

| | | | | | |
|--------------------|----------|------------------------|---------------------|-------------|-----------------------|
| 6/30/06 DATE IN | SUSPENSE | WILL JONES ENGINEER | 7/3/06 LOGGED IN | DHC TYPE | APP NO. 7150618439568 |
|--------------------|----------|------------------------|---------------------|-------------|-----------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

District I
1625 N. French Drive, 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 Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

PATINA SAN JUAN, INC.

5802 U.S. HIGHWAY 64 FARMINGTON, NM 87401

Operator

Address

TRIBAL

C#4E

H Sec 6 - T26N - R4W

RIO ARRIBES

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 173252 Property Code API No. 30-039-22514 Lease Type: Federal XXX State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---|---|---|
| Pool Name | BLANCO MESA VERDE | WILDHORSE GALLUP | BASIN DAKOTA |
| Pool Code | 72319 | 87360 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 5704 - 5736 5790 - 5860 | 6148 - 6294 | 6612 - 6650 8194 - 8350 |
| Method of Production (Flowing or Artificial Lift) | FLOWING | FLOWING | FLOWING |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1200 Btu | 1200 Btu | 1280 Btu |
| Producing, Shut-In or New Zone | To be commingled June 2006 | To be commingled June 2006 | To be commingled June 2006 |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Production estimates from various off-set wells in proximity to well. | Production estimates from various off-set wells in proximity to well. | Production estimates from various off-set wells in proximity to well. |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas 25 % 47 % | Oil Gas 1 % 12 % | Oil Gas 74 % 41 % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? N/A Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE J. Muse TITLE REGULATORY COMPLIANCE DATE 05/25/05
TYPE OR PRINT NAME JEAN M. MUSE TELEPHONE NO. (505) 632-8056

E-MAIL ADDRESS jmuse@patinasanjuan.com

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--|--|---|--|---|---|
| ¹ API Number 30-039-22514 | | ² Pool Code 72319/87360/71599 | | ³ Pool Name BLANCO MESA VERDE//WILDHORSE GALLUP/BASIN DAKOTA | |
| ⁴ Property Code | | ⁵ Property Name TRIBAL C | | | ⁶ Well Number #4E |
| ⁷ OGRID No. 173252 | | ⁸ Operator Name Patina Oil and Gas Corp. | | | ⁹ Elevation 7211' KB |

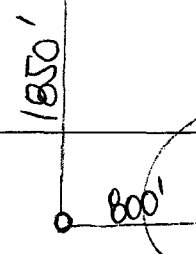
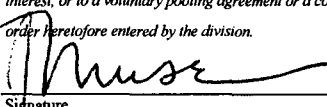
¹⁰ Surface Location

| | | | | | | | | | |
|---------------------------|---------------------|------------------------|--------------------|---------|-------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|
| UL or lot no. H | Section 6 | Township 26N | Range 3W | Lot Idn | Feet from the 1850' | North/South line NORTH | Feet from the 800' | East/West line EAST | County RIO ARRIBA |
|---------------------------|---------------------|------------------------|--------------------|---------|-------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|

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 E/2 | | ¹³ Joint or Infill | | 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.

| | | | | | | | | |
|---------------|--|--|--|--|--|--|---|--|
| ¹⁶ | | | | | |  | ¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature _____ Date 5/25/06 Jean M. Muse Printed Name _____ | |
| | | | | | | | ¹⁸ SURVEYOR CERTIFICATION <i>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.</i> ONFILE/ATTACHED Date of Survey _____ Signature and Seal of Professional Surveyor: _____ | |
| | | | | | | | Certificate Number _____ | |
| | | | | | | | | |

All distances must be from the center of section of the Section

| | | | | |
|---|-----------------------------|-------------------------|-----------------------------|------------------------|
| Name CONSOLIDATED OIL & GAS, INC. | | Tract TRIAL C | | Well No. 4-E |
| Section 6 | Township 26 NORTH | Range 3 WEST | County RIO ARriba | |

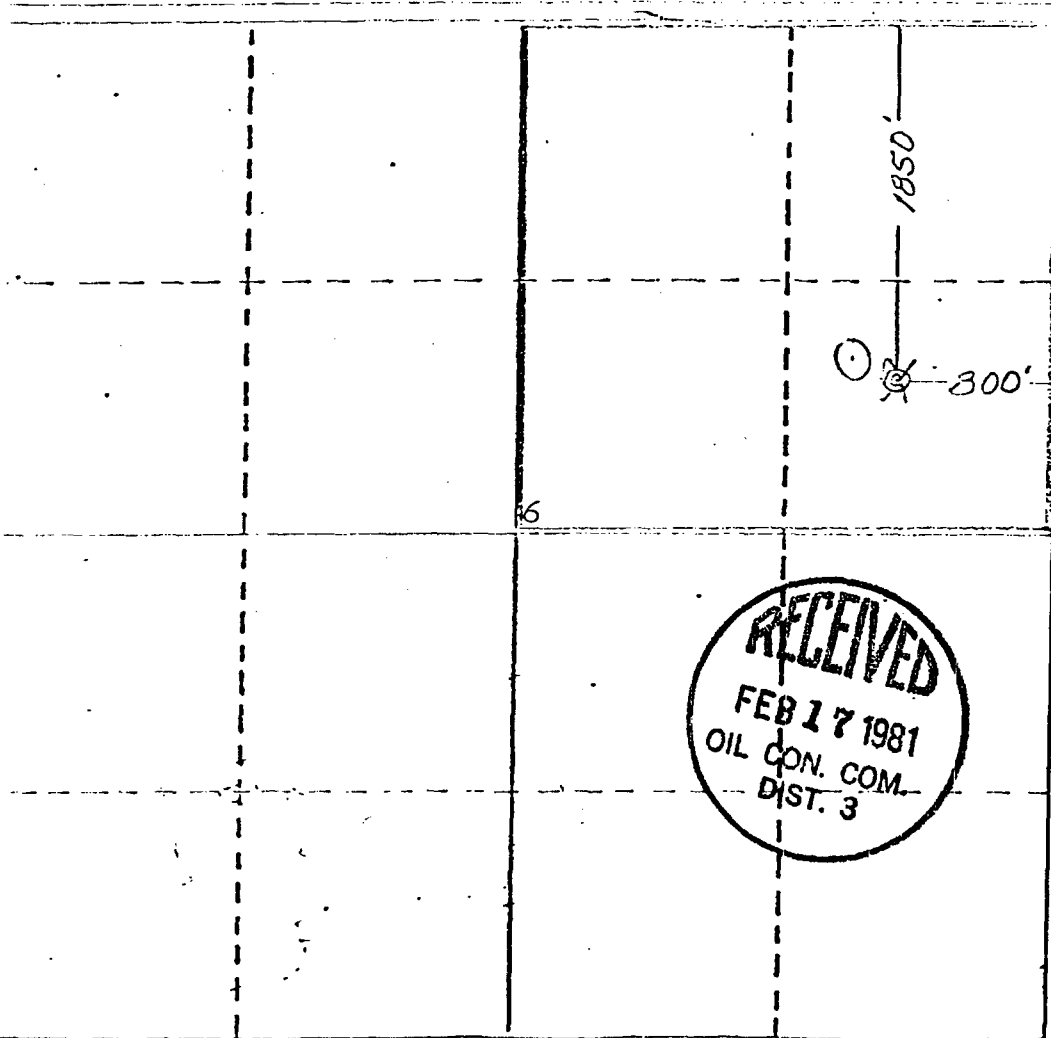
| | | |
|-------------------------------|---|---|
| Well Elevation 7211 | Distance from the 1850 feet from the NORTH line and Producing Formation Callup | Distance from the 600 feet from the EAST line Dedicated Acreage: 160 Acres |
|-------------------------------|---|---|

