

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Hrnas Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

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

Form C-101
Permit 12178

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address LANCE OIL & GAS COMPANY, INC. 1099 18th Street Denver, CO 80202		OGRD Number 229938
		API Number 30-045-33160
Property Code 34859	Property Name FRPC 22	Well No. 002

Surface Location

UL or Lot	Section	Township	Range	Lot Ldn	Feet From	N/S Line	Feet From	E/W Line	County
E	22	29N	13W	E	1635	N	955	W	San Juan

Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629
FULCHER KUTZ PICTURED CLIFFS (GAS) 77200

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 5282
Multiple Y	Proposed Depth 1400	Formation Pictured Cliffs Formation	Contractor	Spud Date 08/15/2005

Proposed Casing and Cement Program

Type	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	1400	275	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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: 06/13/2005

Phone: 303-450-3587

OIL CONSERVATION DIVISION

Electronically Approved By: Steve Hayden

Title: Geologist

Approval Date: 06/17/2005

Expiration Date: 06/17/2006

Conditions of Approval:
There are conditions. See Attached.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13537 Exhibit No. 5
Submitted by:
LANCE OIL & GAS CO., INC.
Hearing Date: August 25, 2005

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Form C-102
Permit 12178

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33160	Pool Name BASIN FRUITLAND COAL (GAS)	Pool Code 71629
Property Code 34859	Property Name FRPC 22	Well No. 002
OGRID No. 229938	Operator Name LANCE OIL & GAS COMPANY, INC.	Elevation 5282

Surface And Bottom Hole Location

UL or Lot E	Section 22	Township 29N	Range 13W	Lot Idn E	Feet From 1635	N/S Line N	Feet From 955	E/W Line W	County San Juan
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

OPERATOR CERTIFICATION

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

Electronically Signed By: Mary Mondragon

Title: Supervisor Production

Date: 06/13/2005

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gerald Huddleston

Date of Survey: 06/10/2005

Certificate Number: 6844

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33160	Pool Name FULCHER KUTZ PICTURED CLIFFS (GAS)	Pool Code 77200
Property Code 34859	Property Name FRPC 22	Well No. 002
OGRID No. 229938	Operator Name LANCE OIL & GAS COMPANY, INC.	Elevation 5282

Surface And Bottom Hole Location

UL or Lot E	Section 22	Township 29N	Range 13W	Lot Idn E	Feet From 1635	N/S Line N	Feet From 955	E/W Line W	County San Juan
Dedicated Acres 160		Joint or Infill		Consolidation Code		Order No.			

OPERATOR CERTIFICATION

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

Electronically Signed By: Mary Mondragon

Title: Supervisor Production

Date: 06/13/2005

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Permit Conditions Of Approval

C-101, Permit 12178

Operator: LANCE OIL & GAS COMPANY, INC. , 229938

Well: FRPC 22 #002

OCD Reviewer	Condition
SHAYDEN	Notice is to be given to the OCD prior to construction of the pit(s)
SHAYDEN	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines