

LANCE OIL & GAS COMPANY, INC. Authorization for Expenditure Lance Oil and Gas Company, Inc.

1099 18th Street, Ste. 1200 Denver, CO 80202-1955 (303) 452-5603

Business Unit/District:	San Juan							Psuedo API#	29132211aPCc30
Well Name & Number:	F-RPC 22 #	2						AFE No.	607443
Location:	SEC.	22	Township	29 N	Range:	13 W		Property #:	
Footage	1320	FNL	1320	FWL	QuarterC	uarter	NWNW	API #:	30-045-33160
County:	San Juan	_ State:	New Mexic	co				Date :	06/14/05
Field/Unit/Area:	Basin FC /	West Kutz F	c					Budget Year:	2005
Proposed Total Depth:	1150'	_		Target R	eservoir:_F	C / PC		Project Type:	DRILL
Anticipated Spud Date:	08/01/05	_	Est.	Completi	ion Date: 0	8/15/05		Cost Center:	14100.00
Project Description: Drill, complete, equip and install flowline es on a FC/PC well									
Special Lease Co	nsiderations:								

SUMMARY OF ESTIMATED COSTS		Dry Hole	Complete	
INTANGIBLE COSTS	Acct.#	Acct.# 2660	Acct.# 2665	TOTAL
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Permitting and Site Work	Rodrinos de la Carlo de la	Committee of the state of the s	estal a mai a constitue de desta el como esta	A CAMPATOR BORNING BACALLES AND THE PERSON NAMED IN
Land Surface Use	0043	\$0	\$0	\$
Surveying & Staking	0001	\$1,500	\$0	\$1,50
Permits	0036	\$1,500	\$0	\$1,50
Surface Damages & Restoration	0003	\$9,500	\$0	\$9,50
Title	0042	\$5,000	\$0	\$5,00
Site Prep, Roads, Pits	0002	\$7,200	\$0	\$7,20
Rig Costs				
Drilling Contract	0004	\$23,775	\$17,500	\$41,27
Rig Trans, Erection, Removal	0007	\$2,500	\$500	\$3,00
Fuel, Power, Water	0010	\$3,500	\$0	\$3,50
Water Purchase	0048	\$0	\$0	\$
Bits, Reamers, Tools	0008	\$0	\$5,200	\$5,20
Mud & Chemicals	0011	\$4,000	\$1,500	\$5,50
Drilling Supplies	0009	\$0	\$0	\$
Equipment and Services			<i>1101111111111111111111111111111111111</i>	
Cementing	0012	\$3,100	\$8,200	\$11,30
Plugging Expense	0025	\$0	\$0	\$
Casing Crews	0021	\$0	\$2,500	\$2.50
Rental Equipment	0023	\$1,400	\$2,000	\$3,40
Trucking & Hauling	0024	\$3,000	\$2,500	\$5,50
Welding	0039	\$700	\$0	\$70
Other Contract Labor	0026	\$3,000	\$800	\$3,80
Environmental & Safety	0040	\$0	\$0	\$
Fishing Tools & Service	0041	\$0	\$0	Š
Other Services, Stimulation, Treatments	0014	\$0	\$120,000	\$120,00
Evaluation				TO THE STATE OF TH
Electric Surveys, Logs, Surveys, Perforating	0015	\$5,500	\$4,500	\$10,00
Drill Stem Test, Mud Logging, Core work	0013	\$0	\$0	\$10,00
Experimental to the control of the c			10011011011011111111111111111111111111	
Geological & Engineering	0027	The state of the s	Salating to the last of the la	the street was the street also believed the same and a said of
	0027	\$3,300	\$0	\$3,30
Labor, Company Overhead, Allocated Costs, and Contingency	0029 [구왕역(())[[조구 등 조금 ()]	\$0	\$0	\$ <i>700000000000000000000000</i>
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Overhead	0032	\$4,500	\$0	\$4,50
Road Infrastructure Allocated	0050	111111111111111111111111111111111111111	\$0	\$
Electrical Infrastructure Allocated	0049		\$0	
Water Management Infra Allocated	0046		\$0	
Miscellaneous and Contingency	0038	\$4,149	\$8,260	\$12,40
FRUITLAND COAL INTANGIBLE		\$83,124	\$86,730	\$169,85
PICTURED CLIFFS INTANGIBLE		\$4,000	\$86,730	\$90,73
TOTAL INTANGIBLE		\$87,124	\$173,460	\$260,584

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. 13537 Exhibit No. 8 Submitted by: LANCE OIL & GAS CO., INC.

Hearing Date: August 25, 2005



LANCE OIL & GAS CAMPANY, INC. Authorization for Expenditure Lance Oil and Gas Company, Inc.

