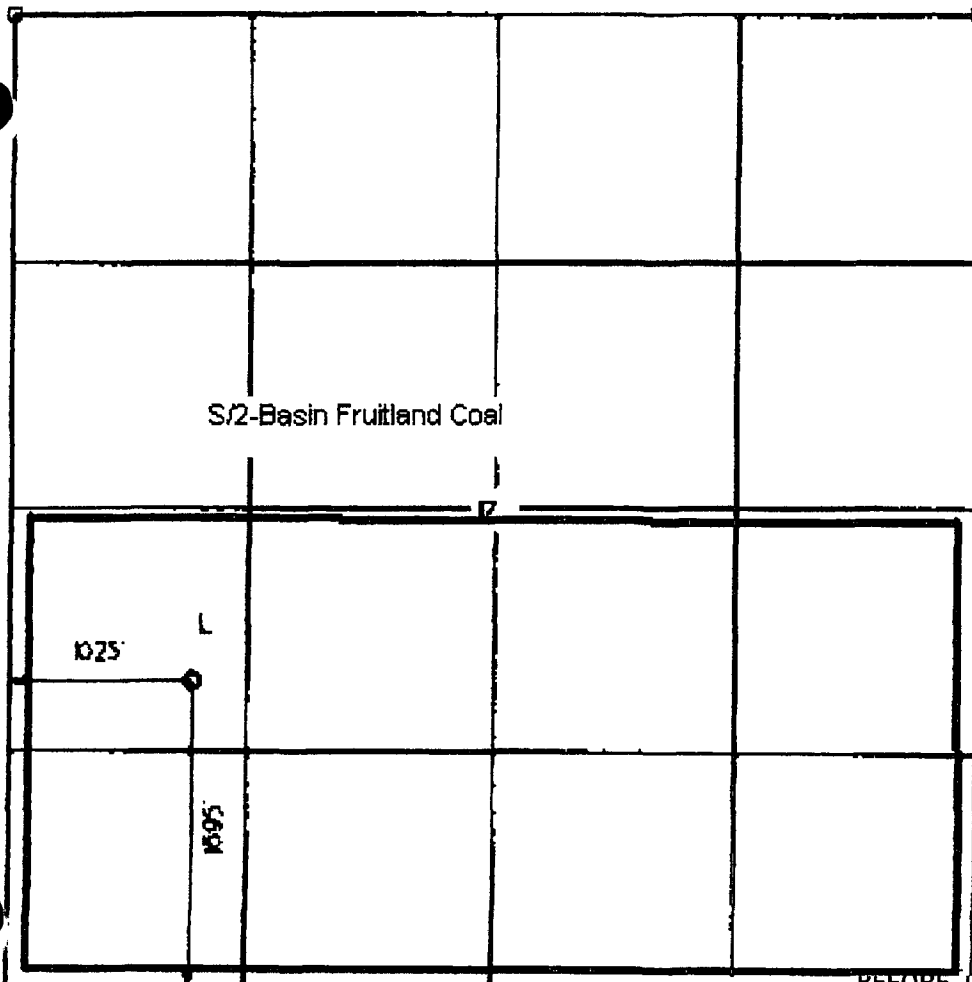
WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-	Well Code 71629	Well Name Basin Fruitland Coal
Property Code	Property Name WF FRPC 17	Well Number 3
OGED No. 19219	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5160

Surface Location									County
UL or Lot	Sec.	Twp.	Rgn.	Lot Bl.	Foot from North/South	Foot from East/West	East/West		
L	17	29 N	14 W		1695'	South	1025'	West	SAN JUAN

Bottom Hole Location if Different From Surface									County
UL or Lot	Sec.	Twp.	Rgn.	Lot Bl.	Foot from North/South	Foot from East/West	East/West		
Declaration 310.05	Joint ?	Consolidation	Order No.						

NO ALLOWABLE WILL 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.

