

LANCE OIL & GAS COMPANY, INC.
PO Box 70



Kirtland, New Mexico 87417

CERTIFIED MAIL 7002 3150 0002 0908 9808

April 20, 2005

Marion Lee Wells
P.O. Box 407
Kirtland, NM 87417

RE: Offer for Oil and Gas Lease
Township 29 North, Range 14 West
Section 7: W/2
San Juan County, New Mexico

Dear Mineral Owner:

Lance Oil & Gas Company, Inc. has been acquiring leases in the above area and plan to drill for gas in the near future. Our operations will include the drilling of wells, which will result in the mineral acreage in which you have an interest being included in the proposed drilling spacing unit. Lance would like to submit to you a proposal for an oil and gas lease for your mineral interest.

The oil and gas lease Lance offers is a paid-up Oil and Gas Lease which provides for a five (5) year primary term, and bonus consideration based on \$50.00 per net acre, or \$50.00 your .4304 net mineral acres. The lease also provides for a one-eighth (1/8th) royalty in the event of production.

If you find the terms of this lease form acceptable, please **execute the enclosed lease in the presence of a notary public and return it in the envelope provided. Please also complete the W-9 Request for Taxpayer Identification Number and Certification and return with the lease.** The COPY is for your records. Lance will mail your bonus check direct to you within ten (10) days of receipt of this fully executed lease.

If you should have any questions please feel free to contact the undersigned at 598-5601 ex 62.

Sincerely,

Anne Jones
Sr. Landman

Enclosures

NEW MEXICO
OIL CONSERVATION DIVISION
Case No. 13627 Exhibit No. — 9
Submitted By:
Lance Oil & Gas, Inc
Hearing Date: January 19, 2006

Phone (505) 598-5601

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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Marion Lee Wells
P.O. Box 407
Kirtland, NM
87417

2. Article Number
(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Shauna Wells* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
if YES, enter delivery address below: No

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

4. Restricted Delivery? (Extra Fee) Yes

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