1099 18th Street, Ste. 1200 Denver, CO 80202-1955 (303) 452-5603

				Psuedo API #	29132211aPCc30
Well Name & Number: F-RPC 22 #2	<u> </u>			AFE No.	607443
Location: SEC.	22 Township 29 N	Range: 13 W		Property #:	
SUMMARY OF ESTIMAT	TED COSTS		Dry Hole	Complete	TOTAL
TANGIBLE COSTS		Sub Acc.#	Acct. 2670	Acct. 2675	Total:
Conductor & Surface Casir	ng	0002	\$1,985		\$ 1,985
Wellhead & Subsurface Eq	ulp	0007	\$300	\$1,300	
Intermediate Casing Production Casing/ Liners		0003 0004	\$0	#12,075	
Tubing		0004			
Pumping Unit & Equipment	t	0008		\$18,500	\$ 18,500
Engines and Power Equip		0028	111111111111111111111111111111111111111	\$8,000	\$ 8,000
Electrical		0026		\$0	
Sucker Rods and Downhole Install Costs Surface Equip		0009		\$3,540 \$2,000	\$ 3,540 \$ 2,000
Tanks	<u> </u>	0011		\$16,000	\$ 16,000
Valves & Fittings		0014	111111111111111111111111111111111111111	\$2,000	\$ 2,000
Pipe		0001		\$0	\$ -
Trunkline Costs		0024	110711111111111111111111111111111111111	\$0	\$.
Flow Lines & Connections Meter Building and Meter		0015 0025	<i>(</i>	\$65,000 \$3,000	\$ 65,000 \$ 3,000
Automation Equipment		0029	***************************************	\$2,000	\$ 2,000
Miscellaneous Equipment		0038	(11111111111111111111111111111111111111	\$0	\$ -
Software and Communicat		0030	***************************************	\$0	\$ -
Separators, Heater, Treater		0012	**************************************	\$4,000	\$ 4,000
Emission Control Combust Buildings	iors	0021 0016		\$0 \$0	\$ -
Fences & Cattle Guards		0017	mminininininininininininininininininini	\$5,000	\$ 5,000
Water Management		0031	111111111111111111111111111111111111111	\$0	
FRUITLAND COAL TANGIB			\$1,285		
PICTURED CLIFFS TANGIE			\$1,000	\$73,124	
			\$ 2,285	\$ 146,248	\$ 148,532
TOTAL OF INTANGIBLE AN	ND TANGIBLE COSTS FRUITLAN	ID COAL	\$ 84,409	\$ 159,854	\$ 244,262
TOTAL OF INTANGIBLE AN	ND TANGIBLE COSTS PICTURED	CLIFFS	\$ 5,000	\$ 159,854	\$ 164 <u>,854</u>
	TANGIBLE AND TANGIBLE	COSTS	\$ 89,409	\$ 319,708	\$ 409,116
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Working Interest Owners: Lance Oil and Gas Compar		W1 %	Drilling	Completion	TOTAL
I ance Oil and Gas Compar	nv FC	******	\$ 84,409	\$ 159,854	S 244,262
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0.00	, Inc PC			\$ 159,854	
0.00 Lance Oil & Gas Company, 0.000000%	, Inc PC	####### 0.0000%	\$ 5,000 0 \$ 89,409	\$ 159,854 0 \$ 319,708	\$ 164,854 ####################################
0.00 Lance Oil & Gas Company, 0.000000%	, Inc. — PC TOTAL	####### 0.0000%	\$ 5,000 0 \$ 89,409	\$ 159,854 0 \$ 319,708	\$ 164,854 ####################################
0.00 Lance Oil & Gas Company, 0.000000%	, Inc. — PC TOTAL ance Oil and Gas Comp	####### 0.0000% Pany APPROVALS	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
0.00 Lance Oil & Gas Company, 0.000000%	, Inc. — PC TOTAL ance Oil and Gas Comp NAME	####### 0.0000% Pany APPROVALS	\$ 5,000 0 \$ 89,409	\$ 159,854 0 \$ 319,708	\$ 164,854 ####################################
0.00 Lance Oil & Gas Company, 0.000000% AFE Originator:	, Inc. – PC TOTAL ance Oil and Gas Comp NAME Justin Sandifer	######## 0.0000% #####################	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
0.00 Lance Oil & Gas Company, 0.000000%	, Inc. – PC TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone	####### 0.0000% Pany APPROVALS	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
0.00 Lance Oil & Gas Company, 0.000000% AFE Originator: AFE Project Manager	TOTAL TOTAL Ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi	####### 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommented By:	TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons	####### 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommented By: Recommended By:	, Inc. – PC TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons	####### 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager Senior Geoscientist	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommented By: Recommended By:	TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons	####### 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager	\$ 5,000	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Project Manager Land Approved by: Recommended By: Approved By:	TOTAL TOTAL Ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons Jeffery E. Jones	####### 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager Senior Geoscientist Vice President, Production	\$ 5,000 0 \$ 89,409 Signature	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommended By: Approved By:	TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons Jeffery E. Jones	######## 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager Senior Geoscientist Vice President, Production OR ESTIMATING PURPOSES ONL	\$ 5,000 0 \$ 89,409 Signature	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommended By: Recommended By: Approved By: THE ABOVE O	TOTAL TOTAL Ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons Jeffery E. Jones	######## 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager Senior Geoscientist Vice President, Production OR ESTIMATING PURPOSES ONL	\$ 5,000 0 \$ 89,409 Signature	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommented By: Recommended By: Approved By: THE ABOVE COPARTNER APPROVAL Company Name	TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons Jeffery E. Jones COSTS ARE UNDERSTOOD TO BE FO	####### 0.0000% Deany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager Senior Geoscientist Vice President, Production DR ESTIMATING PURPOSES ONL	\$ 5,000 0 \$ 89,409 Signature	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
AFE Originator: AFE Originator: AFE Project Manager AFE Project Manager Land Approved by: Recommended By: Recommended By: Approved By: THE ABOVE O	TOTAL ance Oil and Gas Comp NAME Justin Sandifer Doug Barone David Gomendi Mark Petry Bill Lyons Jeffery E. Jones COSTS ARE UNDERSTOOD TO BE FO	######## 0.0000% Pany APPROVALS Title SJBU Engineer SJBU Field Superintendent SJBU Manager Land Manager Senior Geoscientist Vice President, Production OR ESTIMATING PURPOSES ONL	\$ 5,000 0 \$ 89,409 Signature	\$ 159,854 0 \$ 319,708	\$ 164,854 \$ 409,116
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