Signature

Paul Lehrman

Printed Name

Paul Lehrman

Title

Landman

Date

2/3/04

SURVEYOR CERTIFICATION

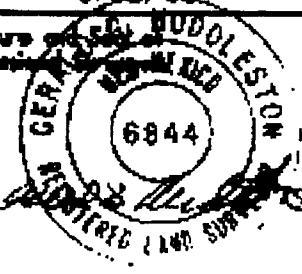
I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

6/05/03

Signature of Surveyor

Professional Surveyor



BEFORE THE

OIL CONSERVATION DIVISION

Case No. 13436 Exhibit No. **2-C**

Submitted By:

Lance Oil & Gas Company

Hearing Date: March 3, 2005

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

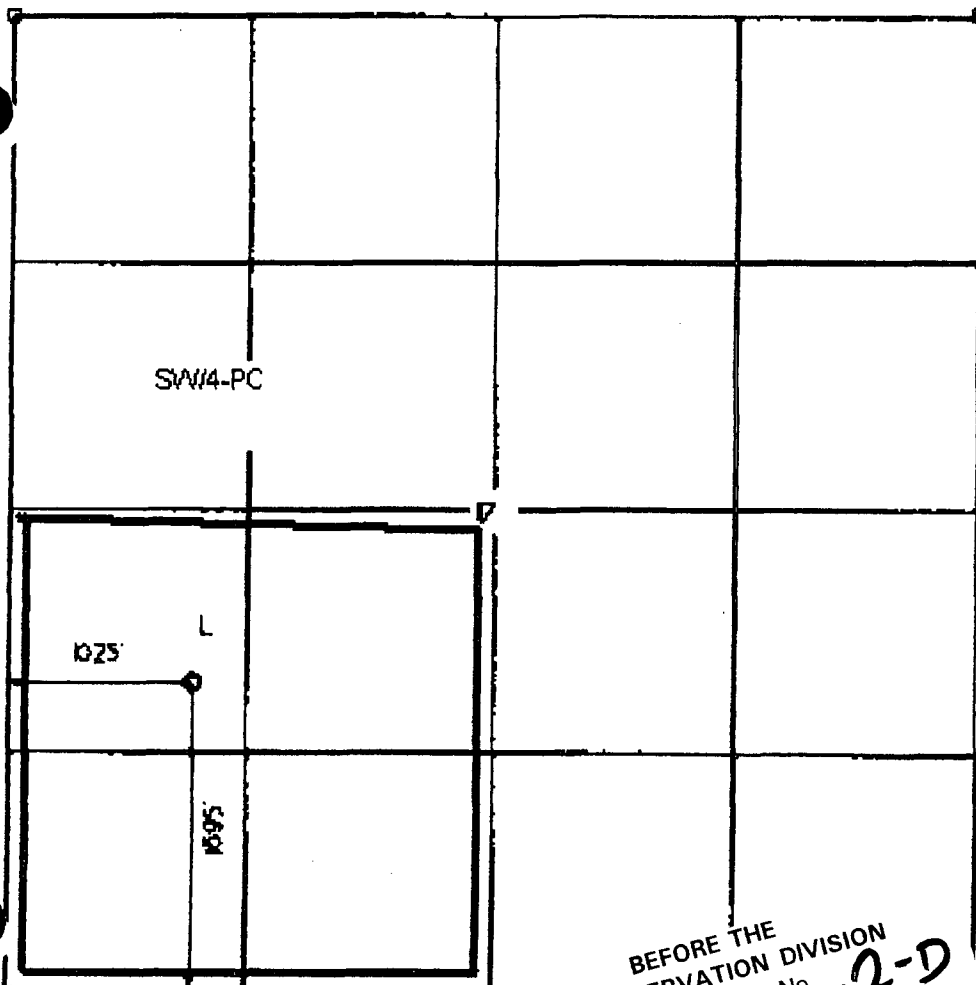
WELL LOCATION AND ACREAGE DEDICATION PLAT

NFA Number 30-045-	Pool Code 86620	Pool Name Twin Mounds Fruitland Sand PC (Gas)
Property Code	Trty Name WF FRPC D	Well Number 3
OCSD No. 19219	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5168

Surface Location									
UL or Lot L	Sec. D	Twp. 29 N	Rge. 14 W	Lot No.	Foot From North/South 1095'	Foot From East/West 1025'	County SAN JUAN		

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot No.	Foot From North/South	Foot From East/West	County		
Dedication 145.66	John ?	Consolidation	Order No.						

