

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

Form C-103
May 27, 2004

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

WELL API NO. 30-045-31100
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF - 078244
7. Lease Name or Unit Agreement Name LEA
8. Well Number 1B
9. OGRID Number 173252
10. Pool name or Wildcat Basin Dakota/Blanco Mesa Verde

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Patina Oil & Gas Company	
3. Address of Operator 1625 Broadway, Suite 2000, Denver, CO 80202	
4. Well Location Unit Letter E : 1840 feet from the FWL line and 660 feet from the FWL line Section 30 Township 31N Range 12W NMPM County San Juan	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5862' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: COMMINGLE <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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.

Down hole commingle the Basin Dakota (71599) and Blanco Mesa Verde (72319) pools in this well bore. These are pre-approved Pools as per NMOCD order #11563. These zones have been segregated since their completion in May of 2004. This work would be done immediately upon NMOCD approval.

Attached are the following diagrams:

1. A well bore diagram showing the perforated intervals and well bore configuration.
2. The allocation method proposed and supporting data.
3. Statement of commingling showing no reduced value of the total remaining production.
4. Statement attesting that notice was sent to all interest owners and no objections were received.
5. Statement attesting a copy of this form was sent to the BLM.

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 Robert W. Ovitz TITLE Operations Manager DATE August 20, 2004

Type or print name Robert W. Ovitz E-mail address: Bovitz@Patinaoil.com Telephone No. 303-592-8607
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 04 DATE AUG 23 2004
Conditions of Approval (if any): _____

PATINA

OIL & GAS CORPORATION

Lea #1B
AFE #: 111972

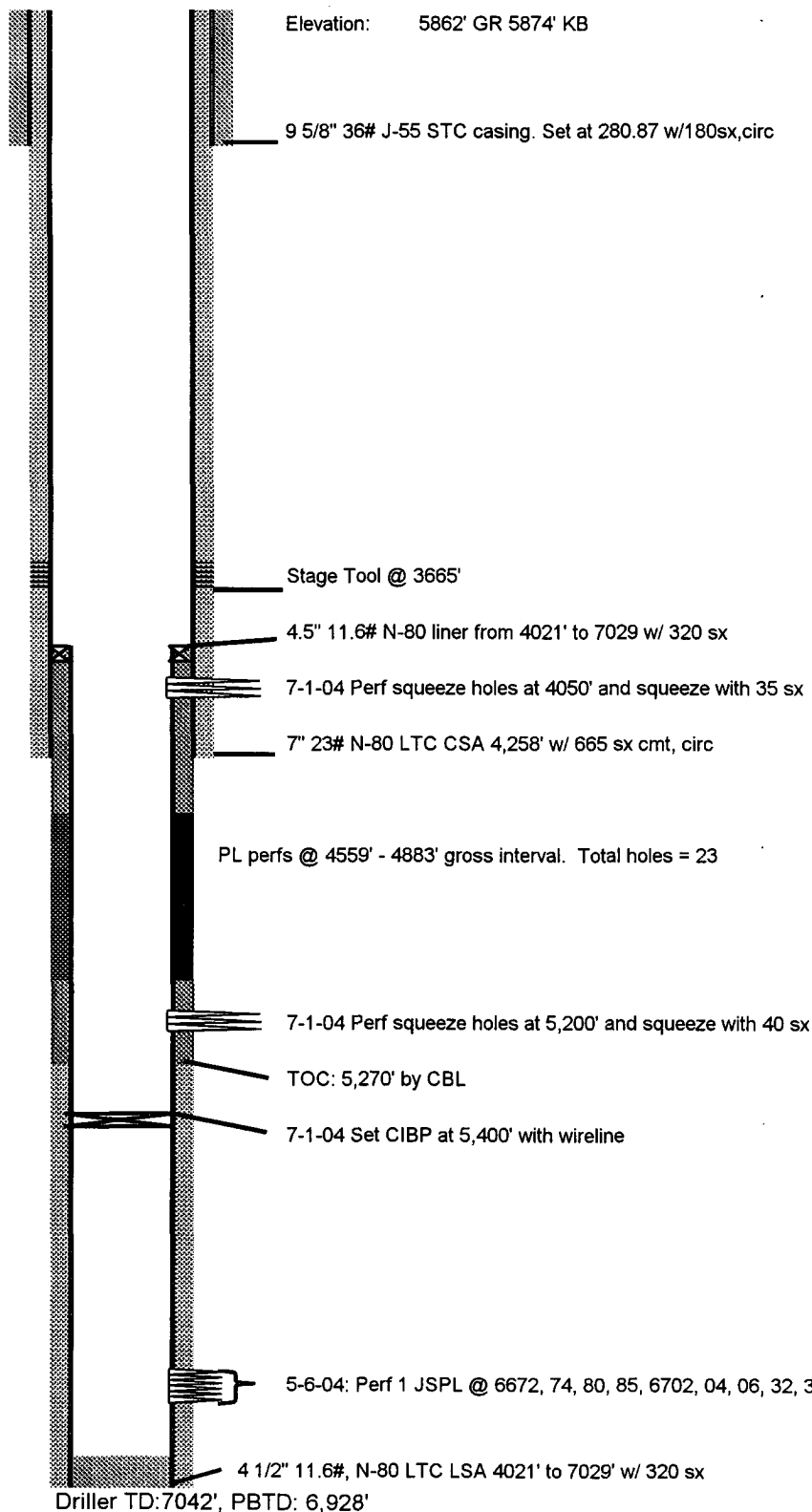
Location: 1840' FNL And 660' FWL; SEC
 30 T31N R12W, San Juan
 County New Mexico

