

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

10 Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM

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

Operator Name and Address

LANCE OIL & GAS COMPANY, INC.

1099 18th Street Denver, CO 80202

Property Code

34455

Property Name

OGRID Number 229938

Form C-101

Permit 3134

API Number 30-045-32716

FRPC 15

Well No. 002

Surface Location

Feet From N/S Line Feet From E/W Line UL or Lot Section Township Range Lot Idn County C 15 29N 14W С 1000 N 1695 W San Juan

Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629 TWIN MOUNDS FRUITLAND SAND PC (GAS) 86620

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 5226
Multiple Y	Proposed Depth 925	Formation Pictured Cliffs Formation	Contractor	Sprud Date 03/01/2005

Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	120	100	0
Prod	7.875	5.5	15.5	925	190	0

Proposed Blowout Prevention Program

- 1	Access many control of the Annual State of Annual State of the Ann	Control of the Contro	e de la companya del companya de la companya del companya de la co	elament comprehensive and an enterest of the comprehensive and an extensive and an extensiv
1	Туре	Working Pressure	Test Pressure	Mamifacturer
	Double Ram			

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Mary Mondragon

Title: Supervisor Production

Date: 12/17/2004

Phone: 303-450-3587

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: Manager

Approval Date: 12/28/2004 | Expiration Date: 12/28/2005

Conditions of Approval:

No Conditions

BEFURE I HE OIL CONSERVATION DIVISION Case No. 113440 Exhibit No. Submitted By: Lance Oil & Gas Company Hearing Date: March 3, 2005

State of New Mexico Energy, Minerals & Mining Resources Department OL CONSERVATION DIVISION 2040 South Pachaco Santo Fe. NM 87505



		PPL.			UNEAGE (DEDICY LION		
30-045-		866	320		Twin Mou	nds Fruitla	Pad Nas nd Sand PC ((Gas)
Property Code		<u> l</u>		——————————————————————————————————————				
•				FRPC 15				2
OGRO He.			- 00 0 0	~ . •				Bergfap
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NAD 27 35 43/52/02/ 08/1/58/24		.003 •					Paul L Landn Landn 2 12-17-04	ehrman nan
NW/4-PC 160.00 A	C Acres			BEFY IL CONSER On 11344 Omitted By: Ince Oil & Date:	URE IRE VATION DI VATION DI O Exhibit N	IVISION	Signalary Professor	9 - 05 - '02

State of New Mexico Energy, Minerals & Mining Resources Department OIL CONSERVATION DIVISION 2040 South Pachaco Santo Fo. NH 87505



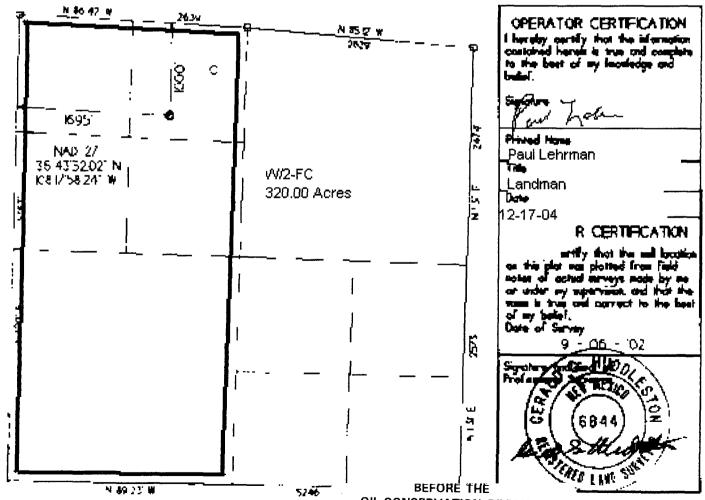
WELL LOCATION AND ACREAGE DETACATION PLAT

APX Nambur	Poul Code	Paul None	
30-045	71629	Basin Fruitland Coal	
Property Code	Proper	ty Ham	Wall Hasher
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29938	Lance Oil & Gas C	ompany, Inc.	522 6

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/W/2-FC	Ĺ								

NO ALLONABLE THE ASSIGNED TO THE COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSCILLATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OIL CONSERVATION DIVISION

Case No. 113440 Exhibit No. **F-D** Submitted By:

Lance Oil & Gas Company Hearing Date: March 3, 2005

List of Unleased Mineral Owners Nature & percent of interest Lance Oil & Gas Company, Inc. WF ROPCO 15 #2



Pictured Cliffs Formation NW/4 Section 15 – T29N-R14W, NMF with Fruitland Coal Formation W/2 Section 15 – T29N-R14W, NMPM San Juan County, New Mexico

,		Acreage		Acreage	
	Name & Address	PC	% Interest PC	FC	% Interest FC
	Ronald & Pamela Chapman		· · · · · · · · · · · · · · · · · · ·		
1/	/#9 CR 6052				
	Farmington, NM 87401	0.8229	0.5143	0.8229	0.2572
	Allan & Priscilla Mai				
V	#5 CR 6052 NBU 1002 Box 9				
-	Farmington, NM 87401	0.3873	0.2421	0.3873	0.1210
	Scarlett A. Correll				
	PO Box 3462				
	Farmington, NM 87499	0.4775	0.2984	0.4775	0.1492
•	Michael & Julie Copeland				
/	#4 CR 6054				
	Farmington, NM 87401	0.4129	0.2581	0.4129	0.1290
•	Joseph & Julia Tanner				3.1250
/	#1 CR 6054				
•	Farmington, NM 87401	0.4192	0.2620	0.4192	0.1310
-	Kenneth & Charlene Gorman				
	24 CR 6050 NBU 1001				
	Farmington, NM 87401	0.2953	0.1846	0.2953	0.0923
_	Michael Terry & Deborah Anderson				
	4124 Lew Wallace Dr.				
	Clovis, NM 88101-2532	0.63051	0.1907	0.3051	0.0953
-	Letty R. Wilson			0.5051	0.0755
	26 CR 6050				
Sept.	Farmington, NM 87401	0.3100	0.1938	0.3100	0.0969
-	Robert J. Perez	0.5100	0.1750	0.5100	0.0707
	PO Box 932				
	Farmington, NM 87499	0.3059	0.1912	0.3059	0.0956
-	Ned & Brenda Raymond			0.3037	0.0750
مستمميرة	7 CR 6055				
•	Farmington, NM 87401	0.0555	0.0347	0.2219	0.0693
-	Alan R. Randall		0.03 17	0.221)	0.0073
x	15 CR 6055				
	Kirtland, NM 87417	0.3097	0.1936	0.3097	0.0968
-	Randal & Elaine Wakeland	0.5077	0,1,00	0.5077	0.0700
	20 CR 6055				
	Farmington, NM 87401	0.3637	0.2273	0.3937	0.1137
	John A. & Betty W. Tafoya				V.117/
	Box 5004 S. Santa Fe Road				
1	Taos, NM 87571	0.0480	0.0300	0.2500	0.0781
_	James & Vera Whittington				5.575
	29 CR 6050				<u>۲</u> ن
	Farmington, NM 87401	0.3249	0.2031	0.3249	0.1137 0.0781 0.1015 0.1015
	John & Gayle Hawthorne				
	3800 N. Sunset Avenue				3
	rmington, NM 87401	0.3249	0.2031	0.3249	0.1015
1	endell & Natalie Jones				
	32 CR 6050				
	Farmington, NM 87401			0.2310	0.0722
					

