

TIME-LINE Section 22 T29N-R13W
Lance Oil & Gas Company, Inc.

November 2001 & March 2002 Richardson Operating Company proceeded with preliminary leasing in area.

April 15, 2005 Lance Oil & Gas Company, Inc. obtained current title opinion

April 19, 2005 Obtained leasehold interest for wellbore

May 5, 2005 Lance sent out first round of letters to unleased mineral interest owners.

June 2, 2005 Lance sent out letter w/afe indicating individual unleased mineral interest in wellbore.

June 17, 2005 applied to OCD and received APD for W/2 FC, NW/4 PC well

June 5, Synergy sent out first round of letters, have not seen any with AFE's to unleased owners. Shortly thereafter Paul Lehman called Pat Hegarty @ Synergy and inquired why they were in our lease play. Discussion ensued concerning the locations, etc. Paul informed Pat that we had a well permitted and were going to continue leasing and had approached Tommy Bolack in the SW/4 concerning a surface use agreement. Upon completion of the leasing we would be applying for compulsory pooling.

7/25/2006 Synergy applied and received APD for SW/4 PC and W/2 FC from OCD.

July 27, 2005 Meeting w/ Tommy Bolack, Patrick Hegarty (Synergy) and from Lance, Gerald Sullivan, Paul Lehman, Gerald Sullivan. Synergy had permitted a well in the SW/4 on the Amoco leasehold and not contacted Tommy Bolack (surface owner) regarding surface use agreement. Mr. Bolack was upset and indicated that Lance had contacted him several times concerning this location as long ago as last year. Paul Lehman requested that Synergy dismiss their application for the SW/4 until an agreement could be reached, Hegarty declined and indicated that August 11th was the hearing date for both the well in the NW/4 and the SW/4. Paul then asked to have the well in the NW/4 taken off the hearing date as we have permitted the well and own a larger percentage in the wellbore, Mr. Hegarty indicated that his attorney was handling this and didn't know what the procedure was and gave no indication that he was willing to compromise

Lance has been actively engaging in leasing and continue to lease unleased mineral owners. We are working on a Farmout agreement with BP Amoco for 80 acres in SW/4. (see attached e-mail)

Our research indicates that Synergy has taken the following leases erroneously

16 leases taken on mineral interest already leased by Lance Oil & Gas Company, Inc.
2 leases taken on mineral interest already leased by BP Amoco
9 leases taken from surface owners only, no mineral interest involved.

As of 7/29/05 Synergy has the following verifiable acreage

NW/4 20.6769 ACRES

SW/4 27.3136 ACRES

BP AMOCO has 80 acres in SW/4

Lance Oil & Gas Company, Inc.

NW/4 79.4113 ACRES

SW/4 24.7998 ACRES

% By proration Unit

COMPANY	PC NW/4	PC SW/4	FC W/2
Lance Oil & Gas Company, Inc.	49.6321%	15.4999%	32.566%
Synergy Operating Company	12.9320%	17.0710%	14.997%
BP Amoco	- 0 -	50.0000%	25.000%
Unleased	37.4449%	17.4290%	27.437%
	100.00%	100.00%	100.00%

Synergy has applied for August 11th compulsory pooling. Lance is protesting due to Synergy's lack of accurate title (see above), lack of surface use agreement for well location (SW/4), NW/4 well location is not within City limits.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13537 Exhibit No. 4

Submitted by:

LANCE OIL & GAS CO., INC.

Hearing Date: August 25, 2005