

2001 DEC 30 25 9 14

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-079065
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Lance Oil & Gas Company, Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address Box 70, Kirtland, NM 87417	3b. Phone No. (include area code) 598-5601 Ext. 57	8. Lease Name and Well No. F-RPC 19 #2Y
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 688' FNL & 836' FWL At proposed prod. zone Same		9. API Well No. 30-045-32766
14. Distance in miles and direction from nearest town or post office* 2 Miles SW of Farmington, NM		10. Field and Pool, or Exploratory West Kutz PC/Basin Fr. Coal
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 688'		11. Sec., T., R., M., or Blk. and Survey or Area C Sec. 19-T29N-R13W, NMPM
16. No. of Acres in lease 1,470.81	17. Spacing Unit dedicated to this well NW/4-PC 90.57 Acres N/2-FC 249.59 Acres	12. County or Parish San Juan
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 30'	19. Proposed Depth 1200'	13. State NM
20. BLM/BIA Bond No. on file BLM Nationwide # 965004351	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5314' GL	22. Approximate date work will start* Upon approval
23. Estimated duration 2 weeks	24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Paul Lehrman	Date 12-29-04
Title Sr. Landman		
Approved by (Signature) 	Name (Printed/Typed) Chip Harraden	Date 12/30/04
Title Acting Team Lead	Office BLM-FFO	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

\* Note: This is a replacement well for the Lance F-RPC 19 #2 which encountered downhole problems. See attached letter from Western Archeological Services. Existing pad will be use for all operations.

ONSHORE OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".

NMOCDD

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4

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 30 87 S 14

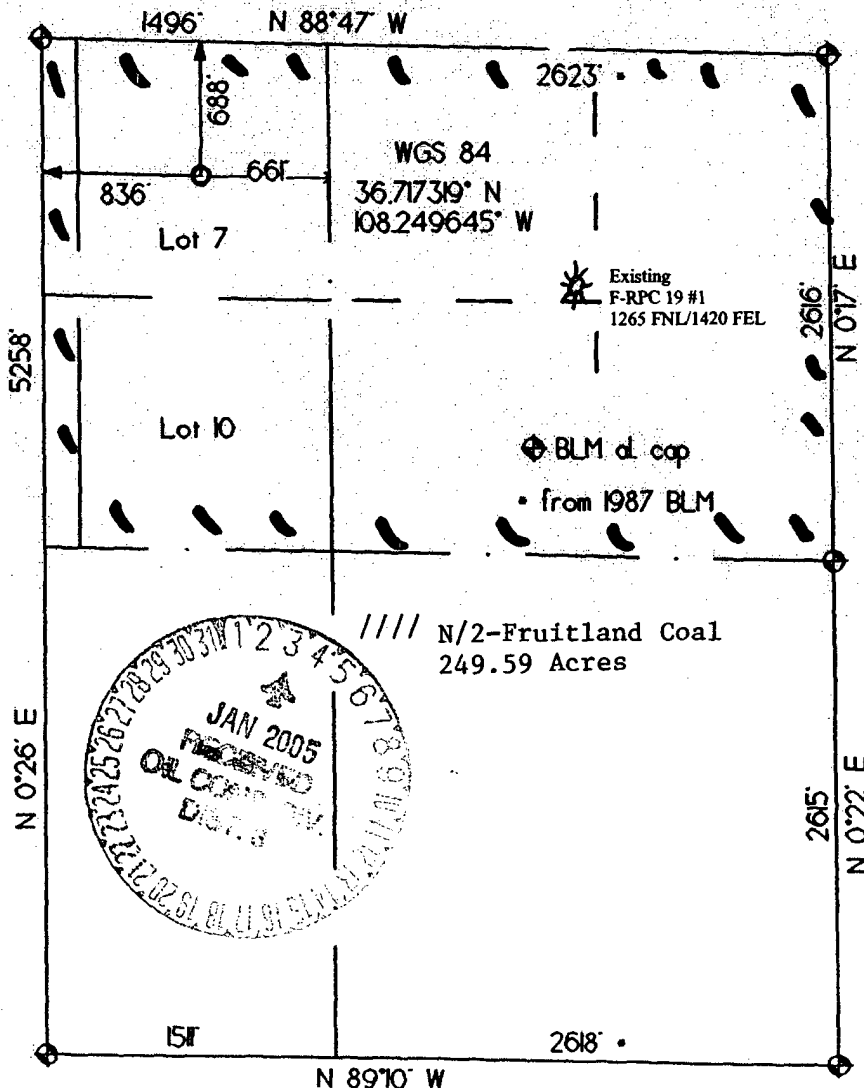
APA Number 30-045- <b>32766</b>	Pool Code 71629 <b>79680</b>	Pool Name Basin Fruitland Coal <b>RTW, PL</b>
Property Code <b>300876</b>	Property Name F - RPC 19	Well Number 2 Y
OGRID No. 229938	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5314'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
C	19	29 N	13 W		688'	NORTH	836'	WEST	SAN JUAN