Field: La Plata/ Basin Dakota

API #: 30-045-31100

Spud Date: 2-28-04

Frac Date: 5-5-2004



Recommended Allocation for Commingle

Well: Lea #1B

30-day average production based on stabilized 30 Day Rates in 2004
(see attached decline curves)

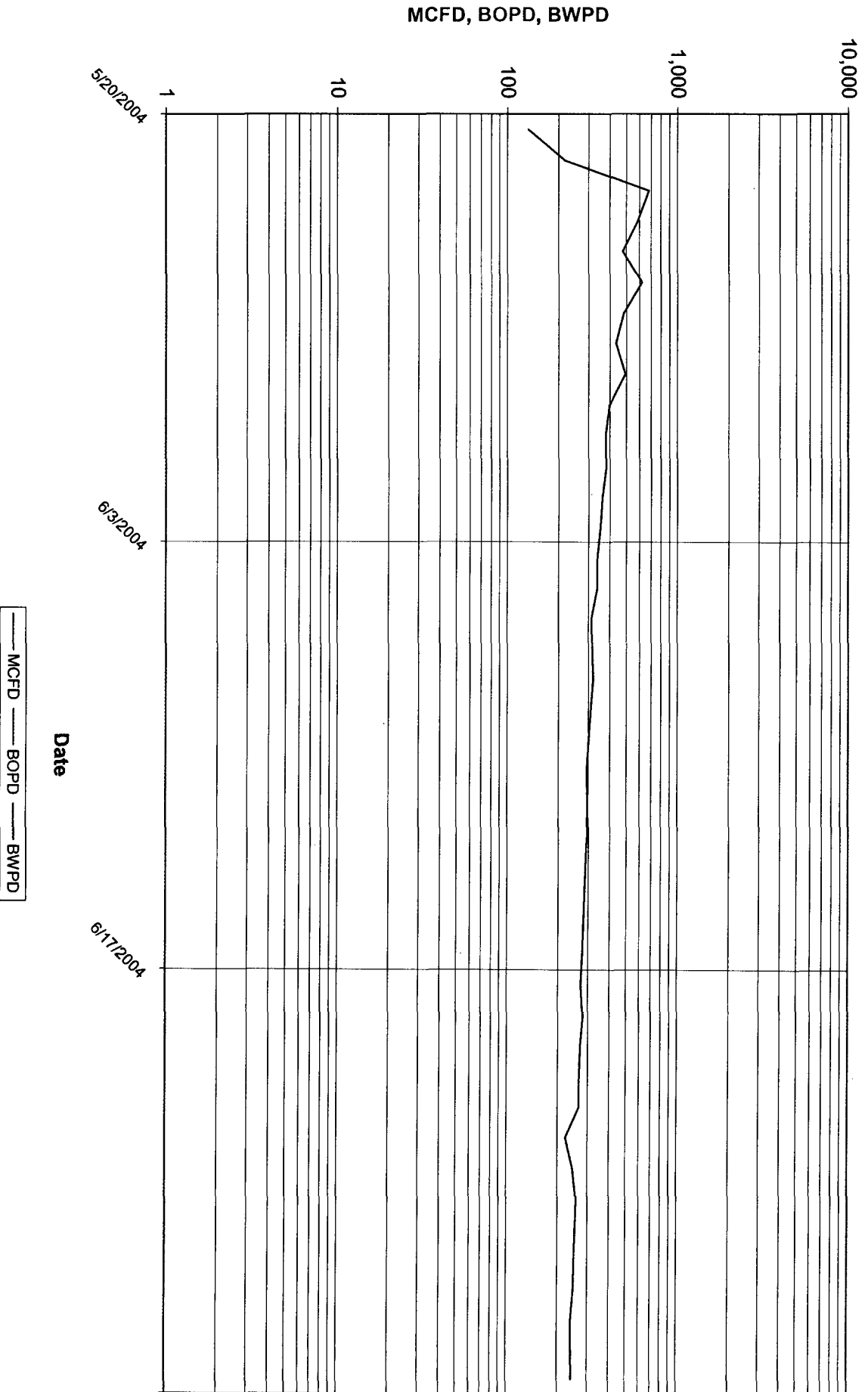
G a s	Zone	Average MCFD	Percentage of total flow
	MV	280	50%
	DK	284	50%
	Total	564	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0	0%
	DK	1.87	100%
	Total	1.87	100%

