

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

## SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

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

3a. Address  
P. O. Box 70, Kirtland, NM 874173b. Phone No. (include area code)  
505-598-5601

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1315' FNL & 1420' FWL  
Section 7, T29N-R14W, NMPM5. Lease Serial No.  
NMNM-1015516. If Indian, Allottee or Tribe Name  
N/A7. If Unit or CA/Agreement, Name and/or No.  
N/A8. Well Name and No.  
Ropco 7 #29. API Well No.  
30-045-3319010. Field and Pool, or Exploratory Area  
Basin Fruitland Coal/Twin Mounds PC11. County or Parish, State  
San Juan County, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Spud & Casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Sundry
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Ropco 7 #2 was spud at 16:30 hrs, 09/13/05. Drill 12-1/4" hole down to casing point at 149' KB. Circulate and condition hole. TOOH. Run 3 joints 8-5/8", 24 ppg, J-55, STC and land casing at 139' KB. Cement 8-5/8" casing with 140 sxs Halliburton Standard cement containing 2% CaCl<sub>2</sub> and 1/4 #/sx flocele (Weight - 15.6 ppg, Yield - 1.18 ft<sup>3</sup>/sx and Water - 5.20 gals/sx). Displace cement with 6.1 bbls fresh water. Bumped plug to 600 psig at 20:00 hrs, 09/16/05. Plug held. Circulate 5 bbls cement to surface. WOC - 10 hrs. NU WH and BOP's.

Pressure test Annular BOP's to 250 psig (low) and 1,000 psig (high). Pressure test casing shoe to 1000 psig. Pressure tests - Good. Tag cement at 75' KB. Drill cement to 143' KB. Drill new 7-7/8" hole to 345'. Circ and cond hole for cores. Core well from 345' to 591' KB. Drill 7-7/8" hole to total depth at 735' KB on 9/21/05. Driller's TD - 735' KB. Logger's TD - 728' KB. Circ and cond hole. TOOH and run wireline logs. Run 18 joints 5-1/2", 15.5 ppg, J-55, STC and land casing at 725' KB.

Cement 5-1/2" casing with 100 sxs as follows: Lead - 60 sxs Halliburton Type III containing 2% Econolite, 2% calseal, 3% versaset, 6% salt, 1/4 #/sx flocele, 5#/sx gilsonite and 0.1% Super CBL (Weight - 12.0 ppg, Yield - 2.55 ft<sup>3</sup>/sx and Water - 14.4 gals/sx). Tail - 40 sxs Halliburton Type III containing 2% Econolite, 2% calseal, 6% salt, 0.3% versaset, 1/4 #/sx flocele, 5 #/sx gilsonite and 0.1% Super CBL (Weight - 13.0 ppg, Yield - 2.00 ft<sup>3</sup>/sx and Water - 10.31 gals/sx). Displaced cement with 14 bbls fresh water. Full returns throughout. Bumped plug to 750 psig at 16:15 hrs, 9/22/05. Plug held. Circulated 15 bbls cement to surface. Rig released at 06:30 hrs, 9/23/05.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Thomas M. Erwin, P.E.

Title Senior Production Engineer

Signature

*Thomas M. Erwin*

Date

11/01/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

NOV 03 2005

FARMINGTON FIELD OFFICE

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.

(Instructions on page 2)

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13627 Exhibit No. 4  
Submitted By:  
Lance Oil & Gas, Inc  
Hearing Date: January 19, 2006

NMOC

2005 JUN 23 PM 1 41

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
070 FARMINGTO

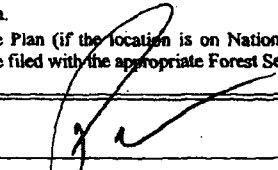
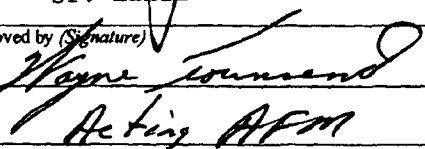
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER			5. Lease Serial No. NMNM-101551
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Lance Oil & Gas Company, Inc.			7. If Unit or CA Agreement, Name and No. N/A
3a. Address Box 70, Kirtland, NM 87417		3b. Phone No. (include area code) 598-5601	8. Lease Name and Well No. Ropco / #2
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1315 FNL & 1420 FWL At proposed prod. zone Same			9. API Well No. 30-045-33190
10. Field and Pool, or Exploratory Basin Fr. Coal/Twin Mounds PC			11. Sec., T., R., M., or Blk. and Survey or Area Sec. 7-T29N-R14W, NMPM
14. Distance in miles and direction from nearest town or post office* 1 miles north of Kirtland, NM			12. County or Parish San Juan
13. State NM			
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		16. No. of Acres in lease 238.55	17. Spacing Unit dedicated to this well NW/4-PC 160.2 acres W/2-FC 214.8 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50'		19. Proposed Depth 750'	20. BLM/BIA Bond No. on file BLM Nationwide # 965001792
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5268 GL		22. Approximate date work will start* Upon approval	23. Estimated duration 2 weeks