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication N/2	Joint ?	Consolidation	Order No. <b>NSP 1881 - PL</b>
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249.59 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



<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature <i>[Signature]</i>	
Printed Name Paul Lehrman	
Title Sr. Landman	
Date 12-29-04	
<b>SURVEYOR CERTIFICATION</b> 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 <b>rwv: 12/29/04</b>	
Signature and Seal of Professional Surveyor <i>[Signature]</i>	<b>GERALD E. HUDDLESTON</b> NEW MEXICO 6844 REGISTERED LAND SURVEYOR

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-
5. Indicate Type of Lease <input checked="" type="checkbox"/> Federal <input type="checkbox"/> NM STATE <input type="checkbox"/> FEE <input type="checkbox"/> SF-07906
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name F-RPC 19 #2Y
8. Well Number
9. OGRID Number 229938
10. Pool name or Wildcat W. Kutz PC/Basin Fr. Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5314 GR
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <u>Drilling</u> Depth to Groundwater <u>7100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&gt;1000'</u>
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material <u>Impervious Plastic</u>

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

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐ OTHER: Pit Permit ☒

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.

Pit Permit pursuant to NMOCD Rule 50.

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 Paul Lehrman TITLE Sr. Landman DATE 12-29-04

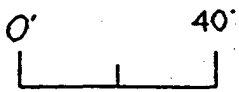
Type or print name Paul Lehrman  
For State Use Only

E-mail address: plehrman@westerngas Telephone No. 598-5601  
Ext. 57  
DEPUTY OIL & GAS INSPECTOR, DISTRICT 13

APPROVED BY: [Signature] TITLE \_\_\_\_\_ DATE JAN - 3 2005  
Conditions of Approval (if any): \_\_\_\_\_

F-RPC 19#2Y

well pad and section



Scale 1" = 40'