Case No. 113440 Exhibit No. Submitted By:

WF ROPCO 15 #2

W/2 Sec 15 T29N-R14W

****	Name & Address	Acreage PC	% Interest PC	Acreage FC	% Interest FC
Ohie	L. & Sarah L. Frazier	10	70 Interest 1 C		70 111010511 0
ľ	\$ 6055				
	nington, NM 87401			0.2255	0.0705
	V. Gentry	a swanzes		0.2233	0.0700
	W. Bluefield				
7				2.500	0.7813
	dale, AZ 85308			2.500	0.7813
	r & Cheryl Pratt				
	R 6050 NBU 1001			0.0400	0.1105
	nington, NM 87401			0.3632	0.1135
	cey W. Cluff & Natalie Allen				
₽ *	Bella Vista				
	nington, NM 87401			0.2879	0.900
John	V. & Heather Kennedy				
48 C	R 6050 NBU 1001				
Farm	ington, NM 87401			0.2549	0.0797
Delb	ert E. & Wendy Fosnot, Jr.				
1 60 C					
R. and	ington, NM 87401			0.2464	0.0770
	n J. Mearls				
	R 6050				
I am	ington, NM 87401			0.2471	0.0772
-	ord L. & Shareen Mitchell, Jr.		* * * * * * * * * * * * * * * * * * *	U.Z-171	0.0772
	R 6050				
	ington, NM 87401		* * *	0.2500	0.0701
				0.2500	0.0781
	ential Relocation, Inc.				
S	0 North 71 st Street				
	sdale AZ 85254		 	0.2460	0.0752
	& Ireta Burnett				
2 CR					
	ington, NM 87401			0.2746	0.0858
	Stewart				
PO B	ox 1452				
Kirtla	and, NM 87417			0.2658	0.0831
David	l & Rhonda Schaefer				
PO B	ox 2645				
Bloom	nfield, NM 87413			0.2123	0.0663
Jimm	y D. Bond				- 1 80000000
•	k 6071				
	ngton, NM 87401			0.2206	0.0689
	nel P. & Lisa Warren	-1711/6-		0.2200	0.0007
✓ 8 CR					
•	ngton, NM 87401			0.2768	0.0865
	rd M. & Julie L. Moore			0.2708	0.0803
✓4 CR				0.0545	0.0701
	ngton, NM 87401			0.2546	0.0796
	C. Shacie Rankin				
∕ 10 CR					
	ngton, NM 87401			0.2370	0.0741
	. Hoover				
Box 88					
Kirtlar	nd, NM 87417			0.2200	0.0688

	Acreage		Acreage	
Name & Address	PC	% Interest PC	FC	% Interest FC
Thomas M. Walker				
327 Cheryl Ct.				
Los Alamos, NM 87544			0.0300	0.0094
Judy Hoover				
Kirtland, NM 87417			0.2307	0.0721
Cheryl J. James				
✓ 20 CR 6070				
Farmington, NM 87401			0.5587	0.1746
Russell & Karen Hunter				
✓ 28 CR 6070			0.0454	0.0007
Farmington, NM 87401			0.2674	0.0836
Louis & Brenette Pine				
-334 CR 6407			0.0500	0.0501
Kirtland, NM 87417			0.2500	0.0781
Ave Linda P. Mascarenas				
5 CR 6067 NBU 1005			0.0550	0.0000
Farmington, NM 87401			0.2558	0.0799
Gary O. & Sheila Munson		•		
9 CR 6070			.0004	0.0500
Farmington, NM 87401	-	<u> </u>	0.8904	0.2783
Andrew C. & Pam Erickson				
17 CR 6067		v v	. 0. 4064	0.1500
Farmington, NM 87401			0.4864	0.1520
John V. & Cheryle Beshara PO Box 744				
Waterflow, NM 87419			0:2260	0.0706
Ross & Monique Trujillo, Jr.			0.2200	0.0706
12 CR 6067		* * * * * * * * * * * * * * * * * * * *		
Farmington, NM 87401		•	0.266	0.0818
James P. & Janet McDaniel			0.200	0.0010
73 CR 6050				
Farmington, NM 87401			0.2470	0.0772
Ron & Michele VanValkenburg		••••		0.017.2
71 CR 6050				
Farmington, NM 87401			0.2470	0.0772
Tom & Vickie Wethington				
67 CR 6050				
Farmington, NM 87401			0.2470	0.0772
James M. Wilson				
65 CR 6050				
Farmington, NM 87401			0.2515	0.0786
Doran & Linda Newlin				
√ 36 CR 6050				
Farmington, NM 87401			0.2271	0.0710
Bill & Linda Besett				
61 CR 6050				
Farmington, NM 87401			0.2355	0.0736
William H & Julie Fleck & Thomas M. Bond				
PO Box 256				
Kirtland, NM 87417			0.25	0.0781
WF ROPCO 15 #2			W/0 0 10	T2021 D 1 4777
W1 ROFCO 13 #2			W/2 Sec 15	T29N-R14W

		Acreage		Acreage	
Name & Address		PC	% Interest PC	FC	% Interest FO
Richard J. & Sandra Drake					
√55 CR 6050					
Farmington, NM 87401				0.2363	0.0738
Miranda D. & Derron Jones					
PO Box 2666					
Kirtland, NM 87417				0.2500	0.0781
Keith D. & Dawn Snuggerud					
√8 CR 6065					
Farmington, NM 87401				0.2145	0.0670
Terry L. Luna					
4 CR 6404					
Kirtland, NM 87417				0.2321	0.0725
Joseph D. & Robin Ratica					
7 CR 6065 # 16 NBU 1004					
Farmington, NM 87401				0.2491	0.0778
Justin Ray Funk					
40 CR 6050					
Farmington, NM 87401				0.2800	0.0875
Tim S. & Irene B. Claw					
/37 CR 6050			7		
Farmington, NM 87401				0.3311	0.1035
Carlos & Christy Loomis					THE RESERVE OF THE PARTY OF THE
PO Box 5383					
Farmington, NM 87401				0.2500	0.0781
	TOTALS	5.1628	3.2268	19.5447	6.1077

January 19, 2005

RE:

Lance Oil & Gas Company, Inc.