24. Attachments.

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Paul Lehrman	Date 6-23-05
Title Sr. Landman		
Approved by (Signature) 	Name (Printed/Typed) Wayne Townsend	Date 7/22/05
Title Acting AFM	Office FFO	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

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.

\*(Instructions on reverse)

See attached negative arch report from Western Arch report #WAS 0506a.

Also attached is Surface Owner Agreement.

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II  
811 South First, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33190	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 300888	Property Name ROPCO 7	Well Number 2
GRID No. 229938	Operator Name LANCE OIL & GAS COMPANY, INC.	Elevation 5268

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	7	29 N	14 W		1315	NORTH	1420	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 3294.8		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: Printed Name: Paul Lehrman Title: Sr. Landman Date: 6-23-05
	<b>18 SURVEYOR CERTIFICATION</b> 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.  Date of Survey: 5/27/05 Signature and Seal of Professional Surveyor: Certificate Number: 6846

(R) = BLM Record

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-	<sup>2</sup> Pool Code 86620	<sup>3</sup> Pool Name Twin Mounds Fruitland Sand PC (Gas)
<sup>4</sup> Property Code	<sup>5</sup> Property Name ROPCO 7	<sup>6</sup> Well Number 2
<sup>7</sup> OGED No. 229938	<sup>8</sup> Operator Name LANCE OIL & GAS COMPANY, INC.	<sup>9</sup> Elevation 5268

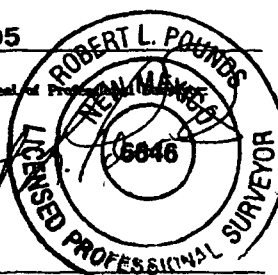
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	7	29 N	14 W		1315	NORTH	1420	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 160/57.2		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

18 5280' (R)	1420'	5230.50' (R)	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <u>Paul Lehrman</u> Printed Name <u>Sr. Landman</u> Title <u>6-23-05</u> Date  18 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.  5/27/05 Date of Survey Signature and Seal of Professional Surveyor  6846 Certificate Number
	SECTION 7	160 Acres	
	5243.70' (R)		

(R) = BLM Record

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO.

30-045-

5. Indicate Type of Lease Federal NMNM-  
STATE ☐ FEE ☐ 101556. State Oil & Gas Lease No.  
N/A

7. Lease Name or Unit Agreement Name

Ropco 7 #2

8. Well Number Ropco 7 #2

9. OGRID Number  
22993810. Pool name or Wildcat  
Basin Fr. Coal/Twin Mounds PC

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 ☒ Other2. Name of Operator  
Lance Oil & Gas Company, Inc.3. Address of Operator  
Box 70, Kirtland, NM 87417

4. Well Location  
Unit Letter C : 1315 feet from the North line and 1420 feet from the West line  
Section 7 Township 29N Range 14W NMPM San Juan County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
5268' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Drilling Depth to Groundwater >60' Distance from nearest fresh water well >600' Distance from nearest surface water >1000'  
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbbs Construction Material Impervious Plastic

## 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: Pit Permit ☒

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.

Pit Permit pursuant to NMOCD rule 50.  
Will be built and closed according to rules.

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 TITLE Sr. Landman DATE 6-23-05

Type or print name Paul Lehrman  
For State Use Only

E-mail address: plehrman@westerngas.com Telephone No. 598-5601

DEPUTY OIL & GAS INSPECTOR, DIST. 23 JUL 25 2005 Ext. 57

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 23 DATE JUL 25 2005

Conditions of Approval (if any):