

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Ave., Artesia, NM 87210

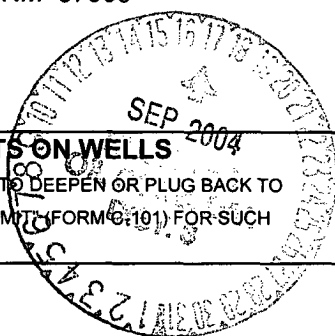
DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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



WELL API NO. 30-045-31972
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 024068
7. Lease Name or Unit Agreement Name PAN AMERICAN STATE COM
8. Well Number #1R
9. OGRID Number 173252
10. Pool Name or Wildcat BLANCO MESA VERDE

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 <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator PATINA SAN JUAN, INC.
3. Address of Operator 5802 HIGHWAY 64, FARMINGTON, NEW MEXICO 87401	4. Well Location Unit Letter K : 1830' Feet From The SOUTH Line and 1925' Feet From The WEST Line Section 36 Township 32N Range 13W NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7021' KB	

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"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	CASING TEST & CEMENT JOB <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	PLUG & ABANDONMENT <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	OTHER: Set CIBP @ 4950' <input checked="" type="checkbox"/>
MULTIPLE COMPLETION <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.

See attached Final Report.

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

SIGNATURE Kay S. Eckstein TITLE PRODUCTION TECHNICIAN DATE 15-Sep-04

TYPE OR PRINT NAME KAY S. ECKSTEIN (e-mail: keckstein@patinasanjuan.com) TELEPHONE NO. (505) 632-8056

(This space for State Use) APPROVED BY Chad R. TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #2 DATE SEP 17 2004

CONDITIONS OF APPROVAL, IF ANY:

Patina San Juan, Inc.

DAILY OPERATIONS REPORT

Lease Name & Well Number Pan American State #1R		Report date: 09/15/04	Purpose: Complete Point Lookout & Menefee	Operation Type	
		Report time: 0700 Hrs		Completion	X
Report #: 13	AFE #: 111641	RKB: 12.00	Zone of interest:	Recompletion	
				Workover	
Supervisor: K Stills	Formation: Dakota		Formation: Mesaverde		
Phone #:	Perfs: 6034-6862		Perfs: Pt. Lookout 4488-4758 Menefee 4302-4460		
Fax #:					
Plug Back Depth: 6,792					
Packer Depth: CIBP 4950					
SITP: @	Tubing Data:				
SICP: @	Casing Data:				

Last 24 Hour Activity Summary

SICP: 500psi. Tag 2' sand fill. Clean out to CIBP. Trip out of hole laying down 2 3/8" workstring. Trip in hole with production string. Land @ 4,261.81'KB. Broach and pressure test tubing. Blow water from the casing. SIFN.

Last 24 Hour Activity Detail

Time		Elapsed Time	Description
From	To		
7:00	7:30	0:30	Casing SIP - 500 PSI. Bleed well down.
7:30	8:30	1:00	RIH and tag top of sand at 4948 ft (2 ft. of fill). Break circulation with air mist and clean out to CIBP.
			Sweep casing 2 times and circulate clean.
8:30	11:00	2:30	POOH - LD 2 3/8" work string, drill collars, and mill.
11:00	13:30	2:30	RIH with 84 jts of 2 3/8" production string. POOH - LD 84 jts of 2 3/8" production string.
13:30	14:30	1:00	PU a S.T. Collar, SN and RIH with 2 3/8" production string.
14:30	16:00	1:30	Broach tubing, drop standing valve. Pressure test tubing to 2000 PSI. Retrieve standing valve.
16:00	17:00	1:00	Land tubing. RD floor, tongs, etc. ND BOP. NU wellhead.
17:00	18:00	1:00	RU air package and expend aluminum pump out plug. Circulate water from the casing.
			SWIFN
			Production String
		12.00	KB
		4248.51	136 Jts. 2 3/8" EU 8rd J-55 Tubing
		4260.51	Top of SN
		.87	SN
		.43	S.T. Collar
		4261.81	E.O.T.
Total hours:		11:00	

Comments

Projected 24 Hours

Costs

Daily Cost	Total Operation Cost	AFE Operation Cost	Total Well Cost	AFE Total Cost
\$5,900	\$220,225	\$0	\$663,874	\$0