Fruitland Coal/Pictured Cliffs Well Proposal Township 29 North, Range 14 West, NMPM

Section 15: NW/4 Pictured Cliffs Section 15: W/2 Fruitland Coal San Juan County, New Mexico

Dear To Whom It May Concern:

Lance Oil & Gas Company, Inc. is proposing to drill wells in the referenced area within the year. Title examination indicates that you are a mineral interest owner in this area of development. Lance previously submitted a lease to you, which included a 1/8 royalty and bonus signing incentive. At this time we would like to inform you of your choices in regard to the proposed wells in this area:

- 1. Enter into an oil and gas lease that provides for a five year primary term with bonus consideration of \$***** and a 12.5% (1/8th) royalty in the event of production. Enclosed for your convenience are two copies of this lease. If you choose to participate as a royalty owner please execute the lease in the presence of a notary public and return it to the above address. A check for the bonus consideration will be sent within 10 working days.
- 2. Participate as a "working interest" owner. An Authority for Expenditure ("AFE") is enclosed itemizing the estimated cost of drilling and completing the wells involving your mineral interest. Your proportionate share of the well with the estimated drilling and completion cost are indicated at the bottom of the AFE. In the event you wish to participate as a working interest owner, please sign the AFE and return to the above address with your check for the amount indicated as your share of the estimated cost. Upon receipt of the executed AFE a Joint Operating Agreement (AAPL Form 610) will be sent for your review and execution. The Operating Agreement will outline your working interest responsibilities, including drilling rates, operating rates, maintenance provisions and plugging liabilities when the well is abandoned.
- 4. Pooling statutes for the State of New Mexico provide authorization for the State to "compulsory pool" your interest in the proposed wells. These statutes provide for the following ... "any unleased mineral interest shall be considered a seven-eights (7/8th) working interest and a one-eights 1/8th) royalty interest for the purpose of allocating costs and charges under this order. Any well costs or charges that are to be paid out production shall be withheld only from the working interests' share of production. ... "any non-consenting working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the well." In addition you would be responsible for your proportionate share of plugging liabilities when the well is abandoned and any maintenance necessary to maintain production from the well.

Please indicate your choice of participation by checking in the appropriate box and returning one copy of this letter in the enclosed return envelope. If you elect to lease or to sell your mineral interest, please complete the enclosed W-9 Request for Taxpayer Identification Number and Certification and return, a check cannot be issued without a tax ID number. If we have not received your response within 30 days from date of this letter, Lance will initiate a Compulsory Pooling hearing. At that time additional documents will be sent to you regarding this action.

Should you have any questions concerning any of these options please contact the undersigned at 505-598-5601 ex 62.

Sincerely,

Anne Jones Sr. Landman Enclosures OIL CONSERVATION NO. SO. S. COMPANY
Case No. 13440 Exhibit No. S. Company
Submitted BY: Gas Company
Submitted 011 & March 3, 2005

Lance Oate: March 4, 2005
Hearing Date: March 4, 2005

- () Pursuant to Division Rule 104, an optional infill well may be drilled and produced within this 320-acre spacing unit or subsequent operations conducted for either the original well or the infill well-in-accordance with the following provisions:
 - (a) Lance Oil & Gas Company, Inc., or its successor, shall continue to be the operator of the parent well and the infill well;
 - (b) The operator or any working interest owner who consents to and has paid its share of costs of the original well, pursuant to either an voluntary agreement or a compulsory pooling order, may propose drilling of an infill well or subsequent operations of either the original well or the infill well by giving written notice of the proposed well to all working interest owners and all unleased mineral owners with the 320-acre pooled unit. Any such proposal shall specify the work to be performed, the location, proposed depth, objective formations and the estimated costs of the operation.
 - (c) The parties receiving such a notice shall have thirty (30) day election period after receipt of this notice within which to notify the proposing party whether they elect to participate in the costs of the subsequent operations or the infill well. Failure of a party receiving such notice to deliver to the proposing party an written election, plus payment for this share of the total costs, within a thirty (30) day election period shall constitute an election by that party not to participate in the costs of the well or the proposal operation and shall be "a non-consenting party."
 - (d) Any non-consenting party shall be subject to a 200% risk penalty charge for that well or the operations.
 - (e) Production from the original well cannot be used to pay for the costs of the infill well or can production from the infill well be used to pay for the costs of the original well. The recovery of costs for subsequent operations shall be paid by the production from the well on which those operations were conducted.
 - (f) If all parties elect to participate in the infill well or in subsequent operations ("a consenting party"), the operator shall, within ninety (90) days after the expiration of the thirty (30) day election period, actually commence and conduct operations with due diligence at the risk of expense of all parties.
 - (g) If less that all parties elect to participate in the infill well or the subsequent operations, then all parties who elected not to participate shall be considered non-consenting working interest owners and all the provisions of this order shall apply to the drilling of the infill well or the subsequent operations with the FOLLOWING EXCEPTIONS:
 - a. The proposing party shall be solely responsible for carrying the no-consenting working interest owner's interest subject to the risk penalty charge provided for in the order. The proposing party may enter into an agreement, or BEFORE THE

OIL CONSERVATION DIVISION
Case No. 113440 Exhibit No.
Submitted By:

Lance Oil & Gas Company
Hearing Date: March 3 2005

recognize an existing agreement, that provides for the sharing of the non-consenting interest by the consenting parties. The proposing party, at its election, may withdraw such proposal if there is insufficient participation and shall notify the Division and all other parties of such decision.

- b. If the operator is a non-consenting working interest owner in the infill well, the consenting parties shall either: (a) request the operator to perform the work required for the account of the consenting parties, or (b) designate one of the consenting parties as operator of the infill well. If the infill well results in a producer of oil and/or gas in paying quantities, one of the consenting parties shall be designated as operator and shall completed and equip the well to produce at the sole costs and risk of the consenting parties and thereafter the operator designated by this compulsory pooling order shall operator this well at the expense and for the account of the consenting working interest owners.
- c. To be entitled to the benefits of this order, the operator, or the designated consenting party, shall within ninety (90) days after the expiration of the thirty (30) day election period, actually commence and conduct the operations with due diligence at the sole risk and expense of the consenting parties.
- d. If operations for the drilling of an infill well results in a dry hole, the consenting parties shall plug and abandon the well and restore_the surface location at their sole costs, risk and expense.

() If operations for the drilling of a proposed infill well or any subsequent operation for either the original well or the infill well have not been commenced within the time provided, and if any party still desires to drill the infill well, written notice proposing same must be resubmitted in accordance with the provision hereof as if no prior proposal had been made

AFFIDAVIT OF PUBLICATION

Ad No. 51194

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Monday, February 14, 2005.

And the cost of the publication is \$461.70.

ON 2/18/05 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

My Commission Expires November 17/2008.

OIL CONSERVATION DIVISION

Case No. 113440 Exhibit No. 5 H

Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

COPY OF PUBLICATION

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NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuar Rules and Regulations of the Division of the following public hearing to be held at 8:15 A., 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, I fore an examiner duly appoint for the hearing. If you are an individual with a disability wh reader, amplifier, gulfried sign language interpreter, or any other form of auxiliary aid or ser participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through Relay Network, 1-800-659-1779 by February 25, 2005. Public documents including the a utes, can be provided in various accessible forms. Please contact Florene Davidson if a suppendaccessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the followir and notice to the public, including the following:

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or n

CASE 13435:

West American Corporation

CASE 13435: Application of Lance Oil & Gas Company, Inc. for compulsory pc County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured underlying the SE/4 of Irregular Section 17, T29N, R14W, NMPM, San Juan County, New M standard 162.07-acre gas spacing and proration unit for any production from the Pictured including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This u cated its ROPCO 17° Well No. 4 (API# 30-045-32315) to be drilled at a standard location section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also twill be the costs of drilling and completion this well and the allocation of the costs thereof a operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. of the well and a 200% charge for risk involved in this well. This unit is located approximatests-Southeast from Kirtland, New Mexico.

