

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

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

Form C-103
Revised June 10, 2003

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.)		WELL API NO. 30-045-23618
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Patina San Juan, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 1625 Broadway, Suite 2000, Denver, CO 80202		7. Lease Name or Unit Agreement Name Shea
4. Well Location Unit Letter <u>F</u> : 1450 feet from the <u>North</u> line and <u>1750</u> feet from the <u>West</u> line Section <u>3</u> Township <u>31 North</u> Range <u>13 West</u> NMPM County <u>San Juan</u>		8. Well Number # <u>1M</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5838' GR		9. OGRID Number 173252
		10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Down-hole Commingle; pre-approved pools ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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. The commingling of the pools are pre-approved per NMOC Order #11663. The two zones have been segregated since completion. Work will begin soon after approval. 3

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Statement and Topo Map.

Please contact Gary Ohlman at 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 Gary Ohlman TITLE Sr. Engineer DATE APR 30 2004

Type or print name Gary Ohlman E-mail address: golhman@patinaoil.com Telephone No. 303.389.3600

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 9 DATE APR 30 2004

Conditions of approval, if any:

Recommended Allocation for Commingles

Well: O'Shea #1M

30-day average production based on February, 2004 production
(see attached decline curves)

G a s	Zone	Average MCFD	Percentage of total flow
	MV	24	44%
	DK	31	56%
	Total	55	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.03	50%
	DK	0.03	50%
	Total	0.06	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	44%	50%
DK	56%	50%
Total	100%	100%

Statement of Commingling

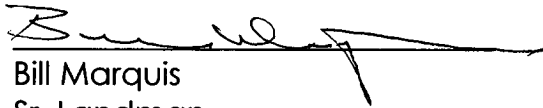
The commingling of the Blanco Mesaverde and Basin Dakota pools in this wellbore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to produce the well.

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

Statement of Notification

O'Shea #1M
Section 3, T31N – R13W
San Juan County, New Mexico

No notification is required for this well; the interested parties in these two pools are identical.



Bill Marquis
Sr. Landman



Gary Oklman
Senior Engineer