

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address LANCE OIL & GAS COMPANY, INC. 1099 18th Street Denver, CO 80202		2. OGRID Number 229938
		3. API Number 30-045-33416
4. Property Code 300888	5. Property Name ROPCO 7	6. Well No. 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Ltn	Feet From	N/S Line	Feet From	E/W Line	County
M	7	29N	14W	4	835	S	1175	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5194
14. Multiple N	15. Proposed Depth	16. Formation Pictured Cliffs Formation	17. Contractor	18. Spud Date 1/15/2006
Depth to Ground water 25		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: <input type="checkbox"/> Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	200	150	0
Prod	7.875	5.5	15.5	700	100	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION		
	Approved By: Charlie Perrin		
	Title: District Supervisor		
	Title: Supervisor Production	Approved Date: 11/10/2005	Expiration Date: 11/10/2006
	Email Address: munondrag@westerngas.com		
	Date: 11/3/2005	Phone: 303-450-3587	

BEFORE THE
OIL CONSERVATION DIVISION
 Case No. 13627 Exhibit No. 5
 Submitted By:
 Lance Oil & Gas, Inc
 Hearing Date: January 19, 2006
 BEFORE THE

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Atec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-102
Permit 18037

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33416	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 300888	5. Property Name ROPCO 7	6. Well No. 003
7. OGRD No. 229938	8. Operator Name LANCE OIL & GAS COMPANY, INC.	9. Elevation 5194

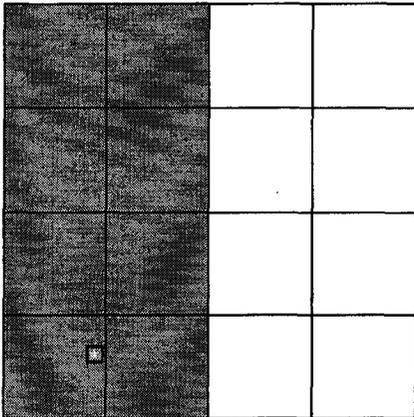
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	7	29N	14W		835	S	1175	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 314.80		13. Joint or Infill		14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION		
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> E-Signed By: Mary Mondragon Title: Supervisor Production Date: 11/3/2005		
	SURVEYOR CERTIFICATION		
	<i>I hereby certify that the well location shown 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.</i> Surveyed By: Gerald Huddleston Date of Survey: 10/31/2005 Certificate Number: 6844		

Permit Comments

Operator: LANCE OIL & GAS COMPANY, INC. , 229938

Well: ROPCO 7 #003

API: 30-045-33416

Created By	Comment	Comment Date
PAULLEHRMAN	Well has been P & A'd. See approved Sundry in Imaging.	11/3/2005

Submit 3 Copies To Appropriate District Office
 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

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33416
5. Indicate Type of Lease Navajo STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Ropco 7
8. Well Number #3
9. OGRID Number 229938
10. Pool name or Wildcat Basin Fr. Coal

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Lance Oil & Gas Company, Inc.

3. Address of Operator
Box 70, Kirtland, NM 87417

4. Well Location
 Unit Letter M : 835 feet from the South line and 1175 feet from the West line
 Section 7 Township 29N Range 14W NMPM San Juan County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5194

Pit or Below-grade Tank Application or Closure

Pit type Drilling Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mill Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Change Location <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Request that location of proposed well be moved from 835' FSL & 1175' FWL to 845' FSL & 790' FWL. Location was requested by landowner. Location is still legal and would improve the landowner's property values from old location. All other terms and conditions of C-101 remain the same. Attached revised C-102 is attached showing new location.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE _____ TITLE Sr. Landman DATE 12-1-05

Type or print name Paul Lehman E-mail address: plehrman@westerngas.com Telephone No. 598-5601 Ext. 57