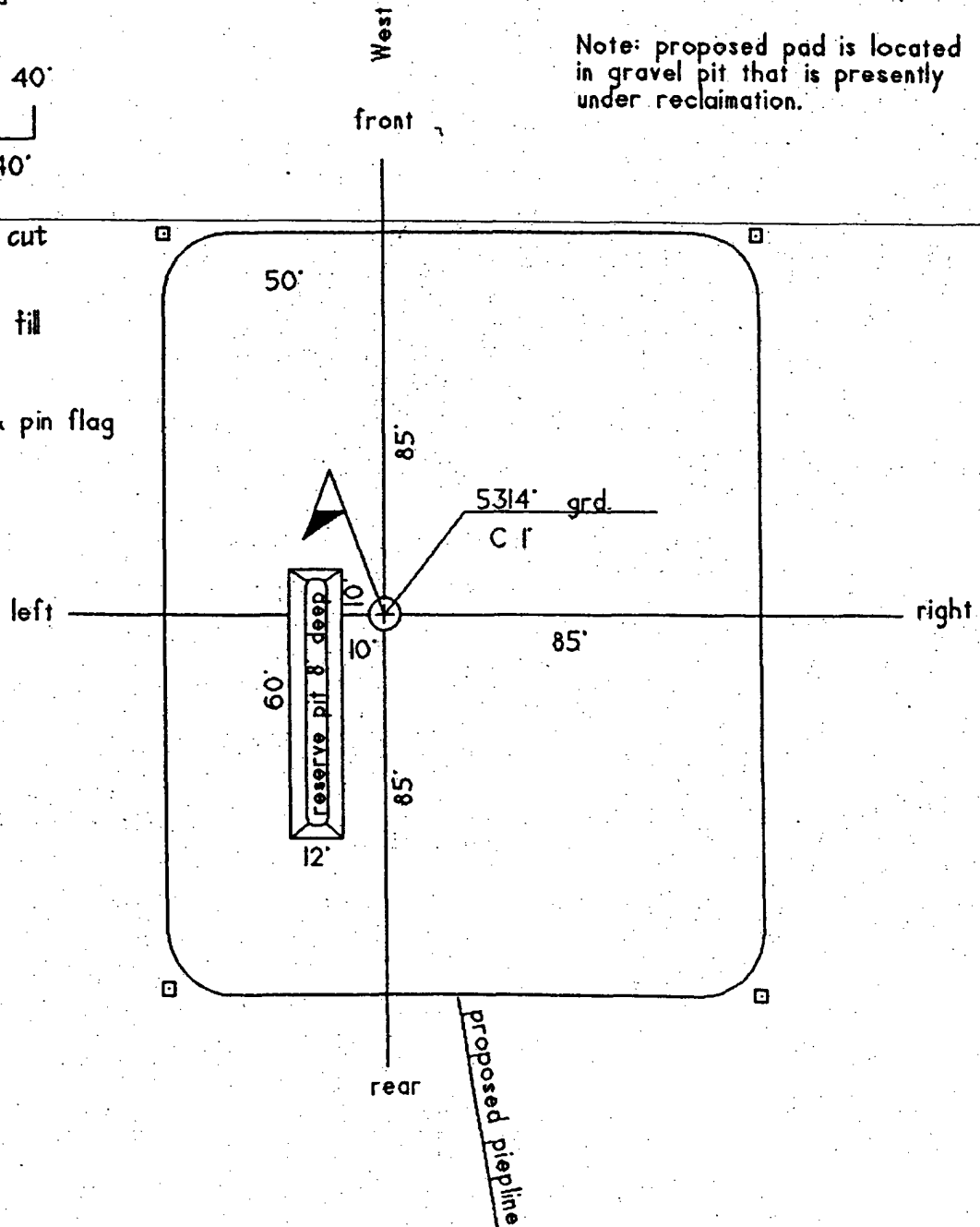
cut



fill

□ set stake & pin flag

Note: proposed pad is located  
in gravel pit that is presently  
under reclamation.



section

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-	Pool Code 79680	Pool Name West Kutz PC
Property Code	Property Name F - RPC 19	Well Number 2 Y
OGRID No. 229938	Operator Name RICHARDSON OPERATING COMPANY	Elevation 5314'

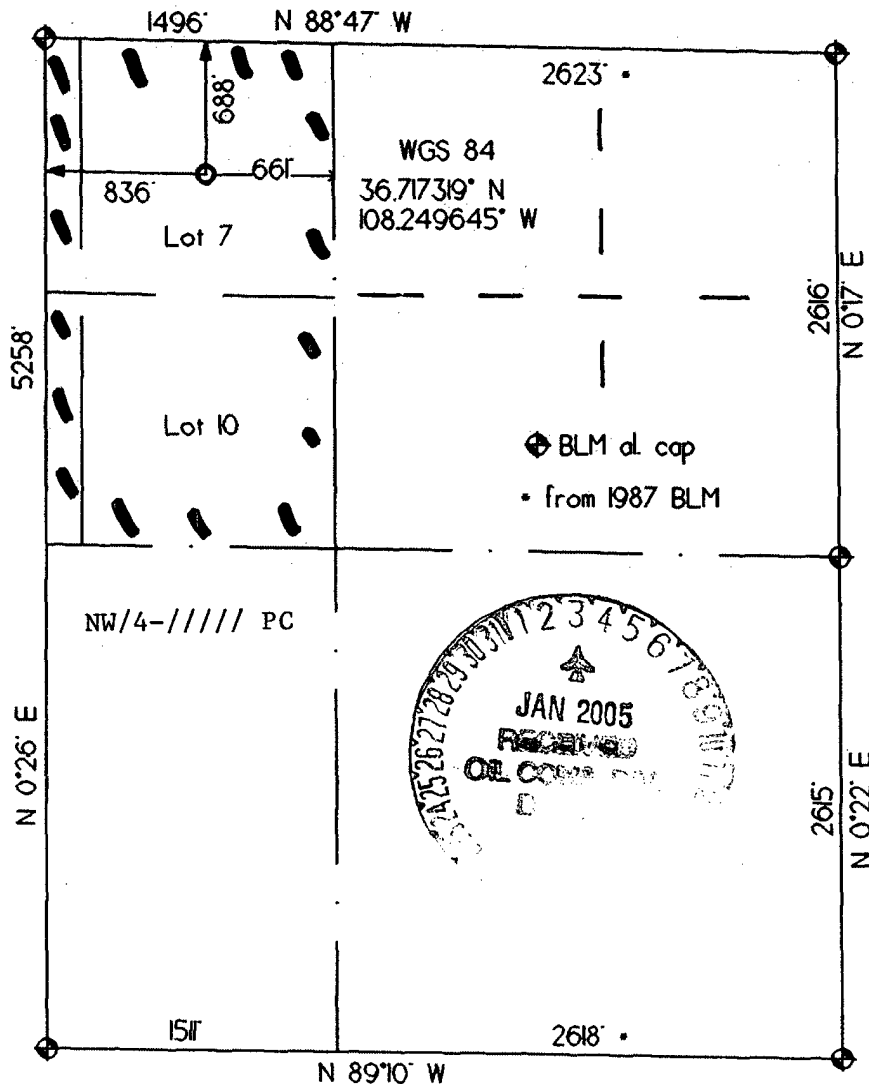
Surface Location

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County
C	19	29 N	13 W.		688'	NORTH	836'	WEST	SAN JUAN

