

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
Revised June 10, 2003

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

WELL API NO. 30-045-32612
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jacquez 2
8. Well Number # 13
9. OGRID Number 173252
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5737' GR

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 ☒ Other

2. Name of Operator
Patina San Juan, Inc.

3. Address of Operator
1625 Broadway, Suite 2000, Denver, CO 80202

4. Well Location
Unit Letter M : 660 feet from the South line and 660 feet from the West line
Section 2 Township 31 North Range 13 West NMPM County San Juan

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: Down-hole Commingle; pre-approved pools <input checked="" type="checkbox"/>	

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.

Patina San Juan, Inc. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and the Blanco Mesaverde (72319) pools in this wellbore. These are pre-approved pools per NMOC Order #11563. The well will be initially completed in the two formations. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle and interest owner notification.

Please contact Gary Ohlman 303.389.3600 with any questions.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Agent for Patina San Juan DATE 2/21/05

Type or print name Joe Mazotti E-mail address: jmazotti@eazy.net Telephone No. 720.352.0158

(This space for State use)

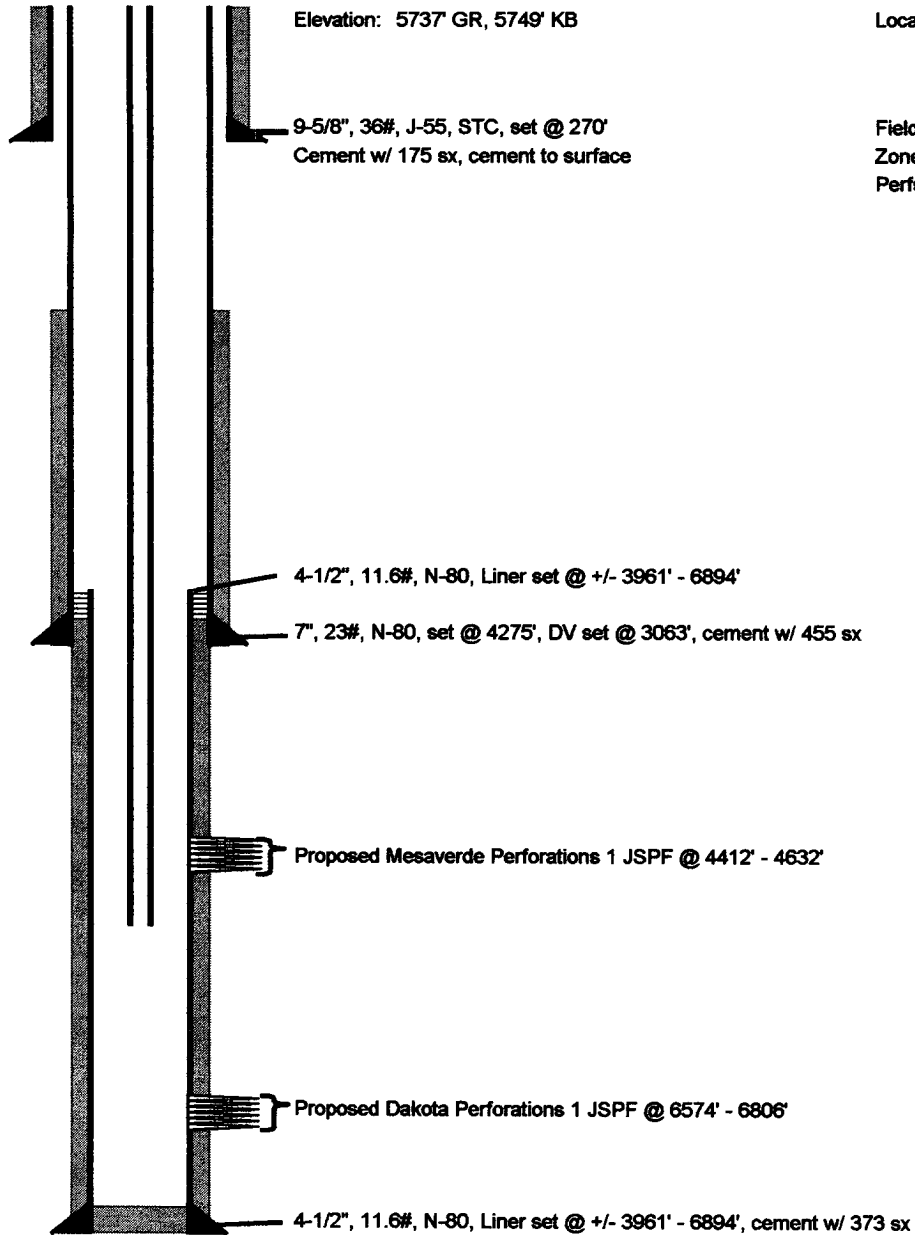
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE FEB 24 2005

Conditions of approval, if any:

PATINA

OIL & GAS CORPORATION

Jacquez 2 #13 Proposed Wellbore



Location: 660' FSL, 600' FWL,
Section 2, T31N - R13W,
San Juan County, New Mexico
Fee Lease #: 34351

Field: Basin Dakota / Blanco Mesaverde
Zone: Basin Dakota / Blanco Mesaverde
Perfs: Mesaverde: 4412' - 4632'
Dakota: 6574' - 6806'

TD: 6894'

Recommended Allocation for Commingle

Well: Jacquez #2-13

30-day average production based on Offset Well Performance
(see attached decline curves)

G a s	Zone	Average MCFD	Percentage of total flow
	MV	64	59%
	DK	44	41%
	Total	108	100%

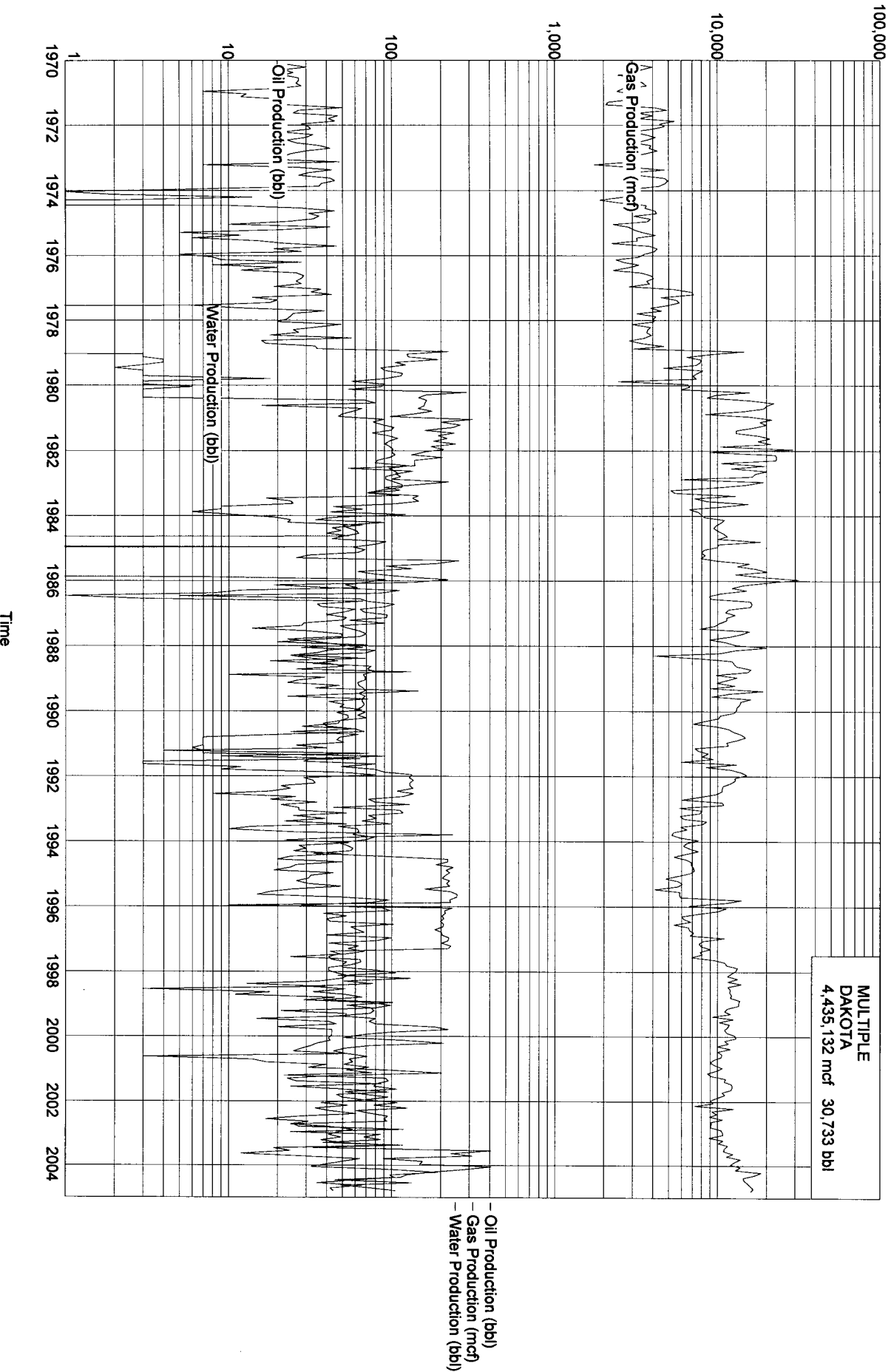
O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.11	44%
	DK	0.14	56%
	Total	0.25	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	59%	44%
DK	41%	56%
Total	100%	100%

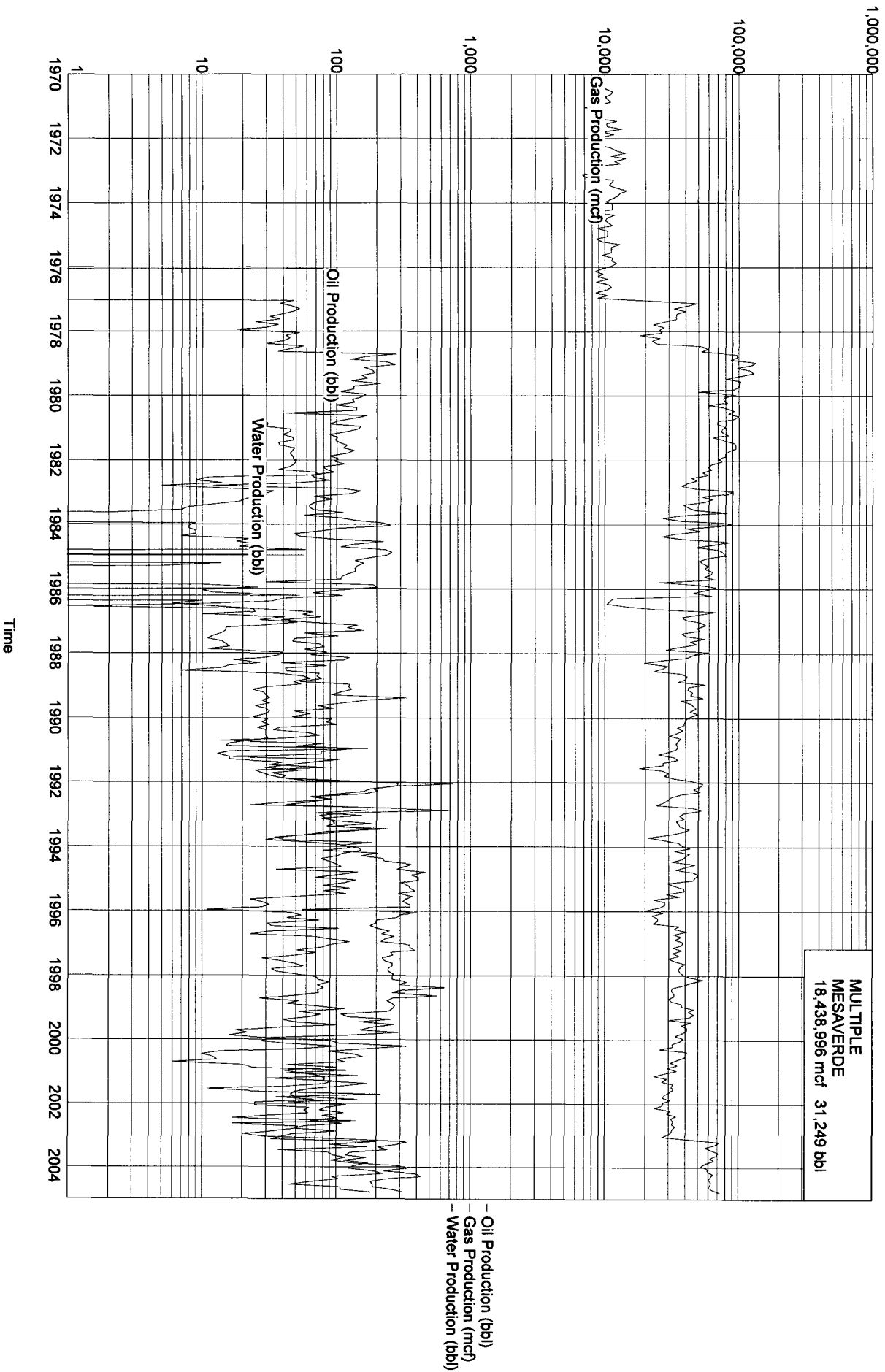
Lease Name: MULTIPLE
County, State: SAN JUAN, NM
Operator: MULTIPLE
Field: BASIN
Reservoir: DAKOTA
Location:

MULTIPLE DAKOTA



Lease Name: MULTIPLE
County, State: SAN JUAN, NM
Operator: MULTIPLE
Field: BLANCO
Reservoir: MESAVERDE
Location:

MULTIPLE MESAVERDE



Jacquez 2 #13
Section 2, T31N – R13W
San Juan County, New Mexico

Data from surrounding 8 – Sections, active Dakota and Mesa Verde Wells

Dakota Wells

12 active Dakota wells

Gas Production

Well average monthly rate = 16000 mcf

Monthly rater per well = $16000/12 = 1333$ mcf

Daily rate per well = $1333/30.4 = 43.9$ mcfd

Oil Production

Well average monthly rate = 50 bopm

Monthly rater per well = $50/12 = 4.2$ bopm

Daily rate per well = $4.2/30.4 = 0.14$ bopd

Mesaverde Wells

31 active Mesavede wells

Gas Production

Well average monthly rate = 60000 mcf

Monthly rater per well = $60000/31 = 1935$ mcf

Daily rate per well = $1935/30.4 = 63.7$ mcfd

Oil Production

Well average monthly rate = 100 bopm

Monthly rater per well = $100/31 = 3.2$ bopm

Daily rate per well = $3.2/30.4 = 0.11$ bopd

Statement of Notification

Jacquez 2 #13
Section 2, T31N – R13W
San Juan County, New Mexico

The interested parties in the Basin Dakota and Mesaverde pools affected by this commingle have been sent a copy of this application via certified mail, return receipt requested.

A handwritten signature in black ink, appearing to read 'Joe Mazotti', is written over a horizontal line. The signature is stylized with a large, sweeping loop that extends to the right.

Joe Mazotti
Regulatory Agent for Patina San Juan, Inc.

Statement of Commingling

Jacquez 2 #13
Section 2, T31N – R13W
San Juan County, New Mexico

The commingling of the Basin Dakota and Blanco Mesa Verde pools in this wellbore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to produce the well.

Commingling operations conducted on other similar wells have resulted in increased production rates and greater reserve than producing the zones separately.

PATINA SAN JUAN, INC.

CERTIFIED MAIL No. P _____

February 22, 2005

WORKING INTEREST OWNERS

COPY

RE: Application to Down-Hole Commingle
Jacquez 2 #13
Section 2, T31N – R13W
San Juan County, New Mexico

To Whom It May Concern:

On February 22, 2005, Patina San Juan Inc. (Patina) submitted to the State of New Mexico, Energy, Minerals and Natural Resources Oil Conservation Division an application to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota and Blanco Mesaverde pools in this wellbore. These are pre-approved pools per NMOCD Order #11563. The well will be initially completed in both the Dakota and Mesaverde formations.

Enclosed is a complete copy of the application. Any objections must be submitted in writing to the State of New Mexico, Energy, Minerals and Natural Resources Oil Conservation Division, Aztec, NM within twenty (20) days of receipt of this letter.

Please contact Gary Ohlman at 303.389.3600 with any questions or concerns.

Sincerely,

Joe Mazotti
Agent for Patina San Juan

Enclosure