

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr, Hobbs, NM 88240
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 1301 W Grand Ave, Artesia, NM 88210
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 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. 30-045-33619
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. RCVD SEP 13 '07
7. Lease Name or Unit Agreement Name Federal OIL CONS. DIV.
8. Well Number #100B DIST. 3
9. OGRID Number 233083
10. Pool name or Wildcat Basin Dakota & Blanco MV

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
 Basin Minerals Operating Company.

3. Address of Operator
 c/o Walsh Engineering, 7415 E. Main St., Farmington, NM 87402

4. Well Location
 Unit Letter E : 2505' feet from the North line and 660' feet from the West line
 Section 27 Township 31N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 5769' GR

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Down Hole Commingle <input type="checkbox"/>		OTHER: <input 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.

Basin Minerals Operating Company received approval to down hole commingle the gas production from the Basin Dakota (71599) pool with the Blanco Mesa Verde (72319) pool in the subject well on 12/1/06 DHC 2458AZ. Both pools are on the list of pre-approved pools in NMOCD Rule 11363.

Not enough data was collected during the production tests to make a reasonable allocation between the two zones. For this reason Basin Minerals proposes to allocate the production based on the expected cumulative reserves for each formation based on all of the wells in the adjacent nine sections. The average expected reserves from a Mesa Verde well is 1720 MMcf (2098 MMBtu) gas and 3,229 bbls of oil, and 994 MMcf (1014 MMBtu) gas and 2,881 bbls of oil for a Dakota well. Therefore the fixed allocation for this well on an MMBtu basis is 67.4% of the gas and 52.8% of the oil to the Mesa Verde formation and 32.6% of the gas and 47.2% of the oil to the Dakota formation.

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

SIGNATURE Paul C. Thompson TITLE Agent DATE 9/13/07

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. (505) 327-4892

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 03 2007

Conditions of approval, if any:

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