APPROVED BY: _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE DEC 01 2005

Conditions of Approval (if any): _____

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

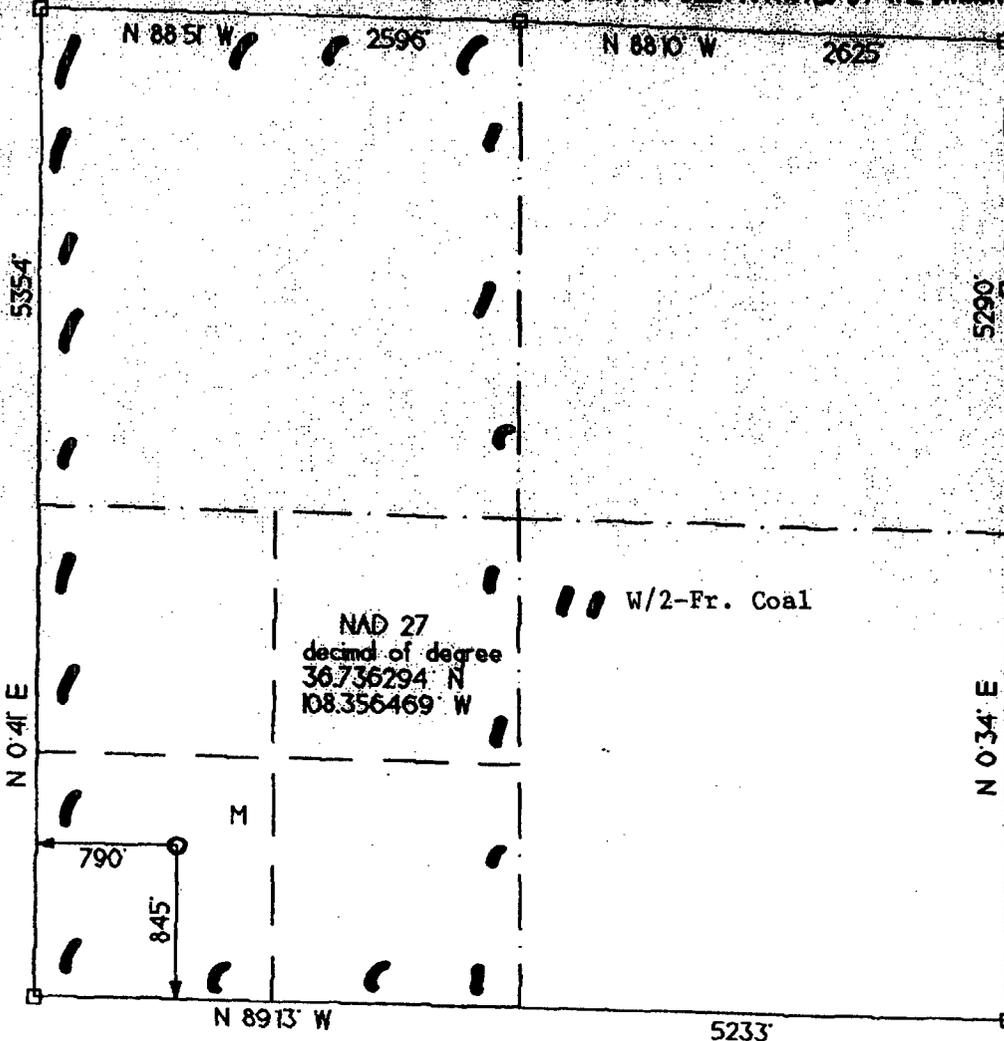
APA Number 30-045-33416	Pool Code	Pool Name Basin Fr. Coal
Property Code	Property Name ROPCO 7	Well Number 3
OGPD No. 229938	Operator Name LANCE OIL & GAS COMPANY, INC.	Elevation 5188'

U. or Lot	Sec.	Top.	Rge.	Lot No.	Feet from North/South	Feet from East/West	County
M	7	29 N	14 W		845	790 WEST	SAN JUAN

U. or Lot	Sec.	Top.	Rge.	Lot No.	Feet from North/South	Feet from East/West	County

Dedication W/2	Job #	Consolidation	Order No.
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314.80 Ac. 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 Sr. Landman
Date 12-1-05
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 rev: 1 29 '05
Signature and Seal of Professional Surveyor <i>Gerald Huddleston</i> NEW MEXICO 6844 REGISTERED LAND SURVEYOR