NO ALLOWABLE WILL 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. Signature <i>Paul Lehrman</i> Printed Name Paul Lehrman Title Landman Date 2/2/04
SURVEYOR CERTIFICATION I hereby certify that the well location 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. Date of Survey 6/05/03 Signature and Seal of Surveyor

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13436 Exhibit No. — 2-D
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

**List of Unleased Mineral Owners
Nature & percent of interest
Lance Oil & Gas Company, Inc.
WF FRPC 17 #3
Fruitland Coal Formation S/2 Section 17 – T29N-R14W, NMPM
San Juan County, New Mexico**

Name & Address	Acreage FC	% Interest FC
West American Corporation		
Unable to locate, Bankrupt 1960's	34.46	10.699537
TOTAL UNLEASED	34.46	10.699537

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13436 Exhibit No. **2-E**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

Recd 9:00am 11/30/04

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.

Wendell Conrad

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13436 Exhibit No. 2-F
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 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 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 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 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 of 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 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 372.07-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 ROPCO "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 of 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 Fautz, Shaun D. Winn, James Thomas & Heather Lee Robbins, Sabinito Jr. & Veronica E. Lobato, Roger N. & Janet L. Isham, Anne M. & Alan D. Youtis, 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 of this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision.

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO 17-4
Location: Sec 17-T29N-R14W
Spacing: SW/4 160.00 acres
Proposed Depth: 950' PC

Date:

Objective Formation:
Pictured Cliffs Formation

		Tangible	Intangible	Total
I.	Drilling Costs (Included Run Casing)			
	Survey and Permits - - - - -		3,000	
	Title Opinion & Land - - - - -		5,000	
	Damages - - - - -		5,000	
	* Drilling (incl. water & mud) 950' @ 15.00/ft. -		14,250	
	BOP Rental - - - - -		1,000	
	Dirt Work - - - - -		4,000	
	Pit Lining - - - - -		2,000	
	Surface Casing 200' @ 6.00/ft. - - - - -	1,200		
	Casing Head - - - - -	1,200		
	Cement Surface - - - - -		2,300	
	Power Tongs - - - - -		1,200	
	Casing 750" @ 5.00/ft. - - - - -	3,750		
	Trucking - - - - -		3,000	
	Logs - - - - -		1,000	
	Engineering - - - - -		4,000	
	Cement Longstring - - - - -		5,500	
	Total Cost to Run Casing - - - - -	6,150	51,250	57,400
	6.0625% Farmington, NM Tax			3,480
	10% Contingency - - - - -			5,740
	Grand Total to Run Casing			66,620
II.	Completion Costs			
	Rig Anchors - - - - -		1,000	
	Logs - - - - -		4,000	
	Perf - - - - -		3,000	
	Wellhead & Fittings - - - - -	5,000		
	Tubing 950" @ 2.50/ft. - - - - -	2,375		
	Stimulation - - - - -		60,000	
	Tool Rental - - - - -		3,000	
	Trucking - - - - -		3,000	
	Battery Installation - - - - -		6,000	
	Restore Location - - - - -		4,000	
	Engineering - - - - -		4,000	
	Treater, Separator - - - - -	4,000		
	Flowline - - - - -	3,000		
	Tank & Fittings - - - - -	8,000		
	Gravel - - - - -	2,000		
	Workover Rig - - - - -		12,000	
	Completion Fluids - - - - -		2,000	
	Pipeline Hookup - - - - -		20,000	
	Division Order Opinion - - - - -		2,000	
	Frac Tank Rental - - - - -		4,000	
	Flowback - - - - -		2,000	
	Fence Location - - - - -	8,000		

**BEFORE THE
OIL CONSERVATION DIVISION**
Case No. 13436 Exhibit No. **2-9**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

Total Completion Costs-----

6.0625% Farmington, NM Tax

10% Contingency-----

Drilling Costs-----

Grand Total Well Costs

32,375	130,000	162,375	
		9,844	
		16,238	
		66,620	
		255,076	

S

PICTURED CLIFFS (PC)

0.0000%

100.0000% Richardson Operating Company et als

Date:

Approved BY:

Total PC Costs

**RICHARDSON OPERATING COMPANY
AUTHORITY FOR EXPEDITURES**

Well Name: ROPCO 17-3
Location: Sec 17-T29N-R14W
Spacing: S2 320 acres
Proposed Depth: 800' FC; 950' PC

Date:

Objective Formation:
Commingled Pictured Cliffs

I.	Drilling Costs (Included Run Casing)	Tangible	Intangible	Total	Fruitland Coal
	Survey and Permits - - - - -		3,000		1,500
	Title Opinion & Land - - - - -		5,000		2,500
	Damages - - - - -		5,000		2,500
*	Drilling (incl. water & mud) 950' @ 15.00/ft. -		14,250		6,413
	BOP Rental - - - - -		1,000		500
	Dirt Work - - - - -		4,000		2,000
	Pit Lining - - - - -		2,000		1,000
	Surface Casing 200' @ 6.00/ft. - - - - -	1,200			600
	Casing Head - - - - -	1,200			600
	Cement Surface - - - - -		2,300		1,150
	Power Tongs - - - - -		1,200		600
	Casing 750' @ 5.00/ft. - - - - -	3,750			1,763
	Trucking - - - - -		3,000		1,500
	Logs - - - - -		1,000		500
	Engineering - - - - -		4,000		2,000
	Cement Longstring - - - - -		5,500		2,689
	Total Cost to Run Casing - - - - -	6,150	51,250	57,400	27,814
	6.0625% Farmington, NM Tax			3,480	1,686
	10% Contingency - - - - -			5,740	2,781
	Grand Total to Run Casing			66,620	32,282
II.	Completion Costs				
	Rig Anchors - - - - -		1,000		500
	Logs - - - - -		4,000		2,000
	Perf - - - - -		3,000		1,500
	Wellhead & Fittings - - - - -	5,000			2,500
	Tubing 750' @ 2.50/ft. - - - - -	1,875			900
	Stimulation - - - - -		60,000		30,000
	Tool Rental - - - - -		3,000		1,500
	Trucking - - - - -		3,000		1,500
	Battery Installation - - - - -		6,000		3,000
	Restore Location - - - - -		4,000		2,000
	Engineering - - - - -		4,000		2,000
	Treater, Separator - - - - -	4,000			2,000
	Flowline - - - - -	3,000			1,500
	Tank & Fittings - - - - -	8,000			4,000
	Gravel - - - - -	2,000			1,000
	Workover Rig - - - - -		12,000		6,000
	Completion Fluids - - - - -		2,000		1,000
	Pipeline Hookup - - - - -		20,000		10,000
	Division Order Opinion - - - - -		2,000		1,000
	Frac Tank Rental - - - - -		4,000		2,000
	Flowback - - - - -		2,000		1,000
	Fence Location - - - - -	8,000			4,000

BEFORE THE

OIL CONSERVATION DIVISION

Case No. 13436 Exhibit No. **2-H**

Submitted By:

Lance Oil & Gas Company

Hearing Date: March 3, 2005

Total Completion Costs-----
 6.0625% Farmington, NM Tax
 10% Contingency-----
 Drilling Costs-----

Grand Total Well Costs

31,875	130,000	161,875	80,900
		9,814	4,905
		16,188	8,090
		66,620	32,282
		254,496	126,176

S

FRUITLAND COAL (FC)

0.0000%
 100.0000% Richardson Operating Company et als

Date:

Approved BY:

Total FC Costs

PICTURED CLIFFS (PC)

