

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

Form C-103  
Revised June 10, 2003

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

WELL API NO. 30-039-27317
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Indian/Federal Jicarilla Contract #152
7. Lease Name or Unit Agreement Name Jicarilla
8. Well Number # 3R
9. OGRID Number 173252
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6988' GR
2. Name of Operator Patina San Juan, Inc.	
3. Address of Operator 1625 Broadway, Suite 2000, Denver, CO 80202	
4. Well Location Unit Letter <u>G</u> : 1980 feet from the <u>North</u> line and <u>1850</u> feet from the <u>East</u> line Section <u>8</u> Township <u>26 North</u> Range <u>5 West</u> NMPM County <u>Rio Arriba</u>	

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐

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

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 NMOCD Order #11563. The two zones have been segregated since completion. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Notification and Survey Plat.

A copy of this application has been sent to the BLM.

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 [Signature] TITLE Agent for Patina San Juan DATE 9/15/04

Type or print name Joe Mazotti E-mail address: jmazotti@easy.net Telephone No. 720.352.0158

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. III DATE SEP 17 2004

Conditions of approval, if any:

## Recommended Allocation for Commingle

**Well: Jicarilla #3R**

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

<b>G a s</b>	<b>Zone</b>	<b>Average MCFD</b>	<b>Percentage of total flow</b>
	MV	58	50%
	DK	58	50%
	Total	116	100%

<b>O i l</b>	<b>Zone</b>	<b>Average BOPD</b>	<b>Percentage of total flow</b>
	MV	0.2	33%
	DK	0.4	67%
	Total	0.6	100%

Recommended allocation for future downhole commingled production

<b>Zone</b>	<b>Gas</b>	<b>Oil</b>
MV	50%	33%
DK	50%	67%
Total	100%	100%

## **Statement of Commingling**

Jicarilla # 3R  
"G", Section 8, T26N – R5W  
Rio Arriba County, New Mexico

The commingling of the Blanco Mesa Verde 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**

Jicarilla #3R  
"G", Section 8, T26N – R5W  
Rio Arriba County, New Mexico

No notification is required for this well.

The interested parties in the Basin Dakota and Blanco Mesaverde are identical.

  
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Joe Mazotti  
Agent for Patina San Juan, Inc.