

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.<br>30 - 045 - 32900  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>Salty Dog   |
| 8. Well Number<br>#5  |
| 9. OGRID Number<br>229938   |
| 10. Pool name or Wildcat<br>Entrada   |

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 PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other Water Disposal Well

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

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

4. Well Location  
Unit Letter B : 1,030 feet from the North line and 1,365 feet from the East line  
Section 16 Township 29N Range 14W NMPM County San Juan Co, NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
5,213' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_  
Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER Correction of APD ☒

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.

Operator, Lance Oil & Gas Company, Inc., acknowledges that there was a mistake on the original Application for Permit to Drill in this well that indicates we were to use a drilling pit AND a closed-loop system in the drilling operation of this well. Operator used a drilling pit in accordance with the stipulations of the original APD approved February 17, 2005, not a closed-loop system, during the drilling operations of this well.

Operator has completed the drilling operations of this well, and now wishes to close the drilling pit. All fluids have evaporated so the drilling pit is dry. The 12-mil synthetic liner remained intact so there were no leaks or other discharges to the surrounding soil. The pit is available for inspection, and Operator requests approval to close this drilling pit.

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  
Type or print name Paul Lehrman  
**For State Use Only**

TITLE Senior Landman DATE APR 24 2006  
E-mail address: plehrman@westerngas.com Telephone No. (505) 598-5601

APPROVED BY: Shelby TITLE SUPERVISOR DISTRICT # 3 DATE APR 24 2006  
Conditions of Approval (if any):