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

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

Dale Richardson
Name

DALE RICHARDSON

Position

DRILLING SUPT.

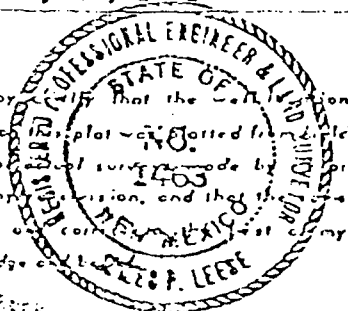
Company

Consolidated Oil & Gas, Inc.

Date

February 17, 1981

I hereby certify that the information shown on this plat was obtained from the notes and field surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed

June 16, 1980

Registered Professional Engineer

and/or Land Surveyor

James P. Leese
James P. Leese

Certificate No.

Recommended Allocation for Commingle

Well: Tribal C #4E

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

| G a s | Zone | Average MCFD | Percentage of total flow |
|----------------------|--------------|-------------------------|-------------------------------------|
| | MV | 61 | 47% |
| | Gallup | 16 | 12% |
| | DK | 53 | 41% |
| | Total | 130 | 100% |

| O i l | Zone | Average BOPD | Percentage of total flow |
|----------------------|--------------|-------------------------|-------------------------------------|
| | MV | 0.16 | 25% |
| | Gallup | 0.004 | 1% |
| | DK | 0.47 | 74% |
| | Total | 0.634 | 100% |

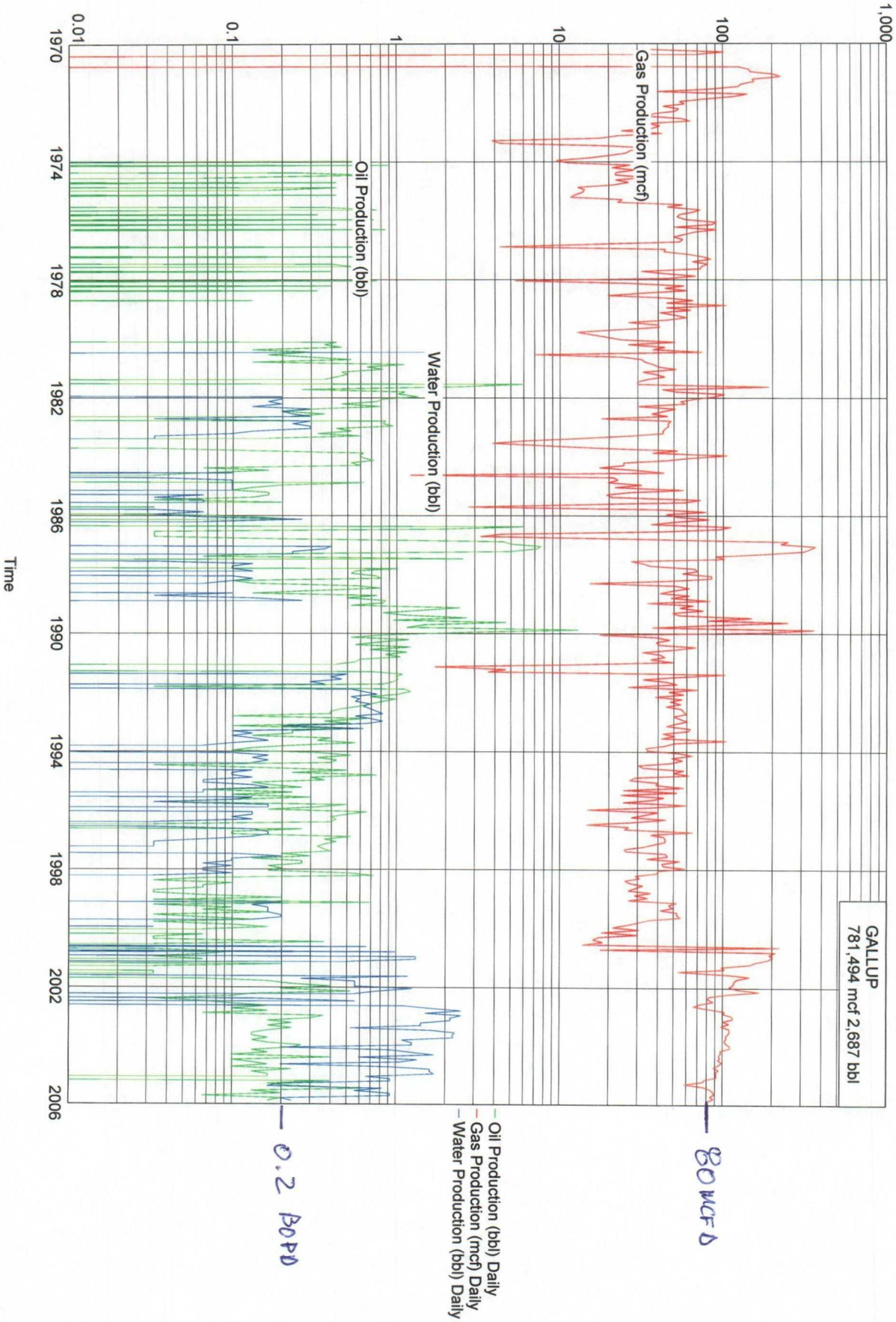
Recommended allocation for future downhole commingled production

| Zone | Gas | Oil |
|--------------|-------------|-------------|
| MV | 47% | 25% |
| Gallup | 12% | 1% |
| DK | 41% | 74% |
| Total | 100% | 100% |