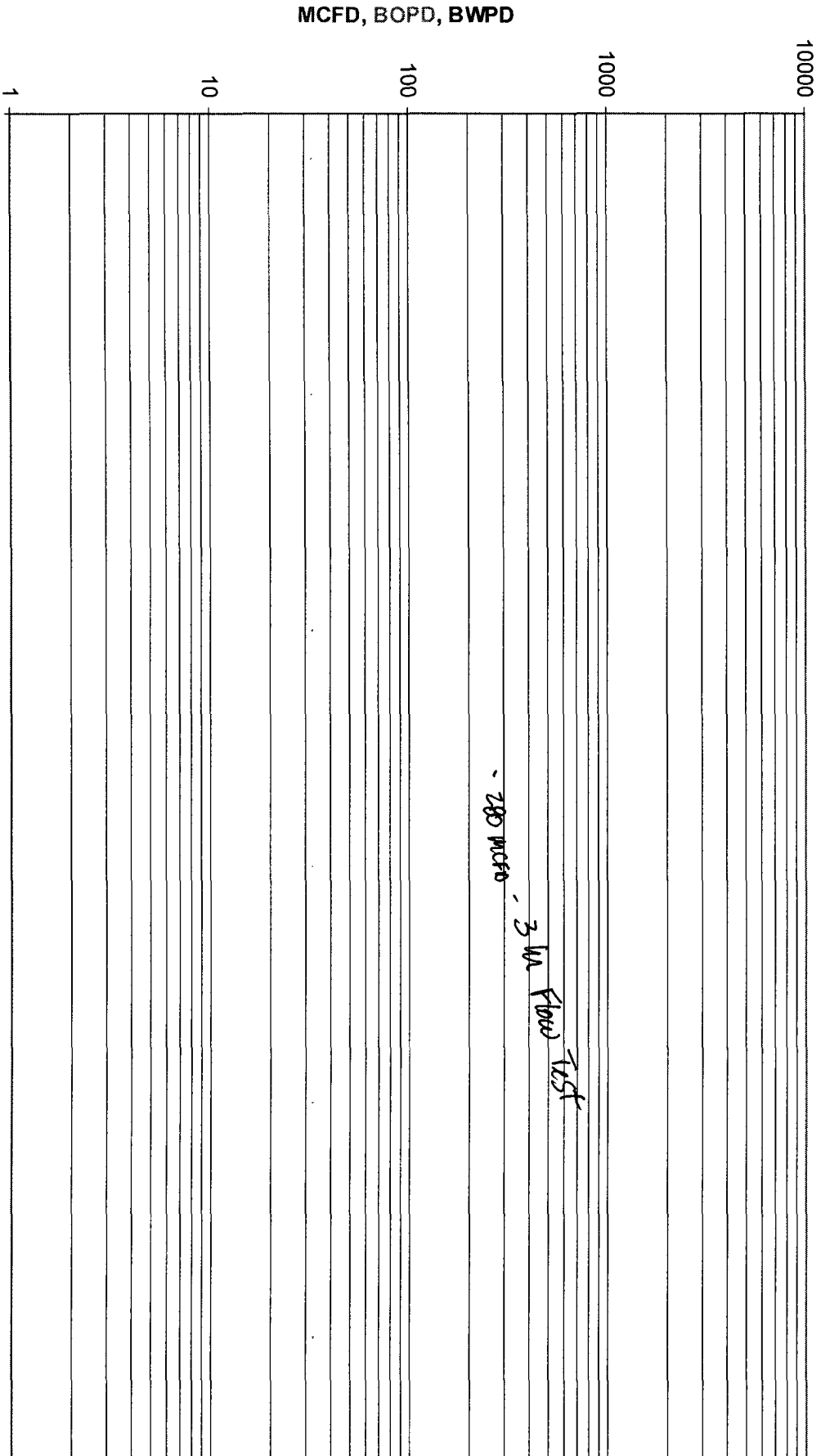
Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	50%	0%
DK	50%	100%
Total	100%	100%