CASE 13436

West American Corporation

CASE 13436: Application of Lance Oil & Gas Company, Inc. for compulsory po County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured and the Basin Fruitland Coal-Gas Pool underlying both the SW/4 and the S/2 of Irregular Si R14W, NMPM, San Juan County, New Mexico, forming a standard 322.07-acre gas spacin unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 16(ing and proration unit for any production from the Pictured Cliffs formation, including but n Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated its WI No. 3 (API# 30-045-32160) to be deilled at a standard location in Unit 1 of this section for mingled production from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitlan Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well are of the tosts thereof as well as actual operating costs and charges for supervision, designation of the costs of the production of the popular costs of the costs in the production of the costs of the costs of the production of the section for supervision, designation of the costs of the production of the production of the costs in the production of the produc

CASE 13437 and CASE 13438:
Norma Schmitt & C. Gregory Schmitt Co-Trustee, Joel W. & Sherry Foutz, Shaun D. James Thomas & Heather Lee Robbins, Sabiniano Jr. & Veronica E. Lobato, Roger I Isham, Anne M. & Alan D. Youts, Schmitt Revocable Trust, and Cloyd B. & Nona Be

CASE 13437: Application of Lance Oil & Gas Company, Inc. for compulsory por County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured underlying the NW/4 of Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, dard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs for ing but not limited to the Iwin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is its WF ROPCO "17" Well No. 2 (API# 30-045-32140) to be drilled at an unorthodox gas well E of this section for production from the Iwin Mounds Fruitland Sand Pictured Cliffs Gas Poctrative Order NSL-5008, dated March 3, 2004). Also to be considered will be the costs of a pletion this well and the allocation of the costs thereof as well as actual operating costs and pervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 2 risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast fron Mexico.

CASE 13438: Application of Lance Oil & Gas Company, Inc. for compulsory por County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured and the Basin Fruitland Coal-Gas Pool underlying both the NE/4 and the N/2 of Section 1 NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and prorat production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacion unit for any production from the Pictured Cliffs formation, including but not limited to the Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated its WF FRPC *17" & 30-045-31511) to be drilled at a standard location in Unit A of this section for downhole coduction from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitland Sand PictiPool. Also to be considered will be the costs of drilling and completion this well and the discosts thereof as well as actual operating costs and charges for supervision, designation of L Company, Inc. as the operator of the well and a 200% charge for risk involved in this well-cated approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13439:

Brian E. & Laura Overturf, Manuel & Ora Mae LaCour, Kenneth E. & Et and Dewey B & Velma O. Dobbs

CASE 13439: Application of Lance Oil & Gas Company, Inc. for compulsory poc County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured (and the Basin Fruitland Coal-Gas Pool underlying both the SE/4 and the F/2 of Section 15 n Expires November 17/2008.

risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13438: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the NE/4 and the N/2 of Section 17, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Iwin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be dedicated its WF FRPC "17" Well No. 1 (AP1# 30-045-31511) to be drilled at a standard location in Unit A of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.

CASE 13439: Briam E. & Laura Overhurf, Manuel & Ora Mae LaCour, Kenneth E. & Ethel L. King, and Dewey B & Velma O. Dobbs

CASE 13439: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, Sart Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the SE/4 and the E/2 of Section 15, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the West Kutz-Pictured Cliffs Gas Pool. These units are to be dedicated its NV Navajo "15" Well No. 4 (API# 30-045-31294) to be drilled at an unorthodox gas well coation in Unit J of this section for production from the Basin Fruitland Coal Gas Pool and the West Kutz-Pictured Cliffs Gas Pool (See Administrative Order NSL-4936, dated August 18, 2003). The applicant also seeks to include provisions for subsequent operations and procedures for an optional "infill" coalbed-gas well. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 4 miles East-Southeast from Kirtland, New Mexico.

CASE 13440: Ronald & Pamela Chapman, Allan & Priscilla Mai, Scarlett A. Correll, Micheal & Julie Copeland, Joseph & Julia Turner, Kenneth & Charlene Gorman, Michael Terry & Deborah Anderson, Letty & Wilson, Robert J. Perez, Ned & Brenda Raymond, Alan R. Randall, Randal & Elaine Warkeland, John A & Betty W. Tafoya, James & Vera Whittington, John & Gayle Hawthorne, Lendell & Natalie Jones, Obie L. & Sarah L. Frazzer, Ira W. Gentry, Tyler & Cheryl Prutt, Yancey W. Cluff & Natalie Allen, John Y. & Heather Kernedy, Delbert E & Wendy Fosnot, &r., Glerin J. Mearls, Rexford L. & Shareen Mitchell, Jr., Prudential Relocations, Inc., Earl & Ireta Burnett, Troy Stewart, David & Rhonda Schaefer, Jimmy D. Borid, Michael P & Lisa Warren, Richard M & Julie Moore, Sean C & Shacie Rankin, Eric B. Hoover, Thomas M. Walker, Judy Hoover, Cheryl J. James, Russell & Karen Hunter, Louis & Brenette Pine, Ave Linda P. Mascarenas, Gary O. & Sheila Munson, Andrew C. & Pam Erickson, John V. Cheryle Beshara, Ross & Monique Trujillo, &r., James, P. & Janeth McDaniel, Ron & Michele Vanyelkenburg, Tom & Vickie Wethington, James M. Wilson, Doran & Linda Newlin, Bill & Linda Besett, William H. & Julie Fleck & Thomas M. Bond, Richard J. & Sandra Drake, Miranda D. & Derron Jones, Keith D & Dawn Sauggerud, Yerry L. Luna, Joseph D. & Robin Ratica, Justin Ray Funk, Tim S. & Irene B. Claw, Carlos & Christy Loomis

CASE 13440: Application of Lance Oil & Gas Company, Inc. for compulsory pooling including optional infill well provisions. San Juan County, New Mexico. Applicant seeks an order pooling ell mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the NW/4 and the W/2 of Section 15, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the West Kutz-Pictured Cliffs Gas Pool. These units are to be dedicated its WF Repco "15" Well No. 2 (API# 30-045-32716) to be drilled at a standard gas well focation in Unit Co of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the West Kutz-Pictured Cliffs Gas Pool. The applicant also seeks to include provisions for subsequent operations and procedures for an optional "infill" coalbed-gas well. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 4 miles East-Southeast from Kirtland, New Mexico.

CASES 13441 and 13442: Bobby Willis & Carrie Willis, David Vigil, Jr., Ru-Boo, Mortgage Electronic Registration Systems, Inc., James D. & Rita Ann Spade, Sr., Antonio P. & Rose Jean Herrera, Kenny Dewayne & Shana Dee Irvin, James M. & Andrea M. Sheridan, Orland C. & Charlotte Joe, Sr., Troy L. Margie G. Guillory, Jose O. Yalerzuela, Rhonda Median, Randy J. Dennise Manning, Vernon J. & Jo Ann Manning, Jeff S. & Tammie G. Manning, Danene Sherwood,

CASE 13441: Application of Lance Oil & Gas Company, Inc. to amend Division Order R-11788 to include subsequent operations and optional infill gas well provisions for compulsory pooling. San Juan County, New Mexico. Applicant seeks to amend this compulsory pooling order to provide for subsequent operations and the inclusion of its Ropco "7" Well No. 4, (API#30-045-32788) to be located in Unit O, as a well subject to this compulsory pooling order that pooled all mineral interest in the Besin Fruitland Coal Cas Pool underlying the E/2 of Section 7, 129North Range 14 West, NMPM, San Juan County, New Mexico, that formed a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and formed a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Iwin Mounds Fruitland Sand Pictured Cliffs Gas Pool. These units are to be currently dedicated its Ropco "7" Well No. 1 that was drilled at a standard location in Unit G of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. The applicant also seeks to include provisions for subsequent operations and procedures for an optional "infill" coalbed-gas well. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1/2 miles Southeast from Kirtland, New Mexico.