Production Rates

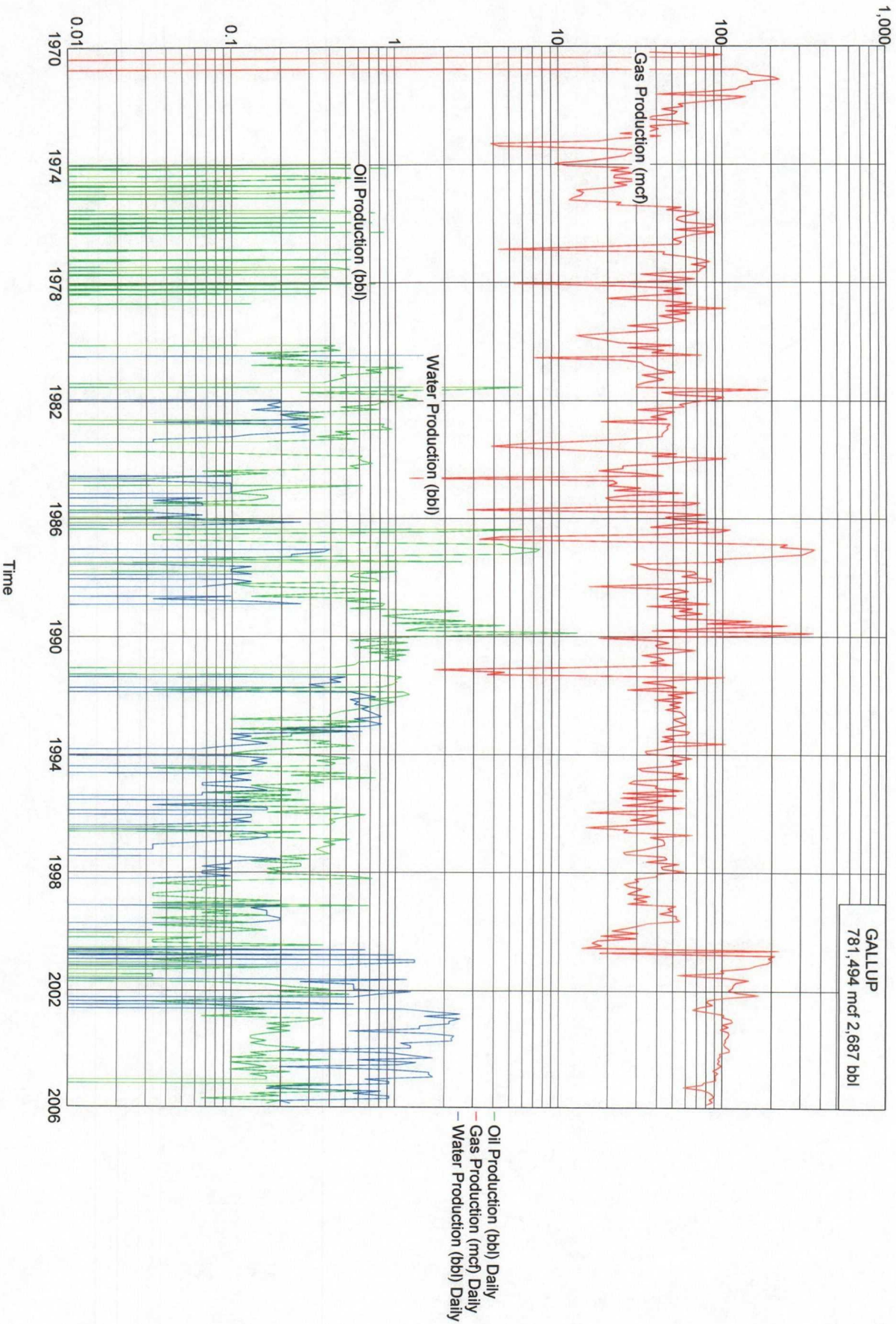
Tribal C #4E
 Lease Name: MULTIPLE
 County, State: RIO ARBA, NM
 Operator: MULTIPLE
 Field: MULTIPLE
 Reservoir: GALLUP
 Location:
 9 Section Plot
 T26N-R3W
 MULTIPLE - MULTIPLE

5 active wells
 $\frac{80 \text{ MCFD}}{5 \text{ wells}} = 16 \text{ MCFD/well}$
 $\frac{0.2 \text{ BOPD}}{5 \text{ wells}} = 0.004 \text{ BOPD/well}$



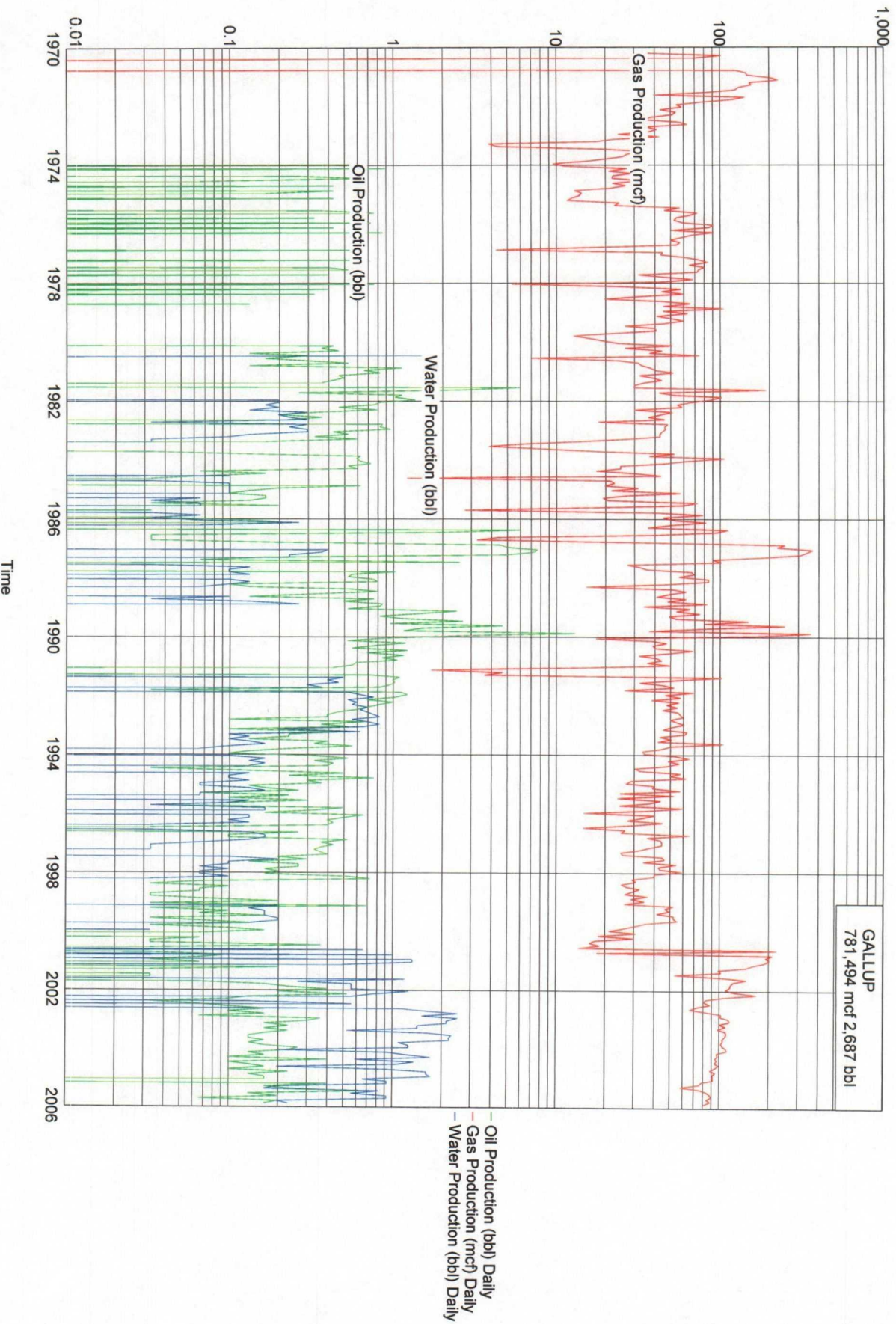
Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: MULTIPLE
Reservoir: GALLUP
Location:

MULTIPLE - MULTIPLE



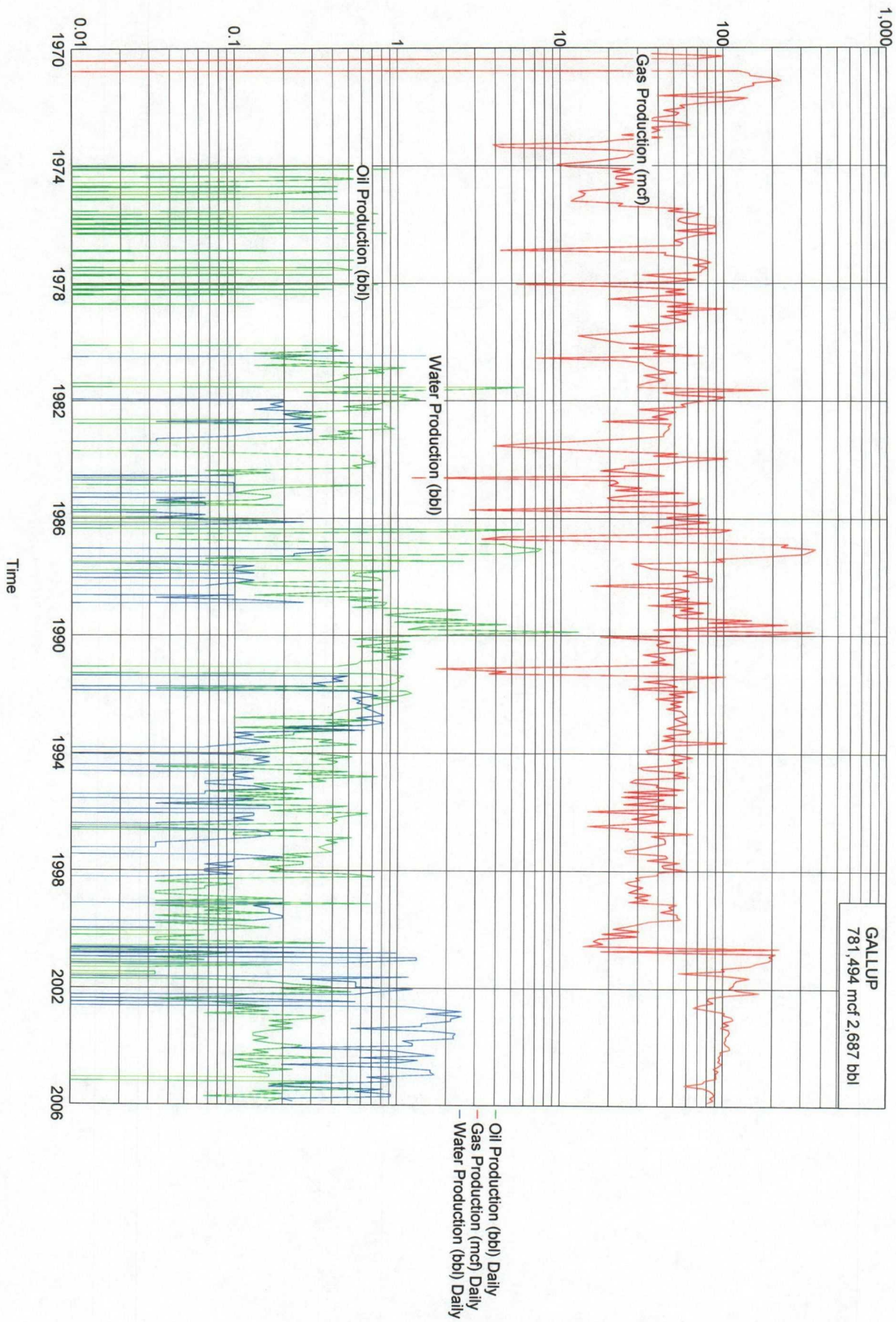
Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: MULTIPLE
Reservoir: GALLUP
Location:

