

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

WELL API NO. 30-045-32254
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal NM - 059848
7. Lease Name or Unit Agreement Name Freeman
8. Well Number # 1B
9. OGRID Number 173252
10. Pool name or Wildcat Basin Dakota / 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 Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
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> : 1950 feet from the <u>North</u> line and 2200 feet from the <u>East</u> line Section <u>11</u> Township <u>31 North</u> Range <u>13 West</u> NMPM County <u>San Juan</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5721' GR	

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"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: Down-hole Commingle; pre-approved pools <input checked="" type="checkbox"/>	OTHER: <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.

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 Mesa Verde (72319) pools in this wellbore. The commingling of the pools are pre-approved per NMOCD Order #11563. The well will be initially completed in both the Dakota and Mesa Verde formations. Work will begin soon after approval.

See Attached Exhibits:

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

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

Please contact Gary Ohlman at 303.389.3600 with any questions.

DHc1740AZ

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 12-29-04

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

(This space for State use)

APPROVED BY [Signature] TITLE OIL & GAS INSPECTOR, DIST. IV DATE JAN 05 2005

Conditions of approval, if any:

(August 1999)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

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

FORM APPROVED

OMB No. 1004-0135

Expires: November 30, 2000

5. Lease Serial No.
NM - 059848

6. If Indian, Allottee, or Tribe Name
n/a

7. If Unit or CA Agreement Designation

n/a

8. Well Name and No.

Freeman # 1B

9. API Well No.

30-045-32254

10. Field and Pool, or Exploratory Area

Basin Dakota / Blanco Mesaverde

11. County or Parish, State

San Juan County, New Mexico

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Patina San Juan, Inc.

3a. Address

3b. Phone No. (include area code)

1625 Broadway, Suite 2000, Denver, CO 80202**303.389.3600**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1950' FNL, 2200' FEL "G", Sec. 11, T31N - R13W

12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 Application
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	to Commingle
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice 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, Inc. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and Blanco Mesaverde (72319) pools in this wellbore. The commingling of the pools are pre-approved per NMOCDD Order #11563. The well will be initially completed in both the Dakota and Mesa Verde formations. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Statement

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

Joe Mazotti

Signature

Title

Agent for Patina San Juan

Date

12/26/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed by STEVEN N. HAYDEN

Title

DEPUTY OIL & GAS INSPECTOR, DIST. 6

Date

JAN 05 2005

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

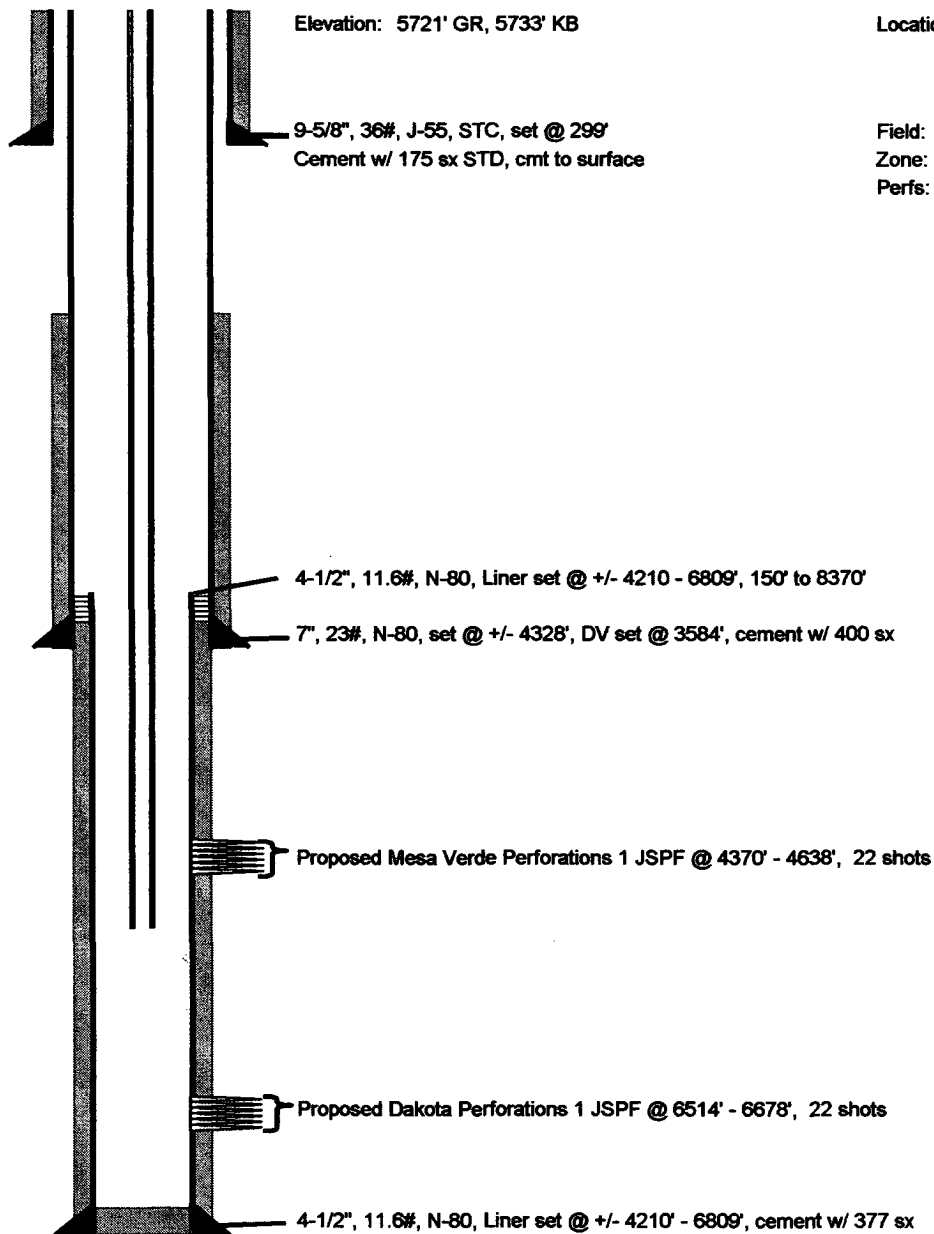
Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

PATINA

OIL & GAS CORPORATION

Freeman #1B Proposed Wellbore



Location: 1950' FSL, 2200' FEL,
Section 11, T31N - R13W,
San Juan County, New Mexico
Fed. Lease #: NM - 059848

Field: Basin Dakota / Blanco Mesa Verde
Zone: Basin Dakota / Blanco Mesa Verde
Perfs: Mesaverde: 4370' - 4638'
Dakota: 6514' - 6678'

TD: 6810'

Recommended Allocation for Commingle

Well: Freeman # 1B

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

G a s	Zone	Average MCFD	Percentage of total flow
	MV	60	62%
	DK	37	38%
	Total	97	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.1	50%
	DK	0.1	50%
	Total	0.2	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	62%	50%
DK	38%	50%
Total	100%	100%

Statement of Commingling

Feeman #1B
Section 11, T31N – R13W
San Juan 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

Freeman #1B
Section 11, T31N – R13W
San Juan County, New Mexico

No notification is required for this well; the interested parties in Dakota and Mesa Verde pools are identical.



Joe Mazotti
Agent for Patina San Juan