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

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL

RICHARDSON OPERATI	OGRID Number 19219						
3100 La Plata Highway Farmington, NM 87401	API Number 30-045-32140						
Property Code 33345							

	Surface Location									
UL or Lot Section Township Range Lot Idn Feet From N/S Line Feet From E/W Line								E/W Line	County	
	Е	17	29N	14W	2	1975	N	575	W	San Juan

Proposed Pools

TWIN MOUNDS FRUITLAND SAND PC (GAS) 86620

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	GAS		Private	5160
Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	1100	Pictured Cliffs Formation		05/01/2004

Proposed Casing and Cement Program

Туре	Type Hole Size Casing Size		Casing Weight/ft Setting Depth		Sacks of Cement	Estimated TOC	
Surf	8.75	7	20	120	60	0	
Prod	6.25	4.5	10.5	1100	175	0	

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	1000	

I hereby certify that the information given above is true and	OIL CONSERVATION DIVISION				
complete to the best of my knowledge and belief.	Electronically Approved By: Frank Chavez				
Electronically Signed By: Anne Jones	Title: District Supervisor				
Title:	Approval Date: 01/27/2004 Expiration Date: 01/27/2005				
Date: 01/23/2004 Phone: 505-564-8115	Conditions of Approval:				
	There are conditions. See Attached.				

BEFORE THE OIL CONSERVATION DIVISION Case No. 13437 Exhibit No. 2 Submitted By: Lance Oil & Gas, Inc Hearing Date: April 7, 2005 Form C-1

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Submit 3 Copies 70 Appropriate District State of New Mexico Form C-103
Office Energy, Minerals and Natural Resources May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Ave., Artesia, NM 88210 OIL CONSERVATION DIVISION 5 Indicate Type of Lesse
1000 Rio Brazos Rd. Aztec. NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 1210 S. St. Francis Dr., Santa Fe, NM 15 17 10 6. State Oil & Gas Lease No.
87505
SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO A PLANG BACK FOR DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT FORMOL TO A PLANG BACK FOR WF FRPC 17
1. Type of Well: Oil Well Gas Well I Other 0 8. Well Number #2
2. Name of Operator Lance 011 & Gas Company, Inc. 50 9. OGRID Number 229938
Lance 011 & Gas Company, Inc. 229938 3. Address of Operator 10. Pool name or Wildcat
Box 70, Kirtland, NM 87417 E Z I K Twin Mounds PC
4. Well Location E 1975 and North
Unit Letter: let from the line and feet from the fine
Section 17 Township 29N Range 14W NMPM San JuanCounty NM 11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5160' GR
Pit or Below-grade Tank Application LLor Closure
Pit type DrillingDepth to Groundwater > 50' Distance from nearest fresh water well > 500' Distance from nearest surface water > 1000'
Pit Liner Thickness: 12 mil Below-Grade Tenk: Volume bbis; Construction Material Impervious Plastic
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK I PLUG AND ABANDON REMEDIAL WORK ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. P AND A COMMENCE DRILLING OPNS. P AND A COMPLIENT OF A CASING/CEMENT JOB
OTHER: OTHER: Renew 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.
Lance requests one year extension to drill well. Well was delayed as per the Richardson/Lance acquisition. Scheduled for 1st quarter of 2005.
Atchardson/Lance acquisition. Scheddied for 1st quarter of 2005.
Notes Material at the order Material
Note: NSL approved via Adm. Order NSL-5008.
Apd Ext. Exp 1-27-06
Apd Ex1. (xp 1-21-06
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 [].
Type or print name Paul Lehrman E-mail address; plehrman@westerngas.Telephone.No. 598-5601 Com EC 20 201657
For State Use Only COM DEL 20 200457
For State Use Only Com DEC 20 200457 APPROVED BY: TITLE DATE

For State Use Only	/		
APPROVED BY:	In	Im	TITLE
Conditions of Approva	d (if any):	100	

Form C - 102

State of New Mexico Energy. Minerals & Mining Resources Department OL. CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 WELL & OCATION AND ACTEMENT DEDICATION REAT

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AMENDED REPORT

					AIMI ANU A		JELAJAIA		
APA Naiber 30-045- 86620					Code	vin Mounds Fru	uitland Sand PC	Pool Now (Gas)	
Property Code					Property None				Wal Himber
					WF FRPC				2
OGRD No. Operator Name					Elevation				
19219			R	CHAR	SON OPERAT		ANY		560
		L.,,				to Location		· <u> </u>	
UL or Laf	Sect	Tap.	Egs.			North/Seath	Fret frants	East/New	Casty
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									ERATOR CERTIFICATION
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575	-							Date	
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		_							JRVEYOR CERTIFICATION
				- <i>v</i>					reby certify that the well location this plat was platted from field in all actual surveys made by me
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