Patina San Juan, Inc.
Lea #1B - Dakota Decline Curve



Patina San Juan, Inc.
Lea #1B - Mesaverde Decline Curve



WellName	Date	MCFD	BOPD	BWPD				
LEA 1B (DK)	05/20/2004	131	0.00	0.00				
LEA 1B (DK)	05/21/2004	215	0.00	0.00				
LEA 1B (DK)	05/22/2004	677	0.00	0.00				
LEA 1B (DK)	05/23/2004	582	0.00	0.00				
LEA 1B (DK)	05/24/2004	474	0.00	0.00				
LEA 1B (DK)	05/25/2004	613	0.00	0.00	30 Day		Gas	
LEA 1B (DK)	05/26/2004	483	0.00	0.00	Average	Zone	Production	Allocation
LEA 1B (DK)	05/27/2004	434	3.60	0.00		MV	280	50%
LEA 1B (DK)	05/28/2004	490	0.00	0.00		DK	284	50%
LEA 1B (DK)	05/29/2004	397	0.00	0.00		Total	564	100%
LEA 1B (DK)	05/30/2004	379	0.00	0.00	30 Day		Oil	
LEA 1B (DK)	05/31/2004	380	0.00	0.00	Average	Zone	Production	Allocation
LEA 1B (DK)	06/01/2004	362	0.00	0.00		MV	0.00	0%
LEA 1B (DK)	06/02/2004	351	10.20	0.00		DK	1.87	100%
LEA 1B (DK)	06/03/2004	338	0.00	0.00		Total	1.87	100%
LEA 1B (DK)	06/04/2004	337	0.00	0.00				
LEA 1B (DK)	06/05/2004	313	0.00	0.00				
LEA 1B (DK)	06/06/2004	314	0.00	0.00				
LEA 1B (DK)	06/07/2004	318	1.88	0.00				
LEA 1B (DK)	06/08/2004	309	0.00	0.00				
LEA 1B (DK)	06/09/2004	300	0.00	0.00				
LEA 1B (DK)	06/10/2004	292	0.00	0.00				
LEA 1B (DK)	06/11/2004	296	10.30	0.00				
LEA 1B (DK)	06/12/2004	294	0.00	0.00				
LEA 1B (DK)	06/13/2004	289	0.00	0.00				
LEA 1B (DK)	06/14/2004	285	5.60	0.00				
LEA 1B (DK)	06/15/2004	282	0.00	0.00				
LEA 1B (DK)	06/16/2004	278	0.00	0.00				
LEA 1B (DK)	06/17/2004	272	6.00	0.00				
LEA 1B (DK)	06/18/2004	279	0.00	0.00				
LEA 1B (DK)	06/19/2004	271	0.00	0.00				
LEA 1B (DK)	06/20/2004	267	0.00	0.00				
LEA 1B (DK)	06/21/2004	267	10.00	0.00				
LEA 1B (DK)	06/22/2004	222	0.00	0.00				
LEA 1B (DK)	06/23/2004	245	0.00	0.00				
LEA 1B (DK)	06/24/2004	256	0.00	0.00				
LEA 1B (DK)	06/25/2004	253	0.00	0.00				
LEA 1B (DK)	06/26/2004	250	0.00	0.00				
LEA 1B (DK)	06/27/2004	249	12.00	0.00				
LEA 1B (DK)	06/28/2004	240	0.00	0.00				
LEA 1B (DK)	06/29/2004	240	0.00	0.00				
LEA 1B (DK)	06/30/2004	242	0.00	0.00				
	June Avg.	284	1.866	0				

