Form 3160-5 (September 2001)

1. Type of Wel

3a. Address

Öil Well

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

P. O. Box 70, Kirtland, NM 87417

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| OM B No. 1004-0135 Expires: January 31, 2004 |
|---|
| 5 Lease Serial No. |

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

Other

✓ Gas Well

| NMSF-078110 | |
|---|--|
| 6. If Indian, Allottee or Tribe Name | |
| N/A | |
| 7. If Unit or CA/Agreement, Name and/or No. | |
| | |
| 8. Well Name and No. | |
| FRPC 15 #1 | |
| 9. API Well No. | |
| 30-045-33019 | |

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal/Twin Mounds PC

11. County or Parish, State 1080' FNL & 1830' FEL Section 15, T29N-R14W, NMPM San Juan County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Production (Start/Resume) Deepen Notice of Intent Alter Casing Well Integrity Fracture Treat Reclamation Casing Repair Other to Produce Basin New Construction Recomplete ✓ Subsequent Report Temporarily Abandon Fruitland Coal Change Plans Plug and Abandon Final Abandonment Notice Convert to Injection Plug Back zone only

3b. Phone No. (include area code)

505-598-5601

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Based on analysis of recently acquired information, Lance Oil & Gas Company, Inc. has only completed, and proposes to only produce, the Basin Fruitland Coal formation of this well at this time.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Thomas M. Erwin, P.E.

Title Senior Production Engineer

Date ///02/05

TENS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

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 destinant or acress of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.