Bottom Hole Location If Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County
Dedication NW/4	Joint ?	Consolidation	Order No.						

90.57 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

Printed Name

Paul Lehrman

Title

Sr. Landman

Date

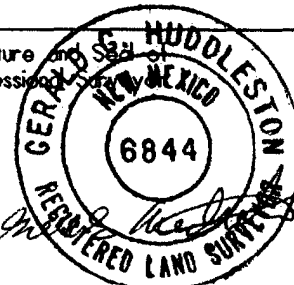
12-29-04

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 rww: 12/29/04

Signature and Seal of Professional Surveyor



**Lance Oil & Gas Company, Inc.**  
**F-RPC #2Y**  
**688' FNL & 836' FWL**  
**Section 19, T29N, R13W, NMPM**  
**San Juan County, New Mexico**

**DRILLING PROGRAM**

**1. ESTIMATED FORMATION TOPS:**

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Kirtland Shale	000'	005'	+5,314'
Fruitland Fm	815'	820'	+4,499'
Fruitland Coal	845'	850'	+4,469'
Pictured Cliffs Ss	970'	975'	+4,344'
Total Depth (TD)*	1200'	1205'	+4,114'

\*All elevations reflect the ungraded ground level of 5,314'

**2. NOTABLE ZONES:**

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland	Fruitland Coal	Fruitland Coal
Pictured Cliffs		

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Centralizers will be run through usable water zones to ensure that the casing is centralized through these zones. Number of centralizers will be based on API standards. A turbulizing centralizer will be run to ensure an adequate cement procedure just below the base of the lowest usable water zone. Oil and gas shows will be tested for commercial potential based on the well site representatives recommendations.

**3. PRESSURE CONTROL:**

The drilling contract has not yet been awarded, thus the exact BOP model to be used is unknown. (A typical 2,000 psi model has been attached to the end of the drilling program.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1000 psi.

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a floor safety valve, Kelly cock and choke manifold rated to 2000 psi. Maximum expected pressure is less than 1000 psi.

**Drilling Program**  
**Lance Oil & Gas Company, Inc.**

Page Two

**4. CASING AND CEMENTING PROGRAM:**

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
12 1/4"	8 5/8"	24	J-55	New	120'
7 7/8"	5 1/2"	15.5	J-55	New	1200'

Surface casing will be cemented to surface with  $\approx 120$  cu.ft. ( $\approx 100$  sx) Howco Type II. Volume is based on 100% excess, yield of 1.20 cu.ft./sk, and slurry weight of 15.6 ppg. WOC = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with drilling fluid to surface. Thirty barrels of fresh water will then be circulated. Lead with  $\approx 245$  cu.ft. ( $\approx 135$  sx) Howco TX1 Lightweight (yield = 1.82 cu.ft./sk, slurry weight = 12.0 ppg). Tail in with  $\approx 90$  cu.ft. ( $\approx 70$  sx) Howco TX 1 Lightweight (yield = 1.29 cu.ft./sk, weight = 13.5 ppg). Total cement volume is  $\approx 335$  cu.ft. based on 50% excess and circulating to surface.

Production casing will have 5 1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Six centralizers will be spaced every other joint starting above the shoe. Six turbolizers will be placed every other joint starting from the top of the well.

**5. MUD PROGRAM:**

Surface casing hole will be drilled with fresh water. Production casing hole will be drilled with a fresh water polymer mud. Weighting material will be drill solids or, if needed, barite. Maximum expected mud weight will be 8.7 ppg. Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well while drilling.

**6. CORING, TESTING, & LOGGING:**

No cores or DSTs are planned. A cased hole CNL/GR will be run from TD to surface.

**7. DOWNHOLE CONDITIONS:**

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be approximately  $\approx 520$  psi.

**8. OTHER INFORMATION:**

The anticipated spud date is December 31, 2004. It should take 5 days to drill and one (1) week to complete the well.