CASE 13442: Application of Lance Oil & Gas Company, Inc. for compulsory pooling, Son Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the SE/4 of Section 7, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated its ROPCO "7" Well No. 4 (API# 30-045-32788) to be drilled at a standard location in Unit O of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1/2 miles Southeast from Kirtland, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E., Director

Legal No. 51194 published in The Daily Times, Farmington, New Mexico on Monday, February 14, 2005.

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF LANCE OIL & GAS COMPANY, INC. FOR COMPULSORY POOLING SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 13440

CERTIFICATE OF MAILING AND COMPLIANCE WITH ORDER R-8054

STATE OF NEW MEXICO)

Output

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on February 10, 2005, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the application for the above referenced case, at least twenty days prior to the hearing of this case set for March 3, 2005 to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule

W Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 1st day of March 2005, by W. Thomas Kellahin.

OFFICIAL SEAL Lynda Kellahin NOTARY PURE IC STATE OF NEW MEXICO

Lynda Kellahin, Notary Public

My Commission Expires: June 18, 2008

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 113440 Exhibit No. 5 - I
Submitted By:
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

KELLAHIN & KELLAHIN Attorney at Law

W. Thomas Kellahin Recognized Specialist in the Area of Natural Resources-oil and gas law-New Mexico Board of Legal Specialization P.O. Box 2265 Santa Fe, New Mexico 87504 117 North Guadalupe Santa Fe, New Mexico 87501

Telephone 505-982-4285 Facsimile 505-982-2047 kellahin@earthlink.net

February 10, 2005

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of Lance Oil & Gas Company, Inc. For Compulsory Pooling, San Juan County, New Mexico

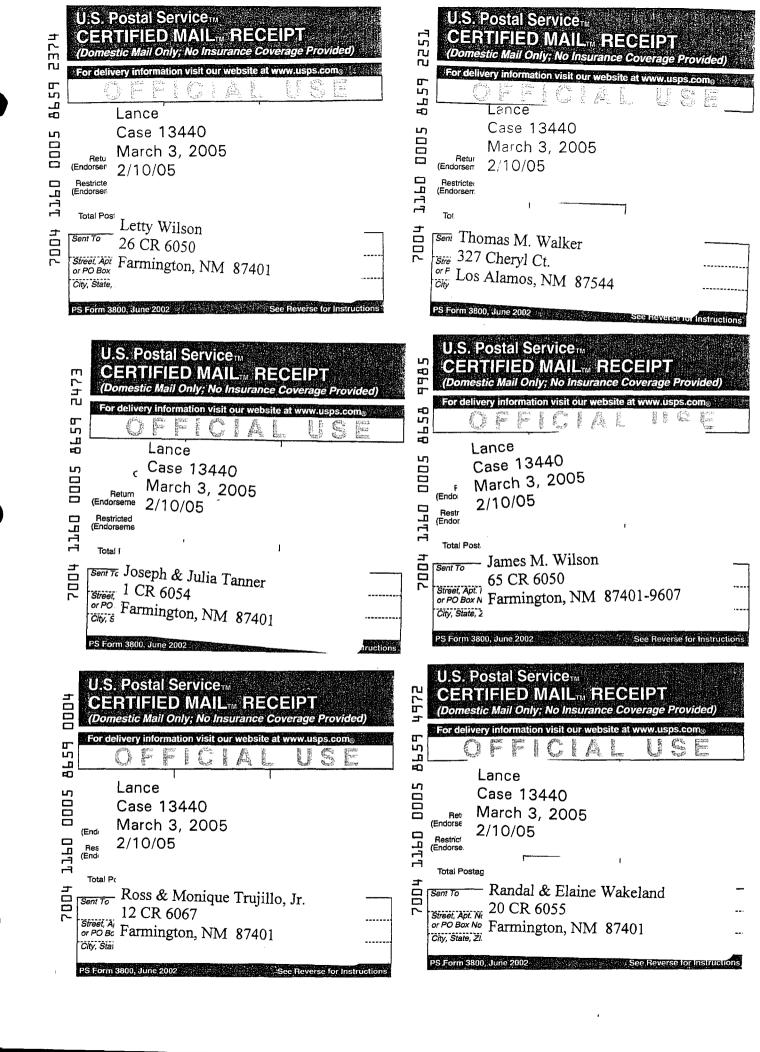
On behalf of Lance Oil & Gas Company, Inc., please find enclosed our application for compulsory pooling order for the NW/4 and the W/2 of Section 15, 29N, R14W to be dedicated to its WF Ropco "15" Well No. 2. This application will be set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for March 3, 2005. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

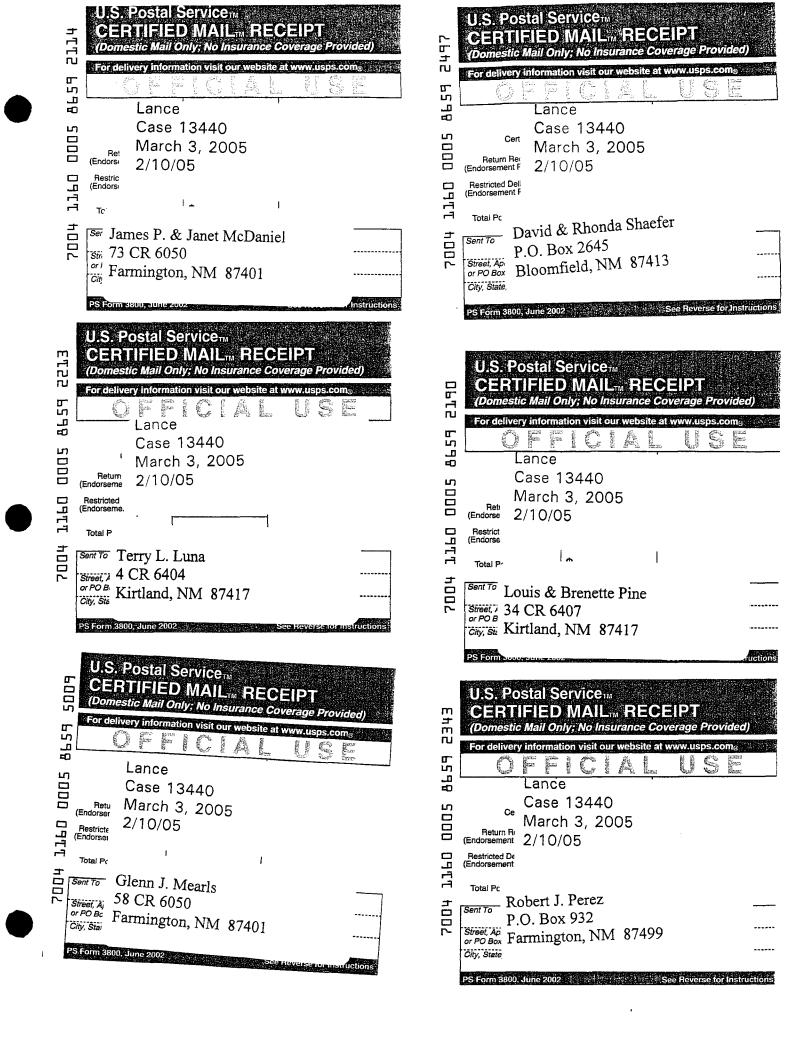
As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