0.0000%
 100.0000% Richardson Operating Company et als

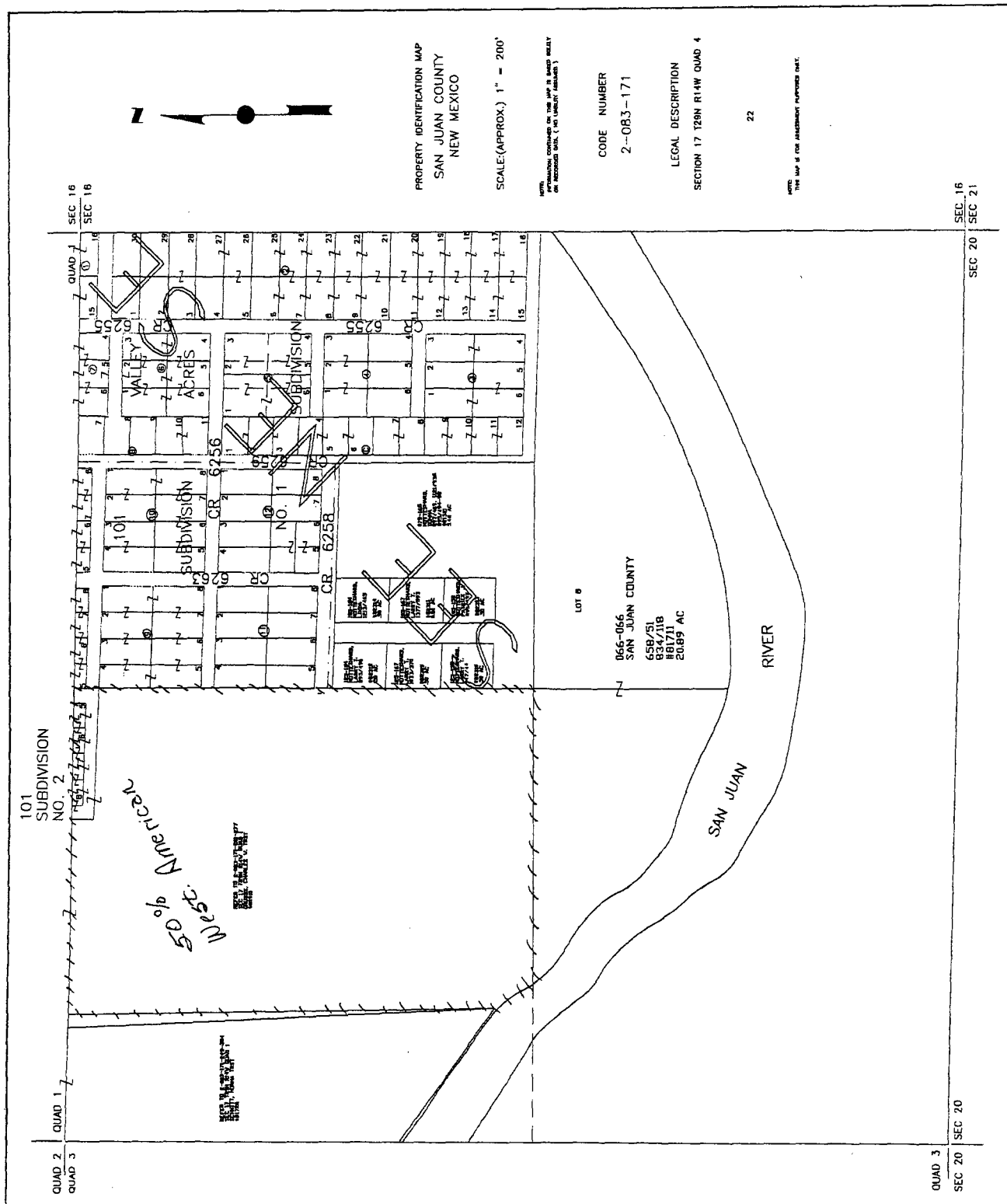
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Total PC Costs

Total Costs of Commingled PC/FC Well:

0

Richardson Operating Company et als



PROPERTY IDENTIFICATION MAP
SAN JUAN COUNTY
NEW MEXICO

SCALE (APPROX.) 1" = 200'

NOTES:
1. INFORMATION CONTAINED ON THIS MAP IS BASED ENTIRELY
ON RECORDS MAINTAINED BY THE LAND SURVEY DEPARTMENT.

CODE NUMBER
2-083-171

LEGAL DESCRIPTION
SECTION 17 T29N R14W QUAD 4

22

NOTES:
THIS MAP IS FOR INFORMATION PURPOSES ONLY.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13436 Exhibit No. **2-I**
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

SEC 18
SEC 18

QUAD 2

7

1

2

QUAD 1	4
<u>QUAD</u>	

REFER TO 2-083-171-426-299
SEC 17 T29N R14W Q1AD 2
SEIFERLE, RACHAEL L.
#B2298

REFER TO 2-083-171-496-296
SEC 17 T29N R14V Q14D 2
BRINHALL, KAREN TRST
#80213

SAN JUAN RIVER

NAVAJO INDIAN RESERVATION

22

THIS MAP IS FOR ASSIGNMENT PURPOSES ONLY.