MULTIPLE - MULTIPLE



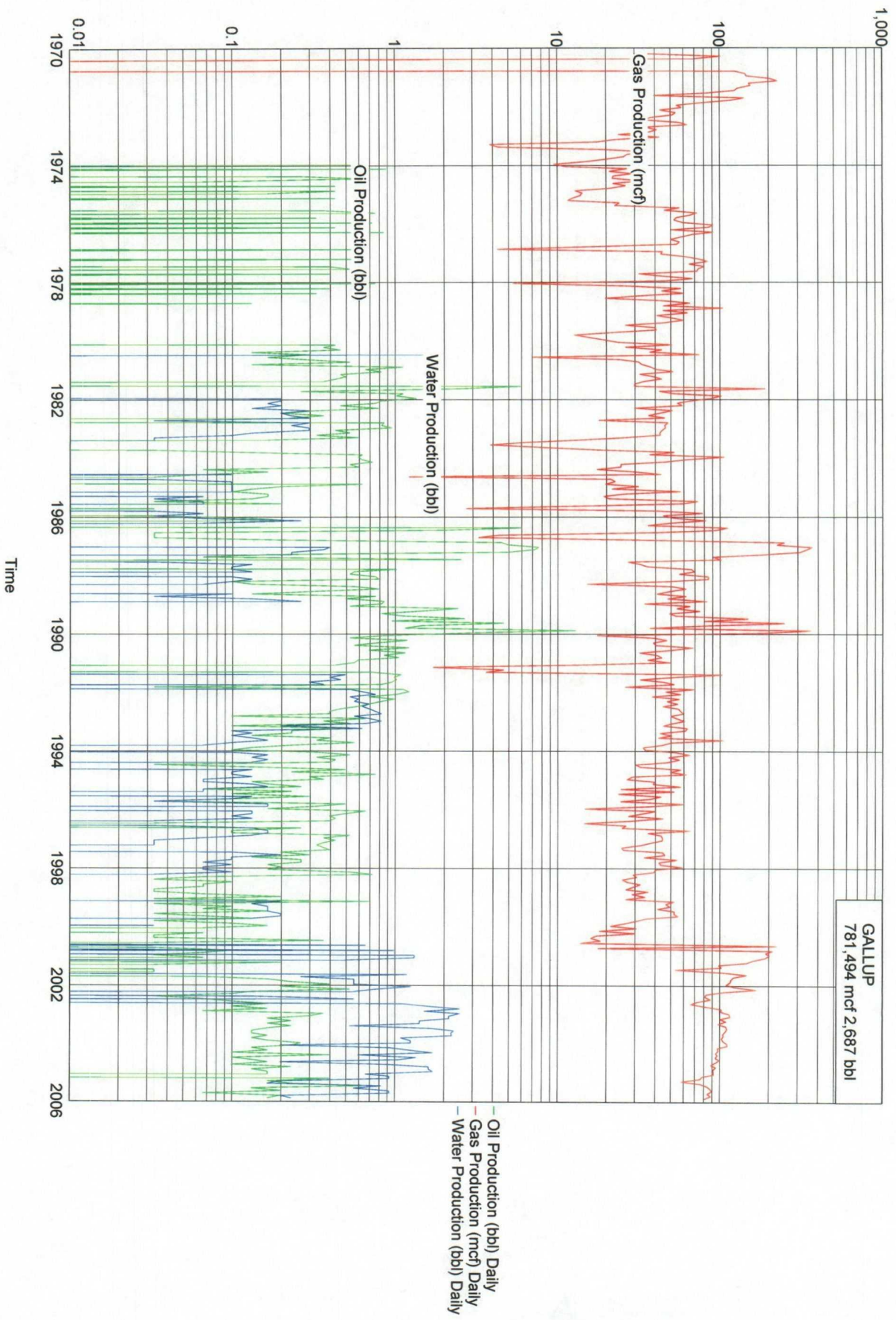
Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: MULTIPLE
Reservoir: GALLUP
Location:

MULTIPLE - MULTIPLE



Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: MULTIPLE
Reservoir: GALLUP
Location:

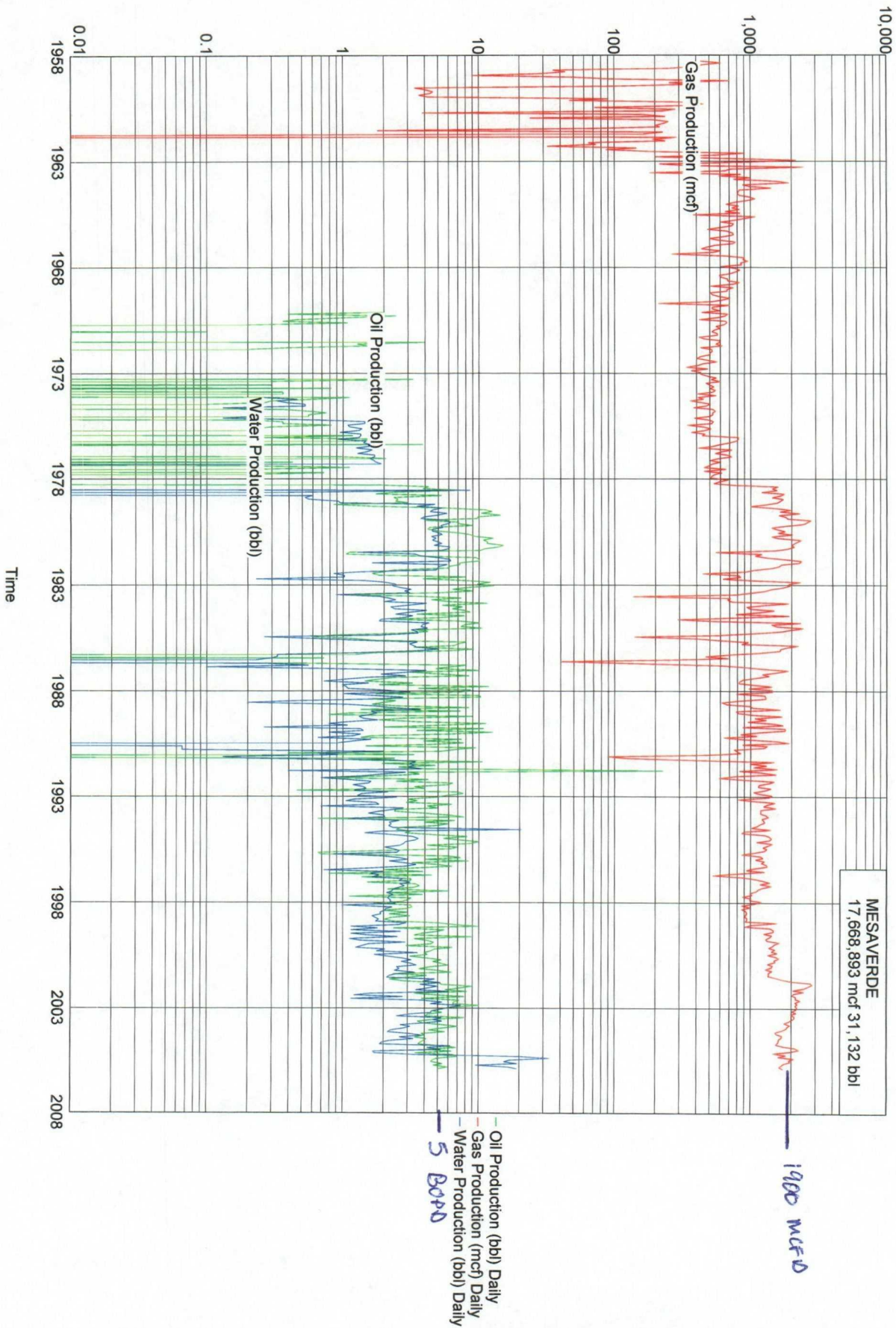
MULTIPLE - MULTIPLE



Tibol C #4E
 Lease Name: MULTIPLE
 County, State: RIO ARBA, NM
 Operator: MULTIPLE
 Field: BLANCO
 Reservoir: MESAVERDE
 Location:
9 section plat
T26N-R3W
 MULTIPLE - BLANCO