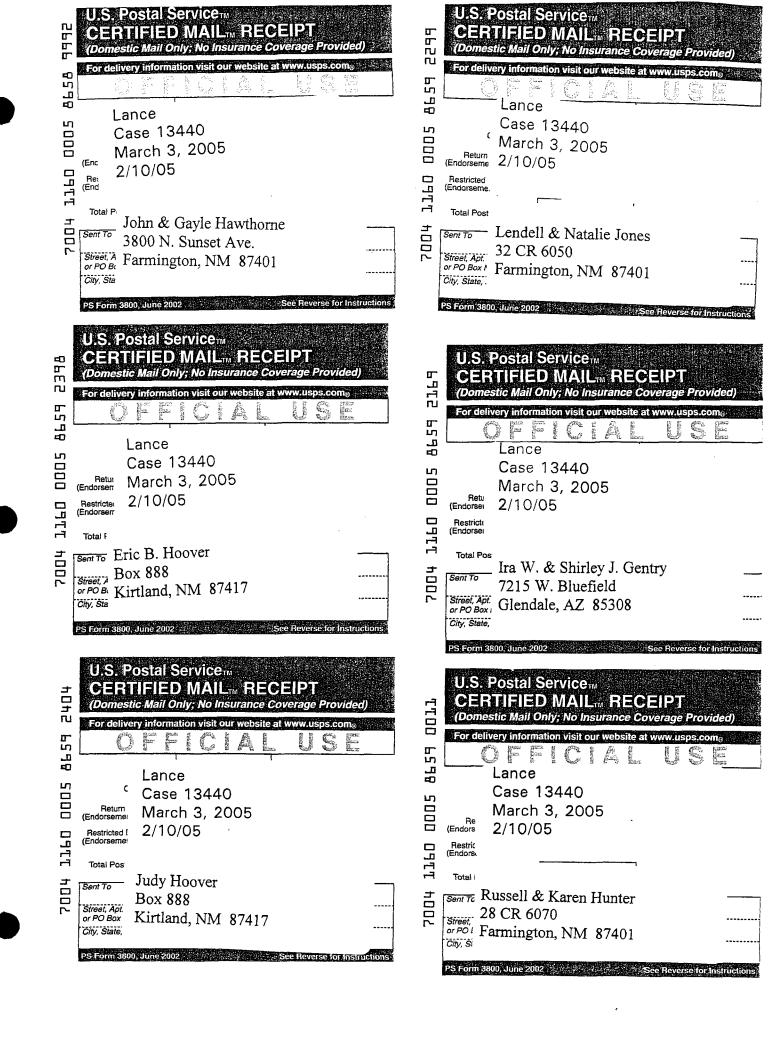
Pursuant to the Division's Rule 1208, you are further notified that if you desire to appear in this case or to oppose the proposed risk charge (See Order R-11992), then you are required to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, February 25, 2005, with a copy delivered to the undersigned.

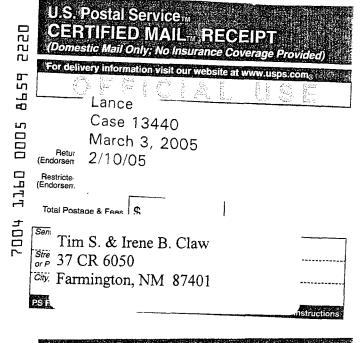
e: BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED

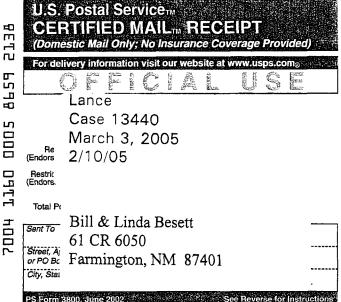
BEFORE THE
OIL CONSERVATION DIVISION
Case No. 113440 Exhibit No. 5
Submitted By:
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005

