Form 3160-4
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMNM-101552

1a. Type of Well ☐ Oil Well ☑ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr,.
Other

6. If Indian, Allottee or Tribe Name: N/A

7. Unit or CA Agreement Name and No.: N/A

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

8. Lease Name and Well No.: WF Federal 1 #2

3. Address: P. O. Box 70, Kirtland, NM 87417

3a. Phone No. (include area code): (505) 598-5601

9. API Well No.: 30-045-32269

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface: 1200' FNL & 1835' FWL Unit F

At top prod. interval reported below: Same

At total depth: Same as above

10. Field and Pool, or Exploratory: Basin Fruitland Coal

11. Sec., T., R., M., on Block and Survey or Area: Sec 1, T30N-R14W

12. County or Parish: San Juan

13. State: NM

14. Date Spudded: 01/13/2005

15. Date T.D. Reached: 01/17/2005

16. Date Completed: ☐ D & A ☑ Ready to Prod. 04/27/2005

17. Elevations (DF, RKB, RT, GL)*: 5872'

18. Total Depth: MD 1834' TVD

19. Plug Back T.D.: MD 1804' TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Compensated Neutron Log, Induction Log

22. Was well cored? ☑ No ☐ Yes (Submit analysis)
Was DST run? ☑ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☑ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	J55 24#	Surface	140'		125sx STD	26 bbls	Cmt to surf	7 bbls
7-7/8"	5-1/2"	J5515.5#	Surface	1815.3'	Lead 155	200 sx Type 3	91 bbls		
					Tail 76	57 sx Type 3	20 bbls	Cmt to surf	25 bbls
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24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	1660' KB							

25. Producing Intervals / 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Fruitland Coal (S-8)	1634'	1646'	1634', 1639-1646'	.42	27 holes	open
B)						
C) Fruitland Coal (S-9)	1453'	1540'	1453-1457', 1477,	.42	36 holes	open
D)			1490, 1536-1540'			

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
1634-1646'	41,445 gals clean fluid with 67,800 lbs of 16/30 mesh brady sand
1453-1540'	39,715 gals clean fluid with 66,100 lbs of 16/30 mesh brady sand

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
									Sundry of tests to follow
Choke Size	**Tbg. Press. Flwg. SI**	**Csg. Press.**	**24 Hr. Rate →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas/Oil Ratio**	**Well Status**	
								SI:WOPL	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	**Tbg. Press. Flwg. SI**	**Csg. Press.**	**24 Hr. Rate →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas/Oil Ratio**	**Well Status**	

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD
JUN 09 2005
FARMINGTON FIELD OFFICE
BY

NMOCD

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Ojo Alamo	**Surface**
				Kirtland	**358'**
				Fruitland	**1038'**
				Middle Fruitland Coal	**1533'**
				Basal Fruitland Coal	**1633'**
				Pictured Cliffs Sandstone	**1648'**

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* **Thomas M. Erwin** Title **Senior Production Engineer**

Signature Thomas M Erwin Date 5/27/05

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.