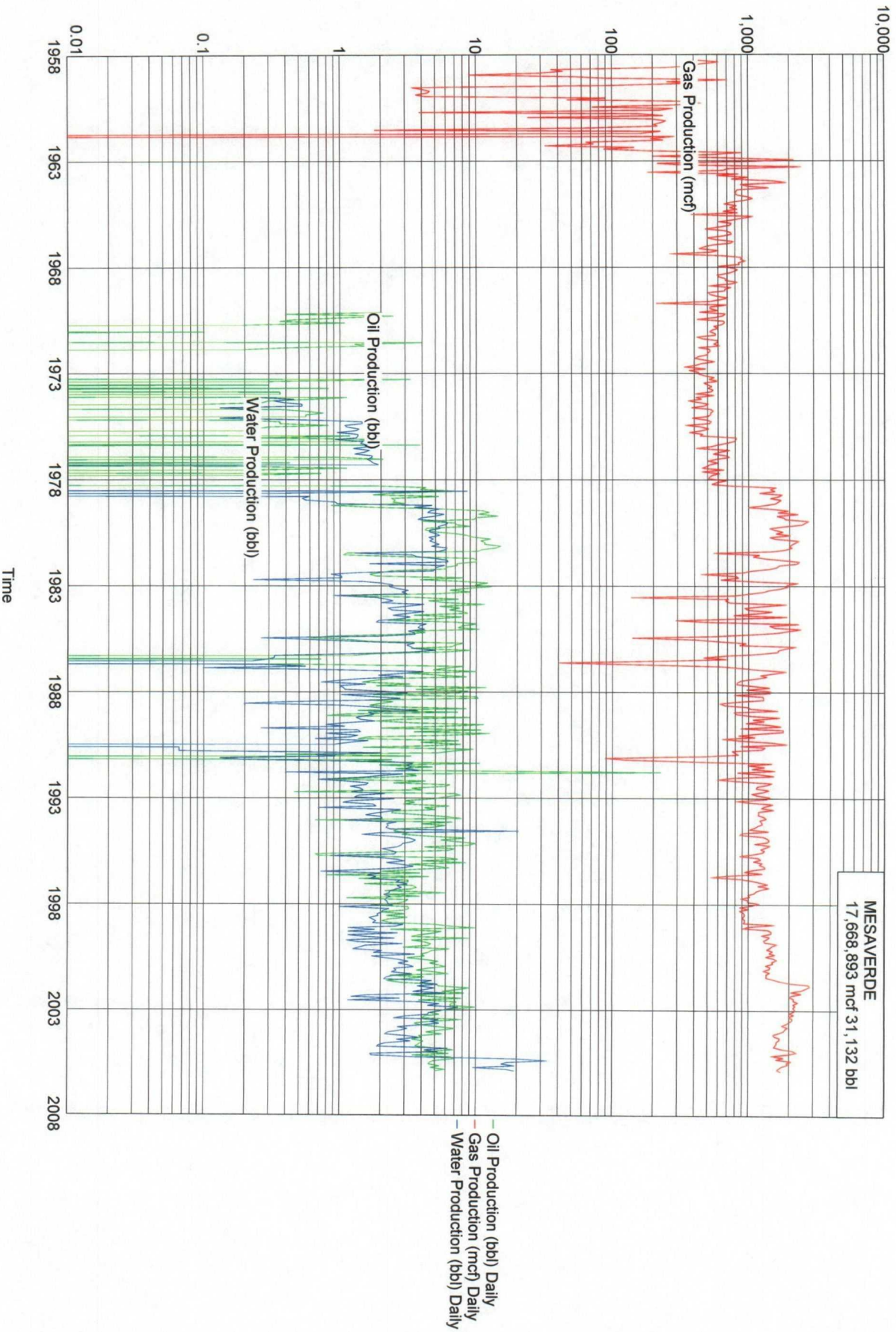
31 Active wells
 $\frac{1900 \text{ MCFD}}{31 \text{ wells}} = 61 \text{ MCFD/well}$
 $\frac{5 \text{ BOPD}}{31 \text{ wells}} = 0.16 \text{ BOPD/well}$

Production Rates



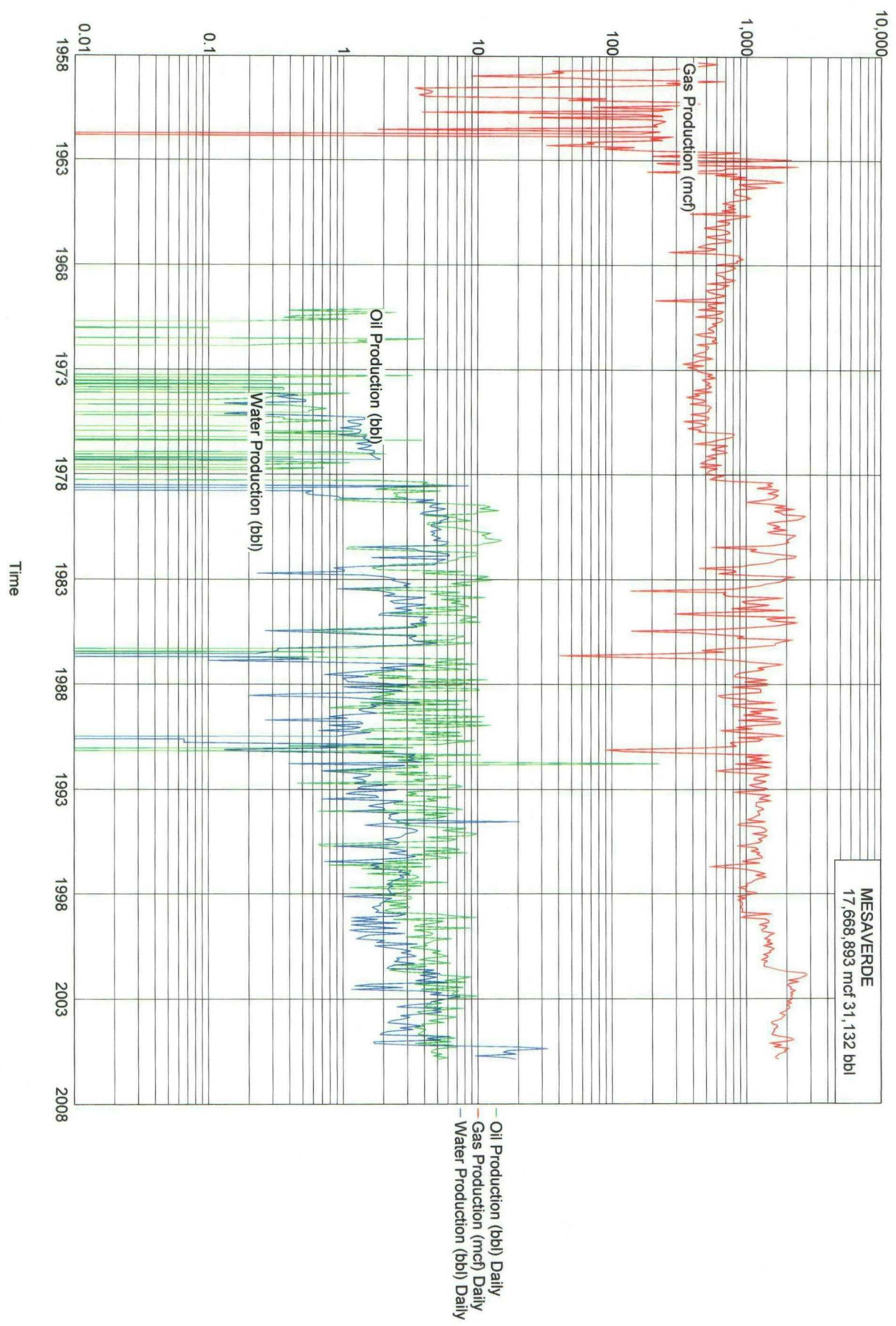
Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: BLANCO
Reservoir: MESAVERDE
Location:

