STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF SAN JUAN RESOURCES, INC. FOR APPROVAL OF THE REGINA RANCH (DEEP) UNIT, SANDOVAL COUNTY, NEW MEXICO.

APPLICATION

San Juan Resources, Inc. ("SJR") files this application for an order approving the proposed Regina Ranch (Deep) Unit. In support of its application, SJR states:

1. The proposed Unit Area consists of approximately 7,279.65-acres of the following Federal and Patented lands situated in Sandoval County, New Mexico:

Township 23 North, Range 1 West, N.M.P.M.

Section 28: S/2, NE/4NE/4, S/2NE/4, that part of the NW/4NE/4 lying East of the centerline of Hwy 96, containing 16.00 acres

Section 29: W/2, NE/4NE/4, W/2NE/4, SE/4

Section 30: ALL Section 31: ALL Section 32: ALL Section 33: ALL

Township 22 North, Range 1 West, N.M.P.M.

Section 4: W/2, N/2SE/4

Section 5: ALL Section 6: ALL Section 7: N/2

Section 8: N/2, SE/4, E/2SW/4, E/2NW/4SW/4, E/2W/2NW/4SW/4,

NW/4NW/4NW/4SW/4

Section 9: W/2, S/2NE/4, SE/4

Section 16: N/2

Section 17: NE/4, E/2NW/4

2. SJR is the designated operator under the proposed Unit Agreement and the unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,400 feet MD in the Regina Ranch Federal 32-1

well located in the SW/4, Section 32, Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API#30-043-20989).

- 3. SJR expects to obtain approval of the proposed Unit Agreement by a sufficient percentage of the interest owners to provide effective control of unit operations.
- 4. SJR has met with the Bureau of Land Management and received a letter recognizing the proposed unit area as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act.
- 5. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, SJR requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

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