Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office May 27, 2004 Energy, Minerals and Natural Resources District 1 WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II 30-045-31294 OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease District III 1220 South St. Francis Dr. FEDERAL LEASE #14-20-603-2199 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 STATE FEE District IV 1220 S. St. Francis Dr., Santa Fe, NM 6. State Oil & Gas Lease No. 87505 N/A 7. Lease Name or Unit Agreement Name 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 **NV Navaio 15** PROPOSALS.) 8. Well Number Gas Well Other 1. Type of Well: Oil Well #4 2. Name of Operator 9. OGRID Number Lance Oil & Gas Company, Inc. 229938 3. Address of Operator 10. Pool name or Wildcat P. O. Box 70, Kirtland, NM 87417 West Kutz PC/Basin Fruitland Coal 4. Well Location 2175' Unit Letter J 2160' feet from the South line and feet from the line 14W **NMPM** 15 **Township** 29N Range San Juan County Section 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5174 Pit or Below-grade Tank Application 🔲 or Closure 🔲 Pit type <u>Drilling</u> Depth to Groundwater ___ Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: **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 PLUG AND ABANDON **REMEDIAL WORK ALTERING CASING** □ **TEMPORARILY ABANDON CHANGE PLANS** \boxtimes COMMENCE DRILLING OPNS. P AND A **PULL OR ALTER CASING MULTIPLE COMPL** CASING/CEMENT JOB OTHER: Above-Ground Pit Permit OTHER: 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. Pursuant to conversation with Paul Lehrman, Landman for Lance Oil & Gas Company, Inc. of August 22, 2005, operator will not operate with a lined pit as previously requested, but will use an above-ground closed looped system. Therefore, operator requests authorization to operate with an above-ground closed looped system. This sundry supercedes any sundries previously submitted. 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 of pelowgrade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan []. Thomas W. Erwin, P.E. SIGNATURE TITLE Type or print name E-mail address: terwin@westerngas.com Telephone No. (505) 598-5601 Ext. 63 For State Use Only

APPROVED BY: Levy Feer Conditions of Approval (if any):

TITLE GEPUTY OIL & GAS INSPECTOR, DIST. & DATE

AUG 22 2005