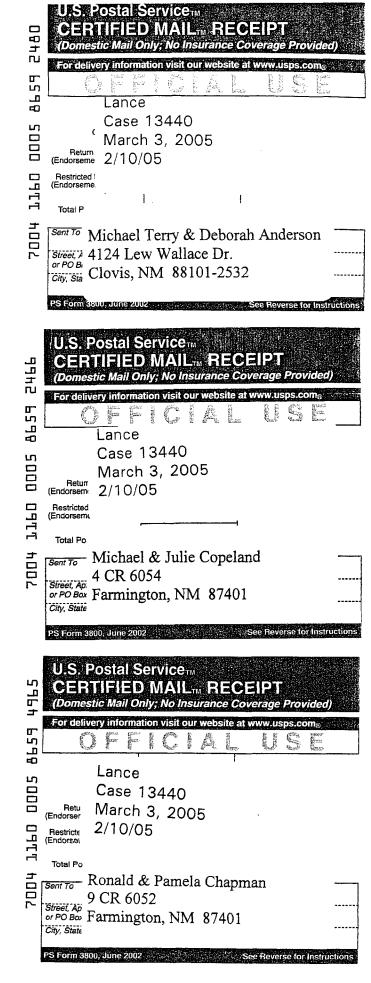










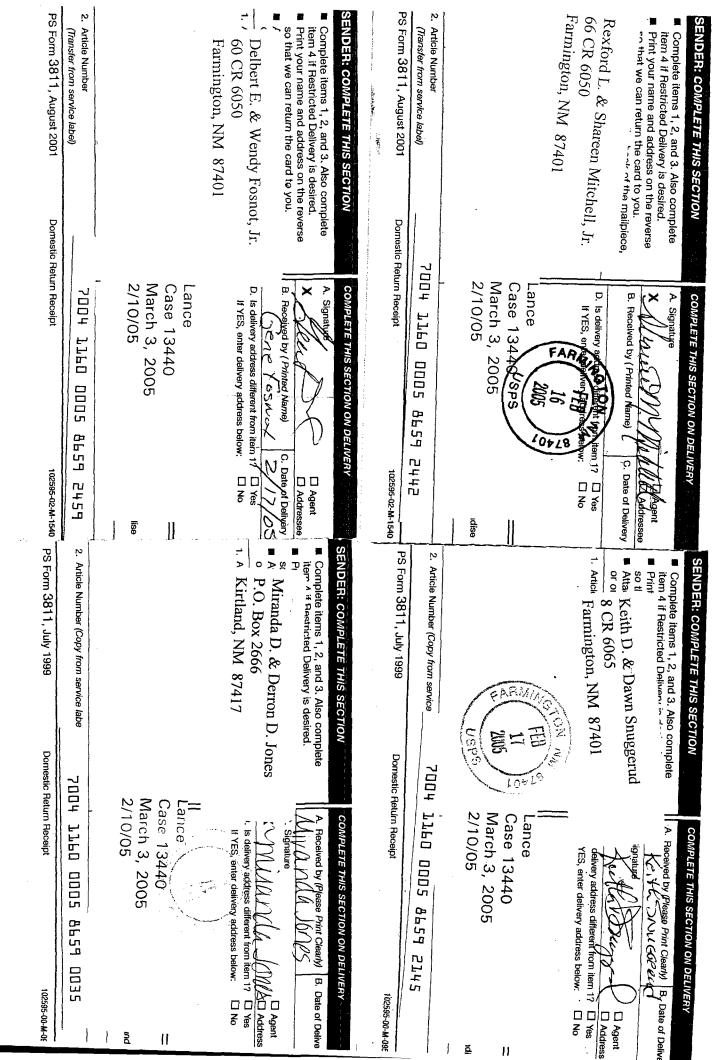


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Ilete A Received by (Please Print Clearly) C. Signaffure C. Signaffure If YES, enter delivery address below: COMPLETE THIS SECTION ON DELIVERY SEN B. Date of Delivery It. Agent Period If YES, enter delivery address below: No No No No No SEN SEN Addressee It Period No 1.	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Doran & Linda Newlin 63 CR 6050 Farmington, NM 87401
Ilete A. Received by (Please Print Clearly) C. Signafure C. Signafure	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Doran & Linda Newlin 63 CR 6050
COMPLETE THIS SECTION ON DELIVERY SE A. Received by (Please Print Clearly) B. Date of Delivery C. Signafure	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION
Domestic Return Receipt 102595-02-M-1540 PS Form 3811, August 2001	PS Form 3811, August 2001 Dor
7미미4 116미 미미미5 865의 근근용근 2. Article Number (Transfer from service label)	Article Number (Transfer from service label)
2/10/05	
, 2005	
O C	
N. T. A. S.	, arrangeon, and a second
If Yes any address below: No 1.	1. A 20 CR 6070 Farmington NM 87401
C. Date of Delivery	A Cheryl J. James
Agent Addressee	 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print value name and address on the reverse
COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION
ON ON DELIVERY Agent C. Date of Delivery C. Date of Delivery An One ise ise 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	Sasa Sasa

· ·	C	Domestic Heturn Heceipt 102595-02-M-1540	PS Form 3811, August 2001 Domestic He
7004 1160 0005 8659	2. Article Number 7 (Transfer from service label) PS Form 3811. August 2001 Demostic B	1160 0005 8659	
2/10/05		2/10/05 disa	
Lance Case 13440		Lance Case 13440	
D. Is delivery address different from item 1? If YES, enter delivery address below:	Troy Stewart 1. P.O. Box 1452 Kirtland, NM 87417	delivery address different from item 1? Wes YES, enter delivery address, below: One	or on 40 CR 6050 1. Article Farmington, NM 87401
A. Signature C. Da		A. Signature A. Signature Coived by (Printed Warre) C. Date of Delivery	i ė
Domestic Return Receipt	811, July 1999	Domestic Heturn Heceipt 102595-02-M-1540	PS Form 38 II., August 2001 Domestic H
hTT2 6599 5000 09TT	servic 7004	1160 0005 8659 2312	and a second
Lance Case 13440 March 3, 2005 2/10/05		Lance Case 13440 —— March 3, 2005 2/10/05	1
D. Is delivery address different from item 1? If YES, enter delivery address below:	James P. & Janet McDaniel 73 CR 6050 Farmington, NM 87401	E. Received by (Printed Name) C. Date of Delivery C. Date of Delivery	John V. & Heather Kennedy 48 CR 6050 NBU 1001 Farmington, NM 87401-9607
A. Received by (Please Print Clearly) AVM CSVMC V)	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print vour name and address on the reverse	A. Signature Agent Addressee	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION

Authorization for Expenditure Lance Oil and Gas Company, Inc.

1099 18th Street, Ste. 1200 Denver, CO 80202-1955 (303) 452-5603

LANCE OIL & GAS, COMPAN	v. NC
1	.,

Business Unit/District:	San Juan							Psuedo API#	30-045-3	12716
Well Name & Number:	FRPC 15#2			_				AFE No.		0
Location:	SEC.	15	Township	29 N	Range:	14 W		Property #:		0
Footage	1,000	FNL	1695	FWL.	Quarter	uarter	NENW	API#:		0
County:	San Juan	State:	dew Mexic	•		•		Date :		01/07/05
Field/Unit/Area:	Fruitland	(FC) & (PC)		•				Budget Year:		2005
Proposed Total Depth:		925		Target Re	servoir:_F	lc. Cliff	/ Fruit. Coal	Project Type:	DRILL	
Anticipated Spud Date:		01/00/00	Est	Completic	on Date: 0	1/00/00		Cost Center:		14100.00
Project	Description:	Drill and co	mplete a F	ruitland Co	al and Pic	ture Clif	f gas well at the a	bove location and in	stali flow	ines.
Snacial Lassa Co	meiderations.	Near City li	mits of Far	minaton. F	YCASS COS	t to lav	flowdines and con	nect well.		

SUMMARY OF ESTIMATED COSTS Dry Hole Complete TOTAL Acct# Acct.# 2660 Acct.# 2665 INTANGIBLE COSTS Permitting and Site Work \$0 \$5,000 Land Surface Use 0043 \$5,000 \$0 0001 \$1,500 \$1,500 Surveying & Staking \$1,500 0036 \$1,500 \$0 Permits \$0 Surface Damages & Restoration 0003 \$9,500 \$9,500 \$0 \$5,000 Title 0042 \$5,000 \$7,600 Site Prep, Roads, Pits 0002 \$7,000 \$600 Rig Costs **Drilling Contract** 0004 \$26,663 \$20,663 \$6,000 \$1.500 Rig Trans, Erection, Removal 0007 \$1,500 02 Fuel, Power, Water 0010 \$3,000 \$0 \$3,000 Water Purchase 0048 \$0 \$0 \$0 Bits, Reamers, Tools 0008 \$2,400 Mud & Chemicals 0011 Drilling Supplies
Equipment and Services \$0 \$0 \$0 0009 \$3,100 0012 \$8,500 \$11,600 Cementing 0025 \$0 \$0 Plugging Expense 0021 \$0 \$1,500 \$1,500 Casing Crews \$12,100 Rental Equipment 0023 \$3,900 \$8,200 Trucking & Hauling 0024 \$3,000 \$5,500 \$8,500 Welding 0039 \$400 \$0 \$400 Other Contract Labor 0026 \$3,000 \$3,000 Environmental & Safety 0040 \$500 \$500 \$0 Fishing Tools & Service \$0 0014 \$80,000 \$80,000 Other Services, Stimulation, Treatments \$0 Electric Surveys, Logs, Surveys, Perforating 0015 \$5,500 \$4,500 \$10,000 0013 Drill Stem Test, Mud Logging, Core work \$0 nnunanne Geological & Engineering 0027 \$4,125 \$4,125 Labor, Company

Overhead, Allocated Costs, and Contingency 0029 \$0 \$0 Overhead 0032 \$4,500 \$0 \$4,500 Road infrastructure Allocated 0049 THE PROPERTY OF THE PROPERTY O \$0 Electrical Infrastructure Allocated \$0 Water Management Infra Allocated Miscellaneous and Contingency 0046 *YHHHHHHHHHHH* 20 0038 \$9,994 \$6,585 \$3,409 FRUITLAND COAL INTANGIBLES \$67,597 \$69,143 \$136,739 PICTURED CLIFFS INTANGIBLES \$4,000 \$73,143 \$69,143 **TOTAL INTANGIBLES** \$71.597 \$138.285 \$209.882

OIL CONSERVATION DIVISION
Case No. 113440 Exhibit No.

