

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

¹ Operator Name and Address Patina San Juan, Inc. c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402		² OGRID Number 173252
³ Property Code 24059	³ Property Name Montoya	⁴ API Number 30-045-32335
		⁵ Well No. 1R

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	32N	13W		1000	North	1995	East	San Juan

⁸ Proposed 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

⁹ Proposed Pool 1

Blanco Mesa Verde

¹⁰ Proposed Pool 2

Basin Dakota

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	32N	13W		1000	North	1995	East	San Juan
Depth to ground water				Distance from nearest fresh water well			Distance from nearest surface water		
Approx 80'				Approx. 1300'			1100'		
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary R		¹⁴ Lease Type Code P		¹⁵ Ground Level Elevation 5879'	
¹⁶ Multiple Y		¹⁷ Proposed Depth 6990'		¹⁸ Formation Dakota		¹⁹ Contractor NA		²⁰ Spud Date July 2004	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36#	250'	140 sx (165 cu.ft.)	Surface
8-3/4"	7"	20#	4180'	535 sx + 100 sx	Surface
6-1/4"	4-1/2"	11.6#	6990'	160 sx + 100 sx	4080'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. See attached Operations Plan

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Paul C. Thompson

Printed name: Paul C. Thompson, P.E.

Title: Agent

E-mail Address: paul@walsheng.net

Date: May 5, 2004

Phone: (505) 327-4892

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. 03

Approval Date:

MAY - 6 2004

Expiration Date:

MAY - 6 2005

Conditions of Approval:

Attached ☐

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO 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 30-045-32335		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 24059	*Property Name MONTOYA		*Well Number 1R
*GRID No. 173252	*Operator Name PATINA SAN JUAN, INC.		*Elevation 5879'

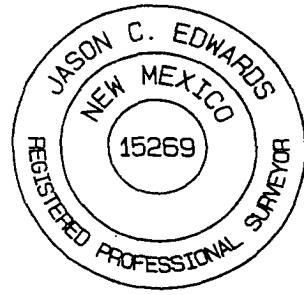
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	32N	13W		1000	NORTH	1995	EAST	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
12 Dedicated Acres 320.0 Acres - (E/2)					13 Joint or Infill Y	14 Consolidation Code		15 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

<div>16</div> <div>1374.78'</div> <div>1327.26'</div> <div>2654.52'</div> <div>1000'</div> <div>660'</div> <div>1995'</div> <div>2658.48'</div> <div>1323.30'</div> <div>1382.04'</div> <div>5278.68'</div> <div>2611.62'</div> <div>2808.30'</div> <div>35</div> <div>MAY 2004</div> <div>OIL CONSERVATION DIV.</div> <div>DIOT. 3</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div><u>Paul C. Thompson</u></div> <div>Signature</div> <div><u>PAUL C. THOMPSON</u></div> <div>Printed Name</div> <div><u>Aggr</u></div> <div>Title</div> <div><u>5/5/04</u></div> <div>Date</div>
	<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>Survey Date: <u>NOVEMBER 6, 2003</u></div> <div>Signature and Seal of Professional Surveyor</div> <div></div> <div><u>JASON C. EDWARDS</u></div> <div>Certificate Number 15269</div>

PATINA SAN JUAN, INC.
OPERATIONS PLAN
Montoya #1R

I. Location: 1000' FNL & 1995' FEL Date: May 5, 2004
 Sec 35 T32N R13W
 San Juan County, NM

Field: Blanco MV & Basin DK Elev: GL 5879'
Surface: Fee
Minerals: Fee

II. Geology: Surface formation _ Nacimiento

A. Formation Tops	Depths
Ojo Alamo	480'
Pictured Cliffs	2200'
Cliff House	3810'
Menefee	4080'
Point Lookout	4540'
Greenhorn	6530'
Dakota	6725'
Total Depth	6990'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 2200'; gas - 4540', 6725'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H₂S zones will be penetrated in this well. Max. BHP = 2500 psig.

III. Drilling

A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

The production hole will be drilled with air or air/mist.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	250'	9-5/8"	36# J-55
8-3/4"	4180'	7"	20# J-55
6-1/4"	6990'	4-1/2"	11.6# N-80

B. Float Equipment:

a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.

b) Intermediate Casing: 7" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Ten centralizers spaced every other joint above shoe and ten turbolizers every other joint from 1500'.

c) Production Casing: 4-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

V. Cementing:

Surface casing: 9-5/8" - Use 140 sx (165 cu. ft.) of Cl "B" with 2% CaCl_2 (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

Intermediate Casing: 7" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **Lead** with 535 sx (1118 cu.ft) of Type III 65/35 poz with 8% gel, 1% CaCl_2 , ¼#/sk. Celloflake. (Yield = 2.09 cu.ft./sk; slurry weight = 12.1 PPG). **Tail** with 100 sx (139 cu.ft.) of Type III with 1% CaCl_2 , ¼#/sk. Celloflake. (Yield = 1.39 cu. ft./sk; slurry weight = 14.5 PPG). Total cement volume is 1257 cu.ft. (100% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

Production Casing: 4-1/2" - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. **Lead** with 160 sx (317 cu.ft.) of Premium Lite HS with 0.65% FL-52, 0.32% CD-32, ¼ #/sk celloflake, and 4% phenoseal. (Yield = 1.98 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 100 sx (196 cu.ft.) of Premium Lite HS with 0.65% FL-52, and 0.32% CD-32. (Yield = 1.96 cu.ft./sk; slurry weight = 12.5 PPG). Total cement volume is 513 cu.ft. (70% excess to circulate 100' above the intermediate casing shoe).

Paul C. Thompson, P.E.