PROPERTY IDENTIFICATION MAP
SAN JUAN COUNTY
NEW MEXICO

SCALE:(APPROX.) 1" = 200'

NOTED INFORMATION CONTAINED ON THIS MAP IS SHOWN SOLELY ON RECEIVED DATA. (NO LIABILITY ASSURED)

CODE NUMBER
2-083-171

LEGAL DESCRIPTION

SECTION 17 T29N R14W QUAD 3

SEC 18
SEC 19

SEC 20

1

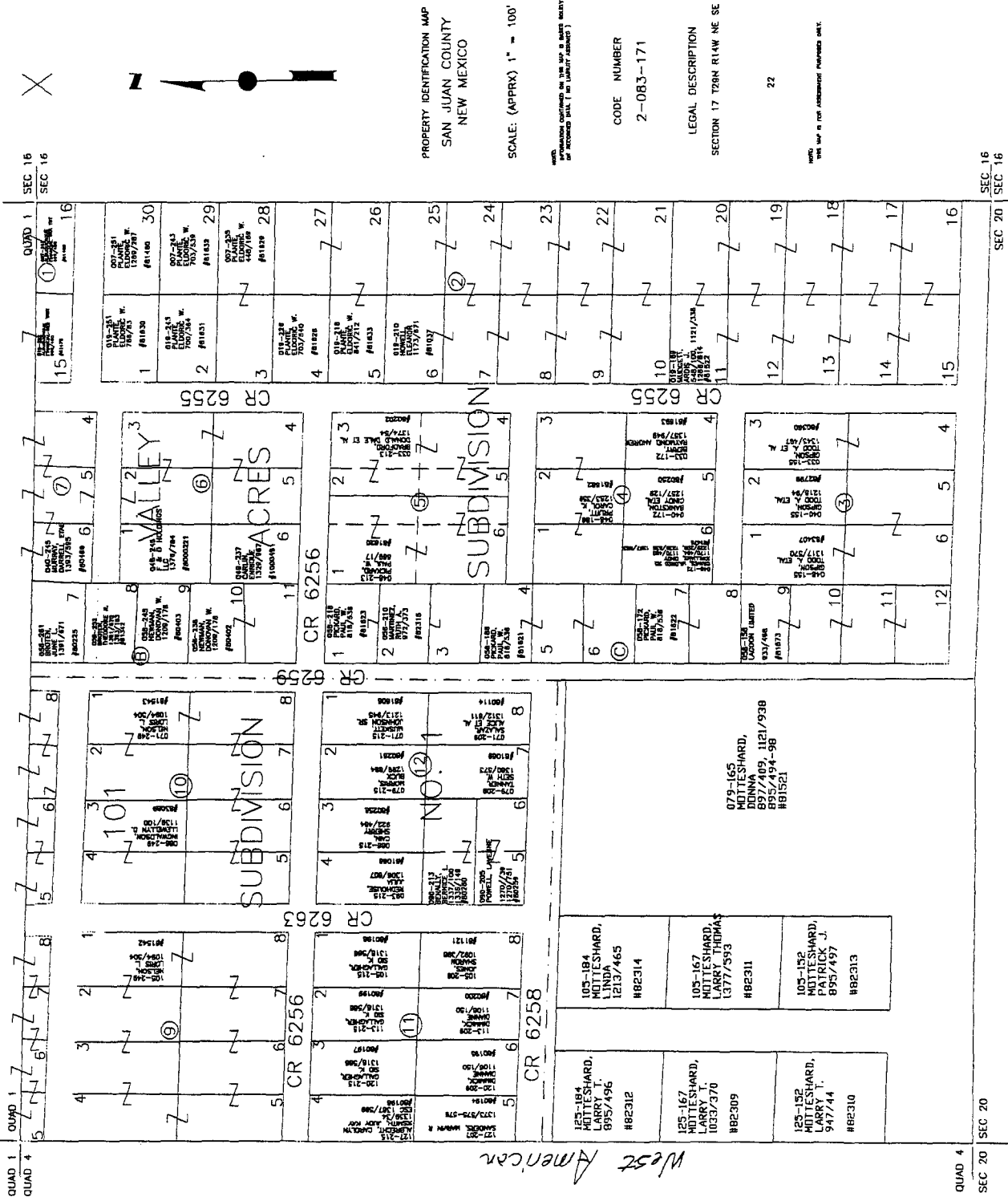
Abstract

1

1

7

QUAD 4
SEC 20



PROPERTY IDENTIFICATION MAP
SAN JUAN COUNTY
NEW MEXICO

SCALE: (APPROX) 1" = 100'

NOTES:
INFORMATION CONTAINED ON THIS MAP IS BASED EXACTLY
ON RECORDS MAINTAINED BY THE COUNTY CLERK.

CODE NUMBER
2-083-171

LEGAL DESCRIPTION
SECTION 17 T28N R14W NE SE

22

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY.

SEC 16
SEC 20
SEC 16

QUAD 4
SEC 20
SEC 20