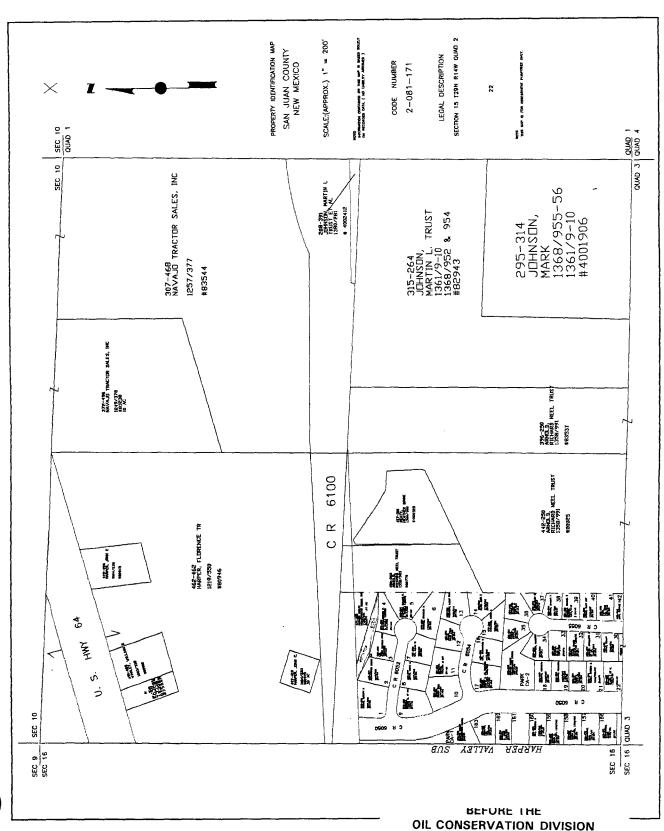
Case No. Submitted By:
Submitted By:
Lance Oil & Gas Company
Hearing Date: March 3, 2005
Hearing Date: March 3, 2005

LANCE CH. & GAS CHARRANY, INC.

Authorization for Expenditure Lance Oil and Gas Company, Inc.

1099 18th Street, Ste. 1200 Denver, CO 80202-1955 (303) 452-5603

Business Unit/District: San Juan					Psuedo API#	30-045-32716
Well Name & Number: FRPC 15#2	<u></u>				AFE No.	0
Location: SEC.	15 Township	29 N Range: 14	w		Property #:	6
SUMMARY OF ESTIMA				Dry Hole		TOTAL
<u></u>						
TANGIBLE COSTS		Sub A		Acct. 2670	Acct. 2675	Total:
Conductor & Surface Casis Wellhead & Subsurface Eq		000		\$2,646 \$300	\$4,300 \$1,300	
Intermediate Casing	dih	000			William Company	
Production Casing/Liners		000		THURANDOM NAME		
Tubing		000		ENDINALIMAN (ENDINALIA)		
Pumping Unit & Equipmen	<u>t</u>	000				
Engines and Power Equip Electrical		002		EDDANIANIANANANANANANANANANANANANANANANAN		
Sucker Rods and Downhol	e pump	000				
install Costs Surface Equip		002		ONUMBURA	\$2,000	\$ 2,000
Tanks		001				
Valves & Fittings		001				\$ 2,000 \$ -
Pipe Trunkline Costs	···	000		TIONALONALONALONALONALONALONALONALONALONAL		
Flow Lines & Connections		002			\$165,200	
Meter Building and Meter		002		<i>GINIAN JURIN JURIN JURI</i>		
Automation Equipment		002				\$ 2,000
Miscellaneous Equipment		003				
Software and Communicat Separators, Heater, Treater		003		ETTALLIJULIJULIJULIJULIJULIJULIJULIJULIJULIJ		
Emission Control Combus		002		enoumment man		
Buildings		001	6	etunimanungi)		
Fences & Cattle Guards		001		SHANDAN DAN BARANTA		
Water Management		003	1			
FRUITLAND COAL				\$ 1,946		
PICTURED CLIFFS				\$ 1,000	\$ 113,989	\$ 114,989
	TANGIBLE			\$ 2,946	\$ 227,979	\$ 230,925
TOTAL OF IN	TANGIBLE AND TAN	GIBLE COSTS FC		\$ 69,543	\$ 183,132	\$ 252,675
TOTAL OF IN	TANGIBLE AND TAN	GIBLE COSTS PC	;	\$ 5,000	\$ 183,132	\$ 188,132
TOTAL OF IN	TANGIBLE AND TAN	GIBLE COSTS		\$ 74,543	\$ 366,264	\$ 440,807
Working Interest Owners Fruiti		WI		Drilling	Completion	TOTAL
Lance Oil and Gas Compai 0.00	ny	100.00		\$ 69,543 \$	\$ 183,132	\$ 252,675 \$ -
Working Interest Owners Pictur	red Cliffs	V,VX	**	·	<u>-</u>	
Lance Oil and Gas Compa		100.00	00%	\$ 5,900	\$ 183,132	\$ 188,132
0.00		0.000	0%	\$ -	\$.	\$ -
Emilian in a service of the contract of the co	TOTAL LANCE	DIL & GAS COMPAI	/Y	\$ 74,543	\$ 366,264	\$ 440,897
	TOTAL \$0.00			5 .	\$.	s -
See page 3 for remaing W/O	1	OTAL.		\$ 74,543	\$ 366,264	\$ 440,807
, , , -				•		
<u> </u>	Lance Oil and Gas		ROVAL	S	***********	•
	NAME	Title	· · · · · · · · · · · · · · · · · · ·	Signature		Date
AFE Originator: AFE Project Manager	David Gomendi	San Juan Bu				
AFE Project Manager		San Juan Fie San Juan Bu				
Land Approved by:		Land Manage				
Recommented By:		Senior Geosc			······································	
Recommended By:						
Approved By:	Jeffery E. Jones	Vice Presider	st, Produc			
THE ABOVE (COSTS ARE UNDERSTOOD	TO BE FOR ESTIMATING	PURPOSE	SONLY		
PARTNER APPROVAL	J	pproved	Diear	proved		Article 6.g.
	·			-protest	l	La acia A'A'
Signature						•
Name: 0.00		T241.			Date	
Name: <u>0.00</u>		Title:			Date:	•
		55. 10, 10 pages various na 1	7 5 5 W +		المستفدرين يحوال	



OIL CONSERVATION DIVISION

Case No. 113440 Exhibit No.

Submitted By:

Lance Oil & Gas Company Hearing Date: March 3, 2005

