

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, PLUGBACK, OR ADD A ZONE**

Operator Name and Address <b>Patina San Juan, Inc.</b> c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402		GRID Number 173252
Property Code <b>24059</b>		Property Name Montoya
API Number 30 - <b>045-32336</b>		Well No. 1B

**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
A	35	32N	13W		660	North	660	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
A	35	32N	13W		660	North	660	East	San Juan
Depth to ground water <b>Approx 80'</b>				Distance from nearest fresh water well <b>Approx 900'</b>			Distance from nearest surface water <b>500'</b>		
<b>11 Work Type Code</b> N		<b>12 Well Type Code</b> G		<b>13 Cable/Rotary</b> R		<b>14 Lease Type Code</b> P		<b>15 Ground Level Elevation</b> 5879'	
<b>16 Multiple</b> Y		<b>17 Proposed Depth</b> 6990'		<b>18 Formation</b> Dakota		<b>19 Contractor</b> NA		<b>20 Spud Date</b> 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:

Title: **DEPUTY OIL & GAS INSPECTOR, DIST. 01**

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 <b>30-045-32336</b>		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code <b>24059</b>	*Property Name MONTOYA		*Well Number 1B
*OGRID No. 173252	*Operator Name PATINA SAN JUAN, INC.		*Elevation 5879'

<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
A	35	32N	13W		660	NORTH	660	EAST	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 320.0 Acres - (E/2)	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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><div><div>16</div><div>1374.78'</div><div>1327.26'</div><div>2654.52'</div><div>660'</div><div>660'</div><div>2808.30'</div><div>2658.48'</div><div>1323.30'</div><div>1382.04'</div><div>5278.68'</div><div>2611.62'</div></div><div><div>35</div><div>MAY 2004</div><div>REGISTERED</div><div>OIL CONSERV. DIV.</div><div>DIST. 3</div></div></div>	<div><div><div><div><sup>17</sup> 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><div><div><div>Paul C. Thomas</div><div>Signature</div></div><div><div>Paul C. Thomas</div><div>Printed Name</div></div><div><div>AGENT</div><div>Title</div></div><div><div>5/5/04</div><div>Date</div></div></div></div><div><div><div><div><sup>18</sup> 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: NOVEMBER 6, 2003</div><div>Signature and Seal of Professional Surveyor</div><div><div><div><div>JASON C. EDWARDS</div><div>NEW MEXICO</div><div>15269</div><div>REGISTERED PROFESSIONAL SURVEYOR</div></div></div><div><div>JASON C. EDWARDS</div><div>Certificate Number 15269</div></div></div></div></div></div></div></div></div>
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PATINA SAN JUAN, INC.  
OPERATIONS PLAN  
Montoya #1B

I. Location: 660' FNL & 660' 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 H<sub>2</sub>S 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 C1 "B" with 2%  $\text{CaCl}_2$  (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%  $\text{CaCl}_2$ , 1/4#/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%  $\text{CaCl}_2$ , 1/4#/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, 1/4 #/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).

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Paul C. Thompson, P.E.