WellName	Date	MCFD	BOPD	BWPD
Lea 1B (MV)	8/16/2004	280	1.85	0

Statement of Commingling

The commingling of the Blanco Mesa Verde (72319) and Basin Dakota (71599) pools in this well bore will not reduce the value of the remaining production. Commingling these two pools should actually increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to effectively plunger lift this well. The utilization of one string of 2-3/8" tubing with plunger lift, instead of rod pumping the Mesa Verde will result in a much more efficient production system for this well. Commingling operations conducted on other wells similar to this have resulted in increased production rates and greater reserve recovery than producing each zone separately to depletion.

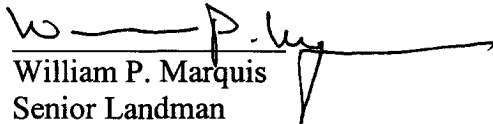
The Dakota was placed under a cast iron bridge plug in this well to allow the Mesa Verde to be produced while a base line decline was established. Removing the bridge plug will allow the Dakota to be placed on profusion and we expect an incremental 280MCFPD from this zone.

Previous commingling operations we have conducted in the San Juan Basin have shown improvement in most cases and in a minority of cases no improvement. We have not conducted a commingle that has resulted in reduced production rates or reserve recovery.

Statement of Ownership

Lea 1B
Section 30-T31N-R12W
San Juan County, New Mexico

I, William P. Marquis, do hereby certify that the ownership within the pools and leases to be commingled under this application are identical. A copy of the Division Form 103C has been filed with the Bureau of Land Management using Sundry Notice Form 3160-5.


William P. Marquis
Senior Landman
Patina San Juan, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 **PATINA OIL & GAS COMPANY**

3a. Address
5802 HIGHWAY 64, FARMINGTON, NM 87401

3b. Phone No. (include area code)
505-632-8056

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1840' FNL AND 660' FWL - UL "E"
SEC 30, T31N, R12W**

5. Lease Serial No.
SF- 078244

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
LEA 1B

9. API Well No.
30-045-31100

10. Field and Pool, or Exploratory Area
Basin Dakota/Blanco Mesa Verde

11. County or Parish, State
SAN JUAN, NEW MEXICO

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

☐ Acidize
☐ Alter Casing
☐ Casing Repair
☐ Change Plans
☐ Convert to Injection

☐ Deepen
☐ Fracture Treat
☐ New Construction
☐ Plug and Abandon
☐ Plug Back

☐ Production (Start/Resume)
☐ Reclamation
☐ Recomplete
☐ Temporarily Abandon
☐ Water Disposal

☐ Water Shut-Off
☐ Well Integrity
☒ Other **Commingling**

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.)

See attached form C103 of referenced well for commingling.

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

Robert W. Ovitz

Title **Operations Manager San Juan**

Signature

Date

08/20/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

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)