

FORM 2 Rev 6/99

State of Colorado Oil and Gas Conservation Commission



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FOR OGCC USE ONLY

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SEP 29 2003

OIL & GAS COMMISSION

Plugging Bond Surety ID#:

2003-0071



APPLICATION FOR PERMIT TO: Drill, Deepen, Re-enter, Recomplete and Operate

1. TYPE OF WELL: OIL, GAS, COAL BED, OTHER, SINGLE ZONE, MULTIPLE ZONE, COMMINGLE ZONES, Refiling, Side Track

3. OGCC Operator Number: 50150; 4. Name of Operator: Lance Oil and Gas; 5. Address: 1099 18th St. Suite 1200; 6. Contact Name & Phone: Russell Branting; 7. Well Name: Olson; 8. Unit Name: ; 9. Proposed Total Depth: 2499 feet

Attachment Checklist table with columns for item and Op/OGCC status. Items include APD Original, Form 2A, Permit Fee, Well Location Plat, Copy of Topo Map, Plugging Surety, Mineral Lease Map, Surface Agreement/Surety, Pit Permit, Deviated Drilling Plan, Request for Exception Location, Exception Location Waivers, H2S Contingency Plan, Federal Drilling Permit, 30-Day Notice, Sent Complete permit package.

10. Qtr/Sec/Twp/Rng: NWNW/27/9N/43W Meridian 6th; 11. Field Name: Wildcat; 12. Ground Elevation: 3634'; 13. County: Phillips; 14. If well is: Directional, Horizontal; 15. Is location in a high density area? No; 16. Distance to nearest building: 1150'; 17. Distance to Nearest Property Line: 457'; 18. Distance to nearest well completed in same format: 1750', 1781'

19. LEASE, SPACING, AND POOLING INFORMATION table with columns: Objective Formation(s), Formation Code, Spacing Order Number, Unit Acreage Assigned to Well, Unit Configuration

20. Mineral Ownership; 21. Surface Ownership; 23. Describe lease area associated only with the proposed well by Qtr/Sec, Twp, Rng (attach separate sheet/map if required): NW/4 Sec 27 9N 43W 6th PM; 24. Distance to Nearest Lease Line: 457'; 25. Total Acres in Lease: 160

26. Approx. Spud Date: Oct 22 2003; 27. Drilling Contractor Number: Name: Water Drilling Inc. Phone #: 720-219-0252; 28. Is H2S Anticipated? No; 29. Will salt sections be encountered during drilling? No; 30. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? No; 31. If questions 29 or 30 are yes, is this location in a sensitive area (Rule 903)? No; 32. Mud disposal: Onsite; Method: Land Spreading; Other: Evap and burial

33. CASING AND CEMENTING PROGRAM table with columns: String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

34. BOP Equipment: Annular Preventor, Double Ram, Rotating Head, None

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete. Print Name: Russell Branting Signed: [Signature] Title: GGR Project Manager Date: 23-Sep-03

OGCC Approved: [Signature] Director of COGCC Date: 10/15/03

API NUMBER: 05-095-06069-00 Permit Number: 20031930 Expiration Date: 10/14/04

CONDITIONS OF APPROVAL, IF ANY:

NOTE SURFACE CASING SETTING DEPTH CHANGE FROM 500 FT TO 380 FT. CONTACT KEVIN LIVELY @ 970-522-6747. 24 HRS PRIOR TO SPUD SET SURFACE CASING AT LEAST 50' INTO PIERRE SHALE FOR AQUIFER COVERAGE. THIS MAY BE IN EXCESS OF THE APPROVED SURFACE CASING SETTING DEPTH. CEMENT TO SURFACE. IF DRY HOLE, SET 35 SKS CEMENT ABOVE NIOBRARA, 35 SKS CEMENT 1/2 IN 1/2 OUT SURFACE CASING, 10 SKS CEMENT AT SURFACE, CUT 4' BELOW GL, WELD ON PLATE.

This permit is binding with respect to any inconsistent local governmental permit or land use approval process



Selected Items Report

Oil and Gas Wells Selected

Filter Results by Formation

WELL DESCRIPTION	LOCATION	WELL INFORMATION
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Facilities Selected

FACILITY DESCRIPTION	LOCATION	PIT INFORMATION		
		Type	Unlined	Status

Water Wells Selected

Filter Results by Depth

WELL DESCRIPTION	LOCATION	WELL INFORMATION			
		Depth	Top Perf	Bottom Perf	Aquifer
Receipt=0006574, Permit=0014552-F-, CUMMING GEO.	NE 21 9N-43W	0	0	0	GW
Receipt=0041498, Permit=0017203-F-, BRINKEMA HARRY	NESW 21 9N-43W	0	0	0	GW
Receipt=9053654, Permit=0015333-FP-, DIRKS DAVID & JULIE	SESW 22 9N-43W	306	0	0	TO
Receipt=0916927, Permit=0015330-F-, DUDDEN PERRY L	SESE 22 9N-43W	0	0	0	TO
Receipt=0056697, Permit=0019105-FP-, SCHLACHTER STEVEN & JUDITH ANN	SESE 22 9N-43W	330	180	322	TO
Receipt=0056697B, Permit=0019107-F-, DUDDEN BROTHERS INC	SW 22 9N-43W	0	0	0	GW
Receipt=0008359, Permit=0015331-F-, DUDDEN PERRY L.	SESW 22 9N-43W	0	0	0	GW
Receipt=0067910A, Permit=0006049-AD-, WILLCO FARMS	NWNE 27 9N-43W	0	0	0	GW
Receipt=0067910B, Permit=0006050-AD-, WILLCO FARMS	SENE 27 9N-43W	0	0	0	GW
Receipt=0065893, Permit=0005951-AD-, WILLCO FARMS	SWNE 27 9N-43W	0	0	0	GW
Receipt=0099768, Permit=0007909-AD-, OLSON DONALD M.	NW 27 9N-43W	0	0	0	GW