MULTIPLE - BLANCO



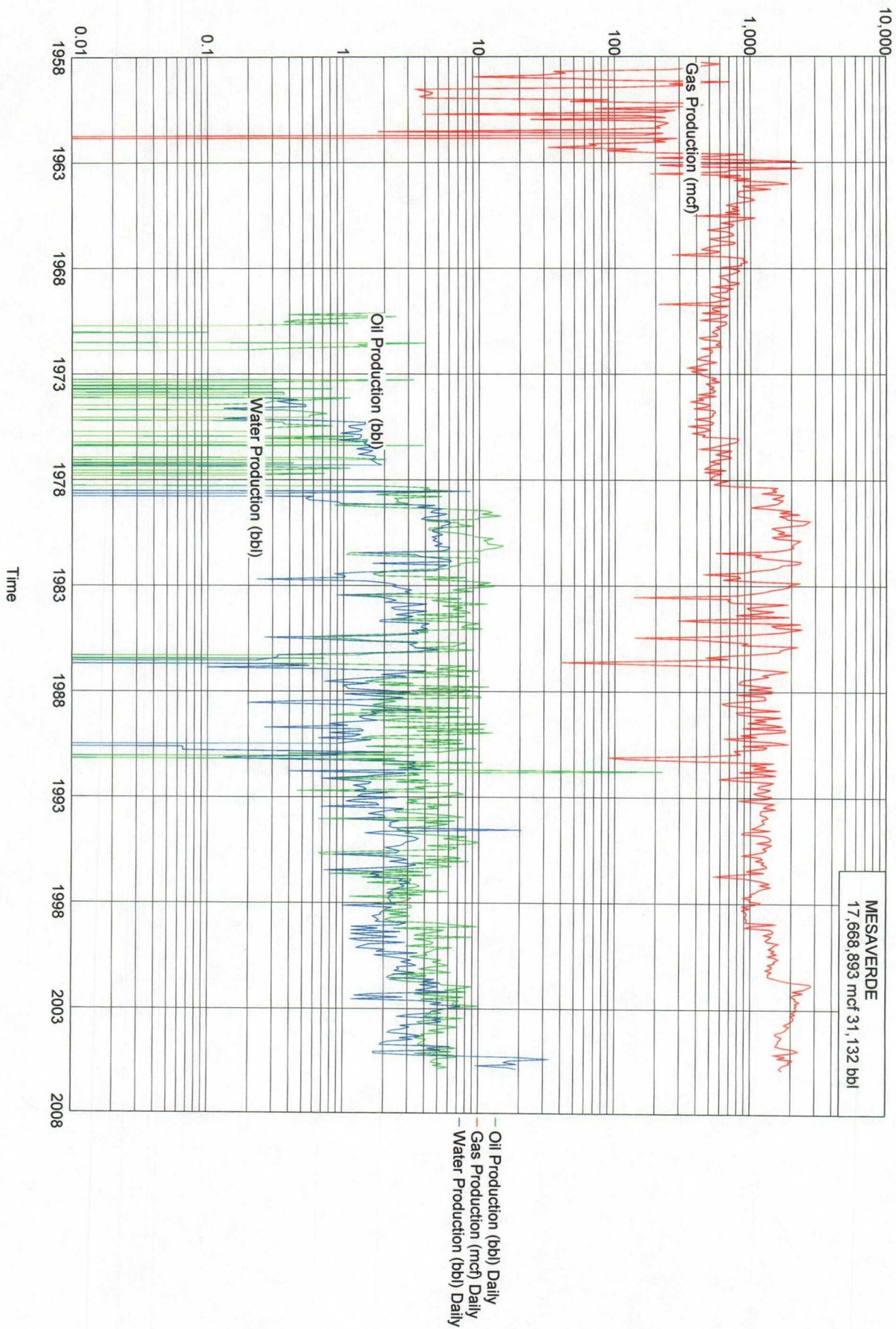
Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: BLANCO
Reservoir: MESAVERDE
Location:

MULTIPLE - BLANCO



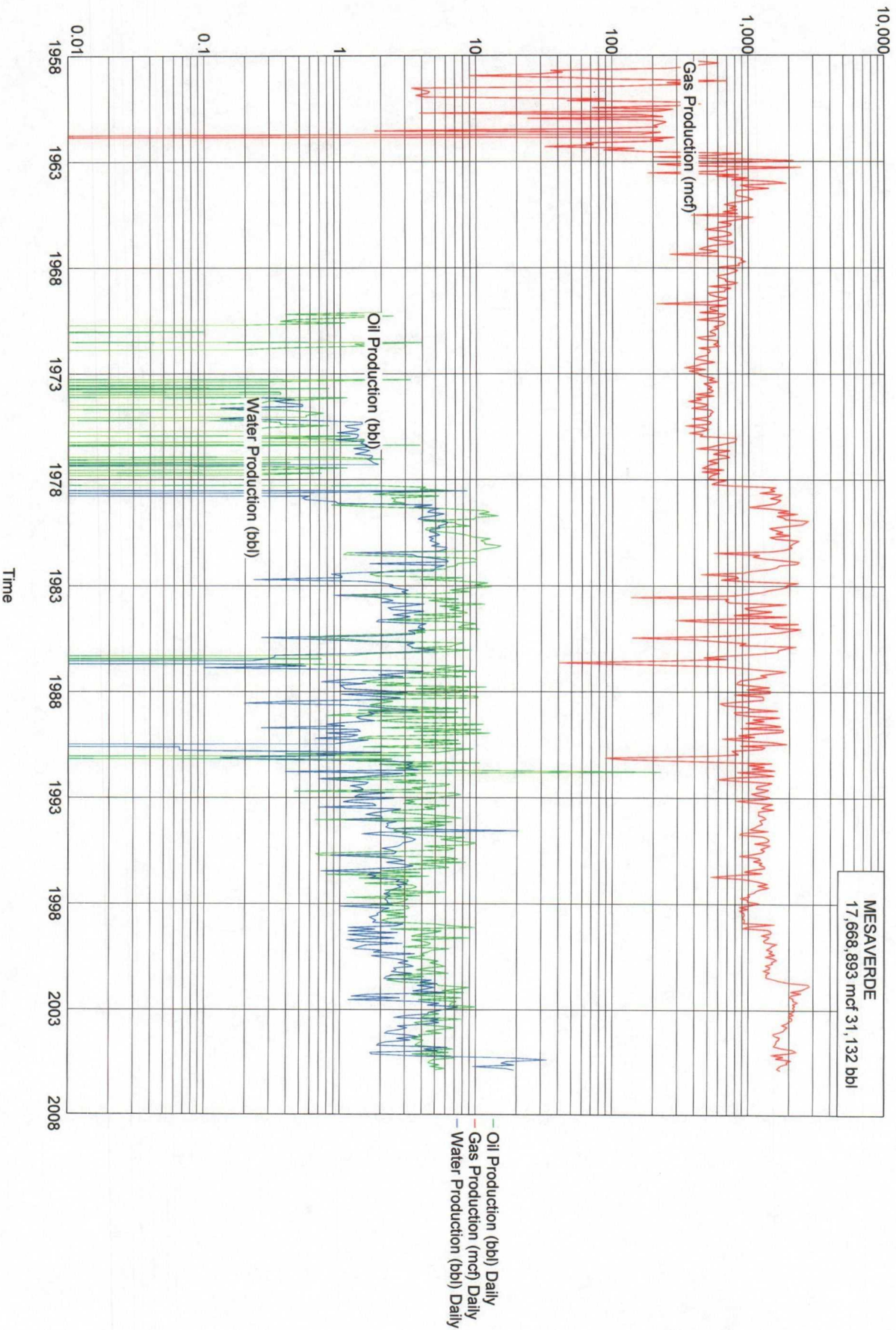
Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: BLANCO
Reservoir: MESAVERDE
Location:

MULTIPLE - BLANCO



Lease Name: MULTIPLE
County, State: RIO ARBA, NM
Operator: MULTIPLE
Field: BLANCO
Reservoir: MESAVERDE
Location:

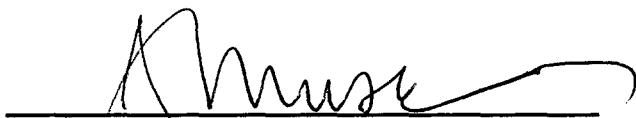
MULTIPLE - BLANCO



Statement of Notification- BLM

Tribal C #4E
API 30-039-06538
UL "H" Sec 6, T26N – R3W
Rio Arriba County, New Mexico

The Bureau of Land Management has been sent copies of the tri-mining application form C-107A and form MMS 3160-5 for this well.



Jean M. Muse
Regulatory Compliance
Patina San Juan, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 ☐ Other2. Name of Operator
PATINA SAN JUAN, INC.3a. Address
5802 US HIGHWAY 64 FARMINGTON, NM 874023b. Phone No. (include area code)
505-632-80564. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1750' FNL AND 900' FEL
H Sec 6 - T26N - R3W

5. Lease Serial No.

JICARILLA CONTRACT #97

6. If Indian, Allottee or Tribe Name

JICARILLA APACHE TRIBE

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

8. Well Name and No.

TRIBAL "C" #4E

9. API Well No.

30-039-22514

10. Field and Pool, or Exploratory Area

BASIN DK/BLANCO MV/WILD GP

11. County or Parish, State

RIO ARRIBA CTY, NEW MEXICO

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other COMMINGLE |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | DK/MV |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | FORMATIONS |

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 recomplete 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 recompletion 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.)

PATINA SAN JUAN REQUESTS APPROVAL TO DOWNHOLE COMMINGLE THE BLANCO MESA VERDE (72319), WILDHORSE GALLUP (87360) AND BASIN DAKOTA (71599) FORMATIONS IN THE SUBJECT WELL. THE COMMINGLING OF THE POOLS ARE PRE-APPROVED PER NMOC ORDER #11563. THIS WELL WILL BE COMMINGLED UPON APPROVAL OF THIS COMMINGLING REQUEST.

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

JEAN M. MUSE

Title REGULATORY COMPLIANCE

Signature

Date

05/25/2006

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)

Statement of Notification

Tribal C #4E
API #30-039-22514
UL "H" Sec 6, T26N – R3W
Rio Arriba County, New Mexico

No notification is required for this well; the interested parties in the Blanco Mesa Verde, Wildhorse Gallup and Basin Dakota formations are identical.



Jean M. Muse
Regulatory Compliance
Patina San Juan, Inc.

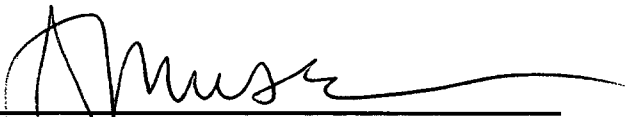
Patina San Juan, Inc.
5802 US Highway 64
Farmington, NM 87401

Tribal C #4E
API 30-039-22514
UL "H" Sec 6, T26N – R3W
Rio Arriba County, New Mexico

Re: Application to Down-Hole Commingle

The trimmingling of the Basin Dakota, Wildhorse Gallup, and Blanco Mesa Verde pools in this wellbore will not reduce the value of the remaining production. Trimmingling these pools should increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to produce the wells.

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



Jean M. Muse
Regulatory Compliance
Patina San Juan, Inc.