

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 20071a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Otherb. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resv.

Other _____

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

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

3a. Phone No. (include area code)
505 338-5601

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

At surface 1,975' FSL & 670' FEL

At top prod. interval reported below

At total depth Same as above

14. Date Spudded
11/29/200515. Date T.D. Reached
12/02/200516. Date Completed 02/01/2005
☐ D & A ☒ Ready to Prod.18. Total Depth: MD 1,270' KB
TVD19. Plug Back T.D.: MD 1,230' KB
TVD20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

HRI / SDL / DSN / GR and CBL / GR

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" | 24.0 J-55 | Surface | 183 KB | Primary | 140 PBR II | 29.4 | Surface | N / A |
| 7-7/8" | 5-1/2" | 15.5 J-55 | Surface | 1,264 KB | Lead | 70 Sx Typ III | 31.8 | Surface | N / A |
| | | | | | Tail | 80 Sx Typ III | 28.5 | | |

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" | 950' KB | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-------------------------|---------|---------|---------------------|-------|-----------|--------------|
| A) Basal Fruitland Coal | 919' KB | 938' KB | 919' - 938' KB | 0.42" | 4 SPF | Open |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

26. Perforation Record

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

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 919' - 938' KB | 28,200 gals 20# Delta 140 Cross-Linked Gel with SandWedge NT containing 74,530 lbs 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
FEB 08 2006
FARMINGTON FIELD OFFICE
BY *cdh*

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 Kirtland Fruitland Middle Fruitland Coal Basal Fruitland Coal Pictured Cliffs Sandstone Lewis Shale | 816' KB 918' KB 941' KB |

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, P.E.Title Sr. Production Engineer

Signature

Thomas M. Erwin 2/6